



# Annual report 2016–17

Victorian Department of Health and Human Services

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In this document, 'Aboriginal' refers to both Aboriginal and Torres Strait Islander people. 'Indigenous' or 'Koori/Koorie' is retained when part of the title of a report, program or quotation.

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## Responsible body's declaration

Hon. Jill Hennessy MP  
Minister for Health  
Minister for Ambulance Services

Martin Foley MP  
Minister for Housing, Disability and Ageing  
Minister for Mental Health

Jenny Mikakos MP  
Minister for Families and Children  
Minister for Youth Affairs

Hon. John Eren MP  
Minister for Sport

Dear Ministers

In accordance with the *Financial Management Act 1994*, I am pleased to submit to you the Department of Health and Human Services annual report for the period 1 July 2016 to 30 June 2017.



Kym Peake  
Secretary  
Department of Health and Human Services

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## Secretary's foreword

Our department's aspiration is for all Victorians to be safe, healthy and able to live a life they value.

Each of us has worked, and continues to work, to ensure our services support this aspiration, through policies, programs and services that are designed and delivered around the person, as well as being safe, accessible and efficient.

All Victorians, rightly, expect their health and human services to be easy to access, equitable and underpinned by the highest standards of quality and safety.

In the past twelve months, the department has responded to these expectations by undertaking a range of work to improve the health and wellbeing of all Victorians, including:

- > successfully implementing immunisation campaigns that increase participation rates and protect the health of all Victorian children
- > working with Ambulance Victoria and our hospitals to improve ambulance response times and reduce elective surgery waiting lists across Victoria, despite record demand
- > delivering the foster carer attraction campaign, encouraging all Victorians to consider fostering a child
- > enacting a comprehensive program of work on Thunderstorm Asthma to ensure Victoria is better prepared for any future events
- > providing effective relief and recovery in the aftermath of major emergencies, from the Bourke Street tragedy, to Wye River fires and statewide flooding
- > participating as a key government player in efforts to support a healthy community and wider restructuring in the Latrobe Valley
- > opening 12 new Supercare Pharmacies across the state
- > undertaking complex and sensitive policy work as part of the government's Voluntary Assisted Dying legislation
- > the statewide expansion of 'Cradle to Kinder'; an intensive family and early parenting support program
- > delivering the Change our Game campaign to drive girls' participation, and female leadership, in sport.

In addition, *Targeting Zero: the review of hospital safety and quality assurance in Victoria* signalled

an unprecedented commitment in our efforts to restore patient confidence and improve hospital safety for all Victorians.

The passing of Victoria's first Quality and Safety Bill gave further impetus to the reforms set out in the Duckett Review. The creation of dedicated agencies – Better Care Victoria and Safer Care Victoria – has helped put patients first; supported the sharing of best practice, and enabled action to embed a culture of safety and quality with the target of zero avoidable harm.

Our department is now working actively to share data with patients, communities and key stakeholders in order to improve performance, build the case for early intervention, and to evaluate the impact of our services and reforms. The establishment of the Victorian Agency for Health Information promotes the better use of data across all health services, ensuring the people using those services have the information they need, and helps to improve quality and choice and identify risks.

Through the *Health 2040* strategy, we are also working on a longer-term approach in order to support health services to deliver safe and appropriate care that meets the needs of all communities, now and in the future.

We have launched *Healthier lives, stronger economy: Victoria's Health and Medical Research Strategy 2016–20* to accelerate the translation of research into clinical practice and to advance our state's position as the foremost Australian jurisdiction for health and medical research. We have also worked to identify opportunities in health exports and inward investment to support jobs growth, and to promote Victoria's reputation for health and human services at home and abroad.

And we have continued to invest in support for families, youth and children; including increasing the numbers of Victoria's child protection workers.

We also want sport and recreation to play an integral part in Victoria's social and economic life.

Sport and recreation saves approximately \$245 million in lifetime avoided health costs and \$3.1 billion in lifetime workforce productivity for Victoria. We have a strong and interconnected network that already supports over 3.9 million Victorians to play sport or engaged in active

recreation. With more than \$26 million invested in supporting Victoria's community sport and recreation programs, and in excess of \$100 million invested in community sports infrastructure, Victorians will continue to enjoy the benefits of a vibrant sport and recreation environment.

Crucially, we have also focused our efforts on addressing the challenges that many disadvantaged Victorians face each day, challenges that are evolving and for which there is often no simple solution.

Whether tackling family violence, social disadvantage, or the increasing prevalence of obesity and chronic disease, these are complex problems, which require new policy responses and an increasingly integrated approach from government and key stakeholders.

The Royal Commission into Family Violence and consultations on Victoria's *10-year mental health plan* also provided evidence on the difficulties many Victorians face in navigating a complex and fragmented social services system.

In response, we have strengthened our efforts to deliver a range of reforms that will improve service delivery and community outcomes, making a significant difference to the lives of many disadvantaged and vulnerable Victorians, including:

- > commencing the Public Housing Renewal Program, with planning and procurement underway to replace over 2,000 properties and increase public housing stock by at least 10 per cent
- > supporting the establishment of Family Safety Victoria and its work on family violence and gender equality
- > boosting support for family violence services, to help survivors whilst encouraging perpetrators to change their attitudes and behaviours
- > implementing the Roadmap for Reform policy for children and family services; with a heightened focus on how all portfolios contribute to child safety and wellbeing; unifying and increasing the support for vulnerable families, foster and kinship carers; and developing inclusive and child-safe communities. Policy and service reforms are also focused on reducing over representation of Aboriginal children in statutory services, through stronger cultural and community connections and empowering Aboriginal

community controlled organisations in decision-making and delivery of support services for children and families.

- > committing to halving the rate of suicide in Victoria through the Suicide Prevention Framework, and proactively implementing suicide prevention strategies in local communities
- > modernising residential aged care services and improving the safety of aged care facilities throughout Victoria for residents and staff
- > advancing Aboriginal self-determination through the transfer of 512 properties to Aboriginal Housing Victoria, giving Aboriginal communities what they need to provide culturally appropriate housing services to their community
- > collaborating with families, the sector and key stakeholders to help deliver the promise of the National Disability Insurance Scheme (NDIS).

And, because the foundation upon which strong individuals, healthy families and resilient communities are built is a place to call home; we are boosting Victoria's supply of affordable housing, building the capacity of the community housing sector, and helping to reduce homelessness in Victoria.

I am proud of this department's progress over the past twelve months, while recognising that there is still more to do, and I would like to extend my thanks to our ministers, partners, staff and key stakeholders in helping deliver these achievements.



Kym Peake  
Secretary  
Department of Health and Human Services

# Introduction

The Department of Health and Human Services is responsible for developing and delivering policies, programs and services that support the health, wellbeing and safety of all Victorians.

## Vision

To achieve the best health, wellbeing and safety of all Victorians so that they can live a life they value.

## Our values

Our values underpin everything we do as we work together to enhance the wellbeing of Victorians. They guide our behaviour and work practices, and they influence how we interact with colleagues, partner organisations, clients, patients and other Victorians.

Our values are:

- > We are respectful
- > We have integrity
- > We collaborate
- > We care for people, families and communities
- > We are accountable
- > We are innovative.

## Outcomes

The department focuses on outcomes for the people who rely on its services and activities, and the system-level results we seek from health and human services reforms.

The outcomes for people are:

- > Victorians are healthy and well
- > Victorians are safe and secure
- > Victorians have the capabilities to participate
- > Victorians are connected to culture and community.

The service system outcome is:

- > Victorian health and human services are person centred and sustainable.

## Strategic directions

The department has four strategic directions:

### Person-centred services and care

Many factors influence a person's ability to experience a good life – family context, educational outcomes, housing, social support, work opportunities and workplaces, access to transport and recreational opportunities. Person-centred services and care consider all the influences on a person's health and wellbeing.

The department designs services and funding models around people and their families.

This means:

- > enabling people to look after themselves better
- > fostering meaningful relationships that help people improve their health, for example via peer support and community groups
- > enabling people to work collaboratively with professionals as equal partners in their care.

Person-centred care considers the whole person to understand their physical, cultural and social context.

### Local solutions

The department involves people and communities in the design and planning of services, and we align service efforts with other community activities. This means:

- > taking place-based and community-centred approaches
- > developing new service models that take into account existing services and infrastructure, cultural considerations and the long-term implications of investment decisions
- > engaging collaboratively with evolving local partnerships to build relationships, share knowledge and data, and jointly plan local and community actions.

Local solutions acknowledge that the government alone does not have the answers – we need to work with others to ensure effective outcomes.

## Earlier and more-connected support

The department works to prevent health and wellbeing problems before they become too big, and we tailor service responses so they meet the needs of people and their families. This means:

- > getting in early to help people build resilience
- > making services easier to navigate
- > breaking down the barriers within and across sectors.

A key focus of this strategic direction is to support universal services to be more effective in identifying and responding to risk and vulnerability, and more active in linking individuals and families to specialist services.

Earlier and more-connected support also depends on better digital infrastructure to enable information sharing.

## Advancing quality, safety and innovation

The department monitors, and works to improve, the quality and safety of health and community services, and works with partners to build evidence, share knowledge, scale effective practice and support practice development and change.

Under this strategic direction, we are pursuing the goal of zero avoidable harm that the government committed to in response to *Targeting Zero: the review of hospital safety and quality assurance in Victoria*.

This work includes:

- > making sure the people who work in health and human services are qualified and have the right mix of skills
- > better measuring and reporting on quality, safety and client/patient experience and outcome data so we can intervene quickly when we identify poor performance
- > engaging clinicians and practitioners in the design and implementation of improvement initiatives and building a culture that puts quality and safety first
- > seeking improvements and innovations, evaluating what we do, and reducing unacceptable variations in care and outcomes.

## Leadership charter

The leadership charter outlines the behaviours staff and stakeholders can expect of the executive leadership group. It outlines the behaviours identified as most important to strengthen the department's leadership culture and position the department to deliver on its strategic directions.

The charter is available at [DHHS leadership charter](https://dhhs.vic.gov.au/dhhs-leadership-charter-0) <<https://dhhs.vic.gov.au/dhhs-leadership-charter-0>>.

## Purpose and functions

The department has responsibility for developing and delivering policies, programs and services that support and enhance the wellbeing of all Victorians.

Some of these activities include housing and community services and programs, public health services, public hospitals, health, mental health and aged care services, and sport and recreation in metropolitan, rural and regional Victoria.

The department takes a broad view of the causes of ill health, the drivers of good health, the social and economic context in which people live, and the incidence and experience of vulnerability. This places people at the heart of policy-making, service design and delivery.

## Portfolio responsibilities

### Health

The health system provides all Victorians with public services to address their health needs. It focuses on holistic care that addresses health conditions at the local level. The department contributes to system leadership, policy, advancing quality and safety, and governance responsibility for the management of the public health system. This includes responsibility for funding, performance monitoring and accountability, strategic asset management and system planning.

### Ambulance services

Victorians deserve the highest quality ambulance services and they expect timely responses to emergencies. Ambulance services provide emergency and non-emergency ambulance services to contribute to integrated and accessible health and community services for all Victorians.

## Housing

Having a safe, stable and secure home is essential for long-term health and wellbeing. A range of housing assistance is available to Victorians experiencing disadvantage, including long-term housing assistance in the form of public or community housing, private rental assistance and home ownership and renovation assistance. The department also works to reduce homelessness by increasing and improving the supply of crisis and long-term housing options in Victoria – particularly for those who need support to get their lives back on track.

## Disability

The department works in partnership with people with a disability, their families and carers to provide support. One of the department's key priorities is managing the implementation of the National Disability Insurance Scheme (NDIS) and its interface with the health services system, child protection and housing. The NDIS is a profound change in the disability service delivery environment and Victoria is transitioning to the full scheme over three financial years from 2016–17 to 2018–19.

## Ageing

The Ageing portfolio addresses the increasing needs of Victoria's ageing population, with a focus on the participation of seniors, wellbeing and health promotion, and appropriate high-quality services that enable older Victorians to remain independent for as long as possible.

## Mental health

Mental health services support Victorians experiencing or affected by mental health problems or substance misuse, as well as their families and carers. This portfolio is responsible for mental health and drugs policy, planning, strategy and programs that deliver prevention, early intervention, treatment and support.

## Families and children

To ensure the safety and wellbeing of children and young people and families, the department funds a range of early intervention, statutory and support services. Support for vulnerable children and families is closely connected to other services to strengthen families and communities.

## Youth affairs

The department aims to improve social and economic inclusion for young people experiencing social and economic disadvantage, and reconnect them with community, educational and employment pathways.

## Sport and recreation

The department provides strategic leadership to the Victorian sport and recreation industry, promoting lifelong participation and increased diversity in sport and recreation, as well as strengthening the pathway for Victorian athletes.

The department manages the Victorian Government's major sports facilities, investing in state community facilities to maintain our reputation as the sporting capital of the nation.

## Changes to the department

In April 2017, youth justice custodial services and community-based services were transferred to the Department of Justice and Regulation. There was no additional cost to the department associated with this change. The Department of Justice and Regulation will include youth justice custodial and community-based services in their annual report.

## The department's ministers



### The Honourable Jill Hennessy MP

**Minister for Health**  
**Minister for Ambulance Services**

The Honourable Jill Hennessy MP is the Victorian Minister for Health and Minister for Ambulance Services.

Minister Hennessy entered the Victorian Parliament as Member for Altona in 2010 and was Shadow Minister for Corrections, Crime Prevention, the Anti-Corruption Commission and Shadow Minister for Women between 2010 and 2013. She then served as Shadow Minister for Public Transport until the election of 2014.

Minister Hennessy holds a Master of Laws from Melbourne University and a Bachelor of Laws and Bachelor of Arts from Monash University. Prior to entering the Legislative Assembly she specialised in industrial, employment and equal opportunity law.

Since her appointment, Minister Hennessy has led key reforms including legislating to establish Safer Care Victoria and the Victorian Agency for Health Information to further build on Victoria's strong reputation for quality healthcare, as well as establishing minimum nurse ratios for Victorian patients, a new health complaints regime and improving vaccination requirements at childcare and kindergartens.

Minister Hennessy has committed to investing in, and reforming our health system, to ensure that every Victorian has access to the very best healthcare, regardless of their background, location or stage in life.



### Martin Foley MP

**Minister for Housing, Disability and Ageing**  
**Minister for Mental Health**

Martin Foley MP was elected to the Legislative Assembly in 2007. He has been the Minister for Housing, Disability and Ageing and the Minister for Mental Health in the Victorian Government since 4 December 2014.

Having previously worked in the public housing sector, community development and in protecting the rights of working people, Minister Foley is leading the government's efforts across government to roll out the National Disability Insurance Scheme (NDIS) over the next three years and provide integrated care in areas of housing and homelessness, mental health and ageing to address disadvantage.

In March 2017, Minister Foley announced the Victorian Government's biggest ever investment in social housing and support for vulnerable Victorians experiencing or at risk of experiencing homelessness.

Through Homes for Victorians, \$799 million was committed in social housing and homelessness support and \$2.1 billion in financial support to grow social housing.

Minister Foley holds a BA (Hons) in History and Politics and a Master of Commerce (Hons).

Minister Foley is also the Minister for Equality and the Minister for Creative Industries.



## Jenny Mikakos MP

**Minister for Families and Children  
Minister for Youth Affairs**

Jenny Mikakos MP was elected to the Legislative Council in 1999. She has been the Minister for Families and Children and Minister for Youth Affairs in the Victorian Government since 4 December 2014.

Minister Mikakos has held a number of Shadow Ministerial roles including Community Services, Youth Justice, Children, Young Adults, and Seniors and Ageing. She has also served as a Parliamentary Secretary for Justice and Planning.

Minister Mikakos is passionate about social justice and is driving the systemic reform needed to improve outcomes for the most vulnerable children, young people and families in Victoria.

Minister Mikakos holds a Bachelor of Laws and a Bachelor of Arts from the University of Melbourne and practised as a lawyer prior to entering Parliament.

The Families and Children portfolio also covers early childhood development within the Department of Education and Training in recognition of the important role that early childhood services play in supporting vulnerable children, and youth justice within the Department of Justice and Regulation.



## The Honourable John Eren MP

**Minister for Sport**

The Honourable John Eren MP is the member for Lara. He was elected MLC for Geelong Province in November 2002 and elected to the Legislative Assembly in November 2006. He has been the Minister for Sport in the Victorian Government since 4 December 2014.

He is also the Minister for Tourism and Major Events and Minister for Veterans and is a former Chair of the Road Safety Committee of Parliament.

Minister Eren is passionate about sport and recreation and giving all Victorians equal opportunity to get involved, stay active, and play the sport they love.

He recognises that grassroots clubs are the heart of our communities – and they deserve modern and inclusive facilities, with room to grow.

He is proud to be a part of the success story of Victoria being the sporting and events capital of the world, and protecting Melbourne's title as the Ultimate Sports City.

# Year in review

## Objectives

There are six objectives for the department published in the *Victorian Budget 2016–17*.

The six objectives are linked to output initiatives for health and human services (programs, activities and services), and indicators that define the desired outcomes for the Victorian community.

This 'Year in review' section provides an overview of the department's achievements in 2016–17 against each of the objectives.

### Objective 1: Victorians are as healthy as they can be by promoting good health, preventing disease and reducing health inequalities

The department seeks to prevent disease from occurring, and to minimise its impact when it does occur.

We provide preventive health services such as immunisation, population screening programs, initiatives to address risk factors for major chronic diseases, public health monitoring, responding to disease outbreaks, controlling therapeutic drugs, and the use and misuse of licit and illicit drugs in the community.

We work with others to deliver a place-based approach to creating health-promoting environments in the places where Victorians spend their time.

We also partner with external agencies to provide services to the most vulnerable people in the community.

#### Health 2040

*Health 2040: advancing health, access and care* presents a clear vision for the health and wellbeing of Victorians and for the Victorian healthcare system by 2040. It was released in November 2016, and is built around three pillars:

- > better health – focusing on prevention, early intervention, community engagement, and people's self-management to maximise the health and wellbeing of all Victorians
- > better access – focusing on reducing waiting times and delivering equal access to care via statewide service planning, targeted investment, and innovation
- > better care – focusing on people's experience of care, improving quality and safety, ensuring accountability for achieving the best health

outcomes, and supporting the workforce to deliver the best care.

*Health 2040* provides a frame and guide for the department's policy decisions and investment priorities. Three announced initiatives are contributing to achieving *Health 2040*'s vision in 2016–17:

- > using navigators and coordinators to help patients with chronic conditions arrange and manage the many different appointments they often need, making it easier and convenient for them to get the treatment they need
- > exploring the opportunities for mobile phone messaging to provide reminders and advice to people with chronic conditions so they can better manage their own care
- > a healthy eating and active living program that will help young people living in out-of-home care develop skills to protect themselves against illness through healthier eating and living.

These programs will help ensure Victoria's health system is best placed to meet the challenges of rising demand and chronic disease, drive innovation and reform, and put people at the centre of their own care.

#### Victorian public health and wellbeing plan

In November 2016, the department also released an action plan and outcomes framework to support the implementation of the *Victorian public health and wellbeing plan 2015–19*. The action plan summarises the key investments across government and major government agencies that contribute to improving health and wellbeing. The outcomes framework facilitates the assessment of the collective effort on the health and wellbeing of the population as a whole, as well as monitors progress against reducing health inequalities.

## Community and dental health

### *Community Health Program*

In 2016–17, the Community Health Program provided services to around 229,000 Victorians and over 1 million hours of service delivery. This included health promotion, allied health and nursing and counselling activities.

### *Healthy Mothers, Healthy Babies*

Healthy Mothers, Healthy Babies works to improve the health and wellbeing of vulnerable pregnant women who are not engaged with maternity services. In 2016–17, the program was expanded to an additional nine rural and regional local government areas.

### *Refugee and asylum seeker health and wellbeing*

During 2016–17, an extra \$2.8 million was invested in services to address the health and wellbeing needs of an increasing number of humanitarian arrivals, including 6,120 people who have arrived from Syria and Iraq since 1 July 2015. New services included refugee health nurse settlement coordinators, paediatric refugee health clinics, extra Refugee Minor Program casework, targeted language services, and innovative models for refugee immunisation catch-up and refugee child and youth mental health support.

### *Strengthening place-based primary prevention*

In 2016–17, the department commenced a project to strengthen place-based primary prevention of chronic disease. This effort sees community health organisations, councils, and other partners working together to have a collective impact on local priorities.

### *LGBTI health and wellbeing*

The department undertook work to support accessible, quality healthcare for lesbian, gay, bisexual, trans and intersex (LGBTI) Victorians. This included:

- > significant expansion of specialist gender clinics at The Royal Children's Hospital and Monash Health
- > expansion of the Healthy Equal Youth program to support same-sex attracted and gender-diverse young people through community-led approaches to combat abuse and discrimination and build resilience through peer support
- > The commencement of the LGBTI Inclusive Practice Project for community health services, which will develop tools and resources to

support community health services to meet the needs of LGBTI Victorians.

The department also promoted its new online *Rainbow eQuality* guide to provide advice on meeting LGBTI needs and preferences in different service contexts. All public health services were asked to consider how to apply the *Rainbow eQuality* guide in their services.

### *Victorian Dental Health Program*

In 2016–17, an additional 22,521 dental services were performed under the program, with funding of \$19.23 million from the Commonwealth Government, under an extension to the National Partnership Agreement on Adult Public Dental Services. A new partnership is currently being negotiated.

## Aboriginal health and wellbeing

In 2016–17 there was a significant shift in the way the department approaches improving Aboriginal health and wellbeing outcomes through its work with Aboriginal organisations and the community. The department has reformed Aboriginal health and wellbeing services, policies and governance mechanisms based on the principle of self-determination.

Note that Objectives 4 and 5 also report achievements in Aboriginal health and wellbeing in relation to family violence, child protection, and housing.

### *Self-determination*

The department introduced a policy to support self-determination by prioritising funding to Aboriginal organisations. This means better supporting Victorian Aboriginal communities and Aboriginal community-controlled organisations to address their communities' health and wellbeing needs and work in partnership with mainstream organisations. At the same time, it also means strengthening the commitment to improving outcomes for Aboriginal people in mainstream services.

During 2016–17 the department began work to investigate the need for the department to have a structure that supports self-determination and enable the Aboriginal community to lead decisions when it comes to the health and wellbeing of their communities. The structure is set to be released later in 2017 with *Korin Korin Balit-Djak* and the new social and emotional wellbeing framework, *Balit Murrup*.

The department continues to work with other organisations to improve outcomes for Aboriginal communities. The Healesville Indigenous

Community Service Association (HICSA) started the Outer Eastern Koolin Balit Alliance, which aims to work collaboratively with local organisations on the health and wellbeing needs identified by the local Aboriginal community. This partnership held an oral health day at HICSA with dental vans from Dental Health Services Victoria, dentists from Inspiro Health, and consulting rooms at EACH Social and Community Health Service. The day resulted in 22 referrals that were followed up with treatment.

#### *Koolin Balit evaluation*

*Koolin Balit* means ‘healthy people’ in Boonwurrung language. It is also the title of the Victorian Government’s 10-year Aboriginal health strategy, which was launched in 2012. In 2016–17, the department commissioned four evaluations of the *Koolin Balit* investment.

Key findings included:

- > the Aboriginal workforce experiences high levels of racism and vicarious trauma
- > connection to place and culture is crucial to health and wellbeing
- > long-term certainty in funding is needed
- > a greater coordination and sharing good practice across communities is needed
- > the government needs to be more active in specific areas, such as reporting back to funded agencies on service delivery data.

These findings have been incorporated into *Korin Korin Balit-Djak*, the plan that will articulate Victorian Aboriginal people’s aspirations for health, wellbeing and safety over the next 10 years. A number of changes have already taken place, such as the introduction of a requirement in health services’ Statements of Priorities to establish culturally safe practices, funding cultural camps delivered by Aboriginal organisations, supporting dissemination of best practice through conference grants and digital stories; and commencing the development of the Aboriginal Information System.

#### *Chronic disease and early intervention*

In 2016–17, there was a strong focus on addressing chronic disease, prevention and early intervention through the implementation of *Koolin Balit*. This included funding for the Victorian Aboriginal Community Controlled Health Organisation (VACCHO) to support activities related to tobacco control, nutrition and healthy eating. Key activities included:

- > award-winning Rethink Sugary Drinks, The Sports Drinks are Gammin! marketing campaigns for Aboriginal Victorians
- > support for Aboriginal early years services and Aboriginal community-controlled organisations to implement healthy catering policies
- > input into the Aboriginal Life! diabetes prevention program and nutrition/health promotion training of Aboriginal health workers.

#### **Sports Drinks are Gammin!**

VACCHO and Cancer Council Victoria have collaborated to create a series of deadly videos on choosing water over sports drinks. Sports drinks are full of sugar, but are marketed as a healthy option. ‘Gammin’ is Aboriginal English for ‘fake’ or ‘not real’, and this tag line captures the attention of young Aboriginal people in Victoria. We’re saying, ‘Sports drinks are fake!’

The videos take a strengths-based approach, and show sporty local Aboriginal role models talking about why they drink water and not sports drinks during sport. The videos were played on the WIN television network in 2016 to coincide with the Koori Football and Netball Carnival, and continue to be shared on social media.

The development of the videos was supported by the Rethink Sugary Drink group.

#### *Aboriginal social and emotional wellbeing framework*

*Balit Murrup: Aboriginal social and emotional wellbeing framework* is part of *Victoria’s 10-year mental health plan*. It aims to improve the social and emotional wellbeing of Victorian Aboriginal people. Demonstration sites commenced in 2016–17 in three Aboriginal community-controlled organisations. The initiatives will be evaluated to gauge their success in reducing the impact of mental illness on Aboriginal and Torres Strait Islander People during 2017–18 and 2018–19.

#### *Aboriginal employment strategy 2016–21*

The department implemented the *Aboriginal employment strategy 2016–21*, which aims to attract more Aboriginal employees, along with a number of Aboriginal staff in executive and senior roles. In addition, a program to increase employment of Aboriginal people in local government health promotion has seen the recruitment of six

Aboriginal people in a mix of trainee, graduate and cadetship positions.

## Latrobe Valley

### *Latrobe Health Assembly*

This initiative is a new way the government is working with the Latrobe community to improve health and wellbeing, with a collaborative approach to setting priorities and driving system change.

The Latrobe Health Assembly's role is to oversee the development and operation of the Latrobe Health Innovation Zone, and to create opportunities to strengthen health services, promote healthy living, reduce health inequalities, build pride of place, and enhance leadership and sustainability in the Latrobe Valley.

In 2016–17, the Assembly focused on developing and testing innovations that will improve the health and wellbeing of the Latrobe Valley community.

### *Healthy and Strong Latrobe initiative*

In 2016–17, the department started implementing the \$27 million Healthy and Strong Latrobe initiative, which includes a four-year suite of activities to improve the health and wellbeing of current and future generations in the Latrobe Valley. In its first year, the investment has supported measures that were developed and implemented in collaboration with the community, including:

- > establishment of the Gathering Place, a new hub for local Aboriginal people to meet and connect, and which provides opportunities to improve health and wellbeing
- > an additional 1,000 hours of respiratory nursing services, resulting in a 65 per cent increase in referrals since the same time last year
- > additional integrated chronic disease management delivery, which means there is no longer a waiting list for people in Latrobe, as well as delivery of two outreach clinics held at Ramahyuck and District Aboriginal Cooperative
- > more than 400 referrals screened by the Latrobe Community Health Service multidisciplinary diabetes service, which resulted in more coordinated services, particularly for people with complex needs
- > a Quit campaign featuring local champions, demonstrating the value of a smoke-free life
- > more than 50 primary healthcare professionals (general practitioners, practice nurses and dentists/hygienists) completing smoking

cessation education and training. This system-wide approach encourages health professionals to ask patients about their smoking and offer support to quit.

Further aspects of health and wellbeing in Latrobe that relate to sporting initiatives are discussed in Objective 6.

### *Long-term health study*

In 2016–17, the department entered into a contract with Monash University, together with other research institutions, to conduct a long-term study into the potential health effects of the Hazelwood coal mine fire. The study is continuing to provide vital insight into how best to improve the health and wellbeing of the Latrobe Valley community in the wake of the Hazelwood mine fire.

## Chronic disease prevention

### *Achievement program*

The achievement program is a quality improvement framework for creating healthy places for learning, working and living.

In 2016–17, the department processed more than 230 applications for state government recognition as a healthy service, school or workplace.

### *Healthy Eating Advisory Service*

This service improves Victorians' health by providing the skills, knowledge and practical support that organisations need to reduce sugary drinks and increase health food choices without impacting on the bottom line at health services, schools, early childhood services, workplaces, and sport and recreation facilities. New initiatives delivered in 2016–17 included the release of the FoodChecker website, as well as a mentorship program that provides training and support to 86 mentees from 70 organisations.

### *Amended food labelling*

The *Food Amendment (Kilojoule Labelling Scheme and Other Matters) Act 2017* was enacted in February 2017, and will come into effect in May 2018. The legislation requires large food businesses and supermarket chains to display the average kilojoule content of standardised, ready-to-eat, unpackaged food, and non-alcoholic drinks on their menus, menu boards, food labels, and price tags at point of purchase (in store and online).

Outlets will also be required to display a sign stating 'The average adult daily energy intake is 8,700 kJ'.

*Smoking ban in outdoor dining areas*

Significant work was undertaken during 2016–17 in the lead up to the implementation of new tobacco control reforms, which took effect on 1 August 2017, including a communications campaign and statewide roll out of training for councils. The reforms include a ban on smoking in outdoor dining areas and the regulation of e-cigarettes.

*Life! program*

Life! provides Victorians at high risk of type 2 diabetes or cardiovascular disease with the skills and motivation to adopt a healthier lifestyle and reduce the risk of chronic disease. In 2016–17, approximately 5,199 people commenced a Life! group or telephone-based course.

**Preventing suicide**

The *Victorian suicide prevention framework 2016–25*, released in July 2016, outlines the government's strategy to reduce the rate of suicide in Victoria by 50 per cent over 10 years. The 2016–17 Victorian Budget provided \$27 million over four years to deliver two flagship suicide prevention initiatives: place-based trials and assertive outreach trials. An important part of these trials is developing culturally appropriate and safe suicide prevention approaches.

*Place-based trials*

Place-based suicide prevention trials support local communities to develop and implement proactive suicide prevention strategies. Primary Health Networks are delivering the place-based trials at 12 sites across Victoria: Mornington Peninsula/Frankston, Dandenong, Latrobe Valley, Bass Coast, Brimbank/Melton, Macedon Ranges, Whittlesea, Maroondah, Mildura, Benalla, Ballarat and the Great South Coast.

The trials are well underway, and each site is reviewing the particular priority groups at risk of suicide in their communities, such as young people, men, Aboriginal people and the LGBTI community. This approach is bringing together different parts of the community, including people with lived experience of suicide, schools, businesses, local council, transport, police, health services, ambulance, community agencies, the Aboriginal community-controlled sector and others, to identify what is needed to prevent suicide and best support people locally.

*Assertive outreach trials – Hospital Outreach Post-suicidal Engagement Initiative*

Six health services (St Vincent's Hospital, Barwon Health, Maroondah Hospital, Albury Wodonga Health, Alfred Health, and Peninsula Health) are designing and implementing assertive outreach care for people who present to hospital following suicidal behaviour or attempts. This includes providing intensive support for people in the 24-hour period after they present, and the development of a tailored support plan for up to three months after discharge. Services have commenced at St Vincent's Hospital, Alfred Health and Peninsula Health and more than 30 people have been assisted through this program. Two of the remaining sites are on track to commence during September 2017, with the Barwon site to be operational in December 2017.

**Drugs services***Drug treatment and rehabilitation*

During 2016–17, significant engagement occurred with alcohol and drug treatment services to develop navigation and improve access to services. This has resulted in simpler intake and assessment arrangements being introduced from 1 July 2017. In total, 31,302 unique clients accessed alcohol and drug treatment services in 2016–17.

*Corrections growth funding*

Growth funding of \$5.25 million was allocated in October 2016 to continue to meet the increased demand for alcohol and drug treatment services for offenders with alcohol and drug conditions who are on community corrections orders. This funding includes allocations for intake and assessment, counselling and residential rehabilitation services in areas of demonstrated need, and a new client education program for low-risk offenders. This funding has supported 2,000 additional clients to access services.

*Mother–baby withdrawal unit*

A new four-bed mother and baby withdrawal unit opened in October 2016 at UnitingCare ReGen to improve accessibility and effectiveness of treatment for mothers who are dependent on alcohol and other drugs. Since it opened, the new unit has allowed around 70 mothers to access withdrawal services. The unit also strengthens parenting skills and aims to reduce risk to children.

## Sexual health and viral hepatitis

In 2016–17, the department released a number of blood-borne virus strategies and a sexually transmissible infections (STI) work plan to improve prevention, testing and treatment, with the goal of eliminating the stigma and discrimination associated with people with HIV, hepatitis B, hepatitis C and STI.

This includes:

- > *Victorian HIV strategy 2017–20* – developed express Test and Go and HIV prevention clinics, and expanded access to HIV pre-exposure prophylaxis (PrEP) to rural and regional Victorians
- > *Victorian hepatitis B strategy 2016–20* – expanded the adult vaccination program to include Aboriginal Victorians and people from high-prevalence countries, and established the Victorian HIV and Hepatitis Integrated Training and Learning program
- > *Victorian hepatitis C strategy 2016–20* – accelerated efforts towards the elimination of hepatitis C, and supported the rollout of the new hepatitis C 'cure' treatments through primary and community care, as well as building specific and local hepatitis C clinical pathways for general practitioners in each Primary Health Network.

The department also provided \$1.5 million in funding for a research study called PrEPX, which will provide access to PrEP to 3,800 Victorians who are at higher risk of HIV transmission. Clinical studies demonstrate that when PrEP is taken consistently, it is close to 99 per cent effective at preventing HIV.

## Immunisation

The whooping cough vaccine program, reintroduced in June 2015, has provided more than 248,000 doses of vaccine to expectant mothers and partners, and raised awareness of the program with their extended families. Monash Health Network has been funded to examine the effectiveness of the different models of program delivery for ongoing support for the program.

In 2016–17, 615 Victorian pharmacists have attended training and been authorised to vaccinate, with 246 pharmacies now registered with the department to receive funded vaccines.

In 2016–17, the immunisation program has also provided:

- > 220,000 doses of shingles vaccine for the older persons shingles vaccination program
- > 52,000 doses of meningococcal W adolescent vaccination for young people aged between 15 and 19 years of age
- > 1.1 million doses of influenza vaccine and 116,000 doses of influenza vaccine doses for healthcare workers
- > the highest coverage rates ever, with 94.04 per cent of children at primary school age now fully vaccinated, and vaccination coverage rates for Aboriginal children at the same age at an all-time high of 93.37 per cent.

## Communicable diseases

In 2016–17, the department responded to 1,017 outbreaks of communicable disease. In addition, there were 3,271 urgent disease notifications that required immediate action, and 67,866 other confirmed and probable disease notifications.

The department also responded to the threat of mosquito-borne disease after the 2016 floods in north-western Victoria. This was the largest recorded outbreak of Ross River virus. There were 1,948 cases of confirmed, probable and suspected Ross River virus notified in Victoria between 1 January and 1 May 2017, compared with 119 cases in the same period in 2016.

## Emergency response

During 2016–17, the department supported Victorians affected by a range of incidents and emergencies including significant floods and storms, the Bourke Street tragedy, and a thunderstorm asthma event.

To underpin this activity, the department conducts exercises and training to ensure there are enough people within the department, the health sector, and the community trained in emergency management. More than 1,900 participants were involved in exercises and training during 2016–17.

## Environmental health

The 2016 Independent Inquiry into the Environment Protection Authority recommended that an enhanced and consolidated environmental health capability for Victoria be established within the Environment Protection Authority (EPA). In response, the department transferred public health functions related to pollution and waste to the EPA in December 2016.

The EPA is continuing to enhance its environmental public health capability for pollution and waste, and the department is continuing to focus on health protection policy and public health risk management for environmental health in Victoria.

### Radiation

Enforcement activities continued in relation to a ban on commercial tanning practices, which came into effect on 1 January 2015. During 2016–17, 11 search warrants were executed, resulting in nine tanning units being seized.

In addition, the department successfully prosecuted two matters.

### Victoria's health and medical research strategy

*Victoria's health and medical research strategy 2016–20* was launched in July 2016 and funding of \$19.8 million over four years (with \$5.124 million ongoing) has been allocated to the following initiatives to support world-leading health and medical research capability:

- > Medical Research Acceleration Fund – this \$12 million fund supports and rewards a diversified base of income for Victorian research organisations
- > coordination of clinical trials – \$1.3 million a year to support the Streamlining Clinical Trials Research program within the department
- > postdoctoral research fellowships – this program provides \$600,000 a year to fund fellowships in targeted areas including bioinformatics, health services research, and genomics.

The department also allocated \$26.1 million in operational infrastructure support grants to 10 Victorian medical research institutes. This funding supported laboratories to run their facilities and equipment, so they can learn more about diseases, develop new and better diagnostic tools, and advance treatments and cures.

The funding for health and medical research is complemented by the state's translational cancer research program. The Victorian Cancer Agency, established by the Victorian Government in 2006, has recurrent funding of up to \$14.9 million to support research infrastructure programs, workforce and collaborative programs.

### Peter Mac

The Peter MacCallum Cancer Centre is developing cutting-edge melanoma treatments to improve outcomes for patients, including people who have exhausted other treatment options. Peter, from Gippsland, is being treated at Peter Mac on a clinical trial of a new combination cancer treatment for advanced stage melanoma. This treatment has seen his cancer almost disappear. Two years after being given three to 12 months to live, he is now looking forward to getting back home so he can care for his wife.

### Ageing

#### Seniors programs and participation

Over 60,000 seniors joined the Seniors Card program in 2016–17, and more than 150,000 seniors participated in the 2016 Victorian Seniors Festival.

In response to the Commissioner for Senior Victorians' report *Ageing is everyone's business*, the department funded seven projects to strengthen seniors' inclusion and participation in local communities. This initiative addresses social isolation and loneliness of older people by funding local community organisations to build their capacity to reach out to older people and enhance their program offerings to better respond to seniors in their communities.

#### Residential aged care

The department funds the provision of residential aged care services through Victorian public health services for older Victorians who need ongoing support, but cannot access appropriate care in the non-government sector.

As of June 2017, there were 5,634 public sector residential aged care places in 181 facilities across the state. Approximately 86 per cent of these places are in rural and regional locations, and 491 are specialist aged people mental health places.

In 2016–17, 2,026,893 bed days were delivered across all output groups: residential aged care, small rural services aged care, and mental health clinical outputs.

### *Aged care assessments*

Aged care assessments provide care plans and referrals to services, helping to avoid the need for hospitalisation. Approval by an Aged Care Assessment Service is mandatory before a person can access Commonwealth-funded residential aged care service.

In 2016–17, over 48,500 Victorians received aged care assessments with around 87 per cent of community-based assessments, and 90 per cent of hospital assessments, delivered within specified timeliness benchmarks – a level of performance exceeding Commonwealth targets for both.

### *Supported accommodation for vulnerable Victorians*

The department provides support to ensure over 1800 beds are available in assisted supported residential services for people on pensions.

In 2016–17 the department focused on improving the information sharing and resident referral interface between mental health services and supported residential services. This work ensures timely support can be provided when complex behaviour risks security of tenure for the resident.

Mandatory specialised mental health training was delivered in 52 supported residential services for 210 operators and support staff to improve service responses to vulnerable residents with complex mental health issues.

### *Elder abuse*

As one of the responses to the Royal Commission into Family Violence, \$750,000 was allocated to three health services – Melbourne Health, Monash Health, and Latrobe Community Health Service – for an elder abuse initiative to commence in 2016–17.

These three health services and their community partners are progressing commissioning activities to implement the elder abuse integrated model, including workforce training to better identify and respond to suspected elder abuse, counselling and mediation services, as well as funds to appoint an elder abuse prevention and response officer.

## Objective 1 indicator results

	2013–14	2014–15	2015–16	2016–17
<b>Prevalence of smoking, obesity and psychological chronic disease risk factors are reduced</b>				
Percentage of Victorian persons aged 18 plus who are current smokers	14.5%	13.1%	18.5%	Not yet published

Source: Victorian Population Health Survey. New sampling methodology used for 2015 Survey: earlier results are not directly comparable with 2015–16.

Although 2015–16 data is not directly comparable with earlier results, the associated risk factors for obesity, including fruit and vegetable consumption, physical activity and obesity rates for adults and children remain of concern.

The withdrawal of Commonwealth funding for health promotion has placed constraints on Victoria's prevention efforts.

**Differences in health and social outcomes for disadvantaged groups are reduced**

Percentage of Victorian persons with low income (< \$20,000) who have assessed their health status as 'fair' or 'poor'	28.6%	33.3%	29.1%	Not yet published
	Total population	Total population	Total population	
	15.5%	20.3%	20.4%	

Source: Victorian Population Health Survey. New sampling methodology used for 2015 Survey: earlier results are not directly comparable with 2015–16.

**Immunisation rates for vaccine-preventable illness improve or compare favourably to other jurisdictions**

Percentage of Victorian children aged 60–63 months who are fully vaccinated	90.07%	92.64%	92.85%	94.0%
	National	National	National	National
	88.02%	91.86%	92.51%	94.0%

Source: Australian Childhood Immunisation Register (ACIR)

**Fewer people are dying prematurely**

Victorian age standardised mortality rates of potentially avoidable deaths under 75 years*	92.3 per 100,000 people	101.8 per 100,000 people	97.2 per 100,000 people	Not yet published
	National	National	National	Not yet published
	106.9 per 100,000 people	108.0 per 100,000 people	107.7 per 100,000 people	

Source: based on Steering Committee for the Review of Government Service Provision data, Report on Government Services 2017. Table EA41

\* New nationally agreed definition of potentially avoidable deaths used for data from 2014–15 on. Earlier results are not directly comparable. Figures are based on calendar years.

## Objective 2: Safe, integrated patient-centred health services for the treatment of illness and disease

The department funds health services that support Victorians when they experience ill health.

The department ensures these services provide safe, high-quality, patient-centred care, and that they are accessible and coordinated, with clear pathways and fewer barriers within and across services and sectors.

### Addressing patient flow

A collaborative approach between Better Care Victoria, health services and the department to address patient flow, timely access and better patient outcomes through the emergency department is underway with 11 health services. Indicative results are positive, with participating hospitals showing significant improvement in the number of patients seen, treated or admitted within four hours, in a context of increased presentations.

The project is moving from a testing and trialling phase to sustaining the improvements. Scaling to other metropolitan and regional health services will occur in 2017–18.

### Elective surgery

As at 30 June 2017, there were 36,839 patients waiting for elective surgery. This is a significant improvement over the target of 38,498. This result was due to investment in health service capacity to admit more elective surgery patients. This result was achieved despite the addition of three new hospitals that reported elective surgery waiting lists in 2016–17 for the first time. Excluding these new health services, Albury Wodonga and South West Healthcare, this result would be the lowest wait list on record in Victoria.

### Ambulance services

#### *Victoria's ambulance action plan*

*Victoria's ambulance action plan: improving services, saving lives* sets a clear agenda to re-establish Ambulance Victoria as a world-class emergency pre-hospital care and transport provider. Ambulance Victoria is continuing to lead the implementation of the action plan, in consultation with an advisory group including the Department of Health and Human Services.

#### *Ambulance investment*

In November 2016, the government announced a \$500 million investment to improve ambulance response times.

Ambulance Victoria has commenced recruitment of 450 new paramedics over the next three years, and established 20 new ambulance resources across the state.

The funding also provided 12 new non-emergency patient transport resources, and enabled preparation for the launch of six new super response centres in 2017–18.

The statewide Code 1 response performance data for quarter 4, 2016–17 was 81 per cent, which is the first time in seven years that consecutive quarterly performance has been 80 per cent or better, and represents a 6 per cent improvement over the same time last year. This result is due to the revised clinical response model, along with government investment.

### Small rural health services

Through establishment of Rural and Regional Health Partnerships, small rural health services in Victoria have commenced a new approach to health service provision and clinical governance, which will deliver better patient care across the regional system. There have also been significant increases to the number of clinicians on the boards of small rural health services.

In 2016–17, the department reviewed data definitions and guidelines for primary care, urgent care and outpatient services in order to improve standardisation of data and reporting practices across small rural health services. Small rural health services focused on improving the completeness and accuracy of their data submissions.

More accurate data will inform the delivery of a proposed new funding model to give small rural health services the flexibility they need to best meet the needs of their communities, as well as improve accountability.

While the existing funding model was retained in 2016–17, the first steps towards the new model were made, with a proportion of the growth funding to small rural health services allocated according to the new approach.

## Mental health

### *Clinical care*

The opening of 41 new beds mitigated some of the pressure on acute mental health services, caused largely by population-based growth. Other initiatives, such as emergency department redesign and partnerships with Victoria Police, assisted in managing and diverting presentations. There was also a concerted focus on post-discharge follow-up within seven days to improve outcomes for people returning home after acute admission.

Incidents of seclusion continue to be at very low levels, which is an important result, given the high throughput of patients and the fact that people who are admitted to inpatient services have high needs.

### *Mental Health Community Support Services*

A significant proportion of Mental Health Community Support Service programs will transition to the National Disability Insurance Scheme. The transition commenced on 1 July 2016, and will continue to be phased in until 30 June 2019.

### *Mental health workforce*

The *Mental health workforce strategy* was released in July 2016. It is strengthening the mental health workforce in a rapidly changing environment characterised by growing demand, increasingly diverse and complex clients, and an ageing population. The workforce strategy is part of *Victoria's 10-year mental health plan*.

## Innovation in healthcare

The department has been developing a statewide design, service and infrastructure plan in 2016–17, guided by a Ministerial Advisory Council comprising health service board chairs, chief executive officers, clinicians, health sector academics and independent experts.

Work on a series of supporting plans for major clinical streams and localities across the state also continued, building on the release of a design, service and infrastructure plan for Victoria's cardiac system in May 2016.

In 2016–17, the department continued to develop alternative funding and service delivery approaches to increase out-of-hospital care and respond to growing demand from Victorians with chronic disease and complex care needs.

### *HealthLinks Chronic Care trial*

The HealthLinks Chronic Care trial commenced in 2016–17 to determine whether greater funding flexibility enables health services to develop innovative models of care for complex and chronic conditions.

Four health services commenced the trial with the aim of improving patient outcomes by delivering a more comprehensive and integrated mix of services at no additional cost to the public health system.

### **Aged persons mental health**

Through a family meeting facilitated by the Aged Persons Mental Health team at Bundoora Extended Care Centre, an elderly woman with severe depression and a decline in her memory and physical health was able to reconnect with her estranged family. The single-session family consultation was led by the consultant psychiatrist and a social worker, and it allowed the family to gain a better understanding of each other's experiences. As a result, the process of rebuilding relationships could begin.

## Occupational violence

The department is implementing the recommendations of the Violence in Healthcare Taskforce. The taskforce was established in 2015 to identify issues and opportunities to reduce violence in Victorian hospitals and to support implementation of the government's election commitments.

The work undertaken in 2016–17 to improve the prevention, management and response to occupational violence and aggression, and to make Victoria's hospitals safer and more secure for staff, patients and visitors, included:

- > the launch of a joint public awareness campaign between WorkSafe and the department, with the message that aggression and violence against healthcare workers is 'never OK'
- > a framework for health services to prevent and manage occupational violence and aggression, a review of code grey and black responses, guiding principles for occupational violence, and aggression training and guidelines on behavioural assessment rooms
- > roll out of projects under the health service violence prevention fund, including a trial of stab-proof vests and body-worn cameras.

In June 2017, the government doubled the funding to improve the safety and security of public hospitals, including mental health facilities. This additional investment of \$20 million will establish and upgrade behavioural assessment rooms in emergency departments and boost security personnel at hospitals with emergency departments and hot spots for violence and aggression.

### **Better Care Victoria innovation projects**

In 2016–17, the department continued to trial an alternative funding approach for specialist clinics, which aimed to support more effective service delivery models in response to growing demand from Victorians with chronic disease and complex care needs. These projects focused on:

- > improving the way patients access and experience Victoria's acute health services
- > changing the way outpatient services are delivered, and improving timely access to care
- > improving the accessibility and experience of community-based care
- > improving care options and flexibility for patients with cancer, and the way maternity care is delivered.

In 2016–17, the department also continued to develop alternative funding and service delivery approaches to increase out-of-hospital care and respond more effectively to growing demand from Victorians with chronic disease and complex care needs.

### **Medicinal cannabis**

The *Access to Medicinal Cannabis Act 2016* was passed by the Victorian Parliament on 12 April 2016.

In August 2016, the Office of Medicinal Cannabis and the Independent Medical Advisory Committee on Medicinal Cannabis were established.

The government began delivering medicinal cannabis to children with severe intractable epilepsy in March 2017, with the commencement of an early compassionate access program using imported medicinal cannabis.

In addition, the government has continued to implement Victoria's patient access scheme, and

to develop its own medicinal cannabis product to increase access to medicinal cannabis for children with intractable epilepsy.

### **Supercare Pharmacies Initiative**

The Supercare Pharmacies Initiative is an election commitment to support 20 pharmacies to operate 24 hours a day, seven days a week with a nurse in attendance from 6:00 pm to 10:00 pm each evening.

Twelve Supercare Pharmacies are now open 24 hours a day, 7 days a week. The first five Supercare Pharmacies commenced 24/7 operation in mid-2016 and are located at Ballarat, Craigieburn, Yarraville, Ascot Vale and Wantirna South. A total of 60,693 pharmacy visits and 3,862 episodes of nursing care have been provided at these pharmacies since commencement in June 2016.

On 1 July 2017, another seven Supercare Pharmacies began 24/7 operation and are located at Bendigo, Traralgon, Parkmore, Coburg, Reservoir, Curlewis and Balwyn.

### **End of life choices**

The department has a leadership role in implementing the government's end of life care reforms that support Victorians to make real and genuine choices about their end of life care. This has included the implementation of the *End of life and palliative care framework* and the passage of the *Medical Treatment Planning and Decisions Act 2016*. The department is also leading the development of voluntary assisted dying legislation.

During 2016–17, the department supported an expert Ministerial Advisory Panel in its deliberations on the development of a safe and compassionate voluntary assisted dying legislative framework. In May 2017, the panel released its interim report *Consultation overview: Voluntary Assisted Dying Bill*, which sets out the feedback from its consultations about the key issues and considerations in developing a voluntary assisted dying legislative framework. The panel provided its final report to the government in July 2017.

## Objective 2 indicator results

	2013–14	2014–15	2015–16	2016–17
<b>Patients seen within clinically recommended times</b>				
Emergency department patients treated within time (per cent)	75	75	74	73.5
<i>Source: Victorian Health Services performance reports 2013–14 to 2016–17.</i>				
<b>Services provided to patients are safe and of high quality</b>				
Rate of hand hygiene compliance (per cent)	79.9	82.1	24.0	84.5
<i>Source: Victorian Health Services performance reports 2013–14 to 2016–17. Note 2016–17 is provisional. April–June reported as year ending.</i>				
Intensive care unit central line associated blood stream infections per 1,000 device days	1.2	0.5	0.7	0.8
<i>Source: Victorian Health Services performance reports 2013–14 to 2016–17, April–June reported as year ending.</i>				
Staphylococcus aureus bacteraemias (SAB) infections per 10,000 patient days	0.8	0.8	0.8	0.8
<i>Source: Victorian Health Services performance reports 2013–14 to 2016–17, April–June reported as year ending.</i>				
<b>Health service performance outcomes meet or exceed agreed performance benchmarks</b>				
Victorian elective surgery waiting list	38,078	40,351	36,436	36,839
<i>Source: Victorian Health Services Performance website. Note 2016–17 is a preliminary result.</i>				
<i>Note: From 1 July 2016 three additional hospitals are reporting to the Elective Surgery Information System, Wodonga Hospital, South West Healthcare (Warrambool) and South West Healthcare (Camperdown).</i>				
Victorian ambulance patient transfers within 40 minutes	84%	87.8%	85.6%	86.2%
<i>Source: Data previously sourced from Ambulance Victoria. From 1 July 2016 data sourced from the Victorian emergency minimum dataset. Therefore, there is a break in the time series</i>				
Rate of community follow-up within first seven days of a psychiatric admission	Source changed	85%	86%	84%
<i>Source: Mental Health Performance Indicators, Department of Health and Human Services.</i>				
<i>Note: Data for this indicator was previously sourced from National Health Agreement Performance Information 2012–13. The source has been changed for consistency with similar items reported elsewhere in the annual report.</i>				
<b>More people are treated within out-of-hospital care settings</b>				
Number of separations where at least part of the treatment is in the patient's home	30,985	30,874	34,401	39,303
<i>Source: Victorian Admitted Episode Dataset, Department of Health and Human Services 2015–16</i>				
<b>Patient/consumer experience demonstrates improvement in service-level engagement</b>				
Adult inpatient rating of care received while in hospital	Not comparable	92%	92%	Not available
<i>Victorian Healthcare Experience Survey (VHES), Victorian Agency for Health Information. Performance is measured by the per cent of responses who rated overall experience as either 'very good' or 'good'.</i>				
<i>Source: VHES annual reports, 2014–15, 2015–16</i>				

### Objective 3: The Victorian health system delivers best practice healthcare

The department funds safe, high-quality and person-centred health services that allow all Victorians to realise their best health, no matter where they live.

The provision of these services is underpinned by the department's role as steward and system manager of Victoria's health system.

This includes responsibility for policy development, system design and service planning, for funding and performance management, for regulation and for strategic asset management.

#### Targeting Zero: The review of hospital safety and quality assurance

Since the release in October 2016 of *Targeting Zero: The review of hospital safety and quality assurance*, the department has been implementing the recommendations endorsed by the government.

The reforms represent a significant overhaul of Victoria's health system, and build on the work already undertaken by the Victorian Government to strengthen quality and safety.

Implementation progress in 2016–17 included:

- > establishment of Safer Care Victoria and the Victorian Health Information Agency
- > establishment of the Boards Ministerial Advisory Committee in the first half of 2017 to advise the Minister on board appointments for public hospitals and public health services
- > delivery of clinical governance training for health service boards, through interactive sessions across 17 rural and three metropolitan locations. More than 300 directors attended
- > significant increase in the number of clinicians on rural public hospital and multipurpose service boards. This is an improvement from less than 66 per cent with a clinician in 2016, to 89 per cent after the 2017 board appointments round. Regional public health services also improved, with 100 per cent of public health service boards having a clinician on the board in 2017
- > establishment of Rural and Regional Health Partnerships, led by regional health services, to contribute to consistent and systematised approaches to health service provision and clinical governance in their catchments

- > development of a performance monitoring framework, which introduced a documented risk assessment approach that eliminates potential masking of vulnerabilities in quality and safety, while aiding more comprehensive analysis of performance.

#### Safer Care Victoria

Safer Care Victoria (SCV) is the state's peak authority for quality and safety improvement in healthcare.

Established in January 2017, SCV oversees and supports health services to provide outstanding health care to all Victorians.

In 2016–17, SCV worked with consumers, clinicians, health service executives and boards to prioritise support for health services, meeting their needs, and improvement of services. Reflecting those needs, SCV has established five priority areas:

##### *Partnering with consumers, families and carers*

Safer Care Victoria has supported health services to resolve patient concerns, and worked to ensure consumers are increasingly embedded in healthcare delivery structures. SCV had led the Victorian response to ensure women with adverse outcomes following mesh surgery have access to the care they need.

##### *Partnering with clinicians*

Safer Care Victoria revitalised its clinical networks so that they are better enabled to meet the changing needs of consumers and health services. The new Victorian Clinical Council was launched to utilise the expertise of lead clinicians and consumers from across Victoria to improve system design, policy and implementation. A key focus of the June meeting of the Victorian Clinical Council was how to improve the safety of the health workforce.

##### *Leadership and culture*

Safer Care Victoria, in conjunction with its innovation and improvement arm, Better Care Victoria, ran leadership development programs for emerging and existing leaders to support cultures of continuous improvement and learning. It also partnered with other agencies to bolster the number of rural chief medical officers. A new Clinical Governance Framework was launched and released. This resource will be the basis for governance training for boards, executives and clinicians.

### *Review and response*

Safer Care Victoria has strengthened the response to critical incidents and began work to restructure the adverse events reporting and response system. The agency supported several internal health service reviews of serious incidents.

### *System improvement and innovation*

Safer Care Victoria, through Better Care Victoria, continued to lead on the testing and implementation of innovation. Work was also undertaken with the sector to identify a number of targeted objectives for future work.

### **Victorian Agency for Health Information**

The Victorian Agency for Health Information (VAHI) measures patient care and outcomes for three key purposes: public reporting, oversight, and clinical improvement.

In 2016–17, VAHI developed a series of initiatives to ensure that data and information on the performance of the Victorian health system is readily available to health services, Safer Care Victoria, the department, other government agencies, the public and researchers. These included:

- > public and board reporting, including the development and release of the inaugural *Board safety and quality report* in April 2017
- > driving improvements in the safety and quality of clinical services through the development of INSPIRE, a report to provide information, tools and resources that support conversations on safety and quality performance improvement
- > conducting a review of 23 health services to improve data integrity, and releasing a report, *Elective surgery waiting lists: a rapid review to ensure full transparency*
- > facilitating the Better Smarter Care: Reducing Unwarranted Variation conference with more than 200 Australian and international guests from five countries
- > establishing a range of peak stakeholder committees.

### **Alcohol and other drugs program guidelines**

New *Alcohol and other drugs program guidelines*, released in April 2017, provide greater clarity and guidance to the alcohol and other drug sector on service delivery expectations. Consistent with directions identified in the *Independent review of new arrangements for the delivery of mental health community support services and drug treatment services* and extensive consultation, the guidelines

are one part of a range of initiatives to improve client access to services.

### **Healthcare facilities**

The department has continued to deliver new healthcare facilities and upgrades to existing facilities, through the \$3.1 billion overall capital building program, to ensure that Victorians receive the care they need, close to home.

#### *Bendigo Hospital*

The new Bendigo Hospital was completed ahead of schedule and opened in January 2017. As the largest regional hospital delivered in Victoria, the \$630 million hospital will provide high-quality services through 372 inpatient beds, 72 same-day beds, 10 operating theatres, a regional cancer centre, an 80-bed integrated mental health facility, and a mother and baby unit. Stage 2 of the project is ongoing, and will include car parking, a helipad, short-stay accommodation and additional retail outlets.

#### *Monash Children's Hospital*

Construction of the Monash Children's Hospital was completed in December 2016, and it opened its doors to the first patients in April 2017. It is a new 230-bed hospital dedicated to children and families that will provide tertiary-level paediatric services for the growing population in Melbourne's south-eastern suburbs. The hospital includes 96 inpatient acute and 20 same-day beds, as well as 10 paediatric intensive care beds.

The hospital also includes a brand new helipad, which provides time-critical emergency air ambulance transfers to both the new Monash Children's Hospital and the Monash Medical Centre. The rooftop helipad improves patient safety and removes the need for road ambulance transports from the previous helipad north of the hospital, freeing up ambulances to respond to other emergencies.

Work is continuing on site to finish the integrated Early In Life Mental Health Service, which was funded in the 2016–17 Victorian Budget. It is anticipated that the project will be completed in 2017-18 financial year.

#### *Northern Health redevelopment*

A \$17.3 million expansion of surgery capacity at Broadmeadows Health Services was completed ahead of schedule in June 2017. The new elective surgery centre doubles the number of operating theatres, and includes two new cutting-edge, larger

operating theatres. It is expected the expanded surgery capacity will enable Northern Health to perform more than 2,500 additional procedures at Broadmeadows.

The Broadmeadows expansion will also assist Northern Health to continue to provide high quality services to its community, during the expansion of the Northern Hospital which was funded in the 2017–18 Victorian Budget. The \$162.7 million expansion project will be managed by the department to help meet the health care needs of Melbourne's rapidly growing outer northern suburbs, and will provide 96 new inpatient beds, three new operating theatres and more treatment rooms.

#### *Healesville Hospital*

A major redevelopment of Healesville Hospital was completed in late 2016. It provides a new, enlarged operating theatre complex with access to modern technology and separate theatre and ward entrances, a new renal dialysis unit, commencing with six chairs, and a redeveloped community health centre, with an increase in the number of consulting rooms and capacity to extend the Primary Care General Practitioner Service staffing and hours.

#### *Ballarat Hospital*

The Gardiner-Pittard Building at Ballarat Hospital was completed in late 2016, and it opened to the public in early 2017. The building includes a new ground-level entry that provides a clear entry point for patients and visitors to the hospital. It provides 30 new acute beds, and is designed to accommodate future expansion of the operating theatre complex and additional levels.

#### *Regional Health Infrastructure Fund*

The \$200 million Regional Health Infrastructure Fund commenced, with funding allocated to 93 projects across regional Victoria during round 1. The program is funded over four years with remaining funds to be allocated in subsequent rounds.

Projects include:

- > \$15.1 million to Northeast Health Wangaratta for the construction of a new 12 bed critical care unit, expansion of the emergency department and other critical infrastructure upgrades
- > \$10.3 million to West Gippsland Healthcare Group for the establishment of an eight bed short stay unit, a third operating room and associated infrastructure, as well as for planning of the redevelopment of Warragul Hospital
- > \$10.6 million to Djerriwarrh Health Services to renovate operating theatres and the maternity unit
- > \$10.0 million to Goulburn Valley Health Service to redevelop the Waranga Campus, bringing acute health, aged care and community health services into a single central site in Rushworth
- > \$9.7 million to Cobaw Community Health Services Ltd for the construction of a new health community access hub
- > \$6.3 million to Edenhope and District Memorial Hospital to redevelop aged care facilities at the hospital
- > \$6.0 million to Ballarat and District Aboriginal Co-operative Ltd, for a new standalone medical clinic and regional health hub, housing new and existing health and specialist services
- > \$5.5 million to South West Healthcare for planning for stage 2 of the Warrnambool Base Hospital redevelopment
- > \$4.1 million to Central Gippsland Health Service for expansion of the surgical services at Sale Hospital
- > \$4.1 million to East Grampians Health Service to expand the community health centre
- > \$4.0 million to Yarram and District Health Service for the construction of a new integrated health care centre at Yarram Hospital.

#### *Registered community health service capital funding*

In 2016–17, 23 community health services shared in \$9.8 million of funding to redevelop, refurbish and upgrade infrastructure. These projects ranged from major roof replacements or site relocations, to upgrading waiting rooms or clinical equipment. More than half of the funding went to regional registered community health services.

**Award-winning design**

Both the Victorian Comprehensive Cancer Centre (VCCC) and the Albury Wodonga Integrated Cancer Centre won design awards.

The VCCC won the prestigious Victorian Architecture Medal at the 2017 Victorian Architecture Awards, as well as the Best Project Award at the Design 100 Government Design Awards.

The project was also awarded the 2017 National Infrastructure Award for Government Partnership Excellence, recognising the excellent partnerships between the Department of Health and Human Services, the VCCC alliance partners, and commercial project partners.

**Objective 3 indicator results**

	2013–14	2014–15	2015–16	2016–17
<b>Victoria derives greater value from its health investments</b>				
Total hospital surplus as at 30 June.	\$30.8 m	\$23.7 m	\$21.9 m	Not yet available
<i>Source: Agency Information Management System F1 financial report. Health services are required to submit audited data. All results exclude capital and controlled entities (foundations).</i>				
Victorian total real health expenditure per capita	\$2,480	\$2,603	\$2,661	\$2,819
<i>Source: Victorian Budget Paper 3, Chapter 2 and ABS estimated resident population</i>				
Victorian government expenditure per capita (acute health expenditure)	\$1,727	\$1,819	\$1,829	\$2,044
<i>Source: Victorian Budget Paper 3, Chapter 2 and ABS estimated resident population</i>				
<b>The Victorian public health system has a sustainable workforce</b>				
Total FTE (early graduate) nursing positions in public system	1,468	1,577	1,591	1,525
<i>Source: Internal departmental data</i>				
<b>Reduced rate of hospital admissions for ambulatory care sensitive conditions</b>				
Rate of hospital admissions for selected potentially preventable hospitalisations (per cent)	6.9	7.0	7.3	7.4
<i>Source: Victorian Admitted Episodes Dataset – public hospitals excluding Albury, VHISS Ambulatory care sensitive conditions PI – 2015 – Meteor: 559032. This definition applies from 2014–15, however 2013–14 is reported for time series comparability. 2016–17 result is provisional.</i>				
<b>Victoria has a framework for sustainable infrastructure and fabric</b>				
Total estimated capital investment in acute health and mental health (\$ thousand)	313,280	173,763	564,450	846,540
<i>Source: Budget Paper 4, Chapter 2</i>				

## Objective 4: Immediate support – with its partners, the department supports people in crisis, and helps individuals and families get their lives back on track

The department and funded agencies provide immediate services for people when a crisis occurs in their lives.

This immediate support prevents a crisis from escalating, and allows people and families to stabilise their lives and begin to recover.

The department provided crisis services in the areas of children and family services, family violence, housing and youth justice. From 3 April 2017, responsibility for youth justice custodial services and community-based services was transferred to the Department of Justice and Regulation.

### Family violence

#### *Boost in demand funding*

In September 2016, the government provided funding of \$87 million to address demand and build system capacity across key family violence and sexual assault service responses.

The boost included:

- > \$45.6 million over two years to boost specialist family violence client support
- > \$17.0 million in 2016–17 to boost Flexible Support Packages
- > \$6.4 million over two years to boost to sexual assault support services
- > \$5.2 million in 2016–17 to strengthen responses to men who use violence
- > \$5.0 million over two years for counselling for women and children
- > \$6 million over two years for the design and implementation of new family violence services
- > \$1.7 million over two years for interpreting and translation services for women and children from culturally and linguistically diverse backgrounds.

In particular, the funding significantly increased the capacity of specialist family violence services to offer case management to family violence victims, and provided access for an additional 9,000 women and children in 2016–17.

#### *Flexible Support Packages*

Through the Flexible Support Packages initiative, over 5,000 packages of up to \$7,000 were

allocated to address victim/survivor needs, including through:

- > provision of suitable and stable housing
- > health and wellbeing needs such as medical or pharmaceutical needs
- > schooling and educational costs
- > access to professional services, including legal assistance and financial counselling
- > safety and security responses.

#### *Personal safety initiative*

The Personal Safety Initiative (PSI) supports victims/survivors at high risk of family violence to remain safely in their own homes and communities. Increased funding for Flexible Support Packages has been used to ensure access to safety and security responses, such as CCTV and personal alarms.

In April 2017, the department commenced a statewide expansion of the PSI, informed by a successful pilot in 2015–16.

#### *Risk Assessment and Management Panels (RAMPs)*

RAMPs bring together key agencies to share critical information and facilitate comprehensive risk assessment and action planning to support women and children at the highest risk of family violence. Core member agencies include Victoria Police, specialist women's family violence services, child protection, Child FIRST, Corrections Victoria, mental health, alcohol and other drugs services, housing and men's family violence services.

RAMPs were implemented statewide in June 2016, with 18 panels operating across Victoria – one in each of the department's 17 areas, and an additional RAMP in Wimmera South West.

A web-based information sharing and record management application was developed and implemented statewide to support the critical work of RAMPs.

#### *Therapeutic responses to family violence*

In May 2017, the government announced \$22.87 million towards 26 therapeutic demonstration projects across Victoria, including four specifically tailored to Aboriginal families. These projects trial innovative therapies for women, children and families who have experienced family violence.

This initiative increases the range and accessibility of therapies available to victims/survivors and will build on the growing evidence base underpinning therapeutic responses to family violence.

#### *Refuge redevelopment*

Acting on the recommendations of the Royal Commission into Family Violence, the department is redeveloping family violence refuges to phase out the communal refuge model, and move towards a core and cluster accommodation model. The core and cluster model promotes safety, is accessible to people with disabilities, provides private units, and enables connections with the community, work and school.

#### *Child Protection Family Violence Partnership*

The Child Protection Family Violence Partnership co-locates 17 family violence workers in child protection offices across the state to strengthen child protection practice, enable joint assessments, assist child protection workers to navigate the family violence system and strengthen opportunities to divert children away from statutory responses. Most of the specialist family violence workers commenced in October 2016.

#### *L17 Family Violence Portal*

Police use L17 forms to report family violence incidents to child protection, family services and specialist family violence services to ensure families receive a response.

The L17 Family Violence Portal was launched in December 2016. It replaces the previous, outdated fax system with electronic referrals/reports of family violence between Victoria Police, child protection and community services to improve flow of information about L17s and client outcomes.

#### *Family violence in Aboriginal communities*

In 2016–17, the department worked to reduce family violence in Aboriginal communities in a culturally sensitive way that responds to local needs. This included investing \$650,000 in 40 place-based projects to prevent and raise awareness of family violence in Aboriginal communities across Victoria.

## **Families and children**

### *Roadmap for reform*

The *Roadmap for reform: strong families, safe children – the first steps* was released on 13 April 2016. It sets out how better lives can be created for vulnerable children, young people and families in Victoria, how to make the children and family services system more sustainable and, importantly, how to make it a system that works towards better outcomes for vulnerable children and young people.

The 2016–17 State Budget provided \$168 million over two years towards implementation of the Roadmap and provision of additional services for vulnerable families.

This builds on existing investment and focus on action across the three reform directions outlined in *Roadmap*.

Achievements to date include:

- > work to support the first authorisations under Section 18 of the *Children, Youth and Families Act 2005*
- > expansion of Healthy Mothers, Healthy Babies from nine to 18 sites
- > statewide expansion of the Cradle to Kinder program, which includes expanding the Aboriginal Cradle to Kinder program from two to 10 sites across Victoria
- > designing 10 new innovative service models for children and young people in, or at risk of entering, Out of Home Care
- > development of the Intensive Support Service aimed at young people in residential care who have complex trauma and mental health issues
- > trial of a new model of professionalised foster care with the potential to transform the way vulnerable children and young people are supported.

### *Child protection recruitment*

The 2016–17 Victorian Budget provided a further \$3.4 million funding for child protection workers, building on the 2015–16 funding provided for 148 child protection practitioners. This included positions to support case planning and allocations, provide enhancement to the department's interface with other child protection jurisdictions, and funding to support authorisation of an approved Aboriginal community-controlled organisation to progress self-determination.

These additional positions have increased case allocation capacity, with a focus on those children most at risk and in need of support. A comprehensive attraction, recruitment and retention strategy, which commenced in May 2015, continues to provide a steady pipeline of suitable candidates.

#### *Child FIRST and family services*

Child FIRST assessments and interventions have exceeded the target of 11,931, reflecting continuing high demand for assistance.

In response to this demand, the 2016–17 Victorian Budget provided an additional \$5.6 million for 12 months to strengthen Child FIRST and Family Services. This funded an additional 1,900 episodes of support for families during 2016–17.

#### **Out-of-home care**

The 2016–17 Victorian Budget provided funding for an increase in places in out-of-home care services, improved supports and training for carers, and boosts to support increased overnight safety and supervision in residential care. These initiatives improve the safety and wellbeing of children, young people and families. They include:

- > funding of \$35.9 million to transition all residential care intermediate (RP2) targets to the complex residential care (RP3) level of support and strengthen overnight safety and supervision requirements statewide. Improvements include a stand-up staff member in all four bed homes and an overnight safety plan for every residential care home
- > \$8.7 million for flexible supports for foster and formal kinship carers, in addition to the carer's allowance
- > an additional \$2.12 million for a combined foster and kinship carer training strategy that launched as the Carer KaFÉ: Kinship and Foster Care Education on 21 April 2017 and includes a centralised training calendar, face-to-face and online training
- > \$7.1 million for flexible funding for new and existing permanent carers and a new permanent carer helpline
- > \$1.15 million for service enhancements to improve the experience of kinship carers, including the development of new tools and resources, such as a new *Kinship Care Manual* and kinship carer-specific podcasts.

#### **Treatment Foster Care Oregon model**

Jo\* is a 13-year-old. She has been in residential care for over 12 months and during this time she has moved placements a number of times as she exhibited challenging behaviours. While in residential care, Jo was registered at an alternative school where her attendance was poor.

Four months ago Jo was referred to the Treatment Foster Care Oregon model – a ground-breaking program that delivers intensive support to the child, foster carer and birth family. Jo now has the support of her foster carers, has regular respite carers, and engages positively. Over this time she has flourished. Jo is enrolled and attending a local mainstream school on a full-time basis. She has new friends and is a member of a local soccer team.

\* Name has been changed

#### **Aboriginal children**

Building on the work of Taskforce 1000, a collaborative project between the department and the Commission for Children and Young People that reviewed approximately 1,000 Aboriginal children and young people in out-of-home care, the department has continued to focus on initiatives to improve outcomes for Aboriginal children and young people.

The department continued to support the convening of the Aboriginal children's forum. This forum is held quarterly, and is co-chaired by the Minister for Children and Families and a local Aboriginal community-controlled organisation. It is attended by government representatives, Aboriginal community-controlled organisations and sector partners committed to addressing the over-representation of Aboriginal children in the child protection system.

As part of the \$16.48 million package to support Aboriginal children and families, the 2016–17 Victorian Budget provided:

- > \$2.24 million over two years to 11 Aboriginal organisations for Aboriginal foster care recruitment and carer capacity building
- > \$3.608 million over two years to expand the Aboriginal Child Specialist Advice and Support Service (ACSASS). ACSASS provides consultation to child protection about all significant decisions to ensure a culturally appropriate response

- > \$880,000 over two years to the Victorian Aboriginal Child Care Agency (VACCA), and \$238,000 to the Bendigo and District Aboriginal Community Co-operative to support the Section 18 implementation, which enables the Secretary to authorise the principal officer of an Aboriginal agency to undertake specified functions and powers in relation to a Children's Court protection order for an Aboriginal child or young person
- > \$5.33 million over two years to support cultural planning. A new model for cultural planning includes 18 senior advisors – Aboriginal cultural planners, employed by Aboriginal community-controlled organisations across the state, to work with child protection and care teams, and develop and implement meaningful cultural plans. The model also includes funding for a statewide co-ordinator, a cultural information portal and portal administrator to enable the sharing of information between professionals, carers, children and young people to assist with cultural planning and support their connection to community and culture
- > \$3.02 million over two years for 88 additional case-contracted kinship care places.

Alongside this work, the department initiated co-designed approaches with Aboriginal community-controlled organisations to enable the transfer to them of case management and care of Aboriginal children and young people in out-of-home care. A new team has been established to support that transfer.

### Housing assistance

The Victorian Housing Register was launched in September 2016 and makes applying for social housing in Victoria easier, by providing a single point of entry.

In 2016–17, upgrades to public dwellings exceeded the original target of 2,298, with 2,301 upgrades delivered by 30 June 2017.

The social housing acquisition program delivers new dwellings to increase the available housing stock within the social housing portfolio. It delivered 651 new homes against an original target of 640 dwellings, which contributes to the total number of social housing dwellings measure.

The total number of social housing dwellings at 30 June 2017 was 86,418, which exceeded the target.

Tenant satisfaction related to completed urgent maintenance and repair works also exceeded the annual target of 85 per cent, with an 88 per cent satisfaction rating.

### Homelessness

The government has committed \$799 million since March 2016 in additional housing and homelessness support, including:

- > a \$109 million homelessness package to intervene early and provide targeted support to help get people back on their feet
- > a \$152 million family violence housing blitz to improve accommodation for women and children escaping family violence
- > \$23 million to increase the supply of short-term housing for homeless Victorians
- > \$33 million to extend private rental brokerage to improve access to the private rental market for a further two years
- > \$133 million for extra long-term housing, more rental assistance, improved crisis accommodation and better support for people fleeing family violence.

As part of this additional housing and homelessness support, the Towards Home program was announced on 27 January 2017, providing \$9.8 million over two years to rapidly rehouse and provide wrap-around support for 40 vulnerable rough sleepers, and to develop a longer-term strategy to reduce rough sleeping across the state.

There are over 500 units available for people who are homeless and in need of crisis accommodation in Victoria. This includes units in congregate crisis accommodation facilities and transitional housing management properties.

### Social Services Sector of Tomorrow

In March 2017, the department hosted the Social Services Sector of Tomorrow, a community services industry planning symposium, in partnership with the Victorian Council of Social Services. Approximately 150 representatives from the community services sector and government attended the forum. The forum signalled the first step towards the government and the sector working more closely together to create a 10-year community services industry plan, which will outline a vision for the future and address the effects of a wide range of reforms on community services.

### Towards Home

Towards Home is a \$9.8 million project to rapidly rehouse vulnerable rough sleepers in inner Melbourne, and provide them with targeted supports to maintain their housing.

Initiatives include 40 transitional housing units to rapidly rehouse people across Melbourne until new additional permanent housing is in place by the end of 2017, 30 new modular and relocatable homes on public land to be in place by the end of 2017, and case management and targeted supports through Flexible Support Packages for 40 vulnerable rough sleepers for up to two years to help them maintain their housing.

As part of Towards Home, Tony Nicholson, the Executive Director of the Brotherhood of St Laurence, was appointed as the Chair of the Rough Sleeping Strategy to provide advice regarding implementation of the above initiatives, and to develop a long-term strategy to reduce rough sleeping in Victoria.

## Objective 4 indicator results

	2013–14	2014–15	2015–16	2016–17
<b>Stability of out-of-home care placements</b>				
Proportion of children and young people who had two or fewer placements in the last 12 months.	91.0%	90.3%	91.0%	91.2%
<i>Source: Internal departmental data</i>				
<b>Improved safety of children reported to child protection</b>				
Number of Child FIRST assessments and interventions	12,142	13,576	15,190	20,016
<i>Source: Internal departmental data</i>				
Substantiated cases of neglect	5.0%	4.4%	4.1%	Not available
	(Aust. lowest)			
<i>Source: AIHW Child Protection Australia 2015–16 (Table S12) AIHW 2016-17 report will not be available until early 2018. The report is compiled from the national minimum dataset and the Report On Government Services</i>				
<b>Achievement of independent and sustainable housing on exit from homelessness services</b>				
Homelessness clients who achieved independent housing after support	21,438	26,954	25,891	Not available
<i>Source: Report on Government Services 2016–17 (Table 19A.29)</i>				

## Objective 5: Capabilities and participation – with its partners, the department works with families, individuals, young people and communities to improve their lives through building capabilities and resilience, supporting participation in work, education and the community

Capability and resilience are core components that sustain the wellbeing of individuals, families and communities.

The department delivers and funds a range of evidence-based education and community activities that build peoples' capability and resilience.

These activities support Victorians of all abilities and backgrounds to live safely and productively contribute to the community.

### Youth affairs

The inaugural Youth Summit was held on 31 March 2017, marking the start of National Youth Week. The summit was attended by nearly 400 young people.

In the lead up to the summit, 12 regional youth forums were held across Victoria, with almost 500 young people having the chance to discuss issues and ideas for action to improve outcomes for young Victorians. These forums shaped the summit, where hundreds of young people from across the state attended to discuss issues affecting young people, including mental health, housing and education.

### Empower Youth

In 2016–17, \$4 million in funding was provided over three years to support eight organisations to deliver an exciting new program called Empower Youth. The program allows organisations to engage youth workers to provide intensive, coordinated support to vulnerable young people in areas experiencing social and economic disadvantage, including the City of Greater Geelong, Ballarat, Melton, Wyndham, Hume, Frankston, Latrobe Valley, Dandenong and Casey.

This support allows young people to build their connection to community, their engagement in education and training, and their pathways to employment.

### Aboriginal Youth Mentoring Program

The Aboriginal Youth Mentoring Program helps young Aboriginal people develop skills, relationships and networks that keep them connected to their culture, families and friends.

In 2016–17, *Wayapa Wuurrk* was funded to work with young men in Wyndham and Melton, providing them with an opportunity to share in cultural knowledge and traditional practices.

Rumbalara Aboriginal Cooperative was also funded to work in Shepparton with young women, in particular young mothers, supporting them through financial education, healthy lifestyle choices, employment opportunities and advocating for affordable housing and community connectedness.

### Aboriginal Housing Victoria

Through the Housing Rapid Assistance Fund, Aboriginal Housing Victoria received \$1.9 million to spot purchase eight properties. This has allowed Lisa\* to move into a home that is safer and more connected to the services she needs. Lisa is a mother of two and a victim of family violence. She originally lived in a remote town outside a larger rural centre, and while she was supported by family violence services, the perpetrator still lived nearby. This funding allowed her to move closer to the larger town, and away from the perpetrator.

\* Name has been changed

### Disability

#### State disability plan

*Absolutely everyone: state disability plan 2017–20* was released in December 2016. The plan provides an overarching framework for improving the way mainstream services and environments work for all people with a disability living in or visiting Victoria. It sets out the government's commitment to achieving greater inclusion and addressing current barriers and exclusions experienced by people with a disability.

The plan focuses on key areas to drive change, such as adopting a universal design approach, changing attitudes, increasing access to affordable housing, public transport, schools, and jobs. It also aims to ensure that people with a disability are able to make the most of the National Disability Insurance Scheme.

Disability advocacy is a key priority of *Absolutely everyone*. Advocacy is a critical safeguard to protect and promote the rights and representation of people with a disability and their families. More than 1,800 people received support in 2016–17, which exceeded the targets and highlights the increased demand for advocacy.

#### *Transition to the National Disability Insurance Scheme*

By the end of June 2019, 105,000 Victorians are expected to enter the National Disability Insurance Scheme (NDIS). This includes an estimated 61,000 clients of state-funded services managed by the department.

As of the end of June 2017, almost 15,000 Victorians had become participants of the NDIS.

Barwon and North Eastern Melbourne Areas moved to the full NDIS scheme on 1 July 2016, followed by Central Highlands on 1 January 2017 and Loddon on 1 May 2017. Further rollouts are planned across the state until 2019.

Significant work has been undertaken in rollout sites and across Victoria to ready participants, service providers, staff and systems for transition to the NDIS.

In 2016–17, as part of the government's \$10 million NDIS Transition Support Package, funding was provided to a range of organisations representing people with a disability, their families, carers and advocates, as well as service providers from the mental health, aged care, and disability sectors. This enabled these organisations to provide practical information and resources to support NDIS transition.

This has contributed to more than 300 providers attending NDIS readiness events, and more than 300 readiness sessions for participants, their families and carers across Victoria. Sessions have been well attended, for example, in North East Melbourne Area, more than 2,300 participants attended readiness information sessions.

#### **Aboriginal housing**

The Director of Housing has transferred 511 public housing property titles to Aboriginal Housing Victoria. This is part of a total of 1,448 property titles to be transferred as part of an initiative to enable more culturally responsive housing services and assist Aboriginal Housing Victoria to develop innovative solutions to promote socioeconomic independence among

Aboriginal people, families and communities. The homes are owned and managed by an Aboriginal organisation, which is a significant step towards self-determination for Aboriginal Victorians.

#### **Early transition**

In early 2016, Jamie\* transitioned to the NDIS ahead of the official rollout of the scheme in the Loddon Area. Jamie was identified as eligible for an early transition to the NDIS due to his immediate need for support. The transition has given Jamie the ability to live more independently. As part of this NDIS plan, Jamie has a carer and is building his independent living skills, such as travelling to see his siblings and preparing meals.

\* Name has been changed.

#### **Transition Support Packages**

The \$10 million Transition Support Packages program provides practical and targeted information and resources to people with a disability, their families and carers and service providers to help them adapt to the new way the NDIS will work.

Recipients of funding have developed innovative approaches to help people understand how to get ready for the NDIS.

This includes VALID's Families as Planning Partners project, which focuses on the essential role of families for many people with a cognitive impairment, and draws on the wisdom of experienced family mentors to share knowledge with other families about the NDIS planning process.

#### **Aboriginal Employment Strategy 2016–2021**

Since the launch of the *Aboriginal Employment Strategy 2016–2021* there has been a significant increase in the number of Aboriginal staff working for the Department of Health and Human Services. Aboriginal people working for the department increased from 126 (0.97 per cent) to 173 (1.34 per cent) in the first year. The strategy has produced a positive shift in our Aboriginal staff profile, tripling the number of Aboriginal senior leadership and executive level roles and tripling our Aboriginal child protection workforce.

We have introduced pipeline initiatives such as the Career Trackers Internship offering paid summer internships to Aboriginal tertiary students in both generalist and child protection streams with outcomes for part time employment while students complete their degrees.

A scholarship program offering tertiary, secondary and professional development opportunities resulted in three Aboriginal tertiary students receiving scholarships, 30 Aboriginal secondary school student scholarships, and Aboriginal staff were supported to undertake the ANZSOG Masters Program and PhD studies.

The *Aboriginal Employment Strategy* is a testament to the great things that can be achieved with concerted effort and commitment.

## **Sport and recreation**

### *Improving sport and recreation facilities*

The government is providing \$175 million to build and upgrade a range of important community sports and recreation facilities throughout Victoria.

In 2016–17, a total of 177 community facility grants were approved under the Community Sports Infrastructure Fund and other community facility funding programs, such as the Inner-City Netball Program, exceeding the target of 140.

A number of community facility projects funded in previous years were completed and opened in 2016–17, including the Booran Reserve redevelopment in Glen Huntly and the installation of lighting at Kyneton Football and Netball Club.

The department continued to roll out its initiative to install 1,000 defibrillators in Victorian sporting clubs and facilities with nearly 600 defibrillators allocated and approximately 450 delivered.

In May 2017, Sport and Recreation Victoria hosted the inaugural Female-Friendly Facilities Symposium at the Melbourne Cricket Ground. The symposium provided opportunities for stakeholders to hear and share information relating to the demand and development of facilities for female sport and active recreation.

Victoria's reputation as Australia's sporting capital has been enhanced through investment in redeveloping key state sport facilities. This includes the transformation of Melbourne Park, which continued in 2016–17 with the completion of Tanderrum Bridge, the precinct's new gateway from the city via Birrarung Marr, and the commencement of detailed planning for stage 3 of the redevelopment.

The fourth stage of the redevelopment of Kardinia Park (Simonds) Stadium in Geelong was completed during 2016–17, and funding was allocated for the fifth and final stage of redevelopment, which will lift the stadium's capacity to approximately 40,000, allowing it to attract larger events to Geelong.

The development of the State Cricket Centre at Junction Oval in St Kilda progressed. This included the staged completion of works on the oval in March 2017.

Construction work at Mars (formerly Eureka) Stadium in Ballarat continued with the installation of eight light towers and the progressive implementation of the east and west grandstand infrastructure. A new video scoreboard was opened on 5 June 2017, and stadium seating was also completed.

### *Inspiring Victoria's aspiring athletes through significant sporting events*

Eighty events, mainly funded through the Significant Sporting Events Program, were held around Victoria in 2016–17, including a large number in regional Victoria. These events increase the liveability of regional communities, and provide opportunities for sports to develop their coaches and officials and promote participation to the wider community.

### *Increasing and enhancing sport and recreation opportunities*

The Supporting Victorian Sport and Recreation program provided funding to 97 state sporting associations and state sport and recreation bodies in 2016–17 to increase participation in community sport and recreation in Victoria.

Other initiatives to increase participation, including Premier's Active April and Ride2School, continued in 2016–17. A record 112,568 people registered for Premier's Active April.

### *Inquiry into Women and Girls in Sport and Active Recreation*

The department worked closely with the sector to implement the inquiry's recommendations.

In November 2016, the Change Our Game initiative was announced. The initiative is designed to bring organisations together in a shared, collaborative effort to increase leadership and participation by women and girls. It includes:

- > a social media campaign and [website to inspire and motivate change](http://www.changeourgame.vic.gov.au) <<http://www.changeourgame.vic.gov.au>>
- > a toolkit for sport and recreation organisations seeking to increase the number of women on boards and in executive roles.

### *Sporting Club Grants Program*

This program provided a total of 739 grants to local sporting clubs in 2016–17 to:

- > assist in the purchase of sporting uniforms and equipment
- > improve the capacity and accessibility of clubs and other community sport and recreation organisations
- > increase the skills of coaches, officials and managers.

### *Athlete pathway travel grants*

This program provides a single entry point to improve Victorian athlete development pathways from community to national representation. It provides grants to help remove the barrier of travel and accommodation costs to Victoria's aspiring athletes. In 2016–17, the program allocated 328 grants with a total value of \$561,500.

## Objective 5 indicator results

	2013–14	2014–15	2015–16	2016–17
<b>People with a disability who participate in social and community activities</b>				
Number of individuals who used disability support services	74,865	74,241	73,396	Not yet published
<i>Source: AIHW Disability Services Australia 2015–16 (Table 2.2) AIHW supplementary data tables, Table S2.14</i>				
<b>Levels of participation in sport and recreation at or above the national average</b>				
Number of Victorians (aged 15 years and over) who report three sessions of exercise in the last week. (million)	Not available	Not available	Not available	2.957 (59.9% of population)
As above compared with the total number of Australians	Not available	Not available	Not available	11.846 (59.9% of population)
<i>Source: Ausplay survey 2016</i>				

## Objective 6: Quality of life – with its partners, the department provides services to support people in need to enjoy a positive life

This objective seeks to ensure that the services the department provides and funds enable all Victorians to live a life that they value.

It includes economic and physical support, access to housing and sport and recreation activities.

It also relates to giving people with a disability more choice and control over the services they receive.

### Sport and recreation

#### *Latrobe Valley initiative*

In March 2017, the government made an \$85 million investment in the Latrobe Valley's sporting infrastructure, major events and community sporting activities. This includes:

- > \$46 million for a new Gippsland Regional Aquatic and Leisure Centre in Traralgon
- > \$17 million to redevelop the Gippsland Regional Indoor Sports and Entertainment Complex in Traralgon
- > \$4 million to upgrade Morwell Recreation Reserve
- > \$1.7 million to upgrade the Latrobe Sports and Entertainment Complex in Morwell
- > \$3 million to upgrade the Ted Summerton Reserve in Moe
- > \$1.4 million for the Sale and Traralgon Tennis Centres
- > \$5 million for nine local reserves to be upgraded.

As part of the package, the Victorian Government is investing \$6.9 million over five years to grow sport participation opportunities across the Latrobe Valley. This includes the delivery of an extensive program of major events to engage the community and sporting programs that activate young people, disadvantaged communities, women and girls, Aboriginal Victorians and other under-represented groups.

#### *Providing accessible sport and recreation opportunities*

Through the Supporting Victorian Sport and Recreation program, the department provides community sport and recreation organisations the opportunity to build the sustainability and inclusiveness of their sports.

#### *Access for All Abilities program*

In 2016–17, the Access for All Abilities program continued to support a range of sports, disability sports and community organisations to create and enhance inclusive opportunities for people with a disability. This included funding to:

- > 29 state sporting associations
- > 17 disability sports and state sport and recreation bodies
- > nine regional sports assemblies.

Funding has also been allocated to AAA Play, a website that connects people with a disability to local clubs and sport and recreation opportunities. On average, more than 2,000 unique users access this service monthly.

#### *Grants for Aboriginal participation*

A new Aboriginal participation category was introduced to the Sporting Club Grants Program in June 2017. This will provide grants of up to \$1,000 for uniforms and equipment, up to \$2,000 for skills development training, and up to \$750 for travel. The new category is designed to assist organisations provide opportunities for Aboriginal Victorians to participate in sport and active recreation and improve the skills of the Aboriginal community members and volunteers involved in providing these activities.

#### *Camps*

Sport and Recreation Victoria's five camps across Victoria continued to provide high-quality and inclusive sport and active recreation opportunities to the Victorian community. Groups using the camps in 2016–17 included sections of the community for whom access to camps has been difficult in the past, such as socially disadvantaged groups, Aboriginal people, people with disabilities, people from culturally and linguistically diverse backgrounds, older people and youth.

Camp Manyung's universally designed High Challenge Ropes Course was a Gold Award winner in the Tourism / Inclusive Culture / Mobility category at the 2017 International Association for Universal Design Awards. Camp Manyung is pioneering the adoption of the universal design philosophy into adventure activities at camps and the High Challenge Ropes Course is an international first for the camping and outdoor sector.

## Out-of-home care

### *Targeted Care Packages*

Targeted Care Packages provide funding that is attached to an individual child or young person based on an assessment of their needs. Targeted Care Packages continue to play a critical role in enabling children and young people to transition from residential care into an alternative living arrangement that better meets their needs, and to prevent entry into residential care.

In 2016–17, 196 Targeted Care Packages were allocated to children and young people to support them into alternative care arrangements that better meet their needs. Of these, 44 were allocated to Aboriginal children and young people. This brings the total of Targeted Care Packages allocated since April 2015 to 386.

In October 2016, approximately \$687,000 was allocated to 10 Aboriginal community-controlled organisations to build the capacity of organisations to deliver Targeted Care Packages.

### *Supporting healthy lifestyle skills in residential out-of-home care*

As part of the *Health 2040* commitment to deliver better health outcomes through prevention, the healthy lifestyle skills initiative provides information and practical opportunities for young people in residential out-of-home care to develop healthy habits for life.

### *Introduction of minimum qualification for residential care*

As part of the *Roadmap for reform*, the government committed to funding the provision of vocational qualifications for residential care staff to improve their ability to work effectively with children and their families.

In May 2016, the department announced \$8 million in partnership with the Department of Education and Training to support the upskilling of residential care workers ahead of introduction of minimum qualification requirements for all residential care workers from 1 January 2018. Training in the *Certificate IV Child, Youth and Family Intervention (Residential and Out-of-home Care)* commenced through TAFE in February 2017. At the end of June 2017, more than 1100 workers had been booked into training through TAFE to meet minimum qualification requirements in line with the *Minimum Qualification Strategy for Residential Care Workers*, released in May 2017.

## Strengthening privacy arrangements

In 2016–17, the department worked to strengthen privacy and information security arrangements, including responding to four reviews. This work included:

- > introducing a new training module to engage staff in understanding their privacy and information security obligations, and developing new program-specific online training on privacy, targeted to program areas that have been identified as higher risk
- > updating the child protection manual to make sure staff are clear about their roles and procedures in relation to privacy, and changed information technology systems, removing the automatic population of some personal details, such as the names of carers in court reports
- > reminding chief executive officers of funded organisations of their obligations under privacy legislation to provide privacy and information-sharing training for staff and carers
- > developing a new privacy framework, including more robust reporting and an IT tool to record, monitor and report on privacy incidents.

### **Improving access to records**

In October 2016, the department established the Care Leaver Records Service (CLRS), a dedicated team to improve care leavers' experience of accessing their records. The CLRS uses a 'pro-release' approach, which provides maximum access to as broad and complete a set of records as possible.

A key goal of the CLRS is to extend supported release to all care leavers and former child protection clients, regardless of when they left care (previously this support was only available to care leavers who had left care before 1989).

Supported release can help care leavers to understand the historical context of their records. It provides the opportunity to discuss any distressing content, and helps care leavers to access further records from other agencies.

## Objective 6 indicator results

	2013–14	2014–15	2015–16	2016–17
<b>New housing allocations to those in greatest need</b>				
Public housing allocations	79.4%	82.1%	83.8%	Not yet published
<i>Source: Report on Government Services 2016 (Table 18A.9)</i>				
Community housing allocations	86.9%	84.9%	83.9%	Not yet published
<i>Source: Report on Government Services 2016 (Table 18A.11)</i>				
<b>Efficient management of housing stock (including occupancy rate and turn-around time)</b>				
Average turn-around time for vacant stock in public housing	32.9 days	29.1 days	28.6 days	Not yet published
<i>Source: Report on Government Services 2016 (Table 18A.56)</i>				
<b>Disability clients receiving individualised support to live in the community</b>				
Number of clients provided with individualised support to live in the community	14,593	15,110	15,205	15,276
<i>Source: Internal departmental data</i>				

# Performance reporting

Results in the tables below are coded according to:

- ✓ Performance target achieved or exceeded
- Performance target not achieved – within five per cent variance.
- Performance target not achieved – exceeds five per cent variance

## Acute Health Services

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
<b>Admitted Services</b>					
<b>Quantity</b>					
Palliative care bed days	number ('000)	92	85	-7.6	■
<i>The result is lower than the target due to palliative care provision being increasingly diverted from bed-based to community-based responses, which is consistent with government policy and consumer preferences. This measure is proposed to be discontinued in 2017–18.</i>					
Subacute bed days	number ('000)	759	781	2.9	✓
<i>This measure is proposed to be discontinued in 2017–18.</i>					
Total separations – all hospitals	number ('000)	1,774	1,823	2.8	✓
Weighted Inlier Equivalent Separations (WIES) – all hospitals except small rural health services	number ('000)	1,241	1,345	8.4	✓
<i>Preliminary result. The result is higher than the target due to the impact of national changes to patient classification and reporting as well as increased activity.</i>					
WIES funded emergency separations – all hospitals	number ('000)	584	615	5.3	✓
<i>Preliminary result. The result is higher than the target due to the impact of national changes to patient classification and reporting as well as increased activity.</i>					
WIES funded separations – all hospitals except small rural health services	number ('000)	1,591	1,629	2.4	✓
<i>Preliminary result.</i>					
<b>Quality</b>					
Eligible newborns screened for hearing deficit before one month of age	per cent	97	98.7	1.8	✓
Hand hygiene compliance	per cent	80	84.5	5.6	✓
Healthcare Worker immunisation – influenza	per cent	75	79.9	6.5	✓
Hospitals participating in Victorian Hospital Acquired Infection Surveillance System (VICNISS)	per cent	100	100	0.0	✓
<i>Preliminary result. Actual results lagged by one quarter.</i>					
Intensive Care Unit central line associated blood stream infections (CLABSI) per 1,000 device days	rate	1.5	0.8	-46.7	✓
<i>This is a positive result.</i>					
Major trauma patients transferred to a major trauma service	per cent	85	90.2	6.1	✓
Perinatal morbidity notices received, processed and reported	per cent	100	100	0.0	✓
<i>Preliminary result. This measure is proposed to be discontinued in 2017–18.</i>					

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
Public hospitals accredited	per cent	100	100	0.0	✓
Public hospitals meeting cleaning standards, as assessed by external audit	per cent	100	100	0.0	✓
<i>Preliminary result. This measure is proposed to be discontinued in 2017–18.</i>					
<i>Staphylococcus aureus</i> bacteraemias (SAB) infections per 10,000 patient days	rate	2	0.8	–60.0	✓
<i>Preliminary result. This is a positive result.</i>					
Unplanned/unexpected readmission for acute myocardial infarction	per cent	3.7	1.8	–51.4	✓
<i>Preliminary result. This is a positive result.</i>					
Unplanned/unexpected readmission for heart failure	per cent	10.3	8.9	–13.6	✓
<i>Preliminary result. This is a positive result.</i>					
Unplanned/unexpected readmission for hip replacement	per cent	2.5	3.0	19.6	■
<i>Preliminary result. Health services continue to explore ways to reduce avoidable readmissions.</i>					
Unplanned/unexpected readmission for knee replacement	per cent	6	5.3	–11.7	✓
<i>Preliminary result. This is a positive result.</i>					
Unplanned/unexpected readmission for paediatric tonsillectomy and adenoidectomy	per cent	2.2	2.4	9.1	■
<i>Preliminary result. Health services continue to explore ways to reduce avoidable readmissions.</i>					
<b>Timeliness</b>					
Non-urgent (Category 3) elective surgery patients admitted within 365 days	per cent	95	94.3	–0.7	○
Semi-urgent (Category 2) elective surgery patients admitted within 90 days	per cent	82.5	80.2	–2.8	○
Urgent (Category 1) elective surgery patients admitted within 30 days	per cent	100	100	0.0	✓
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>9,385.50</b>	<b>9,892.9</b>	<b>5.4</b>	
<i>The 2016–17 actual outcome primarily reflects higher than expected hospitals' own source revenue and reconciliation adjustments for the prior year.</i>					
<b>Non-Admitted Services</b>					
<b>Quantity</b>					
Completed post-acute episodes	number	44,700	48,063	7.5	✓
<i>Preliminary result. Post-acute care has benefited from increased flexibility as a result of consolidating funding and targets in the Health Independence Program (HIP) to increase care in a program stream where demand is higher.</i>					
Health Independence Program direct contacts	number	1,411	1,494	5.9	✓
<i>Preliminary result. A new episodic funding model for subacute admitted activity introduced in 2016–17 has driven greater efficiency through early discharge and likely increases in HIP activity.</i>					
Patients treated in specialist outpatient clinics – unweighted	number ('000)	1,755	1,746	–0.5	○
<i>Preliminary result. This measure is proposed to be discontinued in 2017–18.</i>					
<b>Quality</b>					
Post-acute clients not readmitted to acute hospital	per cent	90	93.3	3.7	✓
<b>Timeliness</b>					
Health Independence Program clients contacted within three days of referral	per cent	80	88.6	10.8	✓
<i>This is a positive result and demonstrates service improvement to ensure timely contact with new patients.</i>					

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>1,627.90</b>	<b>1,569.20</b>	<b>-3.6</b>	
<i>The 2016–17 actual outcome primarily reflects lower than expected Commonwealth revenue for highly specialised drugs.</i>					
<b>Emergency Services</b>					
<b>Quantity</b>					
Emergency presentations	number ('000)	1,696	1,728	1.9	✓
<b>Quality</b>					
Emergency patients re-presenting to the emergency department within 48 hours of previous presentation	number	6	5.9	-1.7	✓
Emergency patients who did not wait for treatment	per cent	5	4.4	-12.0	✓
Patients' experience of emergency department care	per cent	85	84.1	-1.2	○
<b>Timeliness</b>					
Emergency Category 1 treated immediately	per cent	100	100	0.0	✓
Emergency patients treated within time	per cent	80	73.5	-8.1	■
<i>The result is lower than the target due to increasing demand in emergency department presentations and higher acuity (Cat 1–3) presentations. Collaborative projects with Better Care Victoria are underway to identify and resolve system-wide constraints and patient flow issues.</i>					
Emergency patients with a length of stay of less than four hours	per cent	75	71.3	-4.9	○
<i>The result is lower than the target due to continued higher volume of patients presenting in emergency departments. Continuing strategies around models of care and redesign are being implemented to improve patient flow and efficiency in emergency departments as a whole-of-hospital response.</i>					
Proportion of ambulance patient transfers within 40 minutes	per cent	90	86.2	-4.2	○
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>598.2</b>	<b>606.0</b>	<b>1.3</b>	
<b>Acute Training and Development</b>					
<b>Quantity</b>					
Clinical placement student days for medicine, nursing and allied health	number	993,960	1,023,779	3.0	✓
<i>This is a positive result. This measure is proposed to be discontinued in 2017–18.</i>					
Number of filled rural generalist GP procedural positions	number	11	15	36.4	✓
<i>This is a positive result.</i>					
Percentage of public health services utilising the Best Practice Clinical Learning Environment (BPCLE) tool	per cent	100	100	0.0	✓
<i>This measure is proposed to be discontinued in 2017–18.</i>					
Postgraduate nursing places at diploma and certificate level	number	832	832	0.0	✓
Total FTE (early graduate) allied health positions in public system	number	700	670	-4.3	○
Total FTE (early graduate) medical positions in public system	number	1,455	1,591	9.3	✓
Total FTE (early graduate) nursing positions in public system	number	1,525	1,525	0.0	✓
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>263.4</b>	<b>269.7</b>	<b>2.4</b>	

## Ambulance Services

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
<b>Ambulance Emergency Services</b>					
<b>Quantity</b>					
Community service obligation emergency road and air transport	number	238,558	233,158	–2.3	○
Statewide emergency air transports	number	4,290	4,035	–5.9	■
<i>The result is lower than the target due to lower demand for emergency air transport in 2016–17. Air activity is historically variable and entirely demand driven.</i>					
Statewide emergency road transports	number	413,866	415,595	0.4	✓
Treatment without transport	number	90,604	93,964	3.7	✓
<i>This is a positive result, indicating more patients treated at the scene do not require emergency transport.</i>					
<b>Quality</b>					
Audited cases attended by Community Emergency Response Teams (CERT) meeting clinical practice standards	per cent	90	93.8	4.2	✓
Audited cases statewide meeting clinical practice standards	per cent	95	98.8	4.0	✓
Proportion of adult patients suspected of having a stroke who were transported to a stroke unit with thrombolysis facilities within 60 minutes	per cent	80	94.2	17.8	✓
<i>This is a positive result, indicating more patients identified as stroke being transported directly to stroke facilities.</i>					
Percentage of adult VF/VT cardiac arrest patients with vital signs at hospital	per cent	45	52.8	17.3	✓
<i>This is a positive result indicating more patients arriving at hospital with vital signs following cardiac arrest.</i>					
Proportion of patients experiencing severe cardiac or traumatic pain whose level of pain is reduced significantly	per cent	90	90.4	0.4	✓
Proportion of patients very satisfied or satisfied with overall services delivered by paramedics	per cent	95	97.4	2.5	✓
<b>Timeliness</b>					
CERT arrival occurs prior to ambulance	per cent	85	77.9	–8.4	✓
<i>The result is lower than the target due to the reduction in CERT first arrivals, following new services and increased availability of emergency ambulances as a result of recent reforms. This is considered a positive variance as emergency ambulances are more frequently arriving first.</i>					
Proportion of emergency (Code 1) incidents responded to within 15 minutes – statewide	per cent	85	78.3	–7.9	■
<i>Whilst the result is lower than the target, it reflects an improvement over the previous year.</i>					
Proportion of emergency (Code 1) incidents responded to within 15 minutes in centres with more than 7,500 population	per cent	90	83.7	–7.0	■
<i>Whilst the result is lower than the target, it reflects an improvement over the previous year.</i>					
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>692.3</b>	<b>838.9</b>	<b>21.2</b>	
<i>The 2016–17 actual outcome primarily reflects the funding for the Improving Waiting Times initiative, and a transfer from the Ambulance non-emergency output relating to the revised fee structure in the Policy and funding guidelines, along with funding for Enterprise Bargaining Agreements.</i>					

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
<b>Ambulance Non-Emergency Services</b>					
<b>Quantity</b>					
Community service obligation non-emergency road and air transports	number	186,539	189,496	1.6	✓
Statewide non-emergency air transports	number	3,033	2,233	–26.4	■
<i>The below-target result reflects lower demand for non-emergency air transport in 2016–17. Air activity is historically variable and entirely demand driven.</i>					
Statewide non-emergency road transports	number	292,762	254,317	–13.1	■
<i>The below-target result is an improvement over the previous years as a result of increasing use of non-emergency services, following the implementation of Ambulance Victoria's new funding model and changes to non-emergency charging guidelines.</i>					
<b>Quality</b>					
Audited cases statewide meeting clinical practice standards	per cent	95	96.2	1.3	✓
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>111.8</b>	<b>80.5</b>	<b>–28.0</b>	
<i>The 2016–17 actual outcome reflects a transfer to the Ambulance Emergency output relating to the revised fee structure in the Policy and funding guidelines.</i>					

## Mental Health

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
<b>Clinical Care</b>					
<b>Quantity</b>					
Clinical inpatient separations	number	22,110	25,234	14.1	✓
<i>The higher-than-target actual is a positive result due to continued high level demand for acute inpatient treatment. Demand pressures are also reflected in short lengths of stay, due to the increase in throughput.</i>					
Community service hours	hours ('000)	1,161	873	–24.8	■
<i>The lower-than-target actual is due to under reporting of community service contacts. Since the resolution of the underpinning issue, the number of service hours has significantly improved. Recall as outlined in the Policy and funding guidelines will apply to underperformance as part of prior year adjustments.</i>					
New case index	per cent	50	53.7	7.4	✓
<i>The higher-than-target actual is a positive result due to an increase in demand from more clients requiring and receiving clinical mental health services.</i>					
Registered community clients	number	64,000	64,679	1.1	✓
Residential bed days	number	181,730	163,031	–10.3	■
<i>The lower-than-target actual is due to reduction in demand for public sector aged care residential mental health service beds, following a shift to alternative community-based treatment options combined with a reconfiguration of aged care facilities.</i>					
Subacute bed days	number	171,412	170,078	–0.8	○
<b>Quality</b>					
Clients readmitted (unplanned) within 28 days	per cent	14	13.5	–3.6	✓
New client index	per cent	45	45.8	1.8	✓
Number of area mental health services achieving or maintaining accreditation under the National Standards for Mental Health Services	number	21	21	0.0	✓
Post-discharge community care	per cent	75	78	4.0	✓

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
Pre-admission community care <i>The result is lower than the target due to under-reporting of client outcome measures. Since the resolution of the underpinning issue, the final result has significantly improved.</i>	per cent	60	51.8	-13.7	■
Seclusions per 1,000 occupied bed days <i>This is a positive result.</i>	number	15	10	-33.3	✓
<b>Timeliness</b>					
Emergency patients admitted to a mental health bed within eight hours <i>The result is lower than the target due to the high levels of demand as more people are presenting directly to emergency departments needing an acute inpatient admission, particularly in population growth areas in the metropolitan areas.</i>	per cent	80	60.4	-24.5	■
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>1,269.9</b>	<b>1,258.2</b>	<b>-0.9</b>	
<i>The 2016–17 actual outcome primarily reflects movement within outputs, a reduction of National Health Reform funding and lower than estimated third party revenue partially offset by Nurses Enterprise Bargaining Agreement funding.</i>					
<b>Mental Health Community Support Services (MHCSS)</b>					
<b>Quantity</b>					
Bed days <i>The result is lower than the target due to clients of MHCSS transitioning to the NDIS. The actual bed day data will continue to decline as each geographical area transitions until Victoria is at full scheme.</i>	number	87,000	81,130	-6.7	■
Client Support Units	number	783,100	757,236	-3.3	✓
Clients receiving community mental health support services <i>The result is lower than the target due to clients of MHCSS transitioning to the NDIS. The actual rate of client support units will continue to decline as each geographical area transitions until Victoria is at full scheme.</i>	number	12,600	11,337	-10.0	■
<b>Quality</b>					
Proportion of major agencies accredited	per cent	100	100	0	✓
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>128.1</b>	<b>124.8</b>	<b>-2.6</b>	
<i>The 2016–17 actual outcome reflects the state's contribution to the National Disability Insurance Scheme (NDIS), and a revision to estimated carry-over from 2015–16.</i>					

## Ageing Aged and Home Care

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
<b>Seniors Programs and Participation</b>					
<b>Quantity</b>					
New University of the Third Age (U3A) programs funded	number	45–60	58	n/a	✓
Open rates for Seniors Card e-newsletters <i>This is a positive result, as chosen topics were of high interest to user. It does not impact on funding requirements.</i>	number	45	54	20	✓
Seniors funded activities and programs: number approved <i>This is a positive result due to additional one-off projects and grants approved for funding.</i>	number	140–160	169	n/a	✓

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
<b>Quality</b>					
Eligible seniors in the Seniors Card program	per cent	95	82.0	-13.7	■
<i>The result is lower than the target due to the change in eligibility criteria that expands the pool of seniors eligible for the program, and a slightly smaller proportion of that larger population having taken it up.</i>					
Senior satisfaction with Victorian Seniors Festival events	per cent	90	95.0	5.6	✓
<i>This is a positive result based on survey responses by attendees reporting their experience of the festival as Excellent or Satisfied.</i>					
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>8.7</b>	<b>9.9</b>	<b>13.3</b>	
<i>The 2016–17 actual outcome primarily reflects revenue adjustments to trust fund estimates.</i>					
<b>Residential Aged Care</b>					
<b>Quantity</b>					
Available bed days	number	1,185,685	1,162,724	-1.9	○
<i>Preliminary result</i>					
Standard Equivalent Value Units	number	698,995	680,544	-2.6	○
<i>Preliminary result. This measure is proposed to be discontinued in 2017–18.</i>					
<b>Quality</b>					
Residential care services accredited	per cent	100	100	0.0	✓
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>366.3</b>	<b>342.0</b>	<b>-6.6</b>	
<i>The 2016–17 actual outcome reflects lower than expected hospitals' own source revenue, movements within the output group and funding requested to be carried over into 2017–18.</i>					
<b>Aged Care Assessment</b>					
<b>Quantity</b>					
Aged Care Assessments	number	59,000	48,547	-17.7	■
<i>The result is lower than the target due to multiple changes to the Commonwealth's My Aged Care system and the introduction of additional tasks, which are not counted and reduce time available to conduct assessments.</i>					
<b>Timeliness</b>					
Percentage of priority 1, 2 and 3 clients assessed within the appropriate time – community-based assessment	per cent	85	n/a	n/a	✓
<i>All data for this program is recorded and configured in the Commonwealth's My Aged Care system. It is not currently possible to separate community-based assessments from those conducted in a hospital setting. Options to address this data problem are being explored.</i>					
Percentage of priority 1, 2 and 3 clients assessed within the appropriate time – hospital-based assessment	per cent	85	n/a	n/a	✓
<i>All data for this program is recorded and configured in the Commonwealth My Aged Care system. It is not currently possible to separate community-based assessments from those conducted in a hospital setting. Options to address this data problem are being explored.</i>					
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>62.4</b>	<b>59.4</b>	<b>-4.8</b>	
<i>The 2016–17 actual outcome reflects movements within the output group, the difference between 2015–16 estimated and actual carry-over, and funding requested to be carried over into 2017–18.</i>					
<b>Aged Support Services</b>					
<b>Quantity</b>					
Individuals provided with respite and support services	number	8,254	8,110	-1.7	○
<i>Preliminary result</i>					

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
Number of hours of respite and support services <i>Preliminary result.</i>	hours	161,250	159,496	-1.1	○
Pension-level beds available in assisted supported residential services facilities	number	1,876	1,822	-2.9	○
Pension-level supported residential services residents provided with service coordination and support/brokerage services	number	775	775	0.0	✓
Personal alert units allocated	number	27,370	27,371	0.0	✓
Victorian EyeCare Service (occasions of service)	number	75,800	75,132	-0.9	○
<b>Quality</b>					
Funded research and service development projects for which satisfactory reports have been received	per cent	100	100	0.0	✓
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>102.7</b>	<b>98.7</b>	<b>-3.9</b>	
<i>The 2016–17 actual outcome primarily reflects funding requested to be carried over into 2017–18.</i>					

### HACC Primary Health, Community Care and Support

<b>Quantity</b>					
Clients receiving Home and Community Care services <i>Preliminary result. This figure includes clients who have transitioned to NDIS during the phase-in period. This measure is proposed to be discontinued in 2017–18.</i>	number	69,778	75,033	7.5	✓
Home and Community Care service delivery hours <i>Preliminary result. This measure is proposed to be discontinued in 2017–18.</i>	number ('000)	2,196	2,134	-2.8	○
Standard Equivalent Value Units <i>Preliminary result. This measure is proposed to be discontinued in 2017–18.</i>	number ('000)	1,536	1,469	-4.4	○
<b>Quality</b>					
Eligible population receiving Home and Community Care services <i>Preliminary result. This measure is proposed to be discontinued in 2017–18.</i>	per cent	30	29.8	-0.7	○
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>239.5</b>	<b>261.0</b>	<b>9.0</b>	
<i>The 2016–17 actual outcome primarily reflects an increase due to the signing of a National Partnership Agreement after the publication of the budget, funding requested to be carried over into 2017–18, and a higher than expected actual outcome due to National Disability Insurance Scheme (NDIS) transition delays.</i>					

## Primary, Community and Dental Health

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
<b>Community Health Care</b>					
<b>Quantity</b>					
Better Health Channel visits	number ('000)	40,000	41,761	4.4	✓

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
Number of referrals made using secure electronic referral systems <i>Preliminary result. The result is lower than the target due to the reduction in the number of electronic referrals made through the state system, following the introduction of additional referral portals associated with Commonwealth initiatives – My Aged Care and National Disability Insurance Scheme – that redirect the flow to the Commonwealth systems.</i>	number	250,000	125,000	–50.0	■
Primary Care Partnerships with reviewed and updated strategic plans <i>Preliminary result.</i>	per cent	100	100	0.0	✓
Rate of admissions for ambulatory care sensitive chronic conditions for Aboriginal Victorians <i>Preliminary data. This is a positive result. The result is lower than the target, reflecting changes in disease coding practice and a revised Australian Bureau of Statistics estimate of the Victorian Aboriginal population. However, the current figure cannot be compared to the target due to the different disease coding practice. This data is only available annually, and the 2015–16 data is the most recent available. This measure is proposed to be discontinued in 2017–18.</i>	rate	30.9	16.2	–47.6	✓
Service delivery hours in community health care <i>Preliminary result. This is a positive result and reflects the higher than expected number of service delivery hours provided in community healthcare.</i>	number ('000)	1,000	1,101	10.1	✓
Standard Equivalent Value Units <i>Preliminary result. The higher than expected number of service delivery hours provided in community healthcare is a positive result. This measure is proposed to be discontinued in 2017–18.</i>	number ('000)	1,074	1,182	10.1	✓
<b>Quality</b>					
Agencies with an Integrated Health Promotion plan that meets the stipulated planning requirements <i>This is a positive result and reflects all funded agencies meeting the required Health Promotion Plans.</i>	per cent	95	100	5.3	✓
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>261.3</b>	<b>260.8</b>	<b>–0.2</b>	
<i>The 2016–17 actual outcome primarily reflects funding requested to be carried over into 2017–18.</i>					
<b>Dental Services</b>					
<b>Quantity</b>					
Persons treated <i>This is a positive result and reflects additional activity delivered under the extended Commonwealth National Partnership Agreement on Adult Public Dental Services.</i>	number	332,150	385,251	16.0	✓
Standard Equivalent Value Units <i>This is a positive result and reflects additional activity delivered under the extended Commonwealth National Partnership Agreement on Adult Public Dental Services. This measure is proposed to be discontinued in 2017–18.</i>	number ('000)	1,413	1,639	16.0	✓
<b>Quality</b>					
Ratio of emergency to general courses of dental care	ratio	40:60	39:61	–2.4	✓
<b>Timeliness</b>					
Waiting time for dentures <i>This is a positive result and reflects the impact of additional activity delivered under the extended Commonwealth National Partnership Agreement on Adult Public Dental Services.</i>	months	22	15.3	–30.5	✓
Waiting time for restorative dental care <i>This is a positive result and reflects the impact of additional activity delivered under the extended Commonwealth National Partnership Agreement on Adult Public Dental Services.</i>	months	23	17.6	–23.5	✓
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>206.2</b>	<b>221.5</b>	<b>7.4</b>	
<i>The 2016–17 actual outcome primarily reflects increased Commonwealth revenue, a higher than estimated carry-over from 2015–16, which was partially offset by a carry-over request into 2017–18.</i>					

## Small Rural Services

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
<b>Small Rural Services – Acute Health</b>					
<b>Quantity</b>					
Separations	number ('000)	41.6	36.5	-12.3	■
<i>The result is lower than the target due to changes in service mix and the permissible substitution of acute, aged and home care, primary health services and other services (not captured by these measures) under the Small Rural Health Services funding model.</i>					
Standard Equivalent Value Units	number ('000)	1,298	1,256	-3.2	○
<i>Preliminary result. The outcome is lower than the target due to changes in service mix and the permissible substitution of acute, aged and home care, primary health services and other services (not captured by these measures) under the Small Rural Health Services funding model. This measure is proposed to be discontinued in 2017–18.</i>					
Weighted Inlier Equivalent Separations (WIES)	number ('000)	25.7	24	-6.6	■
<i>Preliminary result. The outcome is lower than the target due to changes in service mix and the permissible substitution of acute, aged and home care, primary health services and other services (not captured by these measures) under the Small Rural Health Services funding model. This measure is proposed to be discontinued in 2017–18.</i>					
<b>Quality</b>					
Beds accredited	per cent	100	100	0.0	✓
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>341.4</b>	<b>328.9</b>	<b>-3.7</b>	
<i>The 2016–17 actual outcome primarily reflects less than expected hospitals' own source revenue, as well as movements within the output group.</i>					
<b>Small Rural Services – Aged Care</b>					
<b>Quantity</b>					
Small Rural Available Bed Days	number	701,143	701,138	0.0	✓
Standard Equivalent Value Units	number	344,328	341,973	-0.7	○
<i>This measure is proposed to be discontinued in 2017–18.</i>					
<b>Quality</b>					
Residential care services accredited	per cent	100	100	0.0	✓
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>192.4</b>	<b>189.8</b>	<b>-1.3</b>	
<i>The 2016–17 actual outcome primarily reflects lower than expected hospitals' own source revenue.</i>					
<b>Small Rural Services – Home and Community Care Services</b>					
<b>Quantity</b>					
Home and Community Care service delivery hours	number	107,719	107,550	-0.2	○
<i>Preliminary result. This measure is proposed to be discontinued in 2017–18.</i>					
Standard Equivalent Value Units	number	59,000	64,927	10.0	✓
<i>Preliminary result. The result is higher than the target due to underestimating the value of units. This measure is proposed to be discontinued in 2017–18.</i>					
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>7.8</b>	<b>6.0</b>	<b>-23.5</b>	
<i>The 2016–17 actual outcome primarily reflects a greater than expected reduction in revenue due to the actual split of Commonwealth and State Home and Community Care (HACC) services.</i>					

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
<b>Small Rural Services – Primary Health</b>					
<b>Quantity</b>					
Service delivery hours in community health care	number	99,000	111,805	12.9	✓
<i>Preliminary result. The result is higher than the target due to permissible use of funding from other Small Rural Services outputs to provide primary health services according to local needs.</i>					
Standard Equivalent Value Units	number	104,000	117,452	12.9	✓
<i>Preliminary result. The result is higher than the target due to permissible use of funding from other Small Rural Services outputs to provide primary health services according to local needs. This measure is proposed to be discontinued in 2017–18.</i>					
<b>Cost</b>					
Total output cost	\$ million	20.3	19.0	–6.5	
<i>The 2016–17 actual outcome primarily reflects movements within the output group.</i>					

## Public Health

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
<b>Health Protection</b>					
<b>Quantity</b>					
Calls to food safety hotlines	number	4,500	4,213	–6.4	■
<i>The result is lower than the target due to the lack of food safety incidents in 2016–17 which resulted in phone calls. This is possibly because of the public's preference to send emails and possibly because of new information on the Food Safety Website during 2016–17, directing the public to answers to their queries and local councils' details for food complaint investigations.</i>					
Inspections of cooling towers	number	1,250	1,710	36.8	✓
<i>The result is higher than the target due to a general increase in the number of cases of legionnaire's disease in the last two quarters and a significant outbreak of disease in the CBD, which has an extremely high concentration of towers.</i>					
Inspections of radiation safety management licences	number	480	476	–0.8	○
Number of available HIV rapid test trial appointments used	number	2,688	2,875	7.0	✓
<i>The result is higher than the target due to continued service growth and growing community acceptance.</i>					
Number of shade grants funded under the Community Shade Grant Program and the Schools Shade Grant Program	number	460	295	–35.9	■
<i>The result is lower than the target due to changes in the cycle of the grant rounds. When the 2016–17 target was set, it was anticipated that three grant rounds would occur in 2016–17 and one grant round in 2017–18. However, due to a change in the phasing of funds, there were only two grant rounds in 2016–17 and there will now be two grant rounds in 2017–18. The estimated overall number of grants delivered under the entire program remains the same.</i>					
Persons screened for prevention and early detection of health conditions – breast cancer screening	number	243,000	253,889	4.5	✓
Persons screened for prevention and early detection of health conditions – cervical cancer screening	number	570,000	547,294	–4.0	○
Persons screened for prevention and early detection of health conditions – newborn and maternal serum screening	number	80,000	79,313	–0.9	○
Persons screened for prevention and early detection of health conditions – pulmonary tuberculosis screening	number	2,000	1,230	–38.5	■
<i>The result is lower than the target due to fluctuations in the number of persons screened each year, which is influenced by several factors, including the number of infectious tuberculosis cases notified each year and the number of large scale screenings required.</i>					
<b>Quality</b>					
Calls to food safety hotlines that are answered	per cent	97	99.0	2.1	✓

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
Immunisation coverage: adolescent (Year 7) students fully immunised for DTPa (diphtheria, tetanus and pertussis)	per cent	80	89.0	11.3	✓
<i>The result is higher than the target due to the marked increase in adolescent vaccination coverage rates since moving from Year 10 to Year 7 in 2015.</i>					
Immunisation coverage: at school entry	per cent	95	94.1	-1.0	○
Immunisation coverage: at two years of age	per cent	95	91.5	-3.7	○
Public Health emergency response calls dealt with within designated plans and procedure timelines	per cent	100	100	0.0	✓
<b>Timeliness</b>					
Average time taken from notification of a food complaint to commencement of appropriate action	hours	24	24	0.0	✓
Infectious disease outbreaks responded to within 24 hours	per cent	100	100	0.0	✓
Target population screened within specified timeframe for breast cancer	per cent	54	53.7	-0.6	○
Target population screened within specified timeframe for cervical cancer	per cent	62	58.7	-5.3	■
<i>Recently released data, based on the two-year calendar period of 1 Jan 2015 to 31 Dec 2016, shows the participation rate has continued to decline. This decline is believed to be associated with the changes to the national cervical cancer screening program, including an increase in the recommended screening interval from two years to five years. It is believed that women are delaying screening until the new program is implemented on 1 December 2017, impacting on current two-year screening participation.</i>					
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>258.6</b>	<b>241.6</b>	<b>-6.6</b>	
<i>The 2016–17 actual outcome primarily reflects funding requested to be carried over into 2017–18. This was partially offset by increase in expenditure related to the September floods and meningococcal W vaccine.</i>					
<b>Health Advancement</b>					
<b>Quantity</b>					
Persons completing the Life! – Diabetes and Cardiovascular Disease Prevention program	number	5,616	5,199	-7.4	■
<i>The result is lower than the target due to significant shortfalls in quarters 1 and 3 in 2016–17. The department is working with Diabetes Victoria on strategies to increase program uptake.</i>					
Workplaces and pubs and clubs complying with smoke-free environment laws	per cent	99	99.0	0.0	✓
<b>Quality</b>					
Local government authorities with municipal public health and wellbeing plans	per cent	100	100	0.0	✓
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>78.0</b>	<b>70.6</b>	<b>-9.5</b>	
<i>The 2016–17 actual outcome primarily reflects funding requested to be carried over into 2017–18.</i>					
<b>Public Health Development, Research and Support</b>					
<b>Quantity</b>					
Number of people trained in emergency response	number	2,000	2,000	0.0	✓
Operational infrastructure support grants under management	number	10	10	0.0	✓

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
<b>Timeliness</b>					
Practitioner medicinal cannabis authorisations processed within prescribed timeline	per cent	95	n/a	n/a	
<i>This measure is not yet operational due to additional regulatory requirements of the Commonwealth which have delayed the introduction of the Victorian scheme.</i>					
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>53.1</b>	<b>49.0</b>	<b>-7.8</b>	
<i>The 2016–17 actual outcome primarily reflects funding requested to be carried over into 2017–18.</i>					

## Drugs Services

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
<b>Drug Prevention and Control</b>					
<b>Quantity</b>					
Contacts through Family Drug Help	number	5,000	4,379	-12.4	■
<i>The result is lower than the target due to a wider range of sources of assistance for families now being available. This has diverted some volume from the Family Drug Helpline. This measure is proposed to be discontinued in 2017–18.</i>					
Licences and permits issued to health services or businesses for the manufacture, use or supply of drugs and poisons.	number	1,425	1,493	4.8	✓
<i>This measure is proposed to be discontinued in 2017–18.</i>					
Needles and syringes provided through the Needle and Syringe Program	number ('000)	8,800	10,476	19.0	✓
<i>The result is higher than the target due to ongoing growth in the Needle and Syringe Program.</i>					
Number of telephone, email, website contacts and in person responses to queries and requests for information on alcohol and drug issues (through the Australian Drug Foundation)	number	1,200,000	1,467,215	22.3	✓
<i>The result is higher than the target due to ongoing strong uptake of the desktop and mobile website resources during the year. This measure is proposed to be discontinued in 2017–18.</i>					
Treatment permits issued to medical practitioners or nurse practitioners to prescribe Schedule 8 drugs, including pharmacotherapy	number	48,000	56,430	17.6	✓
<i>The result is higher than the target due to more than the anticipated number of permits being issued in quarter 3 of 2016–17. The number of permits issued is demand driven. This performance measure is proposed to be discontinued in 2017–18 and replaced by the new measure 'Percentage of treatment permits for medical practitioners or nurse practitioners to prescribe Schedule 8 drugs assessed within four weeks', which will more accurately reflect timeliness for high priority treatment permits.</i>					
<b>Quality</b>					
Pharmacotherapy permits processed within designated timeframe	per cent	100	98.0	-2.0	○
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>34.6</b>	<b>31.1</b>	<b>-10.2</b>	
<i>The 2016–17 actual outcome primarily reflects movements within the output group, movements among output groups, and the difference between 2015–16 estimated and actual carry-over.</i>					

### Drug Treatment and Rehabilitation

<b>Quantity</b>					
Clients on the pharmacotherapy program	number	14,000	14,233	1.7	✓

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
Commenced courses of treatment: community-based drug treatment services <i>The result is higher than the target due to ongoing increased activity, largely in youth services.</i>	number	7,494	9,264	23.6	✓
Commenced courses of treatment: residential-based drug treatment services <i>The result is lower than the target due to significant reporting issues from one withdrawal service. The department is working with the service to address this issue.</i>	number	6,302	5,854	–7.1	■
Number of Drug Treatment Activity Units (DTAUs) <i>The result is higher than the target due to reported over-performance in the 'Counselling and Care' and 'Recovery Coordination' streams.</i>	number	75,885	82,511	8.7	✓
Number of new residential withdrawal clients <i>The result is lower than the target due to lower overall throughput of clients, due in turn to longer stays or multiple courses of treatment required for some clients, and significant reporting issues from one withdrawal service. The department is working with the service to address the latter issue.</i>	number	2,200	1,801	–18.1	■
Residential bed days	number	107,310	106,927	–0.4	○
<b>Quality</b>					
Percentage of new clients to existing clients <i>The result is lower than the target due to more clients receiving multiple courses of treatment to address increasing complexities.</i>	per cent	50	34.1	–31.8	■
Percentage of residential rehabilitation courses of treatment greater than 65 days <i>The result is lower than the target due to several service providers operating delivery models with shorter courses of treatment.</i>	per cent	50	47.0	–6.0	■
Successful courses of treatment (episodes of care): community-based drug treatment services <i>The result is higher than the target due to increased activity across youth services consistent with the 'Commenced courses of treatment' performance measure.</i>	number	6,508	8,253	26.8	✓
Successful courses of treatment (episodes of care): residential-based drug treatment services <i>The result is lower than the target due to significant reporting issues from one withdrawal service and under performance at one residential services. The department is working with the service to address the reporting issues.</i>	number	5,859	5,481	–6.5	■
Trained alcohol and drug workers <i>The result is lower than the target due to significant workforce turnover experienced as a result of service recommissioning in 2014.</i>	per cent	85	62.0	–27.1	■
<b>Timeliness</b>					
Average working days between screening of client and commencement of community-based drug treatment <i>The result is better than the target because this measure is not a true reflection of wait times. Client information is generally only recorded once a person is accepted into treatment rather than when initially screened.</i>	days	3	0	100.0	✓
Average working days between screening of client and commencement of residential-based drug treatment	days	6	6	0.0	✓
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>157.9</b>	<b>166.6</b>	<b>5.5</b>	
<i>The 2016–17 actual outcome primarily reflects an increase related to clients on community correction orders, movements within the output group, and the difference between 2015–16 estimated and actual carry-over.</i>					

## Disability Services

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
<b>Quantity</b>					
Clients accessing aids and equipment	number	30,307	30,761	1.5	✓
Clients in residential institutions	number	79	75	–5.1	✓
<i>The result is lower than the target in line with the closure of Colanda, and government policy to reduce institutionalisation. This is a positive result.</i>					
Clients receiving case management services	number	5,300	5,207	–1.8	○
Clients receiving individualised support	number	16,192	15,276	–5.7	■
<i>The result is lower than the target due to people transitioning to the NDIS.</i>					
Hours of community-based respite	number	1,000,000	1,183,089	18.3	✓
<i>This result is higher than the target due to good performance for community-based respite. This is a positive result.</i>					
Number of respite days	number	101,475	96,257	–5.1	○
<i>The result is lower than the target due to people transitioning to the NDIS.</i>					
Number of supported accommodation beds	number	5,141	3,917	–23.8	■
<i>The result is lower than the target due to areas transitioning to the NDIS. This measure is proposed to be discontinued in 2017–18.</i>					
<b>Quality</b>					
Clients satisfied with the aids and equipment services system	per cent	85	92.0	8.2	✓
<i>The result is higher than the target due to the result of surveys completed by clients. This is a positive result.</i>					
Clients who have had a comprehensive health status review	per cent	90	97.0	7.8	✓
<i>Preliminary result. The result is higher than the target due to active monitoring of health status reviews. This is a positive result.</i>					
Organisations that have successfully completed a quality review (accommodation supports)	per cent	95	100	5.3	✓
Organisations that have successfully completed a quality review (client services and capacity)	per cent	95	100	5.3	✓
Organisations that have successfully completed a quality review (individualised supports)	per cent	95	100	5.3	✓
Support plans reviewed at least once during each period of three years commencing from when the support plan was first prepared (accommodation supports)	per cent	100	100	0.0	✓
<i>Preliminary result.</i>					
Support plans reviewed at least once during each period of three years commencing from when the support plan was first prepared (individualised supports)	per cent	100	95.2	–4.8	○
Support plans reviewed every 12 months for persons residing in residential institutions	per cent	100	100	0.0	✓
<i>Preliminary result.</i>					
<b>Timeliness</b>					
Applications for aids and equipment acknowledged in writing within 10 working days	per cent	90	98	9.1	✓
<i>The actual is higher than the target and is reflective of a timely and responsive service system. This is a positive result.</i>					
Proportion of clients whose support is commenced within departmental timelines	per cent	85	92	8.1	✓
<i>The result is higher than the target due to the timely development of each person's support plan and funding proposals. This is a positive result.</i>					

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
Support plans prepared within 60 days of the person commencing to regularly access the disability services (accommodation supports) <i>Preliminary result.</i>	per cent	100	100	0.0	✓
Support plans prepared within 60 days of the person commencing to regularly access the disability services (individualised supports) <i>The result is lower than the target due to the complex planning required by some individuals, which takes longer than 60 days to complete. Business continuity (staff disruptions) has also impacted on the 2016–17 outcome.</i>	per cent	100	83.0	–17.0	■
Supported accommodation occupancy rate <i>This measure is proposed to be discontinued in 2017–18.</i>	per cent	95	96.8	1.9	✓
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>1,683.4</b>	<b>1,799.0</b>	<b>6.9</b>	
<i>The higher 2016–17 outcome reflects Commonwealth funding received for older people in specialist disability services under the cross billing arrangements, and slower than planned phasing of existing clients into the National Disability Insurance Scheme (NDIS).</i>					

## Victorian Contribution to National Disability Insurance Scheme

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
<b>Quantity</b>					
National Disability Insurance Scheme participants <i>The 2016–17 result is lower than the 2016–17 target due to the slower than forecast transition of clients into the NDIS by the NDIA.</i>	number	20,205	14,512	–28.2	■
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>268.6</b>	<b>210.0</b>	<b>–21.8</b>	
<i>The lower 2016–17 outcome primarily reflects slower than planned phasing of existing Disability clients into the National Disability Insurance Scheme (NDIS).</i>					

## Child Protection and Family Services

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
<b>Quantity</b>					
Daily average number of children in out-of-home care placements <i>The result reflects the demand for out-of-home care placements.</i>	number	8,159	9,446	15.8	✓
Number of Child FIRST assessments and interventions <i>The result is higher than the target due to the continuing high demand for Child FIRST services and additional funded places.</i>	number	11,931	20,016	67.8	✓
Number of children in kinship care whose placements are managed by community service organisations <i>The result is higher than the target due to the allocation of an additional 88 targets to Aboriginal organisations in 2016–17.</i>	number	750	840	12.0	✓
Number of children receiving an intensive support service	number	1,400	1,400	0.0	✓
Number of family services cases provided to Aboriginal families <i>The result is higher than the target due to the continuing high demand for assistance. A further 800 targets will be funded for Aboriginal families in 2017–18.</i>	number	2,547	3,153	23.8	✓

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
Reports to child protection services about the wellbeing and safety of children <i>This is an increase from 2015–16 actual but is lower than 2016–17 target due to enhanced training, better information sharing and increased access to support services leading to more appropriate referrals of families to Child First, family support services and family violence services where children were not in need of protection.</i>	number	121,600	110,987	-8.7	✓
Total number of family services cases provided <i>The result is higher than the target due to the continuing high demand for assistance. A further 2,311 family services targets will be funded in 2017–18.</i>	number	35,855	41,517	15.8	✓
<b>Quality</b>					
Children and young people in out-of-home care who have had two or less placements in the past 12 months (not including placements at home) <i>The result is higher than the target due to improved practice. This is a positive result.</i>	per cent	86	91.2	6.0	✓
Children and young people who were the subject of a substantiated report within 12 months of the closure of a previous substantiated report <i>This is a positive result.</i>	per cent	17.5	17.1	-2.3	✓
Children and young people who were the subject of an investigation which led to a decision not to substantiate, who were subsequently the subject of a substantiation within three months of case closure <i>This is a positive result</i>	per cent	3	3.0	0.0	✓
Organisations that have successfully completed a quality review (family and community services)	per cent	95	100	5.3	✓
Organisations that have successfully completed a quality review (specialist support and placement services)	per cent	95	100	5.3	✓
Proportion of Aboriginal children placed with relatives/kin, other Aboriginal carers or in Aboriginal residential care <i>The result is higher than the target due to an increased focus on the Aboriginal placement principle. This is a positive result.</i>	per cent	60	76.0	26.7	✓
Proportion of placements that are home-based care <i>The result is higher than the target due to the use of alternatives to residential care, such as Targeted Care Packages. This is a positive result.</i>	per cent	90	95.4	6.0	✓
<b>Timeliness</b>					
Percentage of child protection investigations assessed as urgent, that were visited, or where attempts were made to visit, within two days of receipt of the report	per cent	97	95.6	-1.4	○
Sexual assault support services clients receiving an initial response within five working days of referral	per cent	95	98.5	3.7	✓
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>1,105.6</b>	<b>1,171.7</b>	<b>6.0</b>	
<i>The higher 2016–17 outcome primarily reflects additional investment by government, transfer of the Safe at Home – Flexible Support Packages initiatives from Housing Assistance output, and impact of Youth Services and Youth Justice programs not transferred to the Department of Justice and Regulation, as part of changes announced by the government with effect from 3 April 2017.</i>					

## Concessions to Pensioners and Beneficiaries

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
<b>Quantity</b>					
Households receiving mains electricity concessions <i>Eligibility for this concession has not changed.</i>	number	911,070	912,364	0.1	✓

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
Households receiving mains gas concessions <i>Eligibility for this concession has not changed.</i>	number	650,482	650,026	-0.1	○
Households receiving non-mains energy concessions <i>Eligibility for this concession has not changed.</i>	number	23,074	22,889	-0.8	○
Households receiving pensioner concessions for municipal rates and charges <i>Eligibility for this concession has not changed.</i>	number	441,821	437,340	-1.0	○
Households receiving water and sewerage concessions <i>Eligibility for this concession has not changed.</i>	number	688,725	689,136	0.1	✓
Number of clients receiving trustee services <i>The result is lower than the target due to continuing decline in the number of people requiring trustee services assistance, driven by decisions on cases at the Victorian Civil and Administrative Tribunal. There have been no changes to the eligibility criteria for these services and all of the people who required these services, received them from State Trustees.</i>	number	14,600	12,979	-11.1	■

### Quality

Percentage of community service agreement performance targets that have been achieved by State Trustees <i>The result is higher than the target as the State Trustees continue to make significant improvements to client service delivery through its investment in its business and quality assurance processes, and by further strengthening the competence and talent of its staff.</i>	per cent	90	96.9	7.7	✓
Percentage of customers satisfied with State Trustee Limited services <i>The result is higher than the target as a result of the State Trustees improving its client satisfaction results by providing a consistent, seamless service, delivering on its service promises, and continuing to innovate to improve the client experience.</i>	per cent	75	79.6	6.1	✓

### Timeliness

Percentage of customer requests answered by State Trustees within the timelines set in the Community Service Agreement	per cent	90	92.4	2.7	✓
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### Cost

Total output cost	\$ million	531.2	539.5	1.6	
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## Housing Assistance

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
<b>Quantity</b>					
Bond loans provided during year	number	12,000	11,584	-3.5	○
Households assisted with housing establishment assistance during year <i>Preliminary result.</i>	number	36,000	36,000	0.0	✓
Number of clients assisted to address and prevent homelessness	number	113,500	108,574	-4.3	○
Number of households assisted with crisis/transitional accommodation	number	9,000	8,939	-0.7	○
Number of households assisted with long-term social housing (public, Aboriginal and community long-term tenancies at end of year) <i>This is a preliminary result. Data collected from annual community housing and indigenous housing survey due to be completed after publication.</i>	number	77,343	77,343	0.0	✓
Number of public housing dwellings upgraded during year	number	2,298	2,301	0.1	✓
Total number of social housing dwellings	number	85,524	86,418	1.0	✓

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
Total social housing dwellings acquired during the year	number	640	651	1.7	✓
<b>Quality</b>					
Percentage of clients with case plans in homelessness support programs with some, most or all of their case plan goals achieved	per cent	90	89.9	–0.1	○
Social housing tenants satisfied with completed urgent maintenance works	per cent	85	87.6	3.1	✓
<b>Timeliness</b>					
Average waiting time for public rental housing for those clients who have received early housing allocation	months	10.5	10.4	–1.0	✓
Proportion of clients where support to sustain housing tenure was unable to be provided or referred	per cent	18	15.2	–15.6	✓
<i>The result is lower than the target as it reflects fewer people were unable to be provided support/more clients being supported to sustain their housing tenure. This is a positive result.</i>					
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>513.1</b>	<b>489.9</b>	<b>–4.5</b>	
<i>The lower 2016–17 outcome primarily reflects the transfer of Safe at Home – Flexible Support Packages initiative from the Housing Assistance to Child Protection and Family Services output.</i>					

## Empowering Individuals and Communities

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
<b>Community Participation</b>					
<b>Quantity</b>					
Hours of coordination funding provided to Neighbourhood Houses	hours ('000)	480	480	0.0	✓
Strategy implementation actions within agreed performance targets: Community Organisations	per cent	100	100	0.0	✓
<i>This measure is proposed to be discontinued in 2017–18.</i>					
<b>Quality</b>					
Strategy implementation actions within agreed performance targets: volunteering	per cent	100	100	0.0	✓
<i>This measure is proposed to be discontinued in 2017–18.</i>					
<b>Timeliness</b>					
Grants acquitted within the timeframe specified in the terms and conditions of the funding agreement	per cent	90	100	11.1	✓
<i>The result is higher than the target due to 100 per cent of the Men's Sheds grants being acquitted within agreed timeframes.</i>					
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>42.0</b>	<b>43.5</b>	<b>3.5</b>	
<i>The 2016–17 actual outcome primary reflects movements within the output group, additional revenue for the Community Support Fund and Good Money Store Morwell initiative, the difference between 2015–16 estimated and actual carry-over to 2016–17, which was partially offset by a request for funding to be carried over to 2017–18.</i>					

### Office for Disability

#### Quantity

Number of Disability Advocacy clients	number	1,700	1,837	8.1	✓
<i>The result is higher than the target, reflecting that more people have received support. This is consistent with the findings of the Parliamentary Inquiry into Abuse in Disability Services and Ombudsman's investigation into disability abuse, both of which highlighted increased demand for advocacy, including in the context of the transition to the NDIS.</i>					

Performance measures	Unit of measure	2016–17 target	2016–17 actual	Variation (%)	Result
<b>Timeliness</b>					
Office for Disability Projects delivered within agreed timeframes	per cent	100	100	0.0	✓
<i>This measure is proposed to be discontinued in 2017–18.</i>					
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>8.5</b>	<b>6.1</b>	<b>-28.2</b>	
<i>The 2016–17 actual outcome primary reflects funding requested to be carried over into 2017–18.</i>					
<b>Youth Affairs</b>					
<b>Quantity</b>					
Participation by young people in programs that provide opportunities to be involved in social and economic life in their communities	number	200,000	200,000	0.0	✓
<i>Preliminary result.</i>					
Participation by young people in programs that support young people to be involved in decision making in their community	number	1,775	1,775	0.0	✓
<i>Preliminary result.</i>					
<b>Quality</b>					
Participants reporting development of transferrable skills that support education, training and vocational opportunities	per cent	75	75.0	0.0	✓
<i>Preliminary result.</i>					
<b>Timeliness</b>					
Percentage of programs delivered within agreed timeframes	per cent	90	90.0	0.0	✓
<i>Preliminary result.</i>					
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>17.5</b>	<b>17.2</b>	<b>-1.6</b>	
<i>The 2016–17 actual outcome primary reflects funding requested to be carried over into 2017–18.</i>					
<b>Sport and Recreation</b>					
<b>Quantity</b>					
Combat sports licences, registrations and permits issued	number	>600	570	-5.0	○
<i>The result is lower than the target due to fewer applications for permits, licences and registrations. The number of applications is always variable and depends on demand from the industry.</i>					
Community Facility Grants: number approved	number	>140	170	26.4	✓
<i>The result is higher than the target due to a larger than expected number of project approvals across the relevant programs.</i>					
Events facilitated: Sport and Recreation	number	>70	80	14.3	✓
<i>The result is higher than the target due to higher than expected demand for funding from eligible events.</i>					
Number of projects in progress that relate to the planning and development of state level facilities	number	>9	13	44.4	✓
<i>The result is higher than the target due to government investment in additional projects.</i>					
Number of sports with athletes on Victorian Institute of Sport (VIS) scholarships	number	>20	33	65.0	✓
<i>The result is higher than the target due to the large number of sports, which have athletes who are eligible for individual scholarships.</i>					
Sport and recreation organisations undertaking programs or activities to enhance participation	number	>90	102	13.3	✓
<i>The result is higher than the target due to the provision of support to additional organisations.</i>					

<b>Performance measures</b>	<b>Unit of measure</b>	<b>2016–17 target</b>	<b>2016–17 actual</b>	<b>Variation (%)</b>	<b>Result</b>
Sporting club grants: number approved <i>The result is higher than the target due to more grants with smaller funding amounts being approved. Grant amounts vary across the categories in the Sporting Club Grants Program with a maximum grant of \$5,000. The funding pool was \$20,000 higher than in 2015–16 due to indexation.</i>	number	600	739	23.2	✓
Victorian Institute of Sports scholarship holders on national teams/squads <i>The above target result is due to the strong performance of the Victorian Institute of Sport in developing athletes for selection in national teams or squads.</i>	per cent	> 55	80.0	45.5	✓
<b>Quality</b>					
Contract management of outdoor recreation camps meets agreed key performance indicators	per cent	> 90	93.3	3.7	✓
<b>Timeliness</b>					
Annual Community Sport and Recreation Awards held	date	Jun 2017	Mar 2017	n/a	✓
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>108.0</b>	<b>110.0</b>	<b>1.1</b>	

# Finance and budgetary performance

## Departmental five-year financial summary

Five-year financial summary (\$ millions)	2017	2016	2015	2014	2013
Income from government	15,234.5	14,370.1	11,300.5	9,391.6	9,796.1
Total income from transactions	16,678.6	15,939.8	12,215.5	10,045.5	10,560.5
Total expenses from transactions	(16,939.7)	(15,317.8)	(12,180.5)	(9,922.5)	(10,315.3)
Net result from transactions	(261.2)	622.1	35.0	123.0	245.2
Net result for the period	(266.3)	601.5	3.0	137.2	261.2
Net cash flow from operating activities	315.1	255.3	74.4	120.3	25.4
Total assets	29,831.5	28,163.2	25,138.2	2,118.6	1,979.8
Total liabilities	1,795.5	1,542.3	1,602.0	447.0	462.3

The Victorian Government considers the net result from transactions to be the appropriate measure of financial management that can be directly attributed to government policy. This measure excludes the effects of revaluations (holding gains or losses) arising from changes in market prices and other changes in the volume of assets shown under 'other economic flows' on the comprehensive operating statement, which are outside the control of the department.

### Departmental financial arrangements

The department's audited financial statements and the five-year summary exclude bodies within the department's portfolio that are not controlled by the department and are therefore not consolidated in the department's accounts.

To enable efficient production of financial information for smaller entities related to the department and to recognise the Director of Housing entity operating within the department's business structure, pursuant to s. 53(1) (b) of the *Financial Management Act 1994*, the Minister for Finance has granted approval for the Department of Health and Human Services to prepare financial statements incorporating the following entities which form part of the Department of Health and Human Services reporting entity:

- > Mental Health Complaints Commissioner
- > Mental Health Tribunal
- > Commission for Children and Young People
- > the Director of Housing.

As a public non-financial corporation the majority of income for the Director of Housing entity is derived

from business operations, primarily in the form of public housing rental, along with revenue provided by government through annual appropriation processes.

Detailed financial results for the Director of Housing are included in Appendix 1 of the annual report, following the departments audited financial statements.

### Financial performance and business review

The details below relate to the department's consolidated financial statements including the entities outlined above.

In 2016–17, the department recorded a net loss from transactions of \$261.2 million. This loss is primarily related to \$354.3 million deficit in the Director of Housing entity, partly offset by a surplus in the department of \$93.1 million.

The Director of Housing's \$354.3 million deficit is primarily related to:

- > the first tranche of the staged title transfer of director-owned properties to Aboriginal Housing Victoria. Approximately 500 dwellings located in the metropolitan area were transferred on 28 July 2016. The financial effect is a reduction of the director's net assets in the balance sheet and an expense in the Comprehensive Operating Statement for the amount of \$205.1 million
- > increased expenditure on grants and other payments in relation to number of new initiatives in family violence and homelessness funded in 2015–16 and expensed in 2016–17.

The department's \$93.1 million surplus is mainly due to the recognition of land and buildings received free of charge in the Comprehensive Operating Statement in respect of the development of Simmonds Stadium. The department subsequently transferred the assets to the Kardinia Park Trust through the balance sheet, creating a surplus in the Comprehensive Operating Statement.

### Financial position – balance sheet

Total assets have increased by \$1.67 billion in 2016–17 compared with the previous year, mostly attributed to a \$1.98 billion managerial land revaluation within Property, Plant and Equipment, offset by \$200 million land and buildings transferred to Aboriginal Housing Victoria.

### Cash flows

The overall cash position at the end of the 2016–17 financial year is \$802.2 million surplus, which is an increase of \$224.6 million compared to the beginning of the year. The cash increase mainly reflects the increase in funds held in trust.

# Governance

## The department's senior executives at 30 June 2017

### Kym Peake

#### Secretary

Kym Peake commenced as Secretary of the Victorian Department of Health and Human Services in November 2015. Kym has extensive experience in both state and Commonwealth Government, including as Deputy Secretary, Governance Policy and Coordination at the Victorian Department of Premier and Cabinet, Deputy Secretary, Higher Education and Skills Group at the Victorian Department of Education and Training and Executive Director, Productivity and Inclusion at the Department of Prime Minister and Cabinet.

Kym possesses an Executive Master of Public Administration, a Bachelor of Arts (Hons) and a Bachelor of Laws, all from the University of Melbourne.

### Amity Durham

#### Acting Deputy Secretary – Portfolio, Strategy and Reform

Amity joined the department in October 2016. Prior to this role she was an Executive Director, Family and Community Services and Service Innovation in the NSW Department of Premier and Cabinet, a position she held since October 2014. In that role Amity has had responsibility for leading reforms across the NSW Government's social policy agenda, including in social housing, child protection and out-of-home care. She also had responsibility for the world-leading NSW Behavioural Insights Unit and the Office of Social Impact Investment.

Amity has previously held other senior executive roles in the NSW Government within central and line agencies. She has also held the role of Director in top-tier management consulting firm, where she advised a range of social sector government agencies across Australia.

Amity has an academic background in social sciences and law, and holds an Executive Master's Degree in Public Administration.

### Amanda Cattermole

#### Deputy Secretary – Community Services Programs and Design

The Community Services Programs and Design division is responsible for developing operational policy and funding frameworks for housing, homelessness, family violence, family support, disability, child protection, out-of-home care and youth justice services.

Amanda Cattermole has more than a decade of social policy and service delivery experience across a number of Commonwealth, state and territory jurisdictions, including Western Australia and the Northern Territory. Amanda has led significant policy reforms for government, including reforms to problem gambling laws and to Aboriginal housing in remote Australia for which she was awarded the Public Service Medal for outstanding public service. Between 1994 and 2004 Amanda worked as an in-house legal counsel at the Northern Land Council in the Northern Territory and at the Department of Indigenous Affairs in Western Australia and as a legal policy advisor in the Commonwealth Government.

### Chris Asquini

#### Deputy Secretary – Operations

Chris Asquini has been the Deputy Secretary, Operations since October 2015.

Operations division is responsible for the delivery of services and improved client outcomes across the four operational divisions. It oversees the translation of policy into operational service delivery to enable healthy, safe and strong communities by addressing the needs of Victorians across the continuum of health and human services. The division plays a key role in supporting the department to transition to the National Disability Insurance Scheme. It also monitors and analyses statewide service delivery standards and performance.

Chris was previously the Deputy Secretary, East division. She has led major social policy and service delivery reform initiatives, including the design and implementation of the Child Protection Operating Model. Chris has held

executive positions in a number of portfolios, including roles as the Executive Director, Children, Youth and Families, and Director, Community and Individual Support in Disability Services.

## Terry Symonds

### **Deputy Secretary – Health Service Performance and Programs**

Terry Symonds heads the Health Service Performance and Programs division of the Department of Health and Human Services, Victoria, which is responsible for the department's stewardship role of the Victorian healthcare system. The division has lead responsibility for the funding, planning, governance and oversight of health services to ensure that they meet the needs of all Victorians. The division oversees policy, planning, funding and performance of the health system in Victoria, including public and private hospitals and day procedure centres, emergency and non-emergency patient transport services, residential aged care services, mental health services, and other non-government health care providers. The division supports best practice approaches to clinical care through the Victorian Cancer Agency, health and medical research, international health engagement, and policy development.

The division also works with the newly formed Safer Care Victoria and the Victorian Agency for Health Information to ensure safe, quality health care and to disseminate innovation and improvement efforts across the health system.

Terry has over 20 years of experience in the health and disability sectors in Victoria and Queensland, including in community development, hospital management, research and evaluation, strategy and performance monitoring.

He holds a Masters in Health Studies (UQ) and postgraduate qualifications in health promotion and prevention.

## Anne Congleton

### **Deputy Secretary – Community Participation, Sport and Recreation, Health and Wellbeing**

The Community Participation, Sport and Recreation, Health and Wellbeing division uses primary preventive measures to reduce the rate of disease across the Victorian population and reduce inequalities in health and wellbeing between population groups. Recognising the influential role of social and economic forces, in combination with biological and environmental factors, on health and

wellbeing, the division applies population and place-based approaches to all of its work.

Previously, Anne Congleton was the Deputy Secretary, West Division from 2012–15. Anne has worked across many parts of the department, involving roles in policy, program development, corporate resources and service delivery. Prior to joining the department, she held senior roles in the Department of Treasury and Finance.

## Melissa Skilbeck

### **Deputy Secretary – Regulation, Health Protection and Emergency Management**

Regulation, Health Protection and Emergency Management advances public health through the identification of risks and the use of social regulation to influence behaviours. It also develops regulatory frameworks for new services such as access to medicinal cannabis and real-time prescription monitoring. The division leads the department's responsibilities in emergency management, contributing to whole-of-government actions to build community resilience, and funds and supports social and human recovery in disaster-impacted communities.

Melissa Skilbeck was previously Deputy Secretary, Budget and Finance, at the Victorian Department of Treasury and Finance, and head of the Secretariat for the Independent Review of State Finances.

Melissa has consulted to Australian governments, regulators and government businesses on economic and social public policy and public administration as a director of the Allen Consulting Group and a partner in the economics and strategic advisory practice of Deloitte.

## Nick Foa

### **Deputy Secretary – Finance and Infrastructure, and Director of Housing**

The Finance and Infrastructure division is responsible for department-wide expertise and management of financial services, industrial relations and infrastructure across health, human services and sport and recreation. The division provides strategic advice and supports the sustainability of the department and portfolio agencies. Infrastructure services provided include asset management, planning, design, procurement and budgeting in order to deliver world-class infrastructure meeting today's demand and longer term growth.

The division is responsible for the stewardship of the department's financial resources and supporting the negotiation of industrial agreements impacting the health and human services workforce. It leads the department's infrastructure agenda, including critical relationships with other agencies, and leveraging major sporting events to strengthen Victoria's visitor economy.

Nick Foa joined the department in December 2014, before being seconded to the Department of Economic Development, Jobs, Transport and Resources to head the Visitor Economy Review where he led Tourism Victoria through their transition to Visit Victoria. Nick came into State Government as the Executive Director, Local Government Victoria, following senior roles in local government as CEO of Brimbank Council and a Director at Maribyrnong and Maroondah Councils

Nick has extensive experience in infrastructure delivery and asset management, and a strong commitment to community engagement and consensus building. He holds a Master of Business Administration from Swinburne University of Technology.

## Elizabeth Langdon

### Deputy Secretary – People, Capability and Oversight

The People, Capability and Oversight division supports portfolio ministers in their cabinet, parliamentary and other responsibilities. It provides human resource and talent management and workplace services for the department and leads the department's work on organisational development, values and cultural change. It promotes integrity, manages fraud and supports internal governance frameworks, including internal audit. The division also provides expert support and advice, including strategic communications, freedom of information, legal advice and services and support for policy divisions to deliver legislative programs.

Elizabeth has more than 10 years' experience in the Victorian public service. Before joining the department in 2013, she held various executive roles in the Victorian Department of Premier and Cabinet. She has also held leadership positions internationally, including at Harvard University School of Public Health and at the United Nations in Geneva and New York. She was also Head of Protocol at the Sydney 2000 Olympic Games.

## Carolyn De Gois

### Deputy Secretary – Corporate Services

The Corporate Services Division provides integrated strategic, specialist advisory and operational services to the department and supports Ministers in their cabinet, parliamentary and other responsibilities. The division works to develop and improve key business systems, services and processes to support the department to deliver its policies, programs and services.

Carolyn De Gois is a proven international business and technology executive with a demonstrated track record of transformational leadership and successful organisational change. Prior to joining the department in February 2017, Carolyn held roles across a range of high profile international organisations such as NBN, KPMG, IBM, BHP and ALCOA, both at a local and international level.

Carolyn holds a Master of Business Administration and a Bachelor of Science from Deakin University.

## Diane Watson

### Chief Executive Officer – Victorian Agency for Health Information

Dr Diane Watson was appointed as the acting Chief Executive Officer of the newly established Victorian Agency for Health Information (the Agency) in December 2016. The Agency analyses and shares information across the health system to ensure everyone has an accurate picture where the concerns are and where we are getting it right. The Agency's responsibilities flow across measurement of patient care and outcomes for three key purposes: *public reporting*, *oversight* and *clinical improvement*.

Previously, Diane was the inaugural Chief Executive Officer of the National Health Performance Authority which was established by all Australian governments to monitor, and report on, the performance of 1,000+ public and private hospitals and 300+ health regions.

Diane was also the inaugural Chief Executive Officer of the NSW Bureau of Health Information. She has 20 years of senior management experience in leading organisational change – between 1993 and 2016 as chief executive or second-in-charge responsible for establishing five new organisations and overseeing the merger of a further two health information organisations. In these and prior roles, she has set the future direction of high profile, board governed agencies

and inspired a strong sense of purpose among a highly talented and specialised workforce.

She holds a PhD in Health Policy, Management and Evaluation from the University of Toronto, and a Master of Business Administration from the Ivey Business School at the University of Western Ontario and Stockholm School of Economics.

### **Professor Euan M Wallace AM MBChB MD FRCOG FRANZCOG FAHMS**

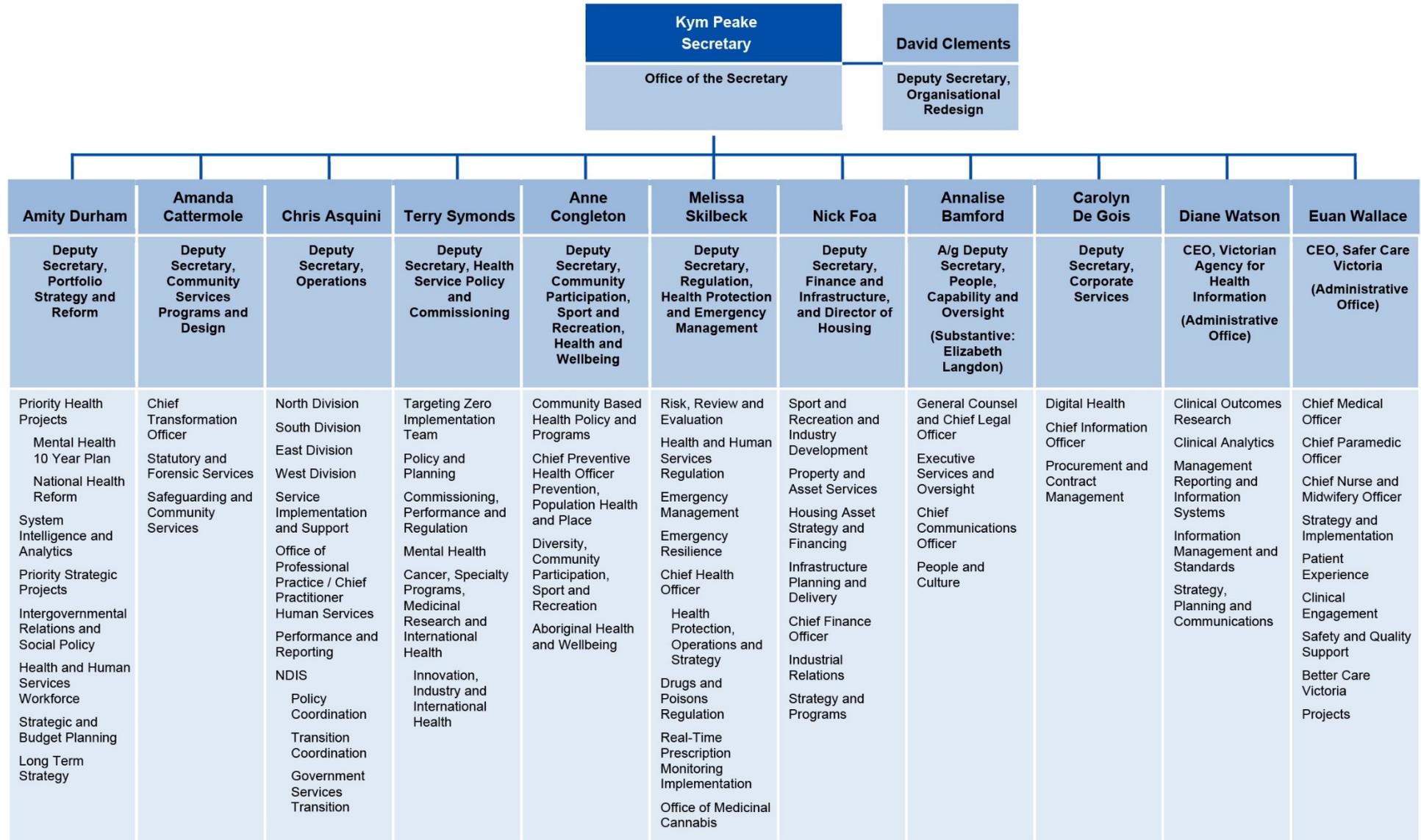
#### **Chief Executive Officer – Safer Care Victoria**

Professor Euan Wallace is the inaugural Chief Executive Officer of Safer Care Victoria. Professor Wallace is a senior clinician with an extensive track record in academic medicine and health service delivery. He is a graduate of the Edinburgh Medical School, moving to Monash Health and Monash University in 1996. Prior to his appointment to Safer Care Victoria, Professor Wallace was the Director of Obstetric services at Monash Health, overseeing the growth of these services to become Victoria's largest maternity service and the home to one of two of Victoria's public homebirth programs.

Professor Wallace is also the Carl Wood Professor and Head of Department of Obstetrics and Gynaecology at Monash University where he leads a perinatal medicine research group. His research interests are in foetal development, maternal health, stem cell biology and patient safety.

# Organisation structure

As at 30 June 2017.



# People

## Public administration and employment principles

The department's values align with public sector values as detailed in the *Public Administration Act 2004*, and it is committed to applying merit and equity principles to all employment policies, programs and resources.

## Employment and conduct principles

The department complies with the employment principles of the *Public Administration Act 2004* and continually updates policies and procedures to advance these principles.

The *Public Administration Act 2004* also details a set of values that apply to the broader public sector – the department's values are aligned with the public sector values and implemented throughout the department in many ways, including performance planning and employee recognition processes.

## Our people

The Department of Health and Human Services brings together public servants from across government including health, human services, sport and recreation and medical research functions.

The department's people work across a range of fields including aged care, mental health, public health and prevention, sports and recreation, child protection, disability, housing support and youth justice. The corporate and executive support functions play an essential role across human resources, communications, information technology, finance and business services.

The new Department of Health and Human Services strategic plan launched in June 2017 sets out the directions and priorities for service delivery.

## People strategy 2020

The department is facing a period of change – in the communities we serve, as a government entity delivering multilayered reforms, and as a workforce. This is an important time to lay out a clear plan for building and supporting the department's vibrant and successful workforce across Victoria.

During 2016–17 we developed the comprehensive *People strategy 2020*, which outlines the department's approach over the next three years to creating and maintaining the conditions that will enable us to deliver excellent client care and services in the department's rapidly changing environment, while providing satisfying work experiences and opportunities.

The strategy is built around five pillars:

- > attract a diverse and high-performing workforce
- > inspire and grow the department's people
- > engage and retain the department's people
- > purposeful leadership
- > create a great people experience.

The strategy was developed through extensive consultation involving interviews and workshops with key stakeholders and staff from across different areas of the department. Workforce planning data established an evidence base to inform the core themes of the strategy. The results of the *People matter survey 2016*, which captured insights about what it is like to work within the department, also informed the strategy.

The strategy was released in March 2017, with implementation of the key initiatives commencing from 1 July 2017 onwards.

## Recognising our employees

The department recognised its employees through its annual staff excellence awards, which acknowledged the achievements and significant work undertaken across the department.

There were 212 nominations received and 71 finalists shortlisted across seven categories:

- > Collaboration Award
- > Diversity and Inclusion Award
- > Innovation Award
- > People Management Award
- > Risk Management Award
- > Service Excellence Award
- > Young Achiever Award.

## Building a stronger leadership culture

The department has continued to strengthen its leadership pipeline by:

- > embedding the department's leadership charter in executive recruitment, orientation and performance planning
- > collaborating with other government agencies and alliances to build executive capabilities through 360 feedback and targeted development programs
- > continuing programs that seek to grow senior public service leadership capabilities in high-potential VPS-6 and equivalent employees
- > establishing a new secondment program with the private sector to build leadership capability and system knowledge in high-potential VPS-5 and equivalent employees
- > provision of 99 customised leadership and management development events to grow people management capabilities and a leadership culture across all levels of the department
- > delivery of around 135 leadership programs for professional staff working in child protection practice, disability, housing and youth justice.

During 2016–17, we introduced a new executive talent management tool to guide better decisions and future-oriented investments in senior leadership development.

Executive Connect took the department's executive cohorts to a number of new health and human services host organisations for some experiential development. These organisations now include Alzheimer's Australia, Ardoch Youth Foundation, Berry Street, Eastern Domestic Violence Service, Flat Out Inc, Melbourne City Mission, Mirabel Foundation, VACCHO, Victorian Aids Council, Victorian Legal Council, Wesley Mission, Barwon Health, Kyneton District Health Service, Monash Health, Peninsula Health, St Vincent's Hospital and Western Health.

## Capability development

This year we welcomed 554 new starters to the department, who participated in the department's online and face-to-face orientation programs. This represents about an 82 per cent increase on the preceding year.

Technology continues to shape the department's learning and development approaches, with 10 new online programs added to the Learning Management System. All of these new programs were designed to support compliance and/or client service capability development in staff across the state.

Over 8,880 staff participated in the department's extensive range of corporate and practice development programs. The department's top development investments aimed to grow capability in:

- > working with child protection, disability, youth justice and housing clients
- > business applications
- > core 'working in government' areas
- > leadership and management
- > diversity, including Aboriginal cultural competence.

A strong focus of the department's practice development programs this year has been to embed the learnings from numerous reviews, parliamentary inquiries, and the Royal Commission into Family Violence. This work has strengthened the department's focus on building capabilities to enable better support for children, vulnerable people, Aboriginal children in out-of-home care and families.

This year, human services scholarships were awarded to 76 departmental and sector staff from disability, housing, youth justice and child protection.

Capability building efforts helped staff and leaders to deal with change arising from the National Disability Insurance Scheme (NDIS), youth justice machinery of government changes and the establishment of the Victorian Agency for Health Information, Safer Care Victoria and Family Safety Victoria.

## Workforce inclusion policy

The department has a number of initiatives in place to support and continue to grow a diverse and inclusive workplace.

Diversity and inclusion encompasses many positive aspects of life. It is about recognising the diverse skills and perspectives that people may bring to the workplace because of their gender, age, language, cultural background, ethnicity, disability, religious belief, sexual orientation, educational level, socioeconomic background and family responsibilities.

The department continued to deliver training to support the development of well-informed and culturally appropriate policy and services: the Building Aboriginal Cultural Competency program; unconscious bias training; LGBTI awareness workshops and allies for change program supporting LGBTI employees.

The department continued to implement the *Cultural diversity action plan 2016–17*, a commitment within *Delivering for diversity: cultural diversity plan 2016–19*, as well as specific actions to ensure a culturally responsive workforce with a focus on multicultural and linguistically diverse communities.

The department partnered with CareerSeekers to provide mid-career asylum seekers and refugees with internships. This experience over 12 weeks enables new arrivals to gain valuable Australian workplace experience and directly contributes to improved employment outcomes.

Work commenced to develop training in cultural intelligence.

In December 2016, all-roles flex was launched to recognise the positive relationship between workplace flexibility and employee health, wellbeing, satisfaction and engagement.

The department promotes a calendar of events and significant dates to raise awareness, promote inclusion and recognise cultural diversity.

### Internships for people living with disability

The department aims to provide meaningful and satisfying careers for people with a disability.

The *People strategy 2020* sets an objective to increase employment for people with a disability from four per cent to five per cent.

All advertised positions include a statement that promotes diversity and equal opportunity in employment to encourage attraction. The special measure condition to exempt roles so only people with a disability apply was activated.

A pilot program to provide meaningful employment for individuals on the autism spectrum is under development.

The department provides support to potential and existing employees in relation to reasonable adjustments: for the recruitment process and in the work place.

The Enablers Network, for people with a disability at work, was launched in August 2016. The network represents the needs, interests, and concerns of employees with a disability to ensure inclusion and fair and equitable treatment.

The department continued to work with the Australian Network on Disability for disability round table opportunities provided by the network.

The department continued its Support an Internship program for people living with disability. This program provides university students with valuable work experience, confidence, and a chance to bridge the gap between university and graduate opportunities.

### Aboriginal employment strategy

The department continued implementing the Aboriginal employment strategy 2016–21 towards three critical outcomes by 2021:

- > a two per cent workforce target
- > a significant increase in Aboriginal staff in senior roles
- > progress the department's commitment to be a diverse, inclusive and culturally safe employer of choice for Aboriginal people.

The strategy tracked well in its first year, with the percentage of Aboriginal employees at 1.3 per cent of the total workforce. The number of staff in senior roles tripled, and a range of initiatives were implemented to support the department as a culturally safe employer of choice for Aboriginal people.

Initiatives included commencing development of a cultural safety framework; allocating scholarships for secondary and tertiary students; CareerTrackers' 12-week internships for a generalist and child protection candidates; graduate program; mentoring and coaching for employees and strengthening the Aboriginal Staff Support Network (ASSN).

Work to boost the recruitment and retention of Aboriginal child protection practitioners and provide candidate care was initiated.

An important initiative to mark the first year was the award of the inaugural Secretary's discretionary scholarship.

The department's *Wirrigirri* reconciliation program was relaunched to boost allies for Aboriginal inclusion and culturally safe work places.

## Aboriginal Staff Support Network

The Aboriginal Staff Support Network (ASSN) offers access and support in a culturally safe community of practice. It is a place to share good practice and creative ideas, support each other through issues of concern, access opportunities for personal and professional development and provide input into the department's work, the policies and the processes so they are inclusive of Aboriginal people.

The ASSN annual conference was held in San Remo with a record numbers of staff in attendance.

The department remains committed to self-determination and the ASSN is an important channel for amplifying the Aboriginal and Torres Strait Islander voice.

## Increased cultural safety awareness

The department works with its Aboriginal and Torres Strait Island employees and program areas such as culturally and linguistically diverse communities, LGBTI, mental health, and ageing and aged care to increase and embed diversity and inclusion into all relevant training and people and culture policies.

## Pride Network

The department commenced work to achieve a Bronze employer award in the Australian Workplace Equality Index (AWEI) in recognition of its LGBTI inclusion initiatives.

Work to consider labelling bathroom facilities commenced so as to meet the specific needs of LGBTI employees who are non-binary or gender-fluid employees and intersex or transitioning employees.

The Pride Network continued to provide a forum for all departmental staff interested in, and supportive of, creating safe and inclusive workplaces for LGBTI employees. Part of a broader whole-of-Victorian-Government Pride Network, it offers a space for staff to promote positive LGBTI cultural awareness, sector-wide events, participate in professional development opportunities and contribute to the LGBTI diversity work of the department.

## Youth Employment Scheme

The Youth Employment Scheme is a Victorian Government initiative that enables unemployed or otherwise disadvantaged young people aged 15 and 24 years old to enter the workforce and build sustainable careers through traineeships while attaining a qualification. The initiative strongly promotes opportunities for disadvantaged groups targeting long-term unemployed, Aboriginal young people and people with a disability, particularly in rural and regional Victoria.

During 2016–17, the department engaged a total of 93 young people through the scheme, which included 22 placements in public hospitals as well as 16 in the Melbourne Sports and Aquatic Centre (Sport and Recreation portfolio).

## Graduate recruitment

In 2016–17 the department engaged a total of 16 graduates from diverse academic backgrounds through the Victorian Public Sector (VPS) Graduate Recruitment and Development Scheme (GRADS). Four Aboriginal graduates recruited in 2016–17 through internal recruitment processes are also participating as 'fee-for-service' graduates in the 2017 VPS Graduate Scheme.

Graduates participating in the GRADS scheme complete three placements in the Victorian public service to develop a broad range of experience, and are employed within the department at the conclusion of the program.

## Student placement program

The department offers students undertaking a tertiary qualification the opportunity to complete their fieldwork placement in health and human services as part of their course.

In 2016–17, 401 tertiary student placements were completed across Child Protection, Youth Justice Community, Disability Accommodation Services, Client Outcomes and Service Improvement, Disability Client Services, Housing, Corporate Services and Secure Welfare Services. The majority of placements were completed in Child Protection (277 placements).

## Child Protection Vacation Employment Program

The Vacation Employment Program (VAC) offers fixed-term paid employment of 12 weeks or 450 hours to eligible students studying a recognised degree. The 12-week rotation-based program enables VAC participants to receive a structured, quality learning experience while gaining hands-on work experience in child protection.

Participants who demonstrate the essential skills and attributes necessary for entry into a child protection practitioner role (CPP) may receive a conditional offer of employment for a CPP3 position subject to the successful completion of their recognised degree.

In 2016–17, the department engaged a total of 40 students to participate in the VAC. To date, 33 participants have received a conditional offer of employment for a CPP3 position.

## Comparative workforce data

### Full-time equivalent (FTE) staffing trends from 2013 to 2017 (ongoing and fixed term)

June 2013	June 2014	June 2015	June 2016	June 2017
10,958	11,013	11,185	11,448	11,249

### Summary of employment levels in June of 2016 and 2017

	Ongoing employees			Fixed-term and casual employees	
	Employees (head count)	Full-time (head count)	Part-time (head count)	Ongoing FTE	FTE
June 2016	10,633	7,030	3,603	9,730	1,718
June 2017	10,190	6,654	3,536	9,301	1,947

### Details of employment levels in June of 2016 and 2017

	2016			2017		
	Ongoing	Ongoing	Fixed-term and casual employees	Ongoing	Ongoing	Fixed-term and casual employees
	Employees (head count)	FTE	FTE	Employees (head count)	FTE	FTE
<b>Gender</b>						
Female	7,343	6,573.3	1,133.4	7,087	6,346.1	1,333
Male	3,290	3,156.5	584.8	3,103	2,955.2	614.2
<b>Total</b>	<b>10,633</b>	<b>9,729.8</b>	<b>1,718.2</b>	<b>10,190</b>	<b>9,301.3</b>	<b>1,947.2</b>
<b>Age</b>						
0–24	185	174.4	150.8	187	176	168.7
25–34	1,762	1,645.7	438.8	1,599	1,478.8	532.5
35–44	2,512	2,220.4	414.6	2,353	2,077.5	470.5
45–54	3,217	2,974.8	411.4	3,081	2,841	426.9
55–64	2,510	2,320.1	248	2,505	2,312	291.5
64+	447	398.4	54.7	465	416	57.1
<b>Total</b>	<b>10,633</b>	<b>9,729.8</b>	<b>1,718.2</b>	<b>10,190</b>	<b>9,301.3</b>	<b>1,947.2</b>
<b>Classification</b>						
VPS-1	10	7.2	1.5	1	0.2	4.1
VPS-2	326	291	57.8	304	262.4	88.7
VPS-3	526	498.2	70.1	526	495.5	117.9
VPS-4	762	711	55.8	742	694.2	132.5
VPS-5	1,285	1,193.9	127.9	1,314	1,227.7	218
VPS-6	763	736.9	90.5	841	813	99.8
SMA	0	0	0	26	25.6	26.1
Senior technical specialist	15	14.4	4	16	15.6	6
Allied health	231	208.7	30.3	192	171.6	29.2

	2016			2017		
	Ongoing	Ongoing	Fixed-term and casual employees	Ongoing	Ongoing	Fixed-term and casual employees
	Employees (head count)	FTE	FTE	Employees (head count)	FTE	FTE
Child protection practitioner	1,408	1,323.3	186.3	1,451	1,359.3	216.5
Children, youth and families	336	308.5	57.1	177	159.2	26.4
Disability development and support	3,960	3,483	865.4	3,887	3,417	895.5
Executives	120	119.9	0	143	141.5	0
Housing services	458	417.6	48.6	459	415.9	55.5
Youth justice	291	288.8	76.3	0	0	0
Other	142	132.9	45.7	111	102.6	31
<b>Total</b>	<b>10,633</b>	<b>9,729.8</b>	<b>1,718.2</b>	<b>10,190</b>	<b>9,301.3</b>	<b>1,947.2</b>

**June 2016**

Includes FTE staff from the Commission for Children and Young People.

Total 'child protection practitioner' FTE at June 2016 was 1,509.6, including ongoing, fixed-term and casual employees.

**June 2017**

Includes FTE staff from the Commission for Children.

Total 'child protection practitioner' FTE at June 2017 was 1,575.8, including ongoing, fixed-term and casual employees.

222 FTE CYF classified employees transferred to the Department of Justice and Regulation as a part of the Youth Justice Machinery of Government changes in 2017.

143 FTE for executives includes 1 FTE for Safer Care Victoria.

## Executive officer data

For a department, an executive officer (EO) is defined as a person employed as an executive under Part 3 of the *Public Administration Act 2004* (PAA). For a public body, an EO is defined as an executive under Part 3 of the PAA or a person to whom the Victorian Government's *Policy on executive remuneration in public entities* applies. All figures reflect employment levels at the last full pay period in June of the current and corresponding previous reporting year.

The definition of an EO does not include a statutory office holder or a responsible body.

The following tables disclose the EOs of the department and its portfolio agencies for 30 June 2017:

- > Table 1 discloses the total numbers of EOs for the department, broken down by gender
- > Table 2 discloses the total numbers of EOs for Safer Care Victoria, broken down by gender
- > Table 3 provides a reconciliation of executive numbers presented between the report of operations and Note 9.7 'Remuneration of executives' in the financial statements
- > Table 4 provides the total executive numbers for all of the department's portfolio agencies.

**Table 1: Total number of EOs for the department, broken down into gender**

### Department of Health and Human Services

Class	All		Male		Female	
	No.	Var.	No.	Var.	No.	Var.
Secretary	1	0	0	0	1	0
EO-1	5	1	2	0	3	1
EO-2	59	6	23	(5)	36	11
EO-3	77	10	22	0	55	10
<b>Total</b>	<b>142</b>	<b>17</b>	<b>47</b>	<b>(5)</b>	<b>95</b>	<b>22</b>

**Table 2: Total number of EOs for Safer Care Victoria, broken down into gender**

Class	All		Male		Female	
	No.	Var.	No.	Var.	No.	Var.
EO-1	1	0	1	0	0	0
Total	1	0	1	0	0	0

The number of executives includes those paid by the department on secondment to other government department or agencies and does not include vacancies.

The increase in the number of executives is due to the creation and filling of positions in response to independent reviews such as 'Targeting Zero: the review of hospital safety and quality assurance' (see p.25), implementation of significant government service delivery initiatives and policies, accepted recommendations from the Royal Commissions, and the filling of other existing vacancies. A number of these positions were created initially in the department, and then transferred to new administrative offices (Safer Care Victoria established January 2017 (see below), and the Victorian Agency for Health Information, and Family Safety Victoria, both established on 3 July 2017 after this reporting period).

The Chief Executive Officer of Safer Care Victoria is an administrative head and is reported separately.

The number of executives in the report of operations is based on the number of executive positions that are occupied at the end of the financial year. Note 9.7 in the financial statements lists the actual number of EOs and the total remuneration paid to EOs over the course of the reporting period. The financial statements note does not include the responsible body, nor does it distinguish between executive levels or disclose separations. Separations are executives who have left the department during the relevant reporting period. To assist readers, these two disclosures are reconciled below.

**Table 3: Reconciliation of executive numbers**

	<b>2017</b>
Executives	161
Responsible body (Secretary)	1
Responsible body (Director, of Housing)	1
Responsible body (Chief Executive Officer Safer Care Victoria)	1
Less Separations	(21)
<b>Total executive numbers at 30 June</b>	<b>143</b>

**Table 4: Number of executive officers for the department's portfolio agencies**

Organisation	2016			2017			Change		
	Female	Male	Active	Female	Male	Active	Female	Male	Active
Albury Wodonga Health	4	4	8	2	2	4	(2)	(2)	(4)
Alexandra District Hospital	1	0	1	1	0	1	0	0	0
Alfred Health	4	3	7	4	4	8	0	1	1
Alpine Health	0	1	1	0	1	1	0	0	0
Ambulance Victoria	3	8	11	4	10	14	1	2	3
Austin Health	3	3	6	3	5	8	0	2	2
Bairnsdale Regional Health Service	3	2	5	3	2	5	0	0	0
Ballarat General Cemeteries Trust	1	0	1	1	0	1	0	0	0
Ballarat Health Services	4	3	7	4	4	8	0	1	1
Barwon Health	4	5	9	4	2	7	1	(3)	(2)
Bass Coast Regional Health	1	0	1	2	2	4	1	2	3
Beaufort and Sipton Health Service	0	1	1	1	0	1	1	(1)	0
Beechworth Health Service	0	1	1	0	1	1	0	0	0

Organisation	2016			2017			Change		
	Female	Male	Active	Female	Male	Active	Female	Male	Active
Benalla Health	1	0	1	1	0	1	0	0	0
Bendigo Health Care Group	4	4	8	4	4	8	0	0	0
Boort District Hospital	1	0	1	0	1	1	(1)	1	0
Breast Screen Victoria	4	2	6	4	1	5	0	(1)	(1)
Casterton Memorial Hospital	0	1	1	0	1	1	0	0	0
Castlemaine Health	1	1	2	1	0	1	0	(1)	(1)
Central Gippsland Health Service	2	2	4	2	3	5	0	1	1
Cobram District Hospital	0	0	0	0	1	1	0	1	1
Colac Area Health	0	1	1	0	1	1	0	0	0
Dental Health Services Victoria	3	2	5	3	1	4	0	(1)	(1)
Djerriwarrh Health Services	2	3	5	3	2	5	1	(1)	0
East Grampians Health Service	0	1	1	0	1	1	0	0	0
East Wimmera Health Service	1	0	1	1	1	2	0	1	1
Eastern Health	2	7	9	4	5	9	2	(2)	0
Echuca Regional Health	3	1	4	3	1	4	0	0	0
Edenhope and District Memorial Hospital	0	1	1	0	1	1	0	0	0
Geelong Cemeteries Trust	0	1	1	0	1	1	0	0	0
Gippsland Southern Health Service	0	2	2	0	2	2	0	0	0
Goulburn Valley Health Services	4	2	6	1	2	3	(3)	0	(3)
Greater Metropolitan Cemetery Trust	2	2	4	2	2	4	0	0	0
Health Purchasing Victoria	3	2	5	4	2	6	1	0	1
Heathcote Health	0	1	1	0	1	1	0	0	0
Hepburn Health Service	0	1	1	0	0	0	0	(1)	(1)
Hesse Rural Health Service	0	1	1	0	1	1	0	0	0
Heywood Rural Health	1	0	1	1	0	1	0	0	0
Inglewood and Districts Health Service	0	1	1	0	1	1	0	0	0
Kardinia Park Stadium Trust	0	1	1	1	1	2	1	0	1
Kerang District Health	1	1	2	0	1	1	(1)	0	(1)
Kilmore and District Hospital	2	0	2	1	0	1	(1)	0	(1)
Kooweerup Regional Health Service	1	0	1	0	1	1	(1)	1	0
Kyabram and District Health Services	0	1	1	0	1	1	0	0	0
Kyneton District Health Service	1	0	1	1	0	1	0	0	0

Organisation	2016			2017			Change		
	Female	Male	Active	Female	Male	Active	Female	Male	Active
Latrobe Regional Hospital	2	2	4	2	2	4	0	0	0
Lorne Community Hospital	1	0	1	1	0	1	0	0	0
Mallee Track Health and Community Service	0	1	1	1	0	1	1	(1)	0
Mansfield District Hospital	1	0	1	0	1	1	(1)	1	0
Maryborough District Health Service	0	1	1	0	1	1	0	0	0
Melbourne and Olympic Parks Trust	2	8	10	0	6	6	(2)	(2)	(4)
Melbourne Health	4	2	6	5	2	7	1	0	1
Monash Health	2	6	8	3	5	11	1	2	3
Moyne Health Services	0	1	1	0	0	0	0	(1)	(1)
Northeast Health Wangaratta	2	2	4	2	2	4	0	0	0
Northern Health	7	3	10	8	2	10	1	(1)	0
Numurkah District Health Service	1	0	1	1	0	1	0	0	0
Omeo District Health	0	0	0	0	1	1	0	1	1
Orbost Regional Health	1	0	1	0	0	0	0	0	0
Otway Health and Community Services	1	0	1	0	0	0	(1)	0	(1)
Peninsula Health	3	5	8	4	4	8	1	(1)	0
Peter MacCallum Cancer Centre	6	2	8	7	0	7	1	(2)	(1)
Portland District Health	2	0	2	1	0	1	(1)	0	(1)
Remembrance Park Central Victoria	0	1	1	0	1	1	0	0	0
Robinvale District Health Services	0	0	0	1	0	1	1	0	1
Rochester and Elmore District Health Service	1	0	1	1	0	1	0	0	0
Rural Northwest Health	1	0	1	1	0	1	0	0	0
Seymour Health	0	1	1	0	1	1	0	0	0
South Gippsland Hospital	0	1	1	2	5	7	1	0	1
South West Healthcare	1	5	6	2	5	7	1	0	1
Southern Metropolitan Cemeteries Trust	4	2	6	4	2	6	0	0	0
State Sport Centres Trust	0	4	4	1	4	5	1	0	1
Stawell Regional Health	1	0	1	1	0	1	0	0	0
Swan Hill District Health	1	3	4	1	3	4	0	0	0
Tallangatta Health Service	1	0	1	1	0	1	0	0	0
Terang and Mortlake Health Service	1	0	1	2	0	2	1	0	1
The Queen Elizabeth Centre	1	0	1	1	0	1	0	0	0

Organisation	2016			2017			Change		
	Female	Male	Active	Female	Male	Active	Female	Male	Active
The Royal Children's Hospital	6	2	8	3	5	8	(3)	3	0
The Royal Victorian Eye and Ear Hospital	2	3	5	3	3	6	1	0	1
The Royal Women's Hospital	5	2	7	6	2	8	1	0	1
Timboon and District Health Care Service	0	1	1	0	1	1	0	0	0
Tweedle Child and Family Health Service	1	0	1	1	0	1	0	0	0
Upper Murray Health and Community Service	1	0	1	1	0	1	0	0	0
Victorian Assisted Reproductive Treatment Authority	1	0	1	1	0	1	0	0	0
Victorian Health Promotion Foundation	4	2	6	3	2	5	(1)	0	(1)
Victorian Institute of Forensic Mental Health (Forensicare)	0	5	5	0	4	4	0	(1)	(1)
Victorian Institute of Sport	1	0	1	1	0	1	0	0	0
West Gippsland Healthcare Group	2	3	5	1	2	3	(1)	(1)	(2)
West Wimmera Health Service	3	3	6	3	3	6	0	0	0
Western District Health Service	0	2	2	1	2	3	1	0	1
Western Health	14	10	24	16	11	27	2	1	3
Wimmera Health Care Group	1	4	5	1	3	4	0	(1)	(1)
Yarram and District Health Service	1	0	1	1	0	1	0	0	0
Yarrawonga Health	1	0	1	1	0	1	0	0	0
	<b>156</b>	<b>153</b>	<b>309</b>	<b>163</b>	<b>156</b>	<b>319</b>	<b>6</b>	<b>(4)</b>	<b>2</b>

## Occupational health and safety

The department's commitment to occupational health and safety (OHS) and wellbeing is reflected in its *Health, safety and wellbeing policy and accountabilities*. The policy and accountabilities articulate specific actions for the Secretary and all other levels of management and staff to support this.

### Improvement measures in 2016–17

In 2016–17, the department implemented the following improvement measures:

- > launch of the *Health, Safety and wellbeing strategy 2016–20*. The strategy identifies the changes required to reach a new and improved future state of occupational health and safety by 2020. It aims to achieve this by developing efficient and accessible health and safety systems, building engagement and capability, and creating an organisational culture in which employee wellbeing is evident
- > launch of *Health, safety and wellbeing policy*. The policy is a statement of the department's commitment at the most senior levels to safeguarding the health, safety and wellbeing of all employees and others in its workplaces. The policy is supported by the *Health, safety and wellbeing accountabilities* which identify key accountabilities for all levels in the department
- > development of an online OHS employee incident reporting system to replace the current paper based reporting tool, ready for deployment in the second half of 2017
- > development and pilot of risk assessment tools for employees working in uncontrolled environments (for example, child protection, public housing) where exposure to occupational violence risk is high
- > participation in whole-of-government OHS committees established by WorkSafe in partnership with unions and state government departments to lead and improve OHS performance in the public sector, including:
  - participation in a tripartite working group to revise *Leading the way* which provides a framework for improving employee health, safety and wellbeing outcomes in Victorian Government departments
  - launching the Mental health and wellbeing charter. The charter demonstrates a commitment from public sector leaders to drive and support mental health and wellbeing in their workplaces. The department was the first department to launch the charter
  - participation in the development and trialling of a minimum data set of performance indicators for mental health and wellbeing which will be used by Victorian Government departments to measure improvement, and benchmark against similar organisations
  - contribution to the development of a mental health and wellbeing education and training framework which outlines minimum education and training requirements for public sector leaders, line managers, health and safety representatives and workers, and a commitment to train all staff by June 2020
  - leading the occupational violence working group which has progressed key pieces of work including the development of training principles, a training implementation plan, an organisational response framework and a guide for mitigating occupational violence and aggression through the built environment.
- > improved governance through establishment of a health and safety governance committee which is monitoring health and safety performance and driving accountability for delivery on the *Health, Safety and Wellbeing Strategy 2016–20*
- > continued effort through the department's Wellbeing Committee towards implementation of strategies under the *Mental health and wellbeing charter* to promote positive mental wellbeing, address mental injury and illness and protect against mental injury and illness
- > commencement of work to establish a peer support network which will provide informal and confidential support to employees experiencing difficulties in the workplace or at home. The peer support network will enable access to a colleague who can provide advice and assistance in navigating pathways for support. Peer supporters will receive specialised training in bullying and inappropriate behaviour, family violence and mental health and wellbeing

- > delivery of training for managers and supervisors to improve the management of health and safety across the department
- > facilitation of department-wide workshops to assist staff in identifying and responding to vicarious trauma in themselves and others
- > coordination of events and activities in support of health and safety week and health and safety representatives
- > successful management of the transition to a new WorkCover agent, Xchanging.

### The department's performance against occupational health and safety management measures

Measure	KPI	2014–15	2015–16	2016–17
Incidents and hazards	No. of incidents <sup>1</sup>	8,166	8,224	6,938
	Rate per 100 FTE	73.01	71.81	61.63
Claims	No. of standard claims <sup>2</sup>	410	341	274 <sup>3</sup>
	Rate per 100 FTE	3.665	2.977	2.433
	No. of lost time claims	199	185	149
	Rate per 100 FTE	1.779	1.615	1.323
	No. of claims exceeding 13 weeks <sup>4</sup>	100	79	76
	Rate per 100 FTE	0.894	0.690	0.675
Fatalities	No. of fatalities	0	0	0
Claims costs <sup>4</sup>	Average cost per standard claim <sup>6</sup>	\$59,688	\$48,274	\$73,939

2014–15 figures represent the sum of Department of Health and the Department of Human Services figures.

FTE: full-time equivalent; OHS: occupational health and safety.

1. Figures for 2014–15 and 2015–16 are recorded incidents as at June 2017.
2. Includes accepted, pending and rejected claims that met the standard claims threshold.
3. Number and rate per 100 FTE excludes Youth Justice claims which were transferred to Department of Justice and Regulation.
4. Data extracted with a six-month lag to allow for claims to reach 13 weeks compensation.
5. Includes payments and estimated future costs.
6. Data extracted with a three-month lag to allow for the claims estimate to develop to give an accurate picture of associated costs. Figures for 2014–15 and 2015–16 are calculated as at June 2017.

Measure	KPI	Performance
Management commitment	OHS policy statement and OHS criteria	<p>The <i>Health, safety and wellbeing strategy 2016–20</i> was launched by the department's executive board.</p> <p>The department is represented on the whole-of-government OHS committees that have been established in partnership with unions and WorkSafe to lead and improve OHS performance in the public sector.</p> <p>There has been continued progress on development and implementation of key elements of an OHS management system (OHSMS) for the department to meet the relevant national standard AS4801.</p> <p>The Wellbeing Committee is leading proactive and preventive activity to protect and improve the mental and physical wellbeing of staff.</p> <p>Workers compensation performance reports are provided to senior leaders on a monthly basis. Middle and senior managers have desktop access to OHS performance reports through the department's corporate reporting tool.</p>

Measure	KPI	Performance
Consultation and participation	Designated work group structures and issue resolution procedures	<p>The department has in place a comprehensive cascading OHS consultation structure comprising committees at the area, divisional and statewide level. Committee meetings follow a coordinated schedule to ensure timely escalation and resolution of any identified OHS issues.</p> <p>The department is trialling implementation of an electronic incident and hazard reporting system in four locations. This system, once fully implemented, will drive greater accountability and more timely follow up and will allow access to real-time data which will allow the department to be more proactive.</p> <p>The department continues to maintain an extensive network of 484 designated work groups with 436 health and safety representatives and 131 designated management representatives.</p>
Risk management	Regular internal audits conducted and issues identified and actioned	<p>The department's mechanisms for identifying and controlling OHS hazards to prevent or reduce the likelihood of harm include disease, injury, near miss and accident (DINMA) reports, specific risk management tools and workplace inspections.</p> <p>Specific interventions and supports to reduce the likelihood or impact of injuries from occupational violence, manual handling and work-related stress resulted in decreased claims and incidents for these injury types. There is ongoing activity to improve the management of occupational violence risks in uncontrolled environments.</p> <p>WorkSafe made 331 visits to the department's worksites and issued 48 WorkSafe notices.</p> <p>There were 349 critical incident response management (CIRM) interventions provided to 1,215 employees in response to incidents in the department's workplaces.</p> <p>1,360 employees were supported to participate in the Stepathlon program with evaluation results showing significant improvements in physical and mental wellbeing of participants.</p>
Training	Managers, health and safety representatives and other staff trained	<p>The department's Managing Safe Workplaces training program was delivered to 130 managers.</p> <p>All health and safety representatives elected in 2016–17 were encouraged and supported by the department to undertake the five-day health and safety representative training program.</p> <p>The department conducts an annual health and safety representative forum each October as a key activity during Health and Safety Month. There were approximately 137 participants at the 2016 forum.</p> <p>The department has 103 critical incident response management (CIRM) volunteers comprising coordinators, de-briefers and support workers. During the year, a five-day training program for de-briefers, a three-day training program for support workers, and quarterly professional development programs open to all CIRM volunteers, were conducted.</p> <p>Vicarious trauma workshops were conducted centrally and in operational divisions where requested or required to support managers and staff to minimise the impact of trauma on their wellbeing.</p> <p>Quarterly forums were conducted for internal OHS and workers compensation professional staff including OHS Advisors, Injury Management Coordinators and Claims Administrators.</p>

*Standard claims are those that have exceeded the employer excess (days or dollars) or are open claims that have been received but have no payments at the time of extraction and may be rejected.*

*A time-lost claim is one with one or more days compensation paid by the Victorian WorkCover Authority (that is, once the employer has paid the 10-day excess) at the time of extraction.*

*Thirteen-week claims are claims that involve 13 weeks or more of weekly benefits paid. The 13-week measure begins at day one (that is, employer excess and Victorian WorkCover Authority payments).*

# Disclosures

## Audit and risk management

### Audit committee membership and roles

The Audit and Risk Management Committee is an independent committee established in accordance with the *Financial Management Act 1994* and the Standing Directions of the Minister for Finance (2016).

The Committee operates under an approved charter and has the following members:

- > Jo-Anne Stephenson, Chair (Independent appointee)
- > Peter Lewinsky, Deputy Chair (Independent appointee)
- > Helen Thornton (Independent appointee)
- > Pam White (Independent appointee)

The following internal members concluded their terms on 2 July 2017:

- > Anne Congleton (Deputy Secretary, Community Participation, Health and Wellbeing)
- > Elizabeth Langdon (Deputy Secretary, People, Capability and Oversight)
- > Finn Romanes (Senior Medical Adviser).

The following internal members commenced their terms on 3 July 2017:

- > Nick Foa (Deputy Secretary, Housing, Infrastructure, Sport and Recreation)
- > Amity Durham (Deputy Secretary, Strategy and Planning)
- > Paul Smith (Deputy Secretary, West Division)

The committee is integral to the department's approach to governance, ensuring that systems and processes for identifying and monitoring risks are operating as intended.

The department has contracted PwC to undertake internal audit services in a co-sourced arrangement with the Department's Internal Audit Unit.

### Risk management context

During 2016–17, the department faced a number of significant risks in its operating environment including:

- > progressing the transition to the National Disability Insurance Scheme
- > continuing to deliver high quality and safe health and human services for Victorians in a climate of unprecedented growth and demand for key services
- > ongoing health system funding arrangements and negotiations related to the Commonwealth–State National Health Reform Agreement
- > responding to Machinery of Government changes and organisational structure adjustments, principally the transfer of youth justice to the Department of Justice and Regulation.

### The department's 2016–17 attestation is supported by:

- > a *Risk Management Policy and Framework* that aligns with the requirements set out in the *Victorian Government Risk Management Framework* and *Financial Management Act Standing Direction 3.7.1*
- > a top-down risk management approach consisting of 20 Corporate Risks using the AS/NZS ISO 31000:2009 risk management process
- > development and implementation of a proposed department-wide *Performance Oversight and Risk Management Framework* that seeks to embed risk and performance reporting across departmental governance arrangements, driving broader accountability
- > a progressively improving risk management culture, framework and processes
- > risk management processes embedded within planning and decision-making processes
- > the department's commitment to risk management and its continual improvement supported by a *Risk Management Implementation Plan* that has set a pathway to target risk management maturity levels
- > an audit and assurance program aligned with the department's risk profile.

## Insurance

The department is partially compliant in relation to the Mandatory requirements as set out under 3.1.2 – Insurance requirements of the *Victoria Government Risk Management Framework* and has:

- > arranged all of its insurance with the Victorian Managed Insurance Authority; and
- > as part of its annual renewal process determined the appropriate levels of insurance in consultation with the Victorian Managed Insurance Authority; and
- > maintains a register of all insurances and indemnities and make this available on request.

The department is partially compliant in relation to providing information on claims management capability, resources, structures and processes for any self-insured retained losses to the Victorian Managed Insurance Authority, including the basis for valuation of self-insured retained losses.

The department in consultation with Victorian Managed Insurance Authority has conducted an organisation wide claims capability and resourcing review of self-insured retained losses management to improve reporting processes and provide the required below deductible claims data to the Victorian Managed Insurance Authority. The findings of this review will be implemented in 2017–18.

## Risk attestation

I, Kym Peake, certify that the Department of Health and Human Services has made progress over a number of years to improve risk management processes, practices and culture to meet the requirements of the Ministerial Standing Direction 3.7.1: risk management framework and processes within the context set out above.

While the department is partially compliant with some requirements, it has plans to further improve its risk management maturity and processes over the next 12 months.

The department's Audit and Risk Management Committee has verified this.



Kym Peake  
Secretary  
Department of Health and Human Services

## Attestation on Compliance with Health Purchasing Victoria (HPV) Health Purchasing Policies

I, Kym Peake, certify that the Department of Health and Human Services has put in place appropriate internal controls and processes to ensure that it has complied with all requirements set out in the HPV Health Purchasing Policies including mandatory HPV collective agreements as required by the *Health Services Act 1988 (Vic)* and has critically reviewed these controls and processes during the year.



Kym Peake  
Secretary  
Department of Health and Human Services

## Local Jobs First – Victorian Industry Participation Policy

The *Victorian Industry Participation Policy Act 2003* requires departments and public sector bodies to report on the implementation of the Local Jobs First – Victorian Industry Participation Policy (Local Jobs First – VIPP). Departments and public sector bodies are required to apply the Local Jobs First – VIPP in all procurement activities valued at \$3 million or more in metropolitan Melbourne and for statewide projects, or \$1 million or more for procurement activities in regional Victoria.

During 2016–17, the Department commenced 16 Local Jobs First – VIPP–applicable or Local Industry Development Plan (LIDP)–applicable procurements totalling \$134.3 million. Of those projects, four were located in regional Victoria, representing 26 per cent of estimated local content, two were located statewide across Victoria, representing 5 per cent of estimated local content, and 10 in metropolitan Melbourne, representing 69 per cent of estimated local content.

The outcomes expected from the implementation of the Local Jobs First – VIPP to these projects, where information was provided, are as follows:

- > an average of 73 per cent of local content commitment was made
- > a total of 880 jobs (Annualised Employee Equivalent (AEE)) were committed, including the creation of 183 new jobs and the retention of 697 existing jobs (AEE)
- > a total of 81 positions for apprentices/trainees were committed, including the creation of 22 new apprenticeships/traineeships, and the retention of the remaining 59 existing apprenticeships/traineeships.

During 2016–17, the department completed 18 Local Jobs First – VIPP applicable projects, collectively valued at about \$1.17 billion. Of these projects, six were located in regional Victoria, representing 34 per cent of estimated local content, two were located statewide across Victoria, representing 11 per cent of estimated local content, and 10 in metropolitan Melbourne representing 55 per cent of estimated local content.

The outcomes reported from the implementation of the policy, where information was provided, were as follows:

- > an average of 91 per cent of local content outcome was recorded
- > a total of 2,400 (AEE) positions were created and a further 5,529 existing jobs retained
- > 216 new apprenticeships/traineeships were created and 265 existing apprenticeships/traineeships retained.

During 2016–17, there were 21 small-to-medium-sized businesses that prepared a VIPP Plan or LIDP for contracts, with the remaining prepared by large businesses.

During 2016–17, six projects, which commenced on or after 1 September, had the minimum formal weighting of 10 per cent applied for local content in the tender evaluation of the VIPP Plan or LIDP.

The department commenced 17 contracts, with a total of 89 per cent estimated to be of local content to which a VIPP Plan or LIDP was not required. as the procurement activity was local by nature.

For design contracts or grants provided during 2016–17, one interaction reference number was required, which entailed a conversation with the Industry Capability Network (Victoria) Ltd.

## Department of Health and Human Services compliance with DataVic access policy

Consistent with the DataVic access policy issued by the Victorian Government in 2012, the [information included in this annual report will be available in machine readable format](#) <<http://www.data.vic.gov.au>>.

At the end of 2016–17, the department had approximately 1,400 datasets available on the Victorian Government Data Directory, some of which are new, and others which have been amended during the year.

Summarised data published by the department is available on a range of different websites including:

- > for health – [health home](#) <<http://performance.health.vic.gov.au/Home.aspx>> and [health reporting](#) <<https://www2.health.vic.gov.au/about/reporting-planning-data>>
- > for [corporate and human services](#) <<https://dhhs.vic.gov.au/publications/reports-reviews-data>>

- > an extract of the department's [information asset register](https://www.dhhs.vic.gov.au/department-health-and-human-services-information-asset-register-public) <<https://www.dhhs.vic.gov.au/department-health-and-human-services-information-asset-register-public>> (progressively being populated).

The websites above include information about:

- > service provision (including health service performance)
- > public health indicators
- > infectious disease surveillance
- > birth and birth defects
- > alcohol and drug services
- > housing
- > vulnerable children
- > disability.

As well as summarised data, the department maintains a number of de-identified datasets that researchers can access. These detailed datasets, which adhere to strict privacy guidelines, contain a wealth of information to support better understanding of Victorian's health and human services.

They include the:

- > Victorian Admitted Episodes Dataset (VAED) which contains information about all patients admitted to Victorian hospitals
- > Victorian Emergency Minimum Dataset (VEMD) which contains information about emergency presentations at Victorian public hospitals
- > Elective Surgery Information System (ESIS) which contains information about elective surgery waiting list information from the major Victorian metropolitan and rural public hospitals
- > Perinatal Data Collection which contains information about mothers and babies born in Victoria
- > Alcohol and Drug Treatment Service Utilisation Data Collection which contains information about the clients and activity of government-funded alcohol and drug treatment services

- > Victorian Mental Health Data Collection which contains information about inpatient, residential, and ambulatory community care provided by gazetted mental health facilities, and associated legal diagnostic and outcome measurement information
- > Victorian Integrated Non-Admitted Health (VINAH) dataset which contains information about the Family Choice Program, Hospital Admission Risk Program, Hospital-Based Palliative Care Consultancy Team, Palliative Care, Post-Acute Care, Residential In-Reach, Specialist Clinics (Outpatients), Subacute Ambulatory Care Services, Transition Care Program, Victorian HIV Service and the Victorian Respiratory Support Service
- > Community Health Minimum Dataset which contains information about clients receiving government-funded community health services
- > Dental Health Program Dataset which contains information about services provided by public dental agencies, including about clients, treatments, referrals, and waiting lists
- > Notifiable Infectious Diseases Data on conditions that must be reported to the department under the *Public Health and Wellbeing Act 2008*.

Researchers can request access to linked de-identified [data](https://www2.health.vic.gov.au/about/reporting-planning-data/victorian-data-linkages) <<https://www2.health.vic.gov.au/about/reporting-planning-data/victorian-data-linkages>>.

Victorian health and human services data is also made available by a number of agencies including:

- > [Cancer Council Victoria](http://www.cancervic.org.au/research/registry-statistics/statistics-data) <<http://www.cancervic.org.au/research/registry-statistics/statistics-data>>
- > [MyHospitals](https://www.myhospitals.gov.au) <<https://www.myhospitals.gov.au>>
- > [Australian Institute of Health and Welfare](http://www.aihw.gov.au/data/) <<http://www.aihw.gov.au/data/>>
- > The Victorian Agency for Health Information was established as an administrative office from 1 July 2017. In 2017–18 the agency will assume responsibility for quarterly reporting of health service performance and for maintaining a number of de-identified datasets that researchers can access (from VAED to VINAH in the list above).

## Business Technology and Information Management Committee

The Business Technology and Information Management (BTIM) subcommittee oversees the department's business technology and information management functions.

The BTIM subcommittee's role includes:

- > overseeing and directing the over-arching BTIM strategy and associated strategies and frameworks
- > developing BTIM-related policy and standards
- > advising and providing recommendations to the Executive Board on BTIM-related investments and projects
- > monitoring the effectiveness of project assurance for sector-based projects and initiatives that expose the department to risk.

The subcommittee comprises 10 members:

- > Deputy Secretary, Corporate Services (Chair)
- > Deputy Secretary, People, Capability and Oversight
- > Deputy Secretary, Sport and Recreation, Infrastructure, International Engagement and Director of Housing
- > Deputy Secretary, South Division, Operations
- > Chief Information Officer, Corporate Services
- > Health Chief Information Officer, Corporate Services
- > Director, Corporate Services, East Divisions, Operations
- > Director, Health Information and Reporting
- > Director, Performance and Reporting, Operations
- > Director, Service Implementation and Support, Operations.

## Protected Disclosure Act 2012

The *Protected Disclosure Act 2012* encourages and facilitates disclosures of improper conduct by public officers, public bodies and other persons, and provides protection from detrimental action taken against a person making a disclosure, witnesses and persons subject to an investigation.

The department does not tolerate improper conduct by employees, or the taking of reprisals against those who disclose improper conduct. The department will support officers who disclose conduct involving the dishonest performance of public functions, knowingly

or recklessly breaching public trust, misusing information obtained in an official capacity, substantially mismanaging public resources, or substantially risking public health, safety or the environment.

The department will take all reasonable steps to ensure that any person involved in a disclosure is not subjected to detrimental action. It will also afford natural justice to a person who is the subject of a disclosure.

Disclosures under the <i>Protected Disclosure Act 2012</i>	2015–16 number	2016–17 number
The number of disclosures notified to the Independent Broad-based Anti-corruption Commission	6	5

## Reporting procedures

Disclosures of improper conduct or detrimental action by the department or its employees may be made to the following officers:

- > Protected Disclosure Coordinator
- > the discloser's manager or supervisor
- > the manager or supervisor of the person who is the subject of the disclosure
- > the Secretary
- > or by calling 1300 131 431 (toll free 24-hour answering service).

Alternatively, a person may make a disclosure of improper conduct or detrimental action by the department or its employees directly to the Independent Broad-based Anti-corruption Commission:

Independent Broad-based Anti-corruption Commission  
 Level 1, 459 Collins Street (North Tower)  
 Melbourne VIC 3000  
 Telephone: 03 9613 6222  
 Toll free: 1300 735 135

[Visit the website](http://www.ibac.vic.gov.au) <http://www.ibac.vic.gov.au> or  
[contact via email](mailto:submit@ibac.vic.gov.au) <submit@ibac.vic.gov.au>.

Written guidelines outlining the system for reporting disclosures of improper conduct or detrimental action by the department, its officers or other persons, are available on the department's website and from the [Protected Disclosure Coordinator](#) <protected.disclosure@dhhs.vic.gov.au>.

## Building Act 1993

The department requires that appropriately qualified consultants and contractors are engaged for all proposed works on land controlled by the department or a health service agency, and that their work and services comply with current building standards. All such consultants and contractors are expected to have appropriate mechanisms in place to ensure compliance with the building and maintenance provisions of the *Building Act 1993*.

In relation to existing buildings, the Asset Maintenance Unit is responsible for mandatory testing of emergency and exit lighting and lift equipment in accordance with relevant standards, monthly, quarterly and bi-annual inspection and preventive maintenance routine of mechanical services and monthly and annual fire service audits. These inspections then inform the works program which is delivered annually through existing maintenance contracts.

The department undertook 126 major works projects in 2016–17, was issued with five emergency orders and secured 122 building permits and 133 Certificates of Occupancy.

## Compliance with the Carers Recognition Act 2012

The department has taken all practical measures to comply with its obligations under the Act. These include:

- > disseminating an updated information kit on the Act, *Supporting people in care relationships in Victoria*
- > promoting the principles of the Act to people in care relationships who receive the department's services and to the wider community, such as distributing printed material about the Act at community events or service points; providing links to state government resource materials on the department's website; providing digital and/or printed information about the Act to the department's partner organisations
- > ensuring the department's staff have an awareness and understanding of the care relationship principles set out in the Act by developing and implementing a staff awareness strategy about the principles in the Act and what they mean for staff; induction and training programs offered by the organisation include discussion of the Act and the statement of principles therein

- > considering the care relationships principles set out in the Act when setting policies and providing services. This is done by reviewing employment policies such as flexible working arrangements and leave provisions to ensure that these comply with the statement of principles in the Act; developing a satisfaction survey for distribution at assessment and review meetings between workers, carers and those receiving care.

## Registered DSPs and CSOs

Registration under the *Disability Act 2006* and the *Children, Youth and Families Act 2005* is managed by the Department of Health and Human Services' (department) Standards and Regulation Unit which acts as an independent regulator within the department.

The launch of the National Disability Insurance Scheme has seen an agreement between the Commonwealth and the Victorian Government for the existing quality assurance and safeguards of the State of Victoria to remain in place during the launch, until a nationally consistent risk-based quality assurance approach is developed. Some organisations providing services for the National Disability Insurance Agency are required to be registered with the department and operate in accordance with the Disability Act. This includes complying with the Human Services Standards (gazetted as the Department of Health and Human Services Standards) and where required, providing reports to the Disability Services Commissioner, Community Visitors, Office of the Public Advocate and the Senior Practitioner.

### Register of disability service providers

Section 46 of the Disability Act requires the Secretary of the department to keep a register and make available for public inspection a list of disability service providers. Funded organisations that deliver disability services are required to be registered and comply with the Human Services Standards.

The register can be found on the [department's website](http://www.dhs.vic.gov.au/home) <<http://www.dhs.vic.gov.au/home>> (see For Service Providers > Disability > Service Quality and Improvement).

## Register of community services

The Children, Youth and Families Act provides a strong focus on the quality of services delivered to children, young people and families. Funded organisations that deliver family and out-of-home care services are required to be registered and comply with the Human Services Standards.

Section 54 of the Children, Youth and Families Act requires the Secretary of the department to keep a register of community services. Section 57 of the Act requires that the Secretary must make a copy of the register of community services available for inspection on the department's internet site.

The register can be found on the [department's website](http://www.dhs.vic.gov.au/home) <<http://www.dhs.vic.gov.au/home>> (see For Service Providers > Children, Youth and Families > Community Service Organisations).

## Registration activity

During 2016–17, while the department did not refuse to register any organisations on the grounds they were unable to demonstrate their capacity to meet the Human Services Standards, a large number of NDIA applications for initial registration are outstanding as additional information is required to be provided by the organisations. The following registration activities occurred.

Registration type	New registrations processed 2016-17	Renewals processed 2016-17	Registrations lapsed/revoked 2016-17	Total number registered at 30 June 2017
Registration under the <i>Disability Act 2006</i>	120	14	12	424
Registration under the <i>Children, Youth and Families Act 2005</i>	14	4	1	149

## National Competition Policy

Under the National Competition Policy (NCP), the guiding legislative principle is that legislation, including future legislative proposals, should not restrict competition unless it can be demonstrated that:

- > the benefits of the restriction to the community as a whole outweigh the costs
- > the objectives of the legislation can only be achieved by restricting competition.

The department continues to comply with the requirements of the NCP.

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair completion between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

The department is working to ensure that Victoria fulfils its requirements on competitive neutrality reporting for technological based businesses against the enhanced principles as required under the Competition and Infrastructure Reform Agreement.

## Details of consultancies

In 2016–17, there were 330 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2016–17 in relation to these consultancies is \$30.26 million (excluding GST). Details of individual consultancies are outlined below.

## Details of consultancies under \$10,000

In 2016–17, there were 14 consultancies engaged during the year, where the total fees payable to the individual consultancies was less than \$10,000. The total expenditure incurred during 2016–17 in relation to these consultancies was \$64,166 (excl. GST).

## Disclosure of major contracts

The department has disclosed, in accordance with the requirements of government policy and accompanying guidelines, all contracts greater than \$10 million in value entered into during the year ended 30 June 2017. Details of contracts that have been disclosed in the Victorian Government contracts publishing system can be viewed on the [procurement website](http://www.procurement.vic.gov.au) <<http://www.procurement.vic.gov.au>>.

## Improving procurement practice

The department is undertaking a number of activities to reduce reliance on consultancies, including building to internal capabilities and improvements to procurement processes.

Expansion during 2016–17 of the role of the Centre for Evaluation and Research is progressively improving the quality of outcomes and utility of consultancy reports, through better specification of requirements, as well as making better linkages between different projects to avoid the potential for overlapping objectives in project specification.

Improvements to procurement processes are designed to ensure contracted solutions are competitive, use government and department panel contracts where appropriate, and undertake meaningful contract review processes to inform decisions on future engagements.

All of these improvements are driving value for money, with a focus on ensuring the department uses consultants and contracts appropriately and effectively.

## Consultancies (valued at \$10,000 or greater)

Consultant	Purpose of consultancy	Total approved project fee excl. GST	Expenditure 2016–17 excl. GST	Future expenditure excl. GST
PwC	Develop information tools and operational plan, business continuity, East division	\$30,650	\$23,263	\$7,387
Maddocks	Review, Adare supported residential service	\$25,466	\$25,466	\$0
KPMG	Develop service plan, Alfred health	\$135,829	\$33,957	\$101,872
Jackie Moden Consulting	Service review, Housing for the Aged Action Group	\$39,345	\$1,833	\$37,512
Healthconsult Pty Ltd	Develop and administer, Mental health workforce innovation grants program	\$111,635	\$33,491	\$78,144
EY	Review, high performance athlete programs	\$129,128	\$6,456	\$122,672
Nous Group Pty Ltd	Cost-benefit analysis, centralised registration system, Food Act	\$68,909	\$49,000	\$19,909
SGS Economics & Planning Pty Ltd	Data cleansing and validation, Housing register	\$59,606	\$21,100	\$38,506
PwC	Health check, sport and recreation grant management	\$31,473	\$7,800	\$23,673
Data Agility Pty Ltd	Develop supporting materials, Community based health streamlining pilot project	\$60,527	\$12,000	\$48,527
Deloitte Touche Tohmatsu	Evaluate, Latrobe Health Innovation Zone, Assembly and Advocate, Hazelwood Mine Fire C5700/1058322	\$726,850	\$64,838	\$662,012
Crondar Pty Ltd	Define progress measures, public health and wellbeing plan	\$248,053	\$149,149	\$98,904
Nous Group Pty Ltd	Develop statutory body governance framework	\$74,545	\$13,042	\$61,503
M21 Advisory	Investment, social housing	\$46,200	\$11,497	\$34,703
Deloitte Touche Tohmatsu	Review, out-of-home Care funding reform	\$80,289	\$80,564	\$0
Third Horizon Consulting Pty Ltd	Develop management reporting framework, performance against reform objectives	\$88,830	\$94,739	\$0
Aither Pty Ltd	Review, Safe Drinking Water Act administration levy	\$47,034	\$9,091	\$37,943
Nous Group Pty Ltd	Develop strategy, management of unallocated child protection cases	\$131,300	\$87,500	\$43,800
Beca Pty Ltd	Review, code of practice for fluoridation of drinking water supplies 2009	\$29,500	\$29,500	\$0
EY	Assist in developing, strategic framework for transforming health and human services workforce	\$134,214	\$40,239	\$93,975
Customer Management Consulting	Project management and governance support, Victorian Authority for Health Information	\$57,273	\$43,432	\$13,841
Centre for Excellence In Child and Family Welfare Inc	Develop support and materials, Loddon Children and Youth Area Partnership member agencies	\$46,780	\$9,356	\$37,424
Crondar Pty Ltd	Develop measures, Victorian Cancer Plan monitoring and evaluation framework	\$149,344	\$81,989	\$67,355

<b>Consultant</b>	<b>Purpose of consultancy</b>	<b>Total approved project fee excl. GST</b>	<b>Expenditure 2016–17 excl. GST</b>	<b>Future expenditure excl. GST</b>
Deloitte Touche Tohmatsu	Provide financial modelling and advice, medicinal cannabis and hardship scheme	\$133,306	\$99,980	\$33,326
Victoria University	Undertake study, health co-benefits	\$179,599	\$1,355	\$178,244
EY	Develop change management and communication plan	\$85,000	\$68,000	\$17,000
Australian Sports Medicine Association	Develop good practice guide, contestant safety, professional boxing and combat sports	\$20,000	\$10,909	\$9,091
Nous Group Pty Ltd	Review, Victorian public sector residential aged care model	\$256,364	\$42,045	\$214,319
KPMG	Service review, disability agency	\$178,208	\$182,704	\$0
Deloitte Touche Tohmatsu	Develop operating model, human centred design and out-of-home care system	\$164,095	\$164,660	\$0
Navigating Outcomes	Develop data collection guidelines and training materials, outcomes measurement in community services	\$42,900	\$21,595	\$21,305
Thinkplace Trust	Co-design, out-of-home care system architecture	\$194,163	\$195,355	\$0
Escient Pty Ltd	Change management services, Corporate Services organisational restructure	\$272,727	\$136,953	\$135,774
Urbis Pty Ltd	Undertake 'as if' project, Bendigo and district Aboriginal cooperative	\$65,240	\$36,364	\$28,876
KPMG	Develop strategy, department cloud enablement	\$159,091	\$159,091	\$0
Cube Group Management Consulting	Provide advice, property and assets restructure	\$21,340	\$2,280	\$19,060
Deloitte Touche Tohmatsu	Undertake community and social services futures project	\$135,535	\$122,463	\$13,072
Nous Group Pty Ltd	Operation review, complaints management	\$66,309	\$45,533	\$20,776
La Trobe University	Review, residents with complex care requirements and barriers to supporting behaviourally challenging residents	\$158,440	\$35,945	\$122,495
RMIT University	Develop profile, victims of family violence requiring crisis supported response	\$149,600	\$11,000	\$138,600
Cube Group Management Consulting	Review, support for carers program	\$93,177	\$90,830	\$2,347
Open Advisory Pty Ltd	Advice, renal transplantation in Victoria	\$14,250	\$14,016	\$234
Just Forensic	Quality review, behaviour support service client files	\$29,000	\$4,600	\$24,400
James McDougall	Review papers and provide reports, Council of Australian Governments, family violence	\$13,364	\$9,091	\$4,273
Changeworks Consulting Pty Ltd	Develop change management strategy, client incident management system	\$224,423	\$98,500	\$125,923
La Trobe University	Rapid literature review and situational analysis, family violence and mental health	\$90,000	\$30,250	\$59,750
EY	Advice, payroll preparedness for NDIS, separation of employment	\$31,346	\$31,289	\$57

<b>Consultant</b>	<b>Purpose of consultancy</b>	<b>Total approved project fee excl. GST</b>	<b>Expenditure 2016–17 excl. GST</b>	<b>Future expenditure excl. GST</b>
CDM Smith Australia Pty Ltd	Peer review, Testing and analysis of brown coal ash residue in roof cavities report	\$10,000	\$9,560	\$440
Kate Shannon McCready	Support and develop, co-design operating model	\$45,435	\$46,862	\$0
Aspex Consulting Pty Ltd	Review, language services arrangements	\$116,100	\$116,100	\$0
Jackie Moden Consulting	Review, Salvation Army Westcare	\$46,250	\$21,363	\$24,887
Aspex Consulting Pty Ltd	Update of service plan, Goulburn valley health cancer services	\$33,477	\$33,477	\$0
Healthconsult Pty Ltd	Review, Victorian tuberculosis program	\$63,596	\$63,395	\$201
Just Anna	Strategy development, social housing and homelessness engagement	\$19,500	\$19,500	\$0
Cube Group Management Consulting	Review, state health emergency response arrangements	\$374,338	\$312,319	\$62,019
Deloitte Touche Tohmatsu	Develop operating model, emergency management response, relief and recovery	\$172,200	\$172,200	\$0
Aspex Consulting Pty Ltd	Develop service plan, Central Goldfields Shire	\$100,995	\$60,597	\$40,398
RSM	Financial support, housing system and reporting	\$78,750	\$57,479	\$21,271
Oakton Services Pty Ltd	Develop digital strategy, delivering services to clients	\$49,550	\$49,550	\$0
Pitcher Partners	Review, Community Chef food production operation	\$79,091	\$78,350	\$741
Workforce Planning Global Pty Ltd	Review, workforce planning	\$18,050	\$18,050	\$0
Sefton Management Consulting	Review, North East Melbourne area front end services	\$43,636	\$43,636	\$0
Anam Cara House Geelong Pty Ltd	Identify options to improve respite services in Barwon South West	\$109,091	\$18,182	\$90,909
Centre for Excellence in Child and Family Welfare Inc	Coordinate production of 2017 good practice statewide snapshot publication agreement	\$40,500	\$36,900	\$3,600
Monash University	Review, men's behaviour change minimum standards	\$89,619	\$68,098	\$21,521
Nous Group Pty Ltd	Develop compliance framework for providers of men's behaviour change programs	\$75,545	\$53,184	\$22,361
Bainbridge Associates Pty Ltd	Advice, real-time prescription monitoring project	\$38,250	\$38,250	\$0
Larter Consulting Pty Ltd	Develop mentoring support services, community health agencies	\$13,038	\$13,038	\$0
Bevington Consulting Pty Ltd	Lean improvement event, executive office processes	\$14,468	\$14,468	\$0
KPMG	Review, cash position of selected health services	\$196,327	\$196,542	\$0
Nucleus Consulting Group Pty Ltd	Service review, golden city support service	\$39,891	\$40,630	\$0
Heather Michaels and Associates	Review, lifestyle solutions service	\$25,200	\$25,200	\$0

Consultant	Purpose of consultancy	Total approved project fee excl. GST	Expenditure 2016–17 excl. GST	Future expenditure excl. GST
Ernst & Young	Provide advice on coherent framework to support quantitative evaluation of housing interventions	\$207,657	\$83,063	\$124,594
Data Agility Pty Ltd	Undertake phase 1, information management and analytics strategy project	\$134,740	\$125,814	\$8,926
Cube Group Management Consulting	Governance review, committee arrangements	\$69,800	\$70,968	\$0
KPMG	AOD design, service and infrastructure plan	\$311,845	\$226,610	\$85,235
Nous Group Pty Ltd	Develop and implement, Victoria's disability abused prevention strategy	\$138,490	\$138,490	\$0
Silverpod Productions Pty Ltd	Develop community awareness education campaign, Aboriginal family violence	\$199,287	\$74,545	\$124,742
Larter Consulting Pty Ltd	Develop pilot and evaluate service planning and inclusive practice tools and resources, community health services	\$95,043	\$14,375	\$80,668
Healthconsult Pty Ltd	Evaluate, pharmacist vaccination program	\$210,700	\$119,490	\$91,210
Applied Aged Care Solutions	Undertake study, resident complexity in public sector aged care	\$135,600	\$94,920	\$40,680
Isabelle Woodin Consulting & Training Services Pty Ltd	Review, governance and engagement, child protection	\$14,400	\$14,410	\$0
G R Smith & Associates	Mediation service, enterprise agreement at Southern Metropolitan Cemetery Trust	\$21,000	\$7,500	\$13,500
KPMG	Mapping, safeguarding pathways	\$50,277	\$50,721	\$0
ACIL Allen Consulting Pty Ltd	Evaluate, family violence housing assistance	\$393,765	\$73,211	\$320,554
Nous Group Pty Ltd	Advise and support, communications and media restructure	\$68,759	\$54,029	\$14,730
KPMG	Children and Families Service System Analytics	\$16,381	\$15,608	\$773
Aspex Consulting Pty Ltd	Develop strategic service plan, Rural City of Swan Hill	\$108,883	\$74,030	\$34,853
Precision Consultancy Pty Ltd	Develop workforce plan, National Disability Insurance Scheme	\$73,545	\$64,500	\$9,045
XVT Solutions Pty Ltd	Scoping work, real-time prescription monitoring system	\$70,138	\$70,138	\$0
Deloitte Touche Tohmatsu	Develop framework, community services industry planning	\$44,182	\$44,356	\$0
Deloitte Touche Tohmatsu	Financial and operating models, National Disability Insurance Scheme	\$4,698,508	\$673,636	\$4,024,872
Marsden Jacob Associates	Social and economic cost-benefit analysis, value of sport to Victoria	\$104,218	\$83,375	\$20,843
PwC	Review, patient waiting list	\$454,545	\$334,560	\$119,985
Studio Thick	Redesign, youth refuge service model	\$118,006	\$80,658	\$37,348
CEB Global Limited	Strategy, business engagement, information technology services	\$17,273	\$13,964	\$3,309
Social Ventures Australia	Review of literature, outcomes monitoring and management	\$26,160	\$26,289	\$0

<b>Consultant</b>	<b>Purpose of consultancy</b>	<b>Total approved project fee excl. GST</b>	<b>Expenditure 2016–17 excl. GST</b>	<b>Future expenditure excl. GST</b>
Third Horizon Consulting Pty Ltd	Design, validation and implementation planning, organisational redesign, phase two	\$1,318,441	\$568,865	\$749,576
Murray Neil Comrie	Review, escape at Malmsbury Youth Justice Centre	\$42,120	\$41,341	\$779
Nous Group Pty Ltd	Develop framework, central business district rough sleeper client coordination	\$140,970	\$140,765	\$205
Protiviti Pty Ltd	Advisor, concessions audit program	\$282,182	\$48,280	\$233,902
Corporate Capability Pty Ltd	Provide advice, Commission for Children and Young People restructure 2017	\$45,455	\$2,500	\$42,955
NSW Health Pathology	Review, Victorian public health mosquito-borne disease control activities	\$39,182	\$21,700	\$17,482
Nous Group Pty Ltd	Review, implementation of Chief Health Officer	\$70,750	\$52,692	\$18,058
Oakton Services Pty Ltd	Develop system strategy, business transactions management	\$170,969	\$170,969	\$0
Third Horizon Consulting Pty Ltd	Implementation plan, housing affordability strategy	\$63,910	\$62,733	\$1,177
Kintsugi Alliance Pty Ltd	Scoping and operating model, change management	\$21,750	\$21,750	\$0
Kieran Walshe	Review, escape from disability forensic assessment and treatment service, November 2016	\$11,874	\$11,874	\$0
Deloitte Touche Tohmatsu	Review, business case costing, Parkville precinct EMR	\$30,909	\$30,909	\$0
Cpt Global Australia Pty Ltd	Review (independent assurance), laboratory information system project	\$14,702	\$14,702	\$0
Michelle Harcourt	Specialised clinical and technical support, Residential Services Quality Improvement Unit	\$42,955	\$18,763	\$24,192
The Pharmacy Guild of Australia Victorian Branch	Advice, medication reconciliation in community settings	\$27,000	\$27,000	\$0
Changesmith Consulting	Evaluate, strengthening seniors' inclusion and participation in local communities project	\$136,136	\$56,023	\$80,113
University of Queensland	Planning framework, national mental health, Victoria	\$32,568	\$32,568	\$0
Murray Neil Comrie	Review, Parkville Youth Justice precinct	\$95,000	\$95,000	\$0
EY	Develop people strategy	\$441,902	\$442,892	\$0
Deloitte Touche Tohmatsu	Preliminary business case, state rugby league centre	\$52,349	\$52,349	\$0
Nucleus Consulting Group Pty Ltd	Review, Ararat day program	\$47,990	\$47,990	\$0
Sefton Management Consulting	Review, Mallee family services	\$45,455	\$45,890	\$0
The Primary Agency	Develop stakeholder engagement framework, chronic disease and mental health, Latrobe Valley	\$117,293	\$33,051	\$84,242

<b>Consultant</b>	<b>Purpose of consultancy</b>	<b>Total approved project fee excl. GST</b>	<b>Expenditure 2016–17 excl. GST</b>	<b>Future expenditure excl. GST</b>
Dialog Information Technology	Business analysis support, multiple information technology projects	\$147,145	\$91,666	\$55,479
KPMG	Review and modelling, children and families services	\$89,091	\$88,500	\$591
Biruu Pty Ltd	Business case, residential replacement and renewal, Family Violence budget submission	\$17,200	\$17,200	\$0
Deloitte Touche Tohmatsu	Review, cost mapping	\$783,184	\$784,229	\$0
Biruu Pty Ltd	Advice, health service plan in the south eastern growth corridors	\$32,410	\$32,410	\$0
ACIL Allen Consulting Pty Ltd	Evaluate, social traders program	\$27,163	\$27,163	\$0
ACIL Allen Consulting Pty Ltd	Evaluate, justice connects not-for-profit law program	\$27,163	\$27,163	\$0
EY	Business case, The Royal Melbourne Hospital stroke unit, theatres and works	\$116,939	\$116,939	\$0
Isabelle Woodin Consulting & Training Services Pty Ltd	Develop implementation plan for Aboriginal services	\$24,750	\$9,900	\$14,850
Cube Group Management Consulting	Strategic service plan, Albury Wodonga Health	\$166,925	\$87,000	\$79,925
UXC Consulting	Strategy, telephony	\$86,853	\$32,748	\$54,105
Kinetica	Undertake Sports Sector Export Potential project	\$42,500	\$42,500	\$0
Gust and Associates	Planning analytics, health services project	\$79,300	\$79,300	\$0
CDL & Associates Pty Ltd	Business case, Victorian stroke telemedicine program	\$20,000	\$20,000	\$0
Paxton Partners Pty Ltd	Model future demand, residential care in Victoria	\$89,010	\$89,272	\$0
Courtheath Consulting	Review, electronic medical record procurement options	\$12,727	\$12,764	\$0
Monash University	Develop occupational health and safety monitoring system for health sector	\$219,854	\$68,684	\$151,170
John Anderson Ward	Review, food standards code	\$44,218	\$10,646	\$33,572
PSI Asia Pacific Pty Ltd	Probity advice, super pharmacy procurement	\$18,000	\$7,980	\$10,020
UXC Consulting	Review, web API gateway project security	\$16,000	\$16,000	\$0
EY	Business case, 2017–18 budget, National Disability Insurance Scheme	\$127,583	\$127,583	\$0
EY	Investigation, Australian prostate cancer research	\$20,500	\$20,500	\$0
ACIL Allen Consulting Pty Ltd	Review, Allied health internship programs	\$119,267	\$115,176	\$4,091
Deloitte Touche Tohmatsu	Develop strategy framework, needs and requirements of major sporting stadiums network in the state	\$500,711	\$279,428	\$221,283
Darcy Associates Consulting Services	Evaluate, rural community intern programs	\$138,627	\$57,047	\$81,580

<b>Consultant</b>	<b>Purpose of consultancy</b>	<b>Total approved project fee excl. GST</b>	<b>Expenditure 2016–17 excl. GST</b>	<b>Future expenditure excl. GST</b>
Battiston Consulting Pty Ltd	Fee review, health technology solutions service	\$116,150	\$116,150	\$0
Bridge Resolutions	Develop communication protocols, presentations and service review quality, disability clients	\$29,955	\$9,563	\$20,392
PwC	Develop strategic sourcing approach, Health Technology services	\$223,636	\$223,636	\$0
Deloitte Touche Tohmatsu	Strategic business cases for health reform	\$545,145	\$545,144	\$1
Deloitte Consulting Pty Ltd	Develop integration and interoperability strategy, between department, agencies and sector partners	\$187,170	\$62,390	\$124,780
EY	Redevelop forensic mental health bed-based services	\$177,531	\$177,531	\$0
Dr Melissa McRae	Risk analysis, reducing dual notification requirements	\$10,818	\$10,818	\$0
Bevington Consulting Pty Ltd	Review, business administration, secure services	\$55,132	\$54,846	\$286
KPMG	Review, Western Health Service plan	\$37,720	\$36,779	\$941
ACIL Allen Consulting Pty Ltd	Review, operational infrastructure support program	\$137,962	\$137,962	\$0
Avisé La Fin Consulting Pty Ltd	Review streamlining options, National Safety and Quality Health Services Standards	\$99,380	\$99,380	\$0
Biruu Pty Ltd	Service plan, northern growth corridors	\$42,200	\$42,200	\$0
Judith Nancy Yates	Statistical report, assessment of shortfall of social housing	\$12,500	\$7,500	\$5,000
University of Technology Sydney	Review, accreditation systems for health professions covered by National Regulation and Accreditation Scheme	\$377,651	\$232,400	\$145,251
Peer Academy	Develop co-design diagnostic tool prototype	\$23,964	\$23,964	\$0
Aspex Consulting Pty Ltd	Review, health service occupational violence and aggression responses	\$142,417	\$142,417	\$0
Salinger Consulting Pty Ltd	Privacy impact assessment, information portal project	\$21,800	\$21,800	\$0
Kuppingercole Asia Pacific Pty Ltd	Develop strategy, identity and access management	\$98,750	\$98,750	\$0
Aspex Consulting Pty Ltd	Fee review, Health Technology Solutions service	\$155,422	\$155,422	\$0
Murray Neil Comrie	Review, Malmsbury Youth Justice precinct	\$37,955	\$37,591	\$364
Biruu Pty Ltd	Business case, 2017–18 budget	\$98,350	\$98,350	\$0
Deloitte Touche Tohmatsu	Develop collection and consolidation tools, statewide clients	\$136,364	\$136,363	\$1
The Hon. FHR Vincent	Review, historic claim of child sexual abuse and related matters	\$39,886	\$32,709	\$7,177
RXP Services	Advice and support, upgrade of corporate reporting toolkit	\$493,050	\$436,096	\$56,954
Navigating Outcomes	Develop measurement framework for Loddon Children and Youth Area Partnership	\$45,455	\$45,455	\$0

Consultant	Purpose of consultancy	Total approved project fee excl. GST	Expenditure 2016–17 excl. GST	Future expenditure excl. GST
EY	Review, effectiveness and sustainability of Forensicare	\$257,907	\$247,336	\$10,571
Peacemaker ADR	Undertake, bullying and harassment health service project	\$45,455	\$39,495	\$5,960
Cube Group Management Consulting	Review, Victorian patient transport assistance scheme	\$164,900	\$164,216	\$684
Deloitte Touche Tohmatsu	Develop family violence investment modelling	\$136,364	\$144,425	\$0
Deloitte Touche Tohmatsu	Legislative impact assessment, real-time prescription monitoring	\$125,455	\$65,727	\$59,728
The Edge Management Consulting Aust Pty Ltd	Advice, Supercare Pharmacy project	\$41,400	\$41,400	\$0
Deloitte Touche Tohmatsu	Advice, Ombudsman's report, Mentone Gardens	\$22,727	\$22,727	\$0
Monash University	Literature review, potential health effects of perfluoroalkyl compounds	\$31,818	\$17,880	\$13,938
Senversa	Test and analyse coal ash residue in roof cavities	\$213,000	\$159,497	\$53,503
CWH Mediation & Workplace Relations Pty Ltd	Research and develop strategy, prevention of bullying and harassment	\$44,545	\$481	\$44,064
Qualityworks	Facilitate workshop, Better Resident Care Together	\$22,500	\$22,500	\$0
PwC	Business case, statewide telehealth platform	\$155,845	\$155,845	\$0
Kinetica	Develop strategy and action plan, active recreation	\$84,805	\$72,798	\$12,007
Christine Maree Jorm	Strategy, clinician engagement	\$38,500	\$38,500	\$0
Australian Institute of Health and Welfare	Review, nursing workforce supply projection methodology	\$20,325	\$20,325	\$0
Julie Hocking Consulting	Evaluate, Pathway to Good Health project	\$28,800	\$29,376	\$0
CSIRO	Evaluate, healthlinks, chronic care	\$1,467,101	\$522,078	\$945,023
Ludus Group	Lead consultant, stadiums strategy	\$158,182	\$127,030	\$31,152
Nous Group Pty Ltd	Review, reproductive health services	\$98,487	\$68,941	\$29,546
Courtheath Consulting	Probity advice, National Disability Insurance Scheme modelling procurement	\$18,000	\$5,438	\$12,562
Nucleus Consulting Group Pty Ltd	Service review, home style respite	\$26,773	\$27,269	\$0
JRPO Associates Pty Ltd	Review, youth support, youth diversion and youth justice service	\$207,090	\$213,919	\$0
Aspex Consulting Pty Ltd	Review, service design, south west Victoria	\$117,570	\$117,903	\$0
Deloitte Touche Tohmatsu	Review, Health and Human Services complaints commissioners	\$220,066	\$76,039	\$144,027
EY	Review, effectiveness and sustainability, Barwon Health	\$135,845	\$133,184	\$2,661
Simon D Chant	Strategic advice, Industrial Relations	\$66,000	\$66,197	\$0

<b>Consultant</b>	<b>Purpose of consultancy</b>	<b>Total approved project fee excl. GST</b>	<b>Expenditure 2016–17 excl. GST</b>	<b>Future expenditure excl. GST</b>
KPMG	Review, youth support, youth diversion and youth justice service	\$176,000	\$181,810	\$0
Cube Group Management Consulting	Review, client outcomes and service improvement	\$21,700	\$22,122	\$0
Travis Merlo	Review, isolations in Youth Justice	\$35,175	\$25,721	\$9,454
Deakin University	Evaluate, partnered pharmacy medication charting program	\$243,833	\$158,490	\$85,343
Xavier Pacific Health	Oversee and develop an evaluation plan, Heart Health Initiatives project	\$245,455	\$69,000	\$176,455
Effective Change Pty Ltd	Evaluate, family violence flexible packages	\$128,450	\$87,854	\$40,596
EY	Capability review, Payroll Services	\$103,526	\$7	\$103,520
Acil Allen Consulting Pty Ltd	Evaluate, low-cost accommodation	\$118,476	\$118,476	\$0
Inspired Heads	Ambassador of change program, women and girls in sport	\$44,000	\$44,000	\$0
Dwycon Pty Ltd	Conduct inquiry, services to children and families where family violence is a factor	\$38,250	\$38,250	\$0
Vicsport	Develop guidelines, recruitment and retention of women in leadership	\$37,026	\$37,026	\$0
Deloitte Touche Tohmatsu	Undertake literature review and develop discussion paper, Rural health services plan	\$178,184	\$157,358	\$20,826
Wunan Foundation Inc	Review, healing and time out services	\$130,273	\$130,273	\$0
Bevington Consulting Pty Ltd	Identify, process improvement opportunities	\$121,200	\$121,477	\$0
Crondar Pty Ltd	Develop and support planning for Gippsland public health	\$10,500	\$10,500	\$0
Squareweave Melbourne Pty Ltd	Research, develop and support immune hero secondary school immunisation website	\$87,900	\$157,300	\$0
The Australian Centre For Social Innovation	Undertake ethnographic studies and client interviews, Crisis accommodation client voice	\$129,750	\$82,076	\$47,674
KPMG	Review, after hours community palliative care	\$118,791	\$118,791	\$0
360 Edge	Evaluate, therapeutic day rehabilitation treatment	\$315,100	\$152,400	\$162,700
KPMG	Develop inner Melbourne growth plan	\$141,000	\$141,000	\$0
Deloitte Touche Tohmatsu	Review, Office of the Chief Health Officer	\$225,794	\$13,024	\$212,770
PwC Indigenous Consulting	Review and develop options, health and wellbeing, Morwell	\$148,886	\$75,822	\$73,064
Deloitte Access Economics Pty Ltd	Cost-benefit analysis, whole genome sequencing for clinical and public health microbiology	\$70,416	\$70,416	\$0
John Leatherland	Review, privacy breaches in child protection	\$14,000	\$11,200	\$2,800
Diane Watson	Specialist data agency expert	\$244,114	\$215,456	\$28,658
Senversa	Health risk assessment, mineral springs	\$18,864	\$11,850	\$7,014

<b>Consultant</b>	<b>Purpose of consultancy</b>	<b>Total approved project fee excl. GST</b>	<b>Expenditure 2016–17 excl. GST</b>	<b>Future expenditure excl. GST</b>
Nous Group Pty Ltd	Develop and implement flexible support model, operating divisions, National Disability Insurance Scheme	\$93,265	\$92,810	\$455
Elmatom Pty Ltd	Potential cancer cluster expert advisory group	\$18,182	\$3,000	\$15,182
Pitcher Partners	Develop, new performance measures, Community Services Agreement	\$30,000	\$22,000	\$8,000
Pitcher Partners Consulting Pty Ltd	Review, funding model, Community Services Agreement	\$25,000	\$14,000	\$11,000
Lewis Wanstall & Associates	Review, funded organisation service	\$30,164	\$29,874	\$290
KPMG	Establish a program management office (Community Services Programs and Design)	\$1,738,369	\$724,547	\$926,139
Third Horizon Consulting Pty Ltd	Design and analytical support, organisational redesign of human services in Victoria	\$847,958	\$852,186	\$0
PwC	Service review, Rumbalara Aboriginal cooperative	\$108,216	\$108,216	\$0
Marsden Jacob Associates	Active recreation economic impact study, strategy and action plan	\$78,855	\$61,505	\$0
Bevington Consulting Pty Ltd	Review, environmental public health team lean role	\$19,944	\$9,904	\$136
Techstrat Research Pty Ltd	Evaluate, Efficiency Through Design pharmacy project and develop publication	\$20,000	\$20,000	\$0
Ashley Admiraal	Develop statements of expectation, high performance trusts	\$45,450	\$34,142	\$11,308
EY	Review, Victorian Institute of Sport	\$174,671	\$162,833	\$4,545
Cancer Council Victoria	Potential cancer cluster expert advisory group	\$18,182	\$750	\$17,432
Cancer Council Victoria	Potential cancer cluster expert advisory group	\$18,182	\$5,940	\$12,242
Monash University	Potential cancer cluster expert advisory group	\$18,182	\$1,950	\$16,232
Auckland University of Technology	Standardising physical restraint	\$50,386	\$43,618	\$0
KPMG	Review implementation, youth health and rehabilitation service	\$90,416	\$90,416	\$0
Nous Group Pty Ltd	Statewide abuse prevention strategy, people with a disability	\$98,200	\$72,000	\$1,000
PwC	Assistance, Universal patient identification	\$45,300	\$45,300	\$0
University of South Australia	Review, public health messages for smoke	\$22,907	\$11,454	\$0
Pam White	Review, Office of chief psychiatrist	\$87,500	\$36,364	\$51,136
ACIL Allen Consulting Pty Ltd	Evaluative, targeted care packages	\$326,324	\$293,194	\$33,130
Royal Australasian College of Medical Administrators	Specialist training, rural and regional medical directors	\$46,500	\$27,900	\$0

<b>Consultant</b>	<b>Purpose of consultancy</b>	<b>Total approved project fee excl. GST</b>	<b>Expenditure 2016–17 excl. GST</b>	<b>Future expenditure excl. GST</b>
YSAS Pty Ltd	Funding arrangements for youth alcohol and drug funding	\$318,182	\$2,605	\$275,577
Data Agility Pty Ltd	Support, information management strategy	\$376,200	\$96,200	\$0
LTA People Pty Ltd	Organisational review, People and Culture	\$81,873	\$44,110	\$3,422
KPMG	Develop service and infrastructure plan, mental health system	\$480,000	\$480,000	\$0
Jackie Moden Consulting	Review, funded organisation service	\$59,250	\$25,940	\$27,577
Deloitte Touche Tohmatsu	Modelling, financial and client phasing, National Disability Insurance Scheme	\$1,171,635	\$1,171,633	\$2
Working Three Pty Ltd	Development of department digital strategy	\$168,773	\$16,877	\$0
Don Valley Consulting Pty Ltd	Strategic industrial relations advice, current health structures	\$89,545	\$40,000	\$49,545
Nous Group Pty Ltd	Advisory services, branch transition	\$83,407	\$42,496	\$0
Garjen Pty Ltd	Advice, industrial relations	\$40,909	\$2,460	\$34,699
Roleff Consulting Services	Review, community sector organisation insurance	\$22,727	\$21,891	\$836
Due Diligence Consultants Pty Ltd	Develop project monitoring, assessment and management processes (due diligence)	\$79,070	\$18,300	\$54,450
Pitcher Partners	Evaluation, nursing and midwifery undergraduate pilot	\$119,818	\$63,000	\$34,668
Workwell Consulting Pty Ltd	Review, Victorian Disability Advocacy Program	\$36,500	\$10,038	\$0
Ru Enterprises Pty Ltd	Technical support, Personal Alert Victoria procurement project	\$150,802	\$49,984	\$89,639
Cathy Balding Qualityworks	Review, clinical governance: effectiveness testing	\$29,100	\$1,709	\$27,391
KPMG	Review, Health Ministerial Advisory Committees	\$136,255	\$102,823	\$0
PwC	Review, grant methodology and business process (Sport and Recreation Victoria)	\$50,453	\$37,840	\$0
Aspex Consulting Pty Ltd	Review, capacity of Bendigo Health project	\$40,950	\$40,950	\$0
KPMG	Review, guidelines for responding to quality of care concerns in out-of-home care	\$226,582	\$181,265	\$0
The University of Melbourne	Review, working with the suicidal person: Clinical practice guideline for emergency departments and mental health services	\$48,940	\$26,759	\$0
Deloitte Touche Tohmatsu	Evaluation and monitoring framework, Mental Health and Drugs workforce	\$169,685	\$136,415	\$15,882
ACIL Allen Consulting Pty Ltd	Identify improvement opportunities, extending choice and enhancing productivity in Health and Human Services	\$160,515	\$131,528	\$0
Deloitte Access Economics Pty Ltd	Review, scope of long-term study into potential health effects from Hazelwood coal mine fire	\$248,780	\$182,416	\$0
Australian Patient Safety Foundation Inc	Review, sentinel events in Victorian health services, 2010–2015	\$181,325	\$164,499	\$0

<b>Consultant</b>	<b>Purpose of consultancy</b>	<b>Total approved project fee excl. GST</b>	<b>Expenditure 2016–17 excl. GST</b>	<b>Future expenditure excl. GST</b>
Monash University	Evaluation, Family Violence Risk Assessment and Management Framework	\$228,257	\$25,328	\$0
Enterprise Architects Vic Pty Ltd	Develop enterprise architecture, health	\$193,391	\$193,000	\$391
Cube Group Management Consulting	Operational planning and implementation (National Disability Insurance Scheme)	\$1,463,280	\$706,568	\$530,204
Ernst & Young	Health data integrity audit, Victorian cost data collection	\$185,900	\$129,350	\$0
Christopher William Brook	Advisory services, health system improvement	\$88,140	\$51,545	\$21,340
Wunan Foundation Inc	Evaluation and development, Aboriginal community engagement and consultation framework	\$101,455	\$32,909	\$68,546
Australian Healthcare Associates Pty Ltd	Health data integrity audits, admitted subacute data	\$96,338	\$56,713	\$0
Carol Reeves Consulting	Review, child death inquiry recommendations	\$25,000	\$25,000	\$0
Regina Hill Effective Consulting Pty Ltd	Evaluation, children and youth area partnerships	\$263,891	\$140,149	\$2,648
Deloitte Touche Tohmatsu	Costing, future operating model (family violence)	\$135,970	\$36,510	\$0
Nous Group Pty Ltd	Victorian identification system for children and young people	\$170,045	\$35,900	\$4,438
Deloitte Touche Tohmatsu	Asset transfer and treatment, Kardinia Park Stadium Trust	\$136,175	\$68,087	\$0
KPMG	Targeted consultation, reportable conduct scheme	\$58,143	\$21,855	\$1,035
Jaguar Consulting Pty Ltd	Legislative impact assessment, Kilojoule Labelling	\$37,050	\$3,900	\$4,875
Bridge Resolutions	Model and training support to improve client engagement	\$16,773	\$6,346	\$489
Protiviti Pty Ltd	Health data integrity audits, specialist clinics data	\$229,091	\$123,272	\$1
Synergistiq Pty Ltd	Evaluation, personal safety	\$174,048	\$123,874	\$29,789
Murdoch Childrens Research Institute	Better understanding disengagement from early parenting services	\$36,037	\$26,588	\$983
Dr Douglas George Travis	Advice, establishment of Better Care Victoria	\$511,091	\$253,092	\$174,332
KPMG	Evaluation, government investment in the pension-level supported residential services sector	\$176,520	\$70,608	\$35,304
Health and Community Consulting Group Pty Ltd	Instrument design project, consumer and carer experience of heating survey	\$24,023	\$9,114	\$10,909
Jaguar Consulting Pty Ltd	Regulatory impact statement for the Drugs, Poisons and Controlled Substances Regulations 2016	\$39,600	\$39,600	\$0
Aspex Consulting Pty Ltd	Assessment, service delivery funding models and capability	\$256,720	\$94,983	\$0

<b>Consultant</b>	<b>Purpose of consultancy</b>	<b>Total approved project fee excl. GST</b>	<b>Expenditure 2016–17 excl. GST</b>	<b>Future expenditure excl. GST</b>
Verso Consulting Pty Ltd	Placement prevention and reunification for Aboriginal children	\$277,850	\$69,462	\$0
Ludus Group	Project management, value of sport and recreation in Victoria study	\$89,700	\$6,500	\$0
KPMG	System planning, statewide service and infrastructure plan	\$115,500	\$24,000	\$8,428
Centre For Excellence In Child and Family Welfare Inc	Child protection flexible responses initiative	\$36,000	\$11,220	\$0
Melbourne East General Practice Network Ltd	Project management services, Victorian eReferral program	\$660,000	\$268,550	\$259,450
Enterprise Knowledge Pty Ltd	Develop retention and disposal authority, patient information records	\$78,182	\$30,680	\$14,742
Aspex Consulting Pty Ltd	Review, nursing and midwifery graduate transition to practice programs in Victoria 2015	\$202,875	\$179,925	\$0
Leisure Planners	Research project, non-council clubs	\$25,000	\$12,500	\$0
KPMG	Develop and implement, client incident management system	\$856,747	\$48,174	\$48,175
Monash University	Research, falls risk reduction practices among clients	\$45,047	\$45,047	\$0
Battiston Consulting Pty Ltd	Advice, future role of health shared services and chief information office	\$84,000	\$18,000	\$9,800
IPSOS Public Affairs Pty Ltd	Evaluation, clinical placement planning	\$87,030	\$44,100	\$3,560
Swinburne University of Technology	Impact assessment, specific food ingestion on random drug testing protocols	\$118,182	\$50,909	\$0
Price Waterhouse Coopers Indigenous Consulting	Aboriginal recruitment and retention strategy	\$91,110	\$30,297	\$1,706
SAL Consulting Pty Ltd	Review, disability forensic assessment treatment service	\$52,500	\$8,750	\$20,540
Biruu Pty Ltd	Barwon catchment clinical mental health service plan	\$90,100	\$21,000	\$0
Linchpin Pty Ltd	Systems and process map, Mental Health Complaints Commissioner	\$15,600	\$15,600	\$0
Australian Healthcare Associates Pty Ltd	Evaluation, Victoria's Aboriginal workforce development strategies	\$132,309	\$114,609	\$0
Wunan Foundation Inc	Evaluation, strategies for improving cultural responsiveness of mainstream health services	\$159,091	\$45,000	\$0
Effective Change Pty Ltd	Evaluation, Aboriginal health care coordination and case management models	\$208,455	\$71,625	\$3,051
The University of Melbourne	Documentation, achievements of Gathering Places and community-controlled health organisations in Victoria	\$88,767	\$41,965	\$0
Deloitte Touche Tohmatsu	Roadmap to systemic reform (review early intervention services)	\$839,333	\$25,346	\$41,394
Eastern Health	Education, family and community ice training	\$1,354,223	\$389,548	\$764,457

<b>Consultant</b>	<b>Purpose of consultancy</b>	<b>Total approved project fee excl. GST</b>	<b>Expenditure 2016–17 excl. GST</b>	<b>Future expenditure excl. GST</b>
Biruu Pty Ltd	Develop Bellarine Peninsula strategic service plan	\$80,050	\$80,050	\$0
Lewis Wanstall & Associates	Undertake grievance reviews	\$45,455	\$1,260	\$41,083
KPMG	Data integrity audit, Victorian emergency minimum dataset	\$391,498	\$130,023	\$1,331
PwC	Evaluate, Services Connect trials	\$771,202	\$316,830	\$0
Protiviti Pty Ltd	Data integrity audit, elective surgery information system	\$289,473	\$83,182	\$16,636
Psych Health Australia Pty Ltd	Program services, multi-diagnosis disability learning	\$273,219	\$29,836	\$172,751
LKA Group	Loss adjustor service, public housing	\$100,000	\$19,455	\$30,542
Australian Institute of Criminology	Evaluate, adolescent family violence pilot programs	\$222,275	\$66,365	\$0
Australian Healthcare Associates Pty Ltd	Data integrity audit, admitted patient, elective surgery and emergency department	\$2,667,145	\$522,736	\$93,000
Deloitte Access Economics Pty Ltd	Evaluation, mental health hospital admission program	\$679,345	\$21,582	\$0
Australian Institute of Family Studies	Evaluate, cradle to kinder and Aboriginal cradle to kinder programs	\$678,192	\$50,592	\$264,503
Australian Institute of Family Studies	Longitudinal study on leaving care	\$938,825	\$159,091	\$243,843
Cadre	Develop and deliver online development program, mental health workforce	\$2,989,270	\$151,230	\$1,605,398

## Details of government advertising expenditure for 2016–17 (campaigns with a media spend of \$100,000 or greater)

Name of campaign	Campaign summary	Start/ end date	Advertising (media) expenditure (excl. GST)	Creative and campaign development expenditure (excl. GST)	Research and evaluation expenditure (excl. GST)	Print and collateral expenditure (excl. GST)	Other campaign expenditure (excl. GST)	Total
Heat Health 2016–17	Ensure the community understands the risks of extreme heat to their health and how to manage these risks appropriately	4 Dec 2016 to 31 March 2017	\$268,900	\$35,800	\$33,000		\$82,500	\$420,200
Smoke and Your Health 2016–17	Educate Victorians about how they can protect their health from smoke from planned burns and bushfires.	17 Jan 2017 to 30 April 2017	\$197,298	\$63,161	\$45,000			\$305,459
Childhood Immunisation – No Jab No Play	Increase awareness of the importance of immunisation and the introduction of No Jab No Play legislation	15 Jan 2017 to 30 June 2017	\$594,064	\$73,493	\$50,000			\$717,557
Save Lives. Save 000 For Emergencies	To remind Victorians of the role of Ambulance Victoria as an emergency service and encourage them to use other parts of the health system for non-emergencies	5 Mar 2017 to 30 June 2017	\$1,325,243	\$527,186	\$141,174	\$8,679		\$2,002,282
Beat the Bite	Educate Victorians about the most effective protective measures to avoid mosquito bites	Dec 16 to Mar 17	\$290,000	\$30,000	\$40,000	\$10,000	\$10,000	\$380,000

## Details of information and communication technology (ICT) expenditure

For the 2016–17 reporting period, the department had a total ICT expenditure of, \$256,084,026.23 with the details shown below.

(\$'000)			
All operational ICT expenditure	ICT expenditure related to projects to create or enhance ICT capabilities		
Business as usual (BAU) ICT expenditure	Non-business as usual (BAU) ICT expenditure	Operational expenditure	Capital expenditure
(Total)	(Total = operational expenditure and capital expenditure)		
157,616	98,467	87,046	11,421

*ICT expenditure refers to the department's costs in providing business-enabling ICT services within the current reporting period. It comprises business as usual (BAU) ICT expenditure and non-business as usual (Non-BAU) ICT expenditure.*

*Non-BAU ICT expenditure relates to extending or enhancing the department's current ICT capabilities.*

*BAU ICT expenditure is all remaining ICT expenditure, which primarily relates to ongoing activities to operate and maintain the current ICT capability.*

## Freedom of information

The *Freedom of Information Act 1982* allows the public a right of access to documents held by the department.

In 2016–17, the department received 1,647 freedom of information requests. Of these requests, 75 were from Members of Parliament, 51 were from the media and the remainder from the general public. Of the requests received by the department, the majority were granted in part.

In 2016–17, 54 decisions were reviewed by the Freedom of Information Commissioner and six appeals were made to the Victorian Civil and Administrative Tribunal.

### Making a request

Access to documents may be obtained through written request to the Freedom of Information Manager, as detailed in s.17 of the *Freedom of Information Act 1982*.

In summary, the requirements for making a request are:

- > it must be in writing
- > it should identify as clearly as possible the document being requested
- > it should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for documents in the possession of the Department of Health and Human Services should be addressed to:

Manager, Freedom of Information  
Department of Health and Human Services  
GPO Box 4057  
Melbourne VIC 3001

Requests and payment of the application fee can also be [lodged online](http://www.foi.vic.gov.au) at <<http://www.foi.vic.gov.au>>.

Telephone enquiries can be made by calling 03 9096 8449.

Access charges for photocopying and search retrieval may also apply once the request has been finalised.

Further information can be found on the Victorian Government's [freedom of information website](http://www.foi.vic.gov.au) <<http://www.foi.vic.gov.au>>.

## Compliance

In 2016–17, the department processed 86 per cent of requests within statutory requirements, 9.6 per cent of requests within 46 to 90 days and 4.4 per cent of requests in over 90 days. The average time taken to finalise requests was 40 days, which is within the 45-day statutory time limit.

## Drugs Poisons and Controlled Substances Act 1981

Section 60S of the *Drugs, Poisons and Controlled Substances Act 1981* states that the Chief Commissioner must report on actions under this division, and must provide a report for inclusion in the annual report of operations under Part 7 of the *Financial Management Act 1994* a report for the financial year containing the following items:

### (a) Number of searches without warrant under s. 60E

Persons under 18 years searched	7
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### (b) Number of searches of persons irrespective of age without warrant under s. 60F

Persons searched irrespective of age	11
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### (c) Number and type of volatile substances and items used to inhale a volatile substance seized as a result of conducting those searches\*

Aerosol paint	
Solvent (glue)	
Plastic bag	
Paper bag	
Gases	
Deodorant	3
Other	

\* More than one item can be seized per search.

### (d) Number and type of volatile substances and items used to inhale a volatile substance received by members of the police force when produced in accordance with a request under s. 60H(1)(b)

Nil substances or items produced under s. 60H(1)(b)	
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**(e) Number and type of volatile substances and items used to inhale a volatile substance returned to persons under s. 60N**

Nil substances or items returned under s.60N.

**(f) Number and type of volatile substances and items used to inhale a volatile substance disposed of or made safe under s. 60O**

1 report of substances disposed under s. 60O consisting of:

Deodorant:	6
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**(g) Number and type of volatile substances and items used to inhale a volatile substance forfeited to the Crown under s. 60P**

Nil substances or items forfeited under s. 60P

**(h) Number of persons apprehended and detained without warrant under s. 60L**

Persons (under 18 years) apprehended and detained	0
Persons (irrespective of age) apprehended and detained	0
Total persons apprehended and detained	0
Male	0
Female	0
Indigenous	0
Non-Indigenous	0

**Cemeteries and Crematoria Act 2003**

In 2009 the *Cemeteries and Crematoria Act 2003* was amended to require Class A cemetery trusts to pay a levy. The levy is intended to assist in defraying the cost of administering the Act, make improvements to cemetery trust governance and administration, and, to provide services to the community.

The levy is set at three per cent, or a rate determined by the Minister for Health up to a maximum of five per cent, of each Class A cemetery trust's gross earnings from the previous financial year. The following table details the amount paid as levy, the amount appropriated and the matters on which the appropriated money was expended.

Collection of levy	2016–17
Metropolitan trusts	\$3,708,000
Rural trusts	\$332,245
<b>Total amount collected</b>	<b>\$4,040,245</b>

Departmental expenditure (category)	2016–17
Sector reform initiatives	\$0
Governance support	\$1,071,150
Sector grants	\$1,256,432
Sector policy, development and coordination	\$541,367
Insurance premiums and claims	\$1,545,606
<b>Total expenditure</b>	<b>\$4,414,555</b>

**Public Health and Wellbeing Act 2008**

The *Public Health and Wellbeing Act 2008 (the Act)* and the *Public Health and Wellbeing Regulations 2009* came into effect on 1 January 2010.

The Act protects public health through the prevention and control of communicable diseases.

Under s. 21 of the Act, the Chief Health Officer has a number of functions and powers. These include:

- > to develop and implement strategies to promote and protect public health and wellbeing
- > to provide advice to the Minister for Health or the Secretary on matters relating to public health and wellbeing
- > to publish on a biennial basis and make available in an accessible manner to members of the public a comprehensive report on public health and wellbeing in Victoria
- > to perform any other functions or exercise any powers specified under this Act or any other Act or under any regulations made under this or any other Act.

Under the Act, the Chief Health Officer is also empowered to make certain orders that may impact on individuals in order to protect the community. These include orders to compel a person to be examined or tested or to refrain from certain activities that may pose a serious risk to public health.

The limited circumstances in which these orders may be made are clearly set out in the legislation

and there are extensive human rights protections including rights to internal and external review.

The following table reports the number of orders made, and reasons for making them, as outlined in s. 143 of the Act.

### Orders made by the Chief Health Officer from 1 July 2016 – 30 June 2017

Section	Order type	Number	Reason
113	Examination and testing order	0	
117	Public health order	1	To eliminate or reduce the risk of a person causing a serious risk to public health
118	Extension of public health order	2	To eliminate or reduce the risk of a person causing a serious risk to public health
134	Orders for tests if an incident has occurred	0	

## Ministerial Statements of Expectations

Ministerial Statements of Expectations for regulators aim to improve regulatory governance and performance. The Ministerial Statements articulate the Victorian Government's priorities and objectives for regulatory functions within each department. The department's regulatory functions to which the Ministerial Statements apply relate to areas such as drugs and poisons, food safety, tobacco control, safe drinking water and services provided, and registered under, the *Children, Youth and Families Act 2005* and the *Disability Act 2006*.

During 2016–17, Ministerial Statements of Expectations were issued to regulatory business units within the department and to statutory authorities. Consistent with the revised *Statement of expectations framework for regulators* (framework), these Ministerial Statements have been extended until no later than 31 December 2017. New 2017–19 Ministerial Statements with revised regulatory improvements and targets will be issued to the department before 31 December 2017. These will replace the extended 2016–17 Ministerial Statements and reflect the new framework. Ministerial Statements and additional information are available on the department's websites:

- > [Ministerial Statements of Expectations](https://www2.health.vic.gov.au/about/health-strategies/ministerial-statements-of-expectations)  
<<https://www2.health.vic.gov.au/about/health-strategies/ministerial-statements-of-expectations>>
- > [documents and resources](http://www.dhs.vic.gov.au/about-the-department/documents-and-resources/reports-publications/statement-of-expectations)  
<<http://www.dhs.vic.gov.au/about-the-department/documents-and-resources/reports-publications/statement-of-expectations>>

In relation to reporting requirements, the department will report on progress to achieve

## Disability action plan

The *Disability Act 2006* requires Victorian agencies to develop a disability action plan to reduce barriers and enhance opportunities for people with a disability.

During 2016–17, the department progressed a number of initiatives in line with the Department of Human Services' *Delivering for all: access and equity framework 2013–17* and the Department of Health's *Working together: disability action plan*, to assist in removing barriers for people with a disability under four outcome areas. The Department of Health and Human Services is in the process of developing a new disability action plan to align with *Absolutely everyone: state disability plan 2017–20*.

### Reducing barriers to accessing goods, services and facilities

The department invested \$1.5 million in the construction of 15 Changing Places facilities across Victoria. Changing Places toilet facilities are larger than standard accessible toilets and have a tracking hoist and adult change table to enable greater participation in the community.

The department's North Division funded the Victorian Refugee Health Network to assess the needs of and service responses for a growing number of refugees settling in the north metropolitan region of Melbourne in the past 12 months. A roundtable was held with key stakeholders in May 2017 to discuss the project findings and recommendations are being developed to inform future work in this area.

### Reducing barriers to persons with a disability obtaining and maintaining employment

The department is committed to workplace diversity and inclusion that reflects the significant diversity of the Victorian community including people with a

disability. The department's *People strategy 2020*, sets an objective to increase employment for individuals with a disability from four per cent to five per cent. This builds on ongoing support provided to potential and existing employees in relation to reasonable adjustment, and all advertised positions including a statement that promotes diversity and equal opportunity in employment.

The department has continued to participate in the Australian Network on Disability's *Stepping Into Internship* program assisting final year university students to undertake internships with the department, with an individual student securing employment. The department has supported the Enablers Network, a group of employees with a disability and their supporters to host a range of events to establish itself and raise its profile.

### Promoting inclusion and participation in the community

The Victorian Government launched *Absolutely everyone: state disability plan 2017–20* on 3 December 2016, International Day of People with Disability. It is the third state disability plan, and provides a whole-of-government framework for promoting the inclusion of people with a disability. It aims to tackle the barriers and exclusion that people with a disability deal with on a daily basis.

Other initiatives that took place during 2016–17 to promote the inclusion and participation of people with a disability in the community included:

- > funding Rainbow Rights and Advocacy, Victoria's first self-advocacy group run by and for people with an intellectual disability who identify as LGBTI to host an event during the 2017 Midsumma Festival
- > supporting delegates with a disability to attend the World Congress of the International Association for the Scientific Study of Intellectual and Developmental Disabilities, held in Melbourne August 2016.

### Achieving tangible changes in attitudes and practices that discriminate against people with a disability

An additional \$1.5 million has been invested to support the Victorian disability advocacy sector through a Disability Advocacy Innovation Fund. This fund will support 21 advocacy initiatives with a strong focus on self-advocacy, advocacy for Aboriginal communities, improved service provision

in rural and regional areas and advocacy for migrants, refugees and LGBTI communities.

The department continued to oversee sponsorship of the Victorian Government Quill for Reporting on Disability Issues. The award and its partnership with the Melbourne Press Club is a key strategy to influence the positive portrayal of people with a disability through mainstream media. The winner of the 2016 award was Beau Donnelly for his piece 'Anthony's decision to die' in the *Sunday Age*.

The department continued to provide Ethel Temby research grants valued at \$9,000 for staff in the human services workforce to complete a research project and presentation and/or a publication. The research will investigate new approaches which work towards the vision of *Absolutely everyone*, and may be undertaken locally, interstate or overseas.

### Report of the Commissioner for Senior Victorians

Mr Gerard Mansour was appointed as Commissioner for Senior Victorians and Chair of the Ministerial Advisory Committee of Senior Victorians in 2013. He was reappointed for a further two years in May 2017.

The Commissioner provides policy advice to the Victorian Government on key issues for senior Victorians such as prevention of elder abuse, end of life planning, multicultural and emerging communities, volunteering and carer needs. The Commissioner reports directly to the Minister for Housing, Disability and Ageing.

Following the launch in April 2016 of the Commissioner's report *Ageing is everyone's business: a report on isolation and loneliness among senior Victorians* and the Victorian Government response, there has been substantial community interest in the findings of this report, particularly the concerns of older people in having value and purpose in life and meaningful interests; balancing independence and decision-making control; being respected, including being heard; and family, friendship, companionship and relationships as key protective factors related to isolation and loneliness.

The Commissioner has been leading work through the Strengthening Seniors Inclusion and Participation in Communities project in seven locations, with local project information sessions in each location, including Latrobe City in liaison with the Latrobe Health Assembly.

Following a presentation and discussion with the Adult, Community Education and Further Education Board, the Commissioner has obtained a commitment to expand access to in-depth information technology courses for older people through the Learn Local service network.

Together with Helen Kapalos, Chair, Victorian Multicultural Commission, the Commissioner has met with the Australian Unity CALD Alliance to discuss building capacity for the aged care and seniors community participation needs of emerging CALD communities.

The Commissioner participated in the Tango project: Building a bridge between LGBTI elders in Victoria and Advocacy, Compliant and Support Services which culminated in the 2016 Victorian Seniors Festival New Moves High Tea where lesbian, gay, bisexual, transgender and intersex seniors were able to meet with government commissioners and advocacy organisations.

In December 2016 as part of the Government's Victoria Against Violence campaign, the Commissioner's role was expanded to include the role of Ambassador for Elder Abuse Prevention. In this role, the Commissioner has delivered presentations and conducted workshops to increase the awareness of older Victorians about elder abuse and that help is available; and to educate the wider community so they can identify abuse and take action. Presentations on World Elder Abuse Awareness Day included a Victoria Police Professional Development Event and the Moreland City Council World Elder Abuse Awareness Day Forum.

Also in his role as Ambassador, the Commissioner led a project to develop information to assist people to understand the significance of enduring powers of attorney and the potential for their misuse, working with the Office of the Public Advocate and other relevant agencies. The booklet *Your voice: trust your choice – tips for seniors making enduring powers of attorney* was launched in Mornington on 22 June 2017.

The Commissioner chairs the End of Life and Palliative Care Framework implementation group and met with the Ministerial Advisory Panel as part of its consultations about the proposed Voluntary Assisted Dying Bill.

The Commissioner speaks regularly on Golden Days Radio. Topics included the importance of physical activity, safety in car parks, age-friendly communities, advanced care planning, retirement villages, elder abuse prevention and digital technology. The Commissioner has introduced listeners to the Victorian Equal Opportunities and Human Rights Commissioner, the Victorian Gender and Sexuality Commissioner and the Manager, Senior Rights Victoria.

The Commissioner made submissions to the Parliamentary Inquiry into end of Life Choices and the Australian Law Reform Commission's Protecting the Rights of Older Australians from Abuse inquiry.

The Commissioner contributed to the Department of Justice and Regulation Access to Justice Review and liaised with staff from Transport for Victoria to contribute to the review of accessible point-to-point transport by the Department of Economic Development, Jobs, Transport and Resources.

He also contributed to consultations regarding retirement villages regulations and dispute resolution following the Parliamentary Inquiry into Retirement Housing and the development of the Victorian Gender Equality Strategy.

The Commissioner was involved in public and community education activities including a total of 56 public forums and speaking engagements. Locations included Ballan, Ballarat, Bendigo, Box Hill, Cobram, Dandenong, Frankston, Maribyrnong, central Melbourne, Moonee Valley, Mornington, Morwell, Port Phillip and Whittlesea.

Public speaking engagements included annual general meetings for Housing for the Aged Action Group, Neighbourhood Houses Victoria and Victorian Community Transport Association

The Commissioner also addressed the CPA Australia Masters Series Corporate Lunch and the Ageing Australia Conference organised by National Seniors Australia and the National Council of Churches in Australia Safe as Churches Conference. He attended the 2016 Victorian Senior of the Year Awards and the Victorian Seniors Festival opening day at Federation Square.

In addition to responding to correspondence from the public, the Commissioner's role includes raising public awareness of key issues facing seniors, including:

- > regular opinion pieces in print media and online, including the Seniors Card e-newsletter
- > preventive heat health messaging focusing on seniors via Seniors Online and in print media during summer 2016–17
- > print media and online promotion to increase awareness of the importance of elder abuse prevention on World Elder Abuse Awareness Day in June.

The Commissioner attended meetings to discuss matters relevant to the participation of seniors and the rights of older people with the Commonwealth Age Discrimination Commissioner; Victorian Equal Opportunities and Human Rights Commissioner; Commonwealth Aged Care Commissioner; CEO Australian Aged Care Quality Agency; CEO Aged Care Pricing Commissioner and the Victorian Public Advocate.

The Commissioner is a member of the Victoria Police Human Rights Strategic Advisory Committee and the Family Safety Victoria Diverse Communities and Intersectionality Working Group. He also meets regularly with the CEO, COTA Victoria, and the Chair, National Seniors Australia Victorian Policy Advisory Group.

## Human Services Standards annual report 2016–17

On 1 July 2012, the Department of Human Services Standards were implemented. Since the formation of the Department of Health and Human Services on 1 January 2015, the Standards are known as the Department of Health and Human Services Standards (Standards). Given these Standards apply to the direct-client contact human services activities (children, youth and families, disability services, homelessness services, family violence and sexual assault services), they are known as the Human Services Standards.

Compliance with the Standards is an obligation of the Service Agreement with the department, as well as a requirement of registration for organisations registered under the *Children, Youth and Families Act 2005* or the *Disability Act 2006*, or both.

The implementation of the Standards includes a range of assurance activities including self-assessment, independent review and external accreditation/certification.

To assure compliance with the Standards, service providers need to:

- > demonstrate compliance with the Standards and the governance and management standards of a department-endorsed independent review body
- > be independently reviewed by a department-endorsed independent review body once every three years
- > gain and maintain their accreditation/certification with their independent review body.

In some circumstances the department make exempt a service provider from independent review and instead require a self-assessment process be undertaken. A range of criteria is considered to determine whether the benefits of the review process outweigh the costs of the review.

### Number of service providers

Type	Number
Organisations exempt from independent review and self-assessment	31
Organisations required to complete a self-assessment	35
Organisations required to undertake an independent review	549

*Includes organisations registered for National Disability Insurance Agency purposes.*

### Reviews completed 2016–17

Type	Number
Number of independent reviews successfully completed	292
Number of independent reviews not successfully completed or certification withdrawn	2

# Environmental sustainability report

## Environmental performance and impacts

In 2016–17, the department continued to minimise its environmental footprint and to manage climate change risks for the department's clients and assets by integrating sustainability considerations across its operations.

The department has met all of the environmental targets set for the period and continues to seek opportunities to maintain and improve the department's environmental performance.

Highlights for the period include:

- > submitting a sector-level pledge under the Victorian Government's collective climate change pledge program, TAKE2. The department committed to 17 initiatives that will deliver emission reductions across the health and human services portfolio, with minimum emission reductions of 225,000 tonnes by 2020
- > commencing the installation of 184 solar panels at 50 Lonsdale Street, Melbourne, generating approximately 50 kilowatts of electricity per year
- > progressing an Energy Performance Contract at Peninsula Health and facilitating funding for a 330 kilowatt solar photovoltaic (PV) system at Sale Hospital and Wilson Lodge Aged Care Facility.

## Energy

The department is committed to reducing energy consumption across its operations and to assisting the department's clients to reduce their own energy use.

In 2016–17, the department met its target to commence works on 14 public housing high-rise buildings through the first Energy Performance Contract. A strategy for a second Energy Performance Contract for public housing high-rise buildings was also agreed. In addition to this:

- > measures were implemented to improve the thermal comfort of 155 public housing units, including insulation of external concrete walls and top floor concrete slab insulation; installation of energy efficient windows; draft proofing; and energy efficient LED globes
- > the department completed lift controller and machine upgrades to four public housing high-rise towers resulting in an estimated 60 per

cent reduction in energy required to operate the lifts

- > exit and emergency lights were upgraded in the stairwells at 50 Lonsdale Street, Melbourne to energy efficient LED with motion sensors
- > a five-star Green Star performance rating and a five-star National Australian Built Environment Rating System (NABERS) Energy Base Building rating was achieved at 50 Lonsdale Street, Melbourne, representing Australian excellence in building operations, better energy performance and lower greenhouse gas emissions
- > the State Sports Centres Trust undertook capital works to improve energy efficiency including upgrades to sports field lighting, major mechanical and pool plant upgrades, improved ventilation and installation of skylights. These works resulted in a 31 per cent reduction in greenhouse gases across facilities
- > finalised development of the NABERS for Hospitals tool with other states and territories and the NSW Office of Environment and Heritage, on behalf of the Commonwealth Government
- > commenced energy audits and bulk procurement of solar panels for Gippsland public hospitals.

The 2017–18 environmental target is to:

- > commence the EnergySmart Public Housing program to upgrade 1,500 low-rise public housing properties
- > begin works to implement the strategy for a second Energy Performance Contract for public housing high-rise buildings
- > generate NABERS ratings for Victoria's public hospitals
- > install energy efficiency initiatives and solar panels in Gippsland public hospitals
- > commence an Energy Performance Contract in a metropolitan health service and an energy efficiency and solar program in regional health services.

## Water

The department strives to reduce water consumption across the department's facilities and operations and encourages the department's clients to improve their own water efficiency. In

2016–17, the department installed water pulse meters and remote monitoring devices in two public housing high-rise towers. In addition to this:

- > the Melbourne Cricket Ground Trust installed a water recycling facility that produces 158 million litres of Class A water annually and distributes 110 million litres through Yarra Park; eight million litres to Punt Road Oval; and 40 million litres to the Melbourne Cricket Ground for toilet flushing and stadium wash down
- > the State Sports Centres Trust undertook capital works to improve water efficiency including major upgrades to mechanical and pool plant, resulting in a 24 per cent reduction in water consumption across facilities.

The 2017–18 environmental target is to:

- > install at least two water pulse meters and remote monitoring devices in another two public housing high-rise towers.

## Procurement and paper

The department continues to integrate sustainability into its procurement activities, while seeking value for money outcomes in business operations. We also continue to implement strategies to reduce the environmental impacts of printing and paper consumption.

In 2016–17:

- > the Secretary endorsed a revised paper and printing policy that incorporates sustainability into the procurement, use and disposal of all paper, printing and office products and consumables
- > over 100 multifunction devices were removed and replaced with more energy efficient machines
- > the department transitioned to 100 per cent recycled A4 white copy paper as standard
- > over 90 per cent of all copy paper purchased by the department contained between 70 to 100 per cent recycled content
- > average communal printer-to-computer ratios across the department were decreased to 1:14
- > Sport and Recreation Victoria included a clause within the guidelines of the Better Indoor Stadiums Fund requiring a minimum of 25 per cent of the requested grant amount be allocated to efficiency or sustainability measures
- > Sport and Recreation Victoria continued to encourage applications be submitted to both the Community Sports Infrastructure Fund and the Country Football and Netball Program that result

in energy and water efficiency, such as warm season grass conversions, water saving irrigation upgrades and synthetic surface installations

- > mandating in the Health Purchasing Victoria copy paper contract for public hospitals that copy paper must be certified as meeting at least one of the voluntary standards for sustainable forestry management.

The 2017–18 environmental target is to:

- > ensure that at least 80 per cent of all A4, white copy paper purchased by the department contains 100 per cent recycled content.

## Waste

The department is committed to the effective management of waste to reduce operational costs and environmental impacts, as well as potential public health risks to staff, clients and the broader Victorian community.

In 2016–17, the department drafted a behaviour change strategy to reduce waste generation across the department. In addition to this:

- > central office participated in a three-month trial of the Simply Cups disposable coffee cup recycling program at 50 Lonsdale Street, Melbourne in partnership with Closed Loop Australia, diverting over 35,000 coffee cups from landfill in three months
- > facility managers at 50 Lonsdale Street, Melbourne developed a new waste tender for the building that required providers to meet Green Star performance criteria
- > 50 Lonsdale Street, Melbourne became a pilot site for the new NABERS Waste Gold Standard rating, ensuring best practice waste management
- > over 31,000 kg of decommissioned information technology assets were collected from the department's offices and recycled through a dedicated e-waste provider
- > signed a memorandum of understanding with Sustainability Victoria to research the cost-benefit of improved waste management within public hospitals.

The 2017–18 environmental target is to:

- > complete, report on and advocate for the continuation and expansion of the Simply Cups disposable coffee cup recycling program
- > complete the project with Sustainability Victoria to research the cost-benefit of improved waste management within public hospitals

- > report waste data from public hospitals and health services.

## Sustainable transport

The department continues to build a more sustainable fleet and supports initiatives that encourage staff to seek alternative transport modes.

In 2016–17, the department continued to implement the efficient fleet procurement policy, giving preference to fuel and emission efficient vehicles.

In addition to this:

- > the department increased the number of hybrid vehicles to 39 per cent of new passenger vehicles purchased
- > total kilometres travelled increased by 11 per cent while total fuel consumption decreased by five per cent, indicating a more efficient fleet
- > the Vehicle Selector database was updated to reflect changes resulting from the impending cessation of the Australian vehicle manufacturing industry, ensuring that the department supports Australian manufacturers during this time
- > as part of the \$338 million redevelopment of the Melbourne Park precinct, Tanderrum Bridge was opened on 22 December 2016 as a key link for thousands of pedestrians and cyclists from Flinders Street Station and Birrarung Marr to Melbourne's sports precinct, directly over Batman Avenue
- > end of trip facilities at 50 Lonsdale Street were expanded with an additional 24 showers, 410 lockers and secure storage for an additional 140 bikes.

The 2017–18 environmental target is to:

- > investigate the opportunity for shared Myki cards to encourage staff to use public transport for work-related travel.

## Climate change adaptation

The department is committed to proactively manage climate change risks for clients, assets and services through mitigation and adaptation initiatives.

In 2016–17, the department met its climate change targets to continue the Community Services Climate Resilience Program; to implement the Hazard Mapping and Cost project; to implement the climate and social determinants of health study; and successfully completed the housing solar and retrofit cost study.

In addition to this, the department:

- > commenced the adaptation housing design and build project to design and build three two-bedroom houses according to climate-adapted specifications
- > implemented new general housing design guidelines that stipulate efficient all-electric dwellings (with heat pumps), and minimum seven star Nationwide House Energy Rating Scheme (NatHERS) rating with solar panels, where feasible, for all new Director of Housing general housing properties.

The 2017–18 environmental target is to:

- > develop an emissions reduction plan for the health and human services system
- > develop a pilot adaptation action plan for the health and human services system
- > implement the study of solar opportunities for public housing assets.

## Communications and behaviour change

The department promotes sustainable behaviour to all staff and aims to raise staff awareness and engagement in environmental issues to drive positive environmental outcomes.

In 2016–17, the new staff-driven Future Sustainability Committee facilitated staff engagement.

In addition to this the department:

- > was recognised through the 2016 Institute of Public Administration Australia (IPAA) Leadership in the Public Sector Awards for the Environmentally Sustainable Development Program
- > worked in partnership with Sustainability Victoria to promote TAKE2, the Victorian Government's climate change pledging program to all staff and to funded agencies
- > continued the use of an environmental data management system for health services and expanded this to include waste functionality to better enable monitoring and reporting of health system waste management practices
- > developed a range of resources to assist health services to improve their environmental performance, including a factsheet on implementing a PVC recycling program; case studies on staff-driven sustainability initiatives; food organics recycling guidelines; and public environmental reporting guidelines to assist health services meet mandatory environmental reporting requirements.

The 2017–18 environmental target is to:

- > promote and advocate for greater integration of ecologically sustainable design principles into the department's standard build processes
- > review the department's guidelines for sustainability in healthcare capital works
- > develop an environmental sustainability strategy for the public health care system.

### Environmental performance reporting

The following information has been prepared in accordance with Financial Reporting Direction (FRD) 24C and the Global Reporting Initiative (G4) environmental category.

The information relates to the department's impact on living and non-living natural systems, including land, air, water and ecosystems.

FRD24 requires that this report provide information relating to inputs (such as energy and water) and outputs (such as emissions and waste).

In addition, procurement, transport, product and service related impacts are taken into consideration, as are environmental compliance and expenditure.

G4 environmental aspects are partially reported. This includes the indicators for materials (EN1, EN2), energy (EN3, EN5), water (EN8), emissions (EN15, EN18), waste (EN23), products and services (EN27) and transport (EN30). All dollar figures include GST, except the public health services data which exclude GST.

In 2016–17, the environmental performance reporting data include property and assets utilised in the delivery of the department's core functions, including corporate offices; secure services; residential housing; and public hospitals and health services. This report includes disability accommodation clients' residential energy usage and shared base building energy and water in offices and public housing facilities. All figures have been forecast and adjusted to include the most up-to-date information. Where data was not available or estimated in 2015–16 but has since become available, the data has been adjusted to reflect actual figures representing the reported building portfolio as at 30 June 2017.

At 30 June 2017, the department provided its administrative services from 47 office locations across the state. In addition, the department operates from operational centres providing secure services and disability residential services. Public housing energy data is representative of community facilities, general lighting and bulk hot water equipment from high-rise; multi-apartment tower blocks; low-rise apartment blocks; and general rental public housing stock. Water use data is representative of the high-rise public housing locations under the environmental management system.

The public health service energy and water data represents a summary of data reported by Victoria's 86 public hospitals and health services, including Ambulance Victoria.

To continually improve public reporting, the department reviews the number of public health facilities reporting energy and water data to the department on an ongoing basis. Increases in energy and water use may therefore be attributed to an increase in the number of facilities reporting. In 2016–17 a number of capital works were completed, including three significant greenfield hospitals: the Victorian Comprehensive Cancer Centre; New Bendigo Hospital Stage 1; and the Monash Children's Hospital. Environmental data for these sites are included for the first time and have contributed to increased resource use. Data has not been externally verified. Bed days include occupied bed days and public sector residential aged care bed days.

## Greenhouse gas emissions

<b>Total greenhouse gas emissions (tonnes CO<sub>2</sub>-e) associated with:</b>	<b>2014–15 estimate</b>	<b>2015–16 estimate</b>	<b>2016–17 estimate</b>
Public hospitals energy use	764,710	773,714	818,454
Housing services energy use	73,215	70,528	68,291
Office-based energy use	19,240	18,686	17,543
Public hospitals nitrous oxide	15,138	17,559	15,496
Vehicle fleet and air travel	10,213	10,147	10,068
Hospital emergency transport	n/a	n/a	20,722
Paper and office-based waste production	443	568	625
<b>Total</b>	<b>882,959</b>	<b>891,202</b>	<b>951,199</b>

Greenhouse gas conversion factors are taken from the National Greenhouse Accounts Factors.

Greenhouse gas emissions for waste and paper are calculated on Financial Reporting Directive 24C guidelines. Air travel greenhouse gas emissions are provided by the supplier of Travel Management Services State Purchase Contract.

## Staff and building reference data

<b>Description</b>	<b>Government-owned buildings</b>	<b>Leased buildings</b>	<b>Total</b>
Office-based full-time equivalent FTE	1,022.5	6,609	7,631.5
Operational FTE	3617		3,617
<b>Total FTE</b>			<b>11,248.5</b>
Number of office-based sites	16	31	47
Number high-rise public housing sites	44		44
Office-based area (m <sup>2</sup> )	14,406	113,373	127,779

## Energy use

### Office-based

<b>Description</b>	<b>2014–15 estimate</b>	<b>2014–15 estimate</b>	<b>2015–16 estimate</b>	<b>2015–16 estimate</b>	<b>2016–17 estimate</b>	<b>2016–17 estimate</b>
<b>Total energy usage segmented by primary source</b>	<b>Megajoules</b>	<b>Cost (\$M)</b>	<b>Megajoules</b>	<b>Cost (\$M)</b>	<b>Megajoules</b>	<b>Cost (\$M)</b>
Electricity	56,372,234	\$2.58	57,193,815	\$2.75	56,183,067	\$2.74
Green power	0	\$0.00	0	\$0.00	0	\$0.00
Natural gas	14,838,741	\$0.17	14,224,207	\$0.18	10,321,215	\$0.13
<b>Total</b>	<b>71,210,975</b>	<b>\$2.75</b>	<b>71,418,022</b>	<b>\$2.93</b>	<b>66,504,282</b>	<b>\$2.87</b>

<b>Description</b>	<b>2014–15 estimate</b>	<b>2015–16 estimate</b>	<b>2016–17 estimate</b>
<b>Total greenhouse gas emissions by primary source</b>	<b>Tonnes CO<sub>2</sub>-e</b>	<b>Tonnes CO<sub>2</sub>-e</b>	<b>Tonnes CO<sub>2</sub>-e</b>
Electricity	18,478	17,953	17,011
Natural gas	762	733	532
<b>Total</b>	<b>19,240</b>	<b>18,686</b>	<b>17,543</b>

Description	2014–15 estimate	2015–16 estimate	2016–17 estimate
Energy used per FTE (megajoules/FTE)	10,913	9,608	8,714
Energy intensity (megajoules/m <sup>2</sup> )	521	511	520
Green power purchased	0.0%	0.0%	0.0%

Electricity data represents 98.9 per cent of office-based FTE and 99.7 per cent of office net let area (NLA).

Green power relates to electricity use only.

Natural gas usage represents 56 per cent of office-based FTE and 86 per cent of office NLA.

Greenhouse gas conversion factors are taken from the National Greenhouse Accounts Factors.

Figures have been adjusted to include the most up-to-date data and may differ from those estimated for the same period in the Department of Health and Human Services annual report 2015–16.

## Housing services

### Electricity

Description	2014–15 estimate	2014–15 estimate	2015–16 estimate	2015–16 estimate	2016–17 estimate	2016–17 estimate
Total energy usage segmented by primary source	Megajoules	Cost (\$M)	Megajoules	Cost (\$M)	Megajoules	Cost (\$M)
High-rise public housing electricity use	54,974,895	\$1.94	55,501,262	\$2.00	56,095,938	\$2.28
Other public housing electricity use	32,301,566	\$2.37	32,431,003	\$2.34	31,757,375	\$2.14
Disability housing electricity use	39,322,734	\$1.85	39,762,360	\$1.80	38,183,823	\$1.67
Youth and family welfare electricity use	1,462,104	\$0.07	1,547,894	\$0.08	1,694,560	\$0.09
Youth Justice electricity use*	12,367,763	\$0.43	15,604,030	\$0.58	12,902,049	\$0.48
<b>Total electricity</b>	<b>140,429,062</b>	<b>\$6.66</b>	<b>144,846,549</b>	<b>\$6.80</b>	<b>140,633,745</b>	<b>\$6.66</b>

### Gas

Description	2014–15 estimate	2014–15 estimate	2015–16 estimate	2015–16 estimate	2016–17 estimate	2016–17 estimate
Total energy usage segmented by primary source	Megajoules	Cost (\$M)	Megajoules	Cost (\$M)	Megajoules	Cost (\$M)
High-rise public housing natural gas use	331,409,127	\$2.92	301,518,942	\$2.76	322,440,829	\$2.59
Other public housing natural gas use	97,059,811	\$1.35	89,246,643	\$1.20	90,012,654	\$1.07
Disability housing natural gas use	84,436,738	\$1.28	79,570,007	\$1.22	77,950,825	\$0.99
Youth and family welfare natural gas use	1,852,040	\$0.03	1,795,928	\$0.03	1,669,815	\$0.03
Youth Justice natural gas use*	8,179,260	\$0.08	8,439,751	\$0.08	4,673,204	\$0.04
Youth Justice liquefied petroleum gas use*	5,726,087	\$0.10	4,913,033	\$0.07	1,860,742	\$0.02
<b>Total gas</b>	<b>528,663,063</b>	<b>\$5.76</b>	<b>485,484,304</b>	<b>\$5.36</b>	<b>498,608,069</b>	<b>\$4.74</b>

Description	2014–15 estimate	2015–16 estimate	2016–17 estimate
<b>Total greenhouse gas emissions</b>	<b>Tonnes CO<sub>2</sub>-e</b>	<b>Tonnes CO<sub>2</sub>-e</b>	<b>Tonnes CO<sub>2</sub>-e</b>
Electricity	46,030	45,466	42,581
Natural gas	26,842	24,764	25,597
Liquefied petroleum gas	343	298	113
<b>Total greenhouse gas emissions</b>	<b>73,215</b>	<b>70,528</b>	<b>68,291</b>

Human services property portfolio energy data combines electricity and gas from large operational locations, 44 high-rise housing facilities and other disability and social housing accommodation facilities.

\* Youth Justice 2016–17 consumption reported to 31 March 2017.

This data represents 2,866 electricity meters and 932 gas metered accounts.

Figures have been adjusted to include the most up-to-date data and may differ from those estimated for the same period in the Department of Health and Human Services annual report 2015–16 to reflect the department's modified monitoring portfolio.

Greenhouse gas emissions are based on scope 2 emissions from the National Greenhouse and Energy Reporting (Measurement) Determination 2008 (Schedule 1).

## Public health services

Description	2014–15 estimate	2014–15 estimate	2015–16 estimate	2015–16 estimate	2016–17 estimate	2016–17 estimate
<b>Total energy usage segmented by primary source</b>	<b>Terajoules</b>	<b>Cost (\$M)</b>	<b>Terajoules</b>	<b>Cost (\$M)</b>	<b>Terajoules</b>	<b>Cost (\$M)</b>
Electricity	2,068	\$69.69	2,179	\$72.19	2,341	\$73.56
Natural gas	1,983	\$14.71	1,957	\$14.86	2,271	\$16.45
Co-generation steam	493	\$3.57	514	\$3.78	531	\$3.95
LPG	81	\$2.16	91	\$1.97	96	\$2.14
Diesel	3	n/a	3	\$0.06	7	\$0.01
<b>Total</b>	<b>4,628</b>	<b>\$90.13</b>	<b>4,744</b>	<b>\$92.86</b>	<b>5,246</b>	<b>\$96.11</b>

Description	2014–15	2015–16	2016–17
Energy used per separation (gigajoules/ separation)	2.84	2.77	2.88
Energy used per bed day (gigajoules/ bed day)	0.69	0.69	0.75
Energy used per unit of floor space (gigajoules/m <sup>2</sup> )	1.44	1.44	1.51
Greenhouse gas emissions per separation (tonnes CO <sub>2</sub> -e/separation)	0.48	0.46	0.46
Greenhouse gas emissions per bed day (tonnes CO <sub>2</sub> -e/bed day)	0.12	0.12	0.12
Greenhouse gas emissions per unit of floor space (tonnes CO <sub>2</sub> -e/m <sup>2</sup> )	0.24	0.24	0.24

1 terajoule equates to 1,000,000 megajoules and 1 gigajoule equates to 1,000 megajoules.

Greenhouse gas emission indicators include emissions associated with the use of nitrous oxide in public hospitals.

Reported energy usage includes a two per cent estimate due to some actual data being unavailable from energy retailers at the time of reporting.

Public health services data are excluding GST.

Hospital emergency transport	Fuel volume (kilolitres)	Emissions (tonnes CO <sub>2</sub> -e)
Gasoline – road vehicles	432	1,053
Diesel – road vehicles	3,454	9,879
LPG – road vehicles	5	8
Aviation fuel	4,113	9,832
<b>Total</b>	<b>8,004</b>	<b>20,772</b>

Data includes road ambulance, air ambulance, emergency support and administrative vehicles and non-emergency patient transport managed by Ambulance Victoria.

## Water use

### Office-based

Description	2014–15 estimate	2015–16 estimate	2016–17 estimate
Total water used (kilolitres)	43,141	52,354	51,698
Total water usage charge (dollars)	\$105,000	\$126,000	\$127,000
Water used per FTE – leased offices (litres/FTE)	6,964	8,546	8,395
Water used per FTE – government-owned offices (litres/FTE)	5,481	6,090	6,179
Total Water used per FTE (litres/FTE)	6,611	7,043	6,774
Water used per unit of office space (litres/m <sup>2</sup> )	414	502	407

Water data represents domestic water consumption at 29 administrative office locations.

This data represents 84 per cent of office-based FTE and 82 per cent of office-based area.

### High-rise public housing

Description	2014–15 estimate	2015–16 estimate	2016–17 estimate
Total water used (kilolitres)	1,328,267	1,314,161	1,416,373
Total water usage and sewage charge (dollars)	\$5,400,000	\$5,491,000	\$5,969,000

Water data represents domestic water consumption at the 44 public housing high-rise sites under 31 accounts based on available data.

### Other public housing

Description	2014–15 estimate	2015–16 estimate	2016–17 estimate
Total water used (kilolitres)	77,953	83,881	85,188
Total water usage and sewage charge (dollars)	\$300,000	\$333,500	\$341,000

Water data represents domestic water consumption at 35 public housing sites based on available data.

### Disability housing

Description	2014–15 estimate	2015–16 estimate	2016–17 estimate
Total water used (kilolitres)	56,028	76,882	57,704
Total water usage and sewage charge (dollars)	\$202,500	\$301,000	\$232,000

Water data represents domestic water consumption at 14 properties including larger disability operational facilities.

## Youth and family welfare

Description	2014–15 estimate	2015–16 estimate	2016–17 estimate
Total water used (kilolitres)	1,730	2,366	2,440
Total water usage and sewage charge (dollars)	\$6,800	\$8,000	\$9,000

Water data represents domestic water consumption at five properties.

## Youth justice

Description	2014–15 estimate	2015–16 estimate	2016–17 estimate
Total water used (kilolitres)*	30,898	35,383	26,413
Total water usage and sewage charge (dollars)*	\$85,000	\$99,000	\$75,000

Water data represents domestic water consumption at two properties.

\* Youth Justice 2016–17 consumption reported to 31 March 2017.

## Public health services

Description	2014–15	2015–16	2016–17
Total water used (megalitres)	3,761	4,307	4,192
Total water usage charge (\$ million)	\$13.69	\$16.90	\$16.51
Water used per separation (kilolitres/ separation)	2.31	2.51	2.30
Water used per bed day (kilolitres/ bed day)	0.56	0.63	0.60
Water used per unit of floor space (kilolitres/m <sup>2</sup> )	1.17	1.31	1.21

Reported water usage includes an 8 per cent estimate due to some actual data being unavailable from water authorities at the time of reporting.

## Waste production

### Office based

Description	2014–15 estimate	2015–16 estimate	2016–17 estimate
<b>Total units of waste disposed of by destination</b>	<b>Kilograms/year</b>	<b>Kilograms/year</b>	<b>Kilograms/year</b>
Landfill	169,650	180,949	199,502
Recycling	261,000	261,840	255,175
Compost	653	23,107	29,583
<b>Total</b>	<b>431,303</b>	<b>465,896</b>	<b>484,260</b>

Description	2014–15 estimate	2015–16 estimate	2016–17 estimate
<b>Total units of waste disposed of per FTE by destination</b>	<b>Kilograms/FTE/year</b>	<b>Kilograms/FTE/year</b>	<b>Kilograms/FTE/year</b>
Landfill	26	24	27
Recycling	40	35	34
Compost	0.1	3	4
<b>Total</b>	<b>66</b>	<b>62</b>	<b>65</b>

Description	2014–15 estimate	2015–16 estimate	2016–17 estimate
Recycling rate (per cent)	60%	61%	59%
Greenhouse gas emissions associated with waste to landfill (tonnes of CO <sub>2</sub> -e)	209	235	243

Waste data is based on one-day waste audits conducted at 20 selected Department of Health and Human Services offices then extrapolated for estimating annual production data.

Waste data has been extrapolated in accordance with Financial Reporting Directive 24C guidelines to represent 100 per cent of office-based FTE and 100 per cent of office locations.

## Transportation

### Vehicle fleet

Description	Size of vehicle fleet as of 31 March 2017						
	LPG	Dual fuel	Hybrid	1–3 cylinder unleaded petrol	4 cylinder unleaded petrol	6 cylinder unleaded petrol	Diesel
Commercial	5	0	0	9	3	0	35
Executive	0	0	15	0	18	65	26
Passenger bus	0	0	0	0	373	0	149
Passenger car	78	0	637	0	34	57	256
<b>Total (1760 vehicles)</b>	<b>83</b>	<b>0</b>	<b>652</b>	<b>9</b>	<b>428</b>	<b>122</b>	<b>466</b>

Description	Operational (per cent)	Executive (per cent)
LPG	5.1	0.0
Dual fuel	0.0	0.0
Hybrid	38.9	12.1
1–3 cylinder unleaded petrol	0.6	0.0
1–4 cylinder unleaded petrol	25	14.5
6 cylinder unleaded petrol	3.5	52.4
Diesel	26.9	21.0

Description	2014–15 estimate	2015–16 estimate	2016–17 estimate
Total energy consumption	Megajoules	Megajoules	Megajoules
LPG	19,672,728	16,768,004	8,604,814
Dual fuel	2,449,269	0	0
Hybrid	18,770,516	20,229,511	26,322,030
Unleaded petrol	59,197,243	60,517,732	51,713,923
Diesel	31,513,114	31,624,548	35,718,356
<b>Total</b>	<b>131,602,870</b>	<b>129,139,795</b>	<b>122,359,123</b>

Description	2014–15 estimate	2015–16 estimate	2016–17 estimate
<b>Total vehicle travel</b>	<b>Kilometres</b>	<b>Kilometres</b>	<b>Kilometres</b>
LPG	6,049,039	4,787,395	2,473,150
Dual fuel	623,356	0	0
Hybrid	8,959,794	9,547,954	17,889,358
Unleaded petrol	14,978,683	15,040,082	12,258,875
Diesel	8,845,691	8,291,883	9,912,934
State Government Vehicle Pool	698,036	589,708	692,858
<b>Total</b>	<b>40,154,599</b>	<b>38,257,022</b>	<b>43,227,175</b>

Description	2014–15 estimate	2015–16 estimate	2016–17 estimate
<b>Total greenhouse gas emissions</b>	<b>Tonnes CO<sub>2</sub>-e</b>	<b>Tonnes CO<sub>2</sub>-e</b>	<b>Tonnes CO<sub>2</sub>-e</b>
LPG	1,196	1,031	529
Dual fuel	150	0	0
Hybrid	1,306	1,410	1,835
Unleaded petrol	4,120	4,218	3,604
Diesel	2,203	2,230	2,518
State Government Vehicle Pool	104	113	128
<b>Total</b>	<b>9,079</b>	<b>9,002</b>	<b>8,614</b>

Description	2014–15 estimate	2015–16 estimate	2016–17 estimate
<b>Greenhouse gas emissions efficiency</b>	<b>Tonnes of CO<sub>2</sub>-e per 1,000 kilometres</b>	<b>Tonnes of CO<sub>2</sub>-e per 1,000 kilometres</b>	<b>Tonnes of CO<sub>2</sub>-e per 1,000 kilometres</b>
LPG	0.198	0.251	0.214
Dual fuel	0.241	n/a	n/a
Hybrid	0.146	0.148	0.103
Unleaded petrol	0.275	0.28	0.294
Diesel	0.249	0.269	0.254
State Government Vehicle Pool	0.176	0.177	0.185
<b>Total</b>	<b>0.23</b>	<b>0.24</b>	<b>0.20</b>

*This data represents all operational FTE.*

*Energy use, distance travelled and greenhouse gas emissions transport data is based on a 1 April to 31 March fringe benefit year.*

*Greenhouse gas emissions are based on National Greenhouse and Energy Reporting (Measurement) Determination 2008 (Schedule 1).*

*All emission factors incorporate relevant oxidation factors (sourced from the Department of the Environment National Inventory Report).*

## Air travel

Description	2014–15 actual	2015–16 actual	2016–17 actual
Total distance travelled (kilometres)	4,151,774	4,120,505	5,436,738
Base fare cost (dollars)	\$1,250,000	\$1,287,000	\$1,400,000
Greenhouse gas emissions (tonnes of CO <sub>2</sub> -e)	1,134	1,145	1454

*This data represents all operational FTE.*

*Greenhouse gas emissions are provided by the supplier of Travel Management Services State Purchase Contract.*

## Commuter travel

### Percentage of employees regularly using sustainable travel (public transport, cycling, walking, car-pooling or working from home) to commute

	2014–15 estimate	2015–16 estimate	2016–17 estimate
Central business district	93%	93%	96%
Metropolitan	43%	56%	55%
Regional/rural	31%	39%	38%
<b>Total</b>	<b>82%</b>	<b>79%</b>	<b>84%</b>

*Sustainable transport data was obtained from the department's travel survey conducted in May–June 2017. Results exclude responses from surveyed staff that were on leave or did not travel to work during the survey period.*

## Procurement and paper

### Procurement of office products and stationery with environmental considerations from departmental operations

Description	2014–15 actual	2015–16 actual	2016–17 actual
Furniture	16%	4%	2%
Kitchen	14%	17%	17%
Facilities solutions	22%	33%	36%
Office products	40%	11%	24%
<b>Total</b>	<b>34%</b>	<b>37%</b>	<b>36%</b>

*Office products and stationery data is obtained from the department's state purchase contract. Environmental considerations are based on expenditure in the supplier's Planet Friendly category criteria.*

*Results include: expenditure on office furniture; coffee and catering supplies; janitorial products; packaging; workplace safety supplies; educational supplies; computer hardware; office technology products; computer consumables; general office products; office filing and storage; office machines and electronics; office paper products; and writing instruments.*

### Paper use from departmental operations

Description	2014–15 actual	2015–16 actual	2016–17 actual
Total units of paper used – A4 equivalent (reams)	104,524	103,378	108,012
Units of paper used per FTE (reams/FTE)	9.3	9	9.6
Total cost of paper used (dollars)	\$557,000	\$571,000	\$578,500
Greenhouse gas emissions associated with paper use (tonnes of CO <sub>2</sub> -e)	234	333	382

Percentage recycled content copy paper purchased	2014–15 actual	2015–16 actual	2016–17 actual
75–100 per cent recycled	32%	52%	91%
50–75 per cent recycled	64%	44%	0%
0–50 per cent recycled	4%	4%	9%

One ream is 500 sheets of paper. Paper usage data provided by whole-of-Victorian-government supplier COS. Paper purchased outside this supplier is not included. Data represent all operational FTE.

Greenhouse gas emissions are based on the Financial Reporting Directive 24C and its accompanying greenhouse gas emission reporting template, which calculates both Australian made and imported emissions.

## Public health services paper use

One ream is 500 sheets of paper. One A3 ream of paper is equivalent to two A4 reams. Paper data is sourced from the statewide stationery contract managed by Health Purchasing Victoria.

FTE is the full-time equivalent staff employed by a public health service as of 30 June for the financial year. Certified means that the supplier and/or manufacturer has asserted that the fibre sourced for the paper meets either an international Forestry Management standard and has a chain-of-custody certification linking the product and fibre sourcing. Accepted certification schemes are the Forestry Stewardship Council, Australian Forestry Standard or other country-specific standards endorsed by the Programme for the Endorsement of Forest Certification.

Description	2014–15	2015–16	2016–17
Total units of paper used – A4 equivalent (reams)	542,881	574,394	575,729
Total cost of paper used (\$ million)	\$2.08	\$2.14	\$1.75
Units of paper used per FTE (reams/FTE)	6.49	6.73	6.48
Contains recycled content (0–49 per cent)	99%	99.3%	96.6%
Contains recycled content (50–75 per cent)	0.4%	0.3%	2.1%
Contains recycled content (76–100 per cent)	0.6%	0.4%	1.3%
Certification in regard to fibre sourcing (per cent)	44.3%	43.5%	98.1%

## National pollutant inventory

The Commonwealth National Pollutant Inventory (NPI) provides the community, industry and government with information on substances emitted to the air, land and water. The inventory tracks the amount, in kilograms, of substances emitted by organisations that trigger the reporting threshold. The table below is an aggregation of substances reported by Victorian public health services through the NPI.

Description	2013–14	2014–15	2015–16
Carbon monoxide	79,438	60,411	55,895
Oxides of nitrogen	67,908	61,913	56,713
Particulate matter (2.5 µm and 10 µm)	5,561	5,439	10,284
Total volatile organic compounds	5,288	4,287	3,939
Sulphur dioxide	801	775	721
Other substances	27	10	2.7

Other substances includes: acetaldehyde; arsenic and compounds; benzene; beryllium and compounds; 1,3-butadiene (vinyl ethylene); cadmium and compounds; chromium (III) compounds; cobalt and compounds; copper and compounds; Cumene (1-methylethylbenzene); cyclohexane; ethylbenzene; formaldehyde (methyl aldehyde) lead and compounds; manganese and compounds; mercury and compounds; n-Hexane; nickel and compounds; polycyclic aromatic hydrocarbon; polychlorinated dioxins and furans (TEQ); selenium and compounds; toluene (methylbenzene); xylenes (individual or mixed isomers); and zinc and compounds.

2015–16 is the most recent data available from the National Pollutant Inventory at the date of this printing.

# Department of Health and Human Services: Financial statements for the financial year ended 30 June 2017

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## Responsible body's and Chief Finance Officer's declaration

The attached financial statements for the Department of Health and Human Services, including the Director of Housing, Mental Health Complaints Commissioner, Mental Health Tribunal and the Commission for Children and Young People (the department) 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 2017 and financial position of the department at 30 June 2017.

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

We authorise the attached financial statements for issue on 31 August 2017.



Kym Peake  
Secretary  
Department of Health and Human Services

Melbourne  
31 August 2017



Greg Stenton  
Chief Finance Officer  
Department of Health and Human Services

Melbourne  
31 August 2017

## Independent auditor's report



## Independent Auditor's Report

### To the Secretary of the Department of Health and Human Services

<b>Opinion</b>	<p>I have audited the financial report of the Department of Health and Human Services (the department) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2017</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including a summary of significant accounting policies</li> <li>• responsible body's and chief finance officer's declaration.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the department as at 30 June 2017 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Secretary's responsibilities for the financial report</b>	<p>The Secretary of the department is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Secretary determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Secretary is responsible for assessing the department's ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretary
- conclude on the appropriateness of the Secretary'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 department'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 department 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 Secretary 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  
31 August 2017



Andrew Greaves  
Auditor-General

## Comprehensive operating statement for the financial year ended 30 June 2017

	Note	2017 \$M	2016 \$M
<b>Income from transactions</b>			
Output appropriations	2.3	13,755.3	12,901.7
Special appropriations	2.3	1,334.6	1,341.2
Interest income	2.4.1	8.9	9.4
Rental income and income from services	2.4.2	480.9	476.6
Grants and other income transfers	2.4.3	871.5	832.0
Fair value of assets and services received free of charge or for nominal consideration	2.4.4	136.6	11.6
Other income	2.4.5	90.9	367.2
<b>Total income from transactions</b>		<b>16,678.6</b>	<b>15,939.8</b>
<b>Expenses from transactions</b>			
Employee expenses	3.1.1(a)	1,260.3	1,191.2
Depreciation and amortisation	5.1.1	269.8	280.7
Interest expense	7.1.2	1.1	0.3
Maintenance		192.2	200.1
Grants and other expense transfers	3.1.2	13,163.2	11,916.6
Capital asset charge	3.1.3	1,116.7	1,016.8
Fair value of assets and services provided free of charge or for nominal consideration	3.1.4	209.6	11.9
Other operating expenses	3.1.5	528.4	490.2
Other property management expenses	3.1.6	198.4	210.1
<b>Total expenses from transactions</b>		<b>16,939.7</b>	<b>15,317.8</b>
<b>Net result from transactions (net operating balance)</b>		<b>(261.2)</b>	<b>622.1</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets <sup>(i)</sup>	9.2(a)	(6.0)	0.9
Net gain/(loss) on financial instruments <sup>(ii)</sup>	9.2(b)	1.5	0.6
Other gains/(losses) from other economic flows	9.2(c)	(0.6)	(22.1)
<b>Total other economic flows included in net result</b>		<b>(5.1)</b>	<b>(20.6)</b>
<b>Net result</b>		<b>(266.3)</b>	<b>601.5</b>
<b>Other economic flows – other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Changes in physical asset revaluation surplus	9.4	1,997.0	2,468.7
Remeasurement of superannuation defined benefit plans	3.1.1(b)	0.9	0.9
<b>Total other economic flows – other comprehensive income</b>		<b>1,997.9</b>	<b>2,469.6</b>
<b>Comprehensive result</b>		<b>1,731.6</b>	<b>3,071.1</b>

The comprehensive operating statement should be read in conjunction with the notes to the financial statements.

Notes:

- (i) 'Net gain/(loss) on non-financial assets' includes unrealised and realised gains/(losses) from revaluations, impairments, and disposals of all physical assets and intangible assets, except when these are taken through the asset revaluation surplus.
- (ii) 'Net gain/(loss) on financial instruments' includes bad and doubtful debts from other economic flows, unrealised and realised gains/(losses) from revaluations, impairments and reversals of impairment, and gains/(losses) from disposals of financial instruments, except when these are taken through the financial assets available for sale revaluation surplus.

## Balance sheet as at 30 June 2017

	Note	2017 \$M	2016 \$M
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	7.3	383.7	230.8
Receivables	6.1	2,693.1	2,671.0
Loans	6.2	80.7	82.9
Short term investments – term deposits		418.5	346.8
<b>Total financial assets</b>		<b>3,575.9</b>	<b>3,331.6</b>
<b>Non-financial assets</b>			
Non-financial physical assets classified as held for sale	9.3	3.8	26.3
Property, plant and equipment	5.1	26,138.7	24,689.6
Intangible assets	5.2	64.1	69.3
Investments accounted for using the equity method	5.3	35.0	35.0
Prepayments	6.3	14.1	11.4
<b>Total non-financial assets</b>		<b>26,255.7</b>	<b>24,831.6</b>
<b>Total assets</b>		<b>29,831.5</b>	<b>28,163.2</b>
<b>Liabilities</b>			
Payables	6.4	1,208.6	955.0
Borrowings	7.1	106.5	103.9
Employee related provisions	3.1.1(b)	395.4	400.9
Other provisions	6.5	85.1	82.5
<b>Total liabilities</b>		<b>1,795.5</b>	<b>1,542.3</b>
<b>Net assets</b>		<b>28,036.0</b>	<b>26,620.9</b>
<b>Equity</b>			
Accumulated surplus/(deficit)		1,431.8	1,697.2
Physical asset revaluation surplus	9.4	4,542.1	2,545.1
Contributed capital		22,062.0	22,378.5
<b>Net worth</b>		<b>28,036.0</b>	<b>26,620.9</b>

The balance sheet should be read in conjunction with the notes to the financial statements.

## Statement of changes in equity for the financial year ended 30 June 2017

	Note	Physical asset revaluation reserve \$M	Accumulated surplus/ (deficit) \$M	Contributed capital \$M	Total \$M
<b>Balance at 1 July 2015</b>		<b>76.4</b>	<b>1,094.8</b>	<b>22,365.0</b>	<b>23,536.2</b>
Net result for the year		–	601.5	–	601.5
Remeasurement of superannuation defined benefit plans		–	0.9	–	0.9
Changes in physical asset revaluation surplus		2,468.7	–	–	2,468.7
Capital contribution by Victorian State Government		–	–	107.7	107.7
Capital contributed from asset transfers				1.9	1.9
Capital contributions to Health agencies		–	–	(96.0)	(96.0)
<b>Balance at 30 June 2016</b>		<b>2,545.1</b>	<b>1,697.2</b>	<b>22,378.5</b>	<b>26,620.9</b>
Net result for the year		–	(266.3)	–	(266.3)
Remeasurement of superannuation defined benefit plans	3.1.1 (b)	–	0.9	–	0.9
Changes in physical asset revaluation surplus	9.4	1,997.0	–	–	1,997.0
Administrative restructure – net assets transferred	4.3	–	–	(218.2)	(218.2)
Capital contribution by Victorian State Government		–	–	187.8	187.8
Capital contributions to Health agencies		–	–	(109.7)	(109.7)
Net capital contributed from asset transfers		–	–	(176.4)	(176.4)
<b>Balance at 30 June 2017</b>		<b>4,542.1</b>	<b>1,431.8</b>	<b>22,062.0</b>	<b>28,036.0</b>

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

## Cash flow statement for the financial year ended 30 June 2017

	Note	2017 \$M	2016 \$M
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts of output appropriations		13,783.1	12,296.5
Receipts of special appropriations		1,334.6	1,341.2
Receipts of funds from other authorities		940.3	811.1
Rent received		465.1	470.3
User charges received – rental properties		5.0	5.0
Interest received		8.8	9.2
Other receipts		20.2	80.5
GST recovered from Australian Taxation Office <sup>(i)</sup>		523.3	480.6
<b>Total receipts</b>		<b>17,080.2</b>	<b>15,494.2</b>
<b>Payments</b>			
Payments of grants and other expense transfers		(13,437.8)	(12,121.9)
Payments for employee benefits		(1,250.1)	(1,185.1)
Payments for supplies and services		(558.6)	(500.2)
Interest and other costs of finance paid		(4.6)	(2.4)
Capital asset charge payments		(1,116.7)	(1,016.8)
Maintenance		(197.1)	(200.9)
Other property management expenses		(200.2)	(211.5)
<b>Total payments</b>		<b>(16,765.1)</b>	<b>(15,238.9)</b>
<b>Net cash flows from/(used in) operating activities</b>	7.3.1	<b>315.1</b>	<b>255.3</b>
<b>Cash flows from investing activities</b>			
Proceeds from the sale of non-financial assets		150.7	165.8
Purchase of short term investments – term deposits		(71.6)	(225.1)
Client loans repaid		8.4	4.9
Payment for non-financial assets		(321.6)	(334.2)
Client loans granted		(6.3)	(7.3)
<b>Net cash flows from/(used in) investing activities</b>		<b>(240.5)</b>	<b>(395.9)</b>
<b>Cash flows from financing activities</b>			
Advances received		6.2	1.4
Owner contributions by Victorian Government – appropriation for capital expenditure purposes		187.8	107.7
Payments of capital contributions		(112.2)	(106.2)
Repayment of finance leases and borrowings		(3.7)	(0.8)
<b>Net cash flows from/(used in) financing activities</b>		<b>78.2</b>	<b>2.0</b>
<b>Net increase/(decrease) in cash and deposits</b>		<b>152.8</b>	<b>(138.5)</b>
Cash and deposits at beginning of financial year		230.8	369.4
<b>Cash and deposits at the end of the financial year</b>	7.3	<b>383.7</b>	<b>230.8</b>

The cash flow statement should be read in conjunction with the notes to the financial statements.

Note:

(i) Goods and services tax (GST) recovered/paid from the Australian Taxation Office is presented on a net basis.

# Notes to and forming part of the financial statements for the financial year ended 30 June 2017

## 1. About this report

The Department of Health and Human Services (the department) is a government department of the State of Victoria, established pursuant to an order made by the Premier under the *Administrative Arrangements Act (No. 202) 2009*. It is an administrative agency acting on behalf of the Crown.

The Department of Health and Human Services' principal address is:

50 Lonsdale Street  
Melbourne VIC 3000

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.

### Basis of preparation

These financial statements are presented in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

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

Consistent with the requirements of *AASB 1004 Contributions*, 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 department.

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

Transfers of net assets arising from administrative restructurings are treated as distributions to or contribution by owners. Transfer of net liabilities arising from administrative restructurings are treated as distribution to owners.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying Australian Accounting Standards (AAS) that have significant effect on the financial statements and estimates, relate to:

- > the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 8.3.2);
- > superannuation expense (refer to Note 3.1.1(c));
- > assumptions for employee benefit provisions based on the likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.1.1(b)); and
- > liability for outstanding insurance claims (refer to Note 6.5).

These financial statements cover the Department of Health and Human Services as an individual reporting entity and include all controlled activities of the department.

The following entities have been consolidated into the department's financial statements pursuant to a determination made by the Minister for Finance under section 53(1) (b) of the *Financial Management Act 1994*. These entities are reported in aggregate and are not controlled by the department:

- > Mental Health Complaints Commissioner;
- > Mental Health Tribunal;
- > Commission for Children and Young People; and
- > the Director of Housing.

Where control of an entity is obtained during the financial year, its results are included in the comprehensive operating statement from the date on which control commenced. Where control ceases during the financial year, the entity's results are included for that part of the period in which control existed. Where entities adopt dissimilar accounting policies and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

In preparing consolidated financial statements for the department, all material transactions and balances between consolidated entities are eliminated.

All amounts in the financial statements have been rounded to the nearest \$100,000 unless otherwise stated.

### **Compliance information**

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* and applicable AASs which include Interpretations issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of *AASB 1049 Whole of Government and General Government Sector Financial Reporting*.

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

These annual financial statements were authorised for issue by the Secretary of the Department of Health and Human Services on **31 August 2017**.

## 2. Funding delivery of our services

### Introduction

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

To enable the department to fulfil its objective and provide outputs as described in Section 4, it receives income (predominantly accrual based parliamentary appropriations). The department also receives income from the supply of services and tenancy agreements.

### Structure

- 2.1 Summary of income that funds the delivery of our services
- 2.2 Appropriations
- 2.3 Summary of compliance with annual parliamentary and special appropriations
- 2.4 Income from transactions
  - 2.4.1 Interest
  - 2.4.2 Rental income and income from services
  - 2.4.3 Grants and other income transfers
  - 2.4.4 Fair value of assets and services received free of charge or for nominal consideration
  - 2.4.5 Other income
- 2.5 Annotated income agreements

#### 2.1 Summary of income that funds the delivery of our services:

	Note	2017 \$M	2016 \$M
Output appropriations	2.3	13,755.3	12,901.7
Special appropriations	2.3	1,334.6	1,341.2
Interest income	2.4.1	8.9	9.4
Rental income and income from services	2.4.2	480.9	476.6
Grants and other income transfers	2.4.3	871.5	832.0
Fair value of assets and services received free of charge or for nominal consideration	2.4.4	136.6	11.6
Other income	2.4.5	90.9	367.2
<b>Total income from transactions</b>		<b>16,678.6</b>	<b>15,939.8</b>

Income is recognised to the extent it is probable the economic benefits will flow to the department and the income can be reliably measured at fair value. Where applicable, amounts disclosed as income are net of returns, allowances, duties and taxes. All amounts of income over which the department does not have control are disclosed as administered income (see Note 4.2).

### 2.2 Appropriations

Once annual parliamentary appropriations are applied by the Treasurer, they become controlled by the department and are recognised as income when applied to the purposes defined under the relevant Appropriations Act.

**Output appropriations:** Income from the outputs the department provides to the Government is recognised when those outputs have been delivered and the relevant Minister has certified delivery of those outputs in accordance with specified performance criteria.

**Special appropriations:** Under Sections 3.6.11, 4.4.11, 4.6.8, 5.4.6, and 6A.4.4(1) of the *Gambling Regulation Act No. 114* of 2003, and Section 114 of the *Casino Control Act No. 47* of 1991, income related to the Hospital and Charities Fund and Mental Health Fund is recognised when the amounts appropriated for that purpose are due and payable by the department. The department also receives special appropriations for various purposes approved under Section 10 of the *Financial Management Act 1994*.

## 2.3 Summary of compliance with annual parliamentary and special appropriations

The following table discloses the details of the various annual parliamentary appropriations received by the department for the year.

In accordance with accrual output-based management procedures 'provision of outputs' and 'additions to net assets' are disclosed as 'controlled' activities of the department. Administered transactions are those that are undertaken on behalf of the State over which the department has no control or discretion (refer to Note 4.2).

	Appropriation Act			Financial Management Act 1994				Total parliamentary authority	Appropriation applied	Variance
	Annual appropriation	Advance from Treasurer	Section 3(2)	Section 29 <sup>(i)</sup>	Section 30 <sup>(ii)</sup>	Section 32	Section 35 advances			
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
<b>2017</b>										
<b>Controlled</b>										
Provision of outputs	12,810.7 <sup>(iii)</sup>	452.5	–	576.5	15.6	198.5	–	14,053.8	13,755.3	298.5 <sup>(v)</sup>
Additions to net assets	247.3 <sup>(iv)</sup>	69.3	–	17.2	(15.6)	–	–	318.2	175.8	142.4 <sup>(vi)</sup>
<b>Administered</b>										
Payments made on behalf of the State	0.9	–	–	–	–	–	–	0.9	0.1	0.7 <sup>(vii)</sup>
<b>Total</b>	<b>13,058.8</b>	<b>521.9</b>	<b>–</b>	<b>593.7</b>	<b>–</b>	<b>198.5</b>	<b>–</b>	<b>14,372.9</b>	<b>13,931.2</b>	<b>441.6</b>
<b>2016</b>										
<b>Controlled</b>										
Provision of outputs	11,865.5	65.8	–	948.5	105.3	158.9	–	13,144.0	12,901.7	242.3 <sup>(viii)</sup>
Additions to net assets	147.1	–	–	88.5	(105.3)	3.0	–	133.4	89.8	43.6 <sup>(ix)</sup>
<b>Total</b>	<b>12,012.6</b>	<b>65.8</b>	<b>–</b>	<b>1,037.1</b>	<b>–</b>	<b>161.9</b>	<b>–</b>	<b>13,277.4</b>	<b>12,991.5</b>	<b>285.9</b>

Notes:

- (i) Refer to Note 2.5 for further detail.
- (ii) Transfer from the additions to net assets authority to appropriation for provision of outputs mainly relates to capital projects that are delivered via non portfolio agencies and result in output appropriation costs to the Department of Health and Human Services.
- (iii) Significant annual appropriation was transferred from the Department of Health and Human Services to the Department of Justice and Regulation related to Youth Services and Youth Justice output as a result of machinery of government changes effective 1 April 2017.
- (iv) Significant annual appropriation was transferred to the Department of Health and Human Services from the Department of Economic Development, Jobs, Transport and Resources in relation to Melbourne Park Stage 2 capital works, as a result of machinery of government changes effective 1 October 2016.
- (v) The provision of outputs variance of \$298.5 million comprises \$186.7 million relating to funding for services and projects that will be sought in 2017–18, and \$111.8 million relating to output appropriation authority not applied in 2016–17.
- (vi) The additions to net assets variance of \$142.4 million comprises \$9.4 million relating to funding for capital projects that will be delivered in 2017–18 and outyears and \$133.1 million relating to appropriation authority not applied in 2016–17.
- (vii) The payments made on behalf of the State variance of \$0.7 million relates to Anzac Day and Trust fund proceeds.
- (viii) The provision of outputs variance of \$242.3 million comprises \$198.5 million relating to funding for services and projects that were to be sought in 2016–17, and \$43.8 million relating to output appropriation authority not applied in 2015–16.
- (ix) The additions to net assets variance of \$43.6 million comprises \$17.8 million relating to funding for capital projects that were to be delivered in 2016–17 and outyears and \$25.7 million relating to appropriation authority not applied in 2015–16.

The following table discloses the details of compliance with special appropriations:

Authority	Purpose	Appropriation applied	
		2017 \$M	2016 \$M
Section 4.4.11 and 4.6.8 of the <i>Gambling Regulation Act No. 114 of 2003</i>	Contribution to the Hospitals and Charities fund	55.7	54.8
Section 5.4.6 of <i>Gambling Regulation Act No. 114 of 2003</i>	Contribution to the Hospitals and Charities fund and Mental Health Fund	422.7	422.6
Section 114 of the <i>Casino Control Act No. 47 1991</i>	Contribution to the Hospitals and Charities fund	16.1	18.3
Section 3.6.11 of <i>Gambling Regulation Act No. 114 of 2003</i>	Contribution to the Hospitals and Charities fund	832.9	840.0
Section 6A.4.4(1) of <i>Gambling Regulation Act No 114 of 2003</i>	Contribution to the Hospitals and Charities fund	5.6	4.7
Section 10 of the <i>Financial Management Act 1994</i>	Access to various Commonwealth grants – provision of outputs	1.5	0.8
<b>Total special appropriations – Provision of outputs</b>		<b>1,334.6</b>	<b>1,341.2</b>
Section 10 of the <i>Financial Management Act 1994</i>	Access to various Commonwealth grants – ATNAB	12.0	17.8
<b>Total special appropriations – Additions to net assets</b>		<b>12.0</b>	<b>17.8</b>
<b>Total special appropriations</b>		<b>1,346.6</b>	<b>1,359.0</b>

## 2.4 Income from transactions

### 2.4.1 Interest income

	2017 \$M	2016 \$M
<b>Interest from financial assets:</b>		
– Interest on short term deposits	8.0	8.4
– Interest from loans	0.8	1.0
<b>Total interest</b>	<b>8.9</b>	<b>9.4</b>

Interest income includes interest received on bank term deposits and other investments. Interest income is recognised using the accruals method which allocates the interest over the relevant period.

Net realised and unrealised gains and losses on the revaluation of investments do not form part of income from transactions, but are reported either as part of income from other economic flows in the net result or as unrealised gains or losses taken directly to equity, forming part of the total change in net worth in the comprehensive result.

### 2.4.2 Rental income and income from services

	2017 \$M	2016 \$M
Rental income raised	952.8	930.4
Rental rebates	(470.1)	(452.1)
Rental subsidies – welfare organisations	(9.2)	(9.2)
Shared Home Ownership Scheme – rent raised	2.1	2.2
<b>Total net rent receivable</b>	<b>475.7</b>	<b>471.2</b>
Total user charges – rental properties	5.0	5.0
Rendering of services	0.3	0.4
<b>Total rental income and income from services</b>	<b>480.9</b>	<b>476.6</b>

**Rental income** arising from tenancy operating agreements is recognised on a straight-line basis over the terms of the ongoing agreements. This is subject to annual review. Rental rebates or subsidies provided to tenants are recognised on a straight-line basis over the term of the agreements. These are subject to bi-annual review.

#### Operating leases – lessors

The Department of Health and Human Services provides rental accommodation for a range of clients. There are approximately 74,000 public rental units that are owned and operated by the Director of Housing which have week to week tenancy agreements.

These agreements are subject to the Residential Tenancy Act provisions which allow termination of a lease under certain circumstances, accordingly the future revenue streams from the lease agreements are not required to be reported under AASB 117.

Income from the **supply of services** is recognised by reference to the stage of completion basis. The income is recognised when:

- the amount of the income, stage of completion and transaction costs incurred can be reliably measured; and

- it is probable that the economic benefits associated with the transaction will flow to the department.

Under the stage of completion method, income is recognised by reference to labour hours supplied or to labour hours supplied as a percentage of total services to be performed in each annual reporting period.

### 2.4.3 Grants and other income transfers

	2017 \$M	2016 \$M
Department of Treasury and Finance	51.0	65.9
Department of Education and Training	11.9	0.3
Department of Economic Development, Jobs, Transport and Resources	27.0	27.3
Department of Environment, Land, Water and Planning	7.3	–
Department of Justice and Regulation	28.4	19.1
Department of Premier and Cabinet	10.7	1.8
Other state departments	15.6	12.8
Commonwealth Government	710.8	698.7
Melbourne and Olympic Parks Trust	6.0	–
Other public bodies	2.6	6.1
<b>Total grants and other income transfers</b>	<b>871.5</b>	<b>832.0</b>

**Grant income** arises from transactions in which a party provides goods or assets (or extinguishes a liability) to the department without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal' transfers). Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For non-reciprocal grants, the department recognises revenue when the grant is receivable or received.

Some grants are reciprocal in nature (goods or services of an equal value provided by the recipient of the grant to the provider). The department recognises income when it has satisfied its performance obligations under the terms of the grant.

### 2.4.4 Fair value of assets and services received free of charge or for nominal consideration

	2017 \$M	2016 \$M
Land received at fair value	6.5	1.5
Buildings received at fair value	127.1	4.5
Plant and equipment received at fair value	2.7	–
Resources received free of charge	0.2	5.5
<b>Total fair value of assets and services received free of charge or for nominal consideration</b>	<b>136.6</b>	<b>11.6</b>

**Contributions of resources received free of charge or for nominal consideration** are recognised at their fair value when control is obtained over them, irrespective of whether these contributions are subject to restrictions or conditions over their use, unless received from another government department or agency as a consequence of a restructuring of administrative arrangements. In the latter case, such a transfer is recognised at its carrying value.

Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not received as a donation.

### 2.4.5 Other income

	2017 \$M	2016 \$M
State trust accounts	40.8	31.4
Interstate patients	44.9	9.3
Other <sup>(i)</sup>	5.2	326.5
<b>Total other income</b>	<b>90.9</b>	<b>367.2</b>

Note:

- (i) Other income of \$314.8 million in 2016 relates to the forgiveness of a loan provided by the Victorian Government to the Director of Housing entity. For administrative simplicity, the Victorian Government forgave the outstanding balance of the loan on 14 April 2016 and the Director of Housing was no longer required to make repayments.

**Other income** includes income received from departmental controlled trust funds and is recognised when the department gains control over the funds.

It also includes income received from treasury trusts and from services provided to interstate patients. Other income from services provided to interstate patients is recognised as per agreements for cost reimbursements established between the states on a state-by-state basis.

Where payment is received before services are provided, it is recorded as income in advance in the balance sheet and then recognised as revenue when the service is provided.

## 2.5 Annotated income agreements

The department is permitted under section 29 of the Financial Management Act 1994 to have certain income annotated to the annual appropriation. The income which forms part of a section 29 agreement is recognised by the department and the receipts paid into the consolidated fund as an administered item. At the point of income recognition, section 29 provides for an equivalent amount to be added to the annual appropriation.

The following is a listing of annotated income agreements under section 29 of the *Financial Management Act 1994* approved by the Treasurer:

	2017 \$M	2016 \$M
<b>User charges, or sales of goods and services</b>		
Albury Wodonga Health (Capital)	2.0	1.4
Albury Wodonga Health (Output)	102.3	98.3
Community Residential Units Accommodation charges includes full Board and Lodging Model (Output)	27.3	26.0
Department of Veteran Affairs Hospital Services (Output)	115.8	124.5
Health Technology Services (Output)	7.1	6.5
Revenue for Services Provided for the National Disability Insurance Agency (Output)	8.9	–
Seniors Card Directory Advertising (Output)	0.4	0.4
Seniors Festival Advertising and Sponsorship (Output)	0.1	0.2
viCPlace (Output)	0.2	–
Transport Accident Commission Agreement (Output)	75.1	76.7
	<b>339.2</b>	<b>334.1</b>
<b>Asset sales</b>		
Proceeds from sale of land and buildings (Capital)	3.1	2.0
	<b>3.1</b>	<b>2.0</b>
<b>Commonwealth Specific Purpose Payments</b>		
<b>National Partnership Agreements</b>		
Adult Public Dental Services (Output)	19.2	38.5
Albury-Wodonga Cardiac Catheterisation Laboratory (Capital)	3.0	0.5
Bright Hospital Feasibility Study (Output)	–	0.1
Essential Vaccines (Output)	32.7	33.7
Expansion of the BreastScreen Australia Program (Output)	4.3	3.9
Health and Hospitals Fund – Albury-Wodonga Regional Cancer Centre (Capital)	–	16.0
Health and Hospitals Fund – Bairnsdale Regional Health Service – Jacaranda House Redevelopment (Capital)	–	0.3
Health and Hospitals Fund – Barwon Integrated Regional Cancer Service, Geelong (Capital)	4.7	2.0
Health and Hospitals Fund – Echuca Regional Health Redevelopment (Capital)	–	2.4
Health and Hospitals Fund – Heathcote GP Primary Care Clinic (Capital)	–	0.2
Health and Hospitals Fund – Kerang District Hospital Redevelopment (Capital)	4.4	3.7
Health and Hospitals Fund – Kilmore District Hospital Redevelopment (Capital)	–	2.5
Health and Hospitals Fund – Kyabram and District Health Service – Health and Wellbeing Centre (Capital)	–	0.5
Health and Hospitals Fund – Kyneton Ambulatory Care Centre (Capital)	–	0.8
Health and Hospitals Fund – Leongatha Integrated Primary Care Centre (Capital)	–	0.4
Health and Hospitals Fund – Mansfield District Hospital – Co-location of Primary Health Care Services (Capital)	–	0.2
Health and Hospitals Fund – Rural North West Health, Warracknabeal Campus Redevelopment Stage 2 (Capital)	–	4.3
Health and Hospitals Fund – Statewide Enhancements to Regional Cancer Services (Capital)	–	1.0
Health and Hospitals Fund – Victorian Comprehensive Cancer Centre (Capital)	–	50.0
Health Services – National Bowel Cancer Screening Program (Output)	1.1	0.8
Health Services – OzFoodNet (Output)	–	0.3
Health Services – Vaccine-Preventable Diseases Surveillance Program (Output)	0.2	0.2
Health Services – Victorian Cytology Service (Output)	9.8	9.3
Home and Community Care (Output)	–	430.6
Homes for the Homeless – Homelessness (Output)	22.8	22.8
Improving Local Access to Health Care on Phillip Island (Capital)	–	0.5
Pay Equity for the Social and Community Services Sector (Output)	–	28.0
Specialist Disability Services for over 65s (Output)	71.5	–

	2017 \$M	2016 \$M
Supporting National Mental Health Reform (Output)	–	7.6
Other		
Aged Care Assessment (Output)	29.6	27.9
Home Support Program (Output)	3.4	–
Regional Assessment Services (Output)	34.0	–
Human Quarantine Services (Output)	0.1	0.1
Integrated Regional Clinical Training Networks (Output)	–	0.9
National Reform Agenda for Organ and Tissue Donation (Output)	8.1	9.1
National Youth Week (Output)	0.1	0.1
Simulated Learning Environments Program (Output)	–	0.1
Unattached Refugee Children (Output)	1.4	1.3
Women's Safety Measures – Keeping Women Safe in Their Homes (Output)	0.9	0.7
Women's Safety Measures – Local Support Coordinator (Output)	0.2	0.1
	<b>251.4</b>	<b>701.0</b>
<b>Total annotated income agreements</b>	<b>593.7</b>	<b>1,037.1</b>

### 3. The cost of delivering services

#### Introduction

This section provides an account of the expenses incurred by the department in delivering services and outputs. In Section 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded. Section 4 discloses aggregated information in relation to the income and expenses by output.

#### Structure

- 3.1 Expenses incurred in delivery of services
  - 3.1.1 Employee benefits
  - 3.1.2 Grants and other expense transfers
  - 3.1.3 Capital asset charge
  - 3.1.4 Fair value of assets and services provided free of charge or for nominal consideration
  - 3.1.5 Other operating expenses
  - 3.1.6 Other property management expenses

#### 3.1 Expenses incurred in delivery of services

	Note	2017 \$M	2016 \$M
Employee expenses	3.1.1	1,260.3	1,191.2
Grants and other expense transfers	3.1.2	13,163.2	11,916.6
Capital asset charge	3.1.3	1,116.7	1,016.8
Maintenance		192.2	200.1
Fair value of assets and services provided free of charge or for nominal consideration	3.1.4	209.6	11.9
Other operating expenses	3.1.5	528.4	490.2
Other property management expenses	3.1.6	198.4	210.1
<b>Total expenses incurred in delivery of services</b>		<b>16,668.8</b>	<b>15,036.9</b>

#### 3.1.1 (a) Employee benefits – comprehensive operating statement

	2017 \$M	2016 \$M
Defined contribution superannuation expense	81.0	75.3
Defined benefit superannuation expense	13.9	13.3
Termination benefits	0.9	2.3
Salaries and wages, annual leave and long service leave	1,164.5	1,100.3
<b>Total employee expenses</b>	<b>1,260.3</b>	<b>1,191.2</b>

Employee expenses include all costs related to employment including salaries and wages, leave entitlements, fringe benefits tax, redundancy payments and WorkCover premiums.

The amount recognised in the comprehensive operating statement 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. Excluding former employees of the Director of Housing, the department 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 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 (on behalf of the State as the sponsoring employer).

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the department is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

### 3.1.1 (b) Employee benefits in the balance sheet

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	2017 \$M	2016 \$M
<b>Current provisions:</b>		
Salaries and wages	15.6	13.0
Annual leave		
Unconditional and expected to be settled within 12 months	67.0	67.4
Unconditional and expected to be settled after 12 months	31.6	32.9
Maternity leave		
Unconditional and expected to be settled within 12 months	6.2	–
Long service leave		
Unconditional and expected to be settled within 12 months	21.0	22.3
Unconditional and expected to be settled after 12 months	146.7	150.8
Superannuation		
Unconditional and expected to be settled within 12 months	2.9	3.0
Provisions for on-costs		
Unconditional and expected to be settled within 12 months	16.1	16.3
Unconditional and expected to be settled after 12 months	32.3	33.4
<b>Total current provisions for employee benefits</b>	<b>339.3</b>	<b>339.2</b>
<b>Non-current provisions:</b>		
Conditional long service leave entitlements	19.8	22.2
Superannuation	32.7	35.4
Provisions for on-costs	3.6	4.0
<b>Total non-current provisions for employee benefits</b>	<b>56.0</b>	<b>61.6</b>
<b>Total provisions for employee benefits</b>	<b>395.4</b>	<b>400.9</b>

#### Reconciliation of movement in on-cost provision

	2017 \$M
<b>Opening balance</b>	<b>52.8</b>
Additional provisions recognised	1.7
Unwind of discount and effect of changes in the discount rate	(1.5)
Reduction due to transfer out	(2.1)
<b>Closing balance</b>	<b>50.9</b>
Current	47.4
Non-current	3.6

**Wages and salaries, annual leave and sick leave:** Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the provisions for employee benefits as 'current liabilities', because the State does not have an unconditional right to defer settlement of these liabilities.

The liability for salaries and wages is recognised in the balance sheet at remuneration rates which are current at the reporting date. As the department expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as the department does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

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 in the Statement of Comprehensive Income as it is taken.

Employment on-costs such as payroll tax, 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.

**Unconditional LSL** is disclosed as a current liability; even where the department 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.

The components of this current LSL liability are measured at present value because the department does not expect to wholly settle within 12 months.

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

Any gain or loss following the revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

### Superannuation

The department reports a liability for unfunded superannuation in respect of former employees of the Director of Housing for the shortfall of superannuation benefits paid to former housing staff who retired or resigned on or before 14 December 1987 or were employed by the Director of Housing as at 14 December 1987 and retired or resigned prior to or on 30 June 1994.

This liability represents the shortfall between the total net assets of the superannuation fund at 30 June 2017 and the total benefits that members have accrued up to that date, determined by an actuarial assessment. Information relating to the fund based on the latest actuarial assessment for 30 June 2017 is set out below. The amount expensed in respect of unfunded superannuation represents the contributions made by the department to the superannuation fund, adjusted by the movement in the liability or asset.

	2017 \$M	2016 \$M
<b>Reconciliation of the superannuation liability in the balance sheet</b>		
Defined benefit obligation	35.6	38.5
<b>Net liability/(asset)</b>	<b>35.6</b>	<b>38.5</b>
<b>Total obligation and liability in the balance sheet</b>	<b>35.6</b>	<b>38.5</b>
<b>Represented by:</b>		
Current liability	2.9	3.0
Non-current liability	32.7	35.5
<b>Total liability</b>	<b>35.6</b>	<b>38.5</b>
<b>Principal actuarial assumptions</b>		
Discount rate	2.8%	2.7%
Expected return on plan assets	7.0%	7.0%
Expected rate of salary increase	3.4%	3.3%
Inflation	1.9%	1.8%

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each asset class and allowing for the correlations of the investment returns between asset classes. The returns used for each asset class are net of investment tax (where applicable) and investment fees.

### Reconciliation of opening and closing balances of the present value of the defined benefit obligation

Movements in the present value of the defined benefit obligations in the current period were as follows:

	2017 \$M	2016 \$M
<b>Opening balance of defined benefit obligation</b>	<b>38.4</b>	<b>41.3</b>
Interest cost	1.0	1.3
Actuarial losses/(gains)	(0.9)	(0.9)
Benefits paid	(3.0)	(3.2)
<b>Closing balance of defined benefit obligation</b>	<b>35.6</b>	<b>38.4</b>

### Reconciliation of opening and closing balances of the fair value of plan assets

Movements in the present value of the plan assets in the current period were as follows:

	2017 \$M	2016 \$M
Contributions from the employer	3.0	3.2
Benefits paid	(3.0)	(3.2)
<b>Closing balance of plan assets</b>	<b>–</b>	<b>–</b>
<b>Superannuation expense recognised in the comprehensive operating statement</b>		
Interest cost	1.0	1.3
Actuarial losses/(gains)	(0.9)	(0.9)
<b>Total expense recognised in respect of defined benefit plans</b>	<b>0.1</b>	<b>0.4</b>

Net actuarial gains or losses reflect the change in superannuation liability that arises due to differences between the assumptions used to calculate the superannuation expense from transactions and actual outcomes. The effect of any change in actuarial assumptions during the period is also included. Net actuarial gains or losses are recognised in the period in which they occur.

### 3.1.1 (c) Superannuation contributions

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

As noted before, other than former employees of the Director of Housing, the defined benefit liability is recognised in the Department of Treasury and Finance as an administered liability. However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the department.

	Paid contribution for the year		Contribution outstanding at year end	
	2017 \$M	2016 \$M	2017 \$M	2016 \$M
<b>Defined benefit plans</b>				
State superannuation fund	9.2	12.6	3.0	–
Other	0.4	0.7	1.4	–
<b>Defined contribution plans</b>				
VicSuper	58.9	57.4	–	–
Other	22.1	17.9	–	–
<b>Total</b>	<b>90.6</b>	<b>88.7</b>	<b>4.4</b>	<b>–</b>

### 3.1.2 Grants and other expense transfers

	2017 \$M	2016 \$M
State contributions to the Administrator of the Victoria Health Funding Pool	4,272.4	4,090.9
<b>Public hospitals</b>		
Monash Health	349.3	351.3
Melbourne Health	224.8	214.6
Eastern Health	178.0	172.3
Dental Health Services Victoria	176.9	165.2
Alfred Health	170.3	149.3
Albury Wodonga Health	130.9	124.2
Austin Health	113.5	112.6
Barwon Health	111.1	111.3
Ballarat Health Services	109.3	110.5
Peninsula Health	92.1	97.3
Bendigo Health Care Group	678.3	85.2
Peter MacCallum Cancer Centre	179.0	75.9
Western Health	75.9	66.6
Latrobe Regional Hospital	92.1	58.4
The Royal Children's Hospital	54.7	57.9
Northern Health	58.1	55.1
The Royal Women's Hospital	49.2	46.7
Goulburn Valley Health	47.6	39.3
South West Healthcare	32.5	38.2
The Royal Victorian Eye and Ear Hospital	27.2	20.5
West Wimmera Health Service	20.9	20.0
East Wimmera Health Service	15.8	15.6
Djerriwarrh Health Services	14.3	14.7
Western District Health Service	12.6	14.3
Alpine Health	13.1	13.8
Seymour Health	13.9	13.6
Hepburn Health Service	13.6	13.0
Bass Coast Health	11.7	12.4
Kilmore and District Hospital	13.3	12.2
Wimmera Health Care Group	11.9	11.6
Northeast Health Wangaratta	12.5	11.5
Yarrawonga Health	10.6	11.3
West Gippsland Healthcare Group	12.0	10.8
Rural Northwest Health	10.9	10.4

	2017 \$M	2016 \$M
Central Gippsland Health Service	10.6	9.3
The Queen Elizabeth Centre	10.3	9.6
Numurkah District Health Service	10.0	9.9
Other public hospitals with payments totalling less than \$10 million	255.3	286.9
	<b>7,696.1</b>	<b>6,744.3</b>
<b>Denominational hospitals</b>		
St Vincent's Hospital Melbourne Limited	109.4	104.2
Mercy Hospitals Victoria Limited	42.3	35.2
Other denominational hospitals with payments totalling less than \$10 million	8.2	6.4
	<b>159.8</b>	<b>145.7</b>
<b>Ambulance services</b>		
Ambulance Victoria	710.8	492.8
	<b>710.8</b>	<b>492.8</b>
<b>Other state government agencies</b>		
Victorian Institute of Forensic Mental Health	52.4	45.9
Victorian Health Promotion Foundation	38.4	37.7
Health Purchasing Victoria	15.2	13.0
Other state government agencies with payments totalling less than \$10 million	55.3	25.6
	<b>161.2</b>	<b>122.2</b>
<b>Local councils</b>		
City of Greater Bendigo	5.5	21.1
City of Greater Geelong	5.1	16.4
City of Kingston	5.2	15.1
Casey City Council	5.9	12.9
City of Greater Dandenong	4.5	11.0
Other local councils with payments totalling less than \$10 million	129.9	273.3
	<b>156.2</b>	<b>349.8</b>
<b>Commonwealth Government</b>		
National Disability Insurance Agency	59.6	73.8
Department of Health	111.8	-
	<b>171.4</b>	<b>73.8</b>
<b>Non-government agencies and individuals</b>		
National Blood Authority	93.4	94.9
Anglicare Victoria	88.9	78.3
Uniting Church in Australia Property Trust (Victoria)	86.9	83.6
Salvation Army Property Trust	84.7	73.9
Berry Street Victoria Incorporated	79.2	72.0
Yooralla	77.6	77.3
Moira Inc	69.7	65.8
Scope Vic Ltd	66.7	64.6
MacKillop Family Services Limited	52.8	46.2
Launch Housing	49.7	30.9
Breastscreen Victoria Inc	43.3	42.4
Wesley Mission Victoria	42.4	42.7
CoHealth Ltd	39.9	41.7
Eastern Access Community Health Inc	38.3	37.8
Melbourne City Mission	37.7	35.8
Australian Community Support Organisation	31.4	28.5
Oncall Personnel	29.8	20.2
Victorian Aboriginal Child Care Agency Co-Operative	29.3	21.1
YSAS Pty Ltd	26.3	23.3
Royal District Nursing Service	25.5	98.2
Neami Limited	24.6	22.4
Villa Maria Society	23.4	24.6
Latrobe Community Health Service	22.9	26.6

	2017 \$M	2016 \$M
MIND Australia	21.3	20.7
Inner South Community Health Service	19.9	19.9
Supported Housing Ltd	19.6	2.0
EW Tipping Foundation Inc	18.4	18.2
St Vincent de Paul Society Victoria	18.0	11.2
OzChild (Children Australia Inc)	17.8	13.4
Women's Health Victoria Inc	17.2	14.1
Isis Primary Care Ltd	17.0	22.9
Loddon Mallee Housing Services	17.0	11.2
Victorian Cytology Service Inc	16.3	15.3
St John of God Health Care	15.7	18.8
Victorian Person Centred Services	15.3	17.2
The University of Melbourne	15.2	18.8
Wayss Ltd	14.5	13.9
Child and Family Services Ballarat	14.2	12.8
Kindilan Society	14.1	13.0
Merri Community Health Services Limited	14.1	16.6
The Walter and Eliza Hall Institute of Medical Research	13.7	13.6
Barwon Child Youth and Family	13.3	11.5
Mildura Aboriginal Corporation	12.7	10.2
Melba Support Services	12.5	11.9
Odyssey House	12.5	11.8
Gippsland Lakes Community Health	12.3	11.1
Cancer Council Victoria	12.1	12.6
Quantum Support Services	12.0	8.9
Karingal	11.8	11.7
Wallara Australia	11.7	11.5
Mental Illness Fellowship Victoria	11.5	11.0
Care Connect Ltd	11.4	14.7
Community Housing Ltd	11.2	6.4
Eastern Regions Mental Health Association Inc	11.2	8.8
Annecto	11.1	10.9
Independence Australia	11.0	10.9
Autism Plus	10.9	9.0
Oakleigh Centre for Intellectually Disabled Citizens Inc	10.9	8.4
Australian Red Cross Blood Service Victoria	10.6	9.8
Port Phillip Housing Association Ltd	10.5	1.1
Junction Support Services Inc	10.0	9.2
Client/assistance payments to individuals	677.4	667.5
Other non-government agencies with payments totalling less than \$10 million	1,735.8	1,692.9
	<b>4,107.8</b>	<b>3,988.0</b>
<b>Total grants and other expense transfers</b>	<b>13,163.2</b>	<b>11,916.6</b>

Transactions in which the department provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant and other expense transfers'. Grants can either be operating or capital in nature.

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as grants, subsidies and other transfer payments to public and denominational hospitals, other state government agencies, local councils and non-government agencies and individuals and the State contribution to the National Health Funding Pool.

State funds in the National Health Funding Pool are paid to health agencies for Activity Based Funding initiatives. There are, however, a range of grant payments that remain out of scope for National Health Reform, such as aged care subsidies, home and community care payments and community based drug and alcohol services that continue to be paid directly to health agencies.

### 3.1.3 Capital asset charge

	2017 \$M	2016 \$M
Capital asset charge	1,116.7	1,016.8

A **capital asset charge** is a charge levied on the written down value of controlled non-current physical assets in a department's balance sheet. It aims to attribute to the department outputs, a cost of capital used in service delivery. Imposing this charge provides incentives for the department to identify and dispose of underutilised or surplus non-current physical assets.

The capital asset charge is calculated on the budgeted carrying amount of applicable non-financial physical assets.

### 3.1.4 Fair value of assets and services provided free of charge or for nominal consideration

	2017 \$M	2016 \$M
Land at fair value <sup>(i)</sup>	146.0	5.0
Buildings at fair value <sup>(ii)</sup>	63.4	1.3
Resources given free of charge	0.2	5.5
<b>Total fair value of assets and services provided free of charge or for nominal consideration</b>	<b>209.6</b>	<b>11.9</b>

Notes:

(i) 2017 figure includes the transfer of Director of Housing owned land of \$145 million to Aboriginal Housing Victoria.

(ii) 2017 figure includes the transfer of Director of Housing owned buildings of \$60.1 million to Aboriginal Housing Victoria.

**Contributions of resources provided free of charge or for nominal consideration** are recognised at their fair value when the recipient obtains control over the resources, irrespective of whether restrictions or conditions are imposed over the use of the contributions. The exception to this would be when the resource is received from another government department (or agency) as a consequence of a restructuring of administrative arrangements, in which case such a transfer will be recognised at its carrying value in the transferring department or agency.

Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

### 3.1.5 Other operating expenses

	2017 \$M	2016 \$M
Accommodation and property services	71.1	77.9
Administrative costs	219.1	188.9
Information, communications and technology costs	123.6	118.0
Medicines and drugs / pharmacy supplies	49.6	40.0
Direct care operating costs	65.0	62.5
Ex-gratia expense	–	2.8
<b>Total other operating expenses</b>	<b>528.4</b>	<b>490.2</b>

**Other operating expenses** generally represent the day-to-day running costs incurred in normal operations. It also includes bad debts expense from transactions that are mutually agreed.

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

### 3.1.6 Other property management expenses

	2017 \$M	2016 \$M
Rates to local authorities	113.7	116.3
Rental property lease expenses	12.2	13.2
Tenant utilities and other expenses	72.5	80.6
<b>Total other property management expenses</b>	<b>198.4</b>	<b>210.1</b>

**Other property management expenses** generally includes all costs and incidental expenses associated with the management of properties. The bulk of these expenses are rates and utilities.

Home finance operating costs which was previously reported as a separate line item, is now included in tenant utilities and other expenses.

## 4. Disaggregated financial information by output

### Introduction

The Department of Health and Human Services is predominantly funded by accrual-based parliamentary appropriations for the provision of outputs. This section provides a description of the departmental outputs delivered during the year ended 30 June 2017 along with the objectives of those outputs.

This section disaggregates revenue and expenses that enable the delivery of services (described in Section 2) by output and records the allocation of expenses incurred (described in Section 3) also by output, which form part of controlled balances of the department. It also provides information on items administered in connection with these outputs.

### Structure

- 4.1 Departmental outputs
  - 4.1.1 Descriptions and objectives
  - 4.1.2 Controlled income and expenses
- 4.2 Administered (non-controlled) items
  - 4.2.1 Administered income and expenses
  - 4.2.2 Administered assets and liabilities
- 4.3 Restructuring of administrative arrangements

### 4.1 Departmental outputs

#### 4.1.1 Departmental outputs – Descriptions and objectives

##### *Output group 1: Acute Health Services*

Acute Health Services outputs include a range of timely and high quality acute hospital inpatient, ambulatory, emergency, community-based and specialist services.

##### *Output group 2: Ambulance Services*

Ambulance Services outputs include emergency and non-emergency ambulance services.

##### *Output group 3: Mental Health*

Mental Health outputs include a range of inpatient, community-based residential and ambulatory services which treat and support people with a mental illness and their families and carers.

##### *Output group 4: Ageing, Aged and Home Care*

Ageing, Aged and Home Care outputs encompass leading and coordinating the whole of government policy on issues affecting our ageing community. It includes a range of in home, specialist geriatric, residential care and community based programs, such as Home and Community Care (HACC), that are targeted to older people, people with a disability, and their carers.

##### *Output group 5: Primary, Community and Dental Health*

Primary, Community and Dental Health outputs include a range of in home, community based, community, primary health and dental services designed to promote health and wellbeing and prevent the onset of more serious illnesses.

##### *Output group 6: Small Rural Services*

Small Rural Services includes a range of health and aged care services delivered in small rural towns. The funding and service delivery approach focuses on achieving a sustainable, flexible service mix that is responsive to local needs. Service providers include small rural hospitals, community health services, bush nursing centres, multi-purpose services and public sector residential aged care services.

##### *Output group 7: Public Health*

Public Health outputs encompass services and support, including screening for health conditions and safety inspections that promote and protect the health and wellbeing of all Victorians.

##### *Output group 8: Drug Services*

Drug Services outputs include programs and services aimed at promoting and protecting health by reducing death, disease and social harm caused by the use and misuse of licit and illicit drugs.

##### *Output group 9: Disability Services*

Disability Services outputs include provision of continuing care and support services for people with disabilities, their carers and their families, and aims to make a positive difference for Victorians experiencing disadvantage.

##### *Output group 10: Child Protection and Family Services*

Child Protection and Family Services outputs fund statutory child protection services, family support and parenting services, family violence and sexual assault services, adoption and placement care services and specialist support services to ensure the safety and wellbeing of adolescents and children at risk of harm, abuse and neglect.

*Output group 11: Youth Services and Youth Justice*

Youth Services and Youth Justice outputs fund a range of services including the provision of advice to courts, community-based and custodial supervision and youth services.

*Output group 12: Concessions to Pensioners and Beneficiaries*

Concessions to Pensioners and Beneficiaries outputs include the development and coordination of the delivery of concessions and relief grants to eligible consumers and concession card holders.

*Output group 13: Empowering Individuals and Communities*

Empowering Individuals and Communities outputs fund programs that support community participation including Neighbourhood Houses, Men's Sheds, community support projects and community sport and recreation and programs for youth and people with a disability.

*Output group 14: Housing Assistance*

Housing Assistance outputs include the provision of homelessness services, crisis and transitional accommodation and long-term adequate, affordable and accessible housing assistance, coordinated with support services where required, home renovation assistance and the management of the home loan portfolio.

*Output group 15: Shared Services*

Shared services reflect the range of corporate services that the department provides to the Department of Education and Training.

**4.1.2 Departmental outputs – Controlled income and expenses**

Output group <sup>(i)</sup>	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total <sup>(ii)</sup>
2017	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
<b>Income from transactions</b>																
Output appropriations	6,143.9	596.0	809.0	522.0	421.3	303.8	273.7	142.5	1,931.9	1,160.7	108.7	693.5	158.9	489.5	–	13,755.3
Special appropriations	1,062.9	59.2	42.8	25.2	49.2	9.0	14.0	7.8	63.9	–	–	–	–	0.4	–	1,334.5
Interest income	–	–	–	–	–	–	–	–	–	–	–	–	–	8.9	–	8.9
Rental income and income from services	–	–	–	–	–	–	–	–	–	–	–	–	–	479.9	1.0	480.9
Grants and other income transfers	224.1	–	328.6	1.4	7.0	85.7	128.9	45.8	4.6	12.2	0.2	–	20.0	30.5	–	889.2
Fair value of assets and services received free of charge or for nominal consideration	–	–	–	–	–	–	–	–	0.2	–	–	–	135.7	0.7	–	136.6
Other income	64.5	0.4	1.8	0.9	0.6	1.2	1.0	–	8.1	2.5	1.4	–	0.8	5.2	2.5	90.9
<b>Total income from transactions</b>	<b>7,495.4</b>	<b>655.6</b>	<b>1,182.2</b>	<b>549.4</b>	<b>478.2</b>	<b>399.6</b>	<b>417.7</b>	<b>196.2</b>	<b>2,008.6</b>	<b>1,175.4</b>	<b>110.3</b>	<b>693.5</b>	<b>315.4</b>	<b>1,015.1</b>	<b>3.5</b>	<b>16,696.3</b>
<b>Expenses from transactions</b>																
Employee expenses	106.3	2.6	28.6	19.3	13.0	7.7	45.2	9.6	552.6	294.8	55.0	6.6	16.1	101.9	1.1	1,260.3
Depreciation and amortisation	8.6	–	9.1	2.1	3.6	–	1.2	0.1	18.7	9.7	3.5	–	0.6	212.3	0.3	269.9
Interest expense	0.2	–	–	–	–	–	–	–	0.4	0.5	–	–	–	–	–	1.1
Maintenance	0.3	–	0.1	0.1	–	–	–	–	10.8	4.4	5.1	–	–	171.4	–	192.2
Grants and other expense transfers	6,653.4	632.1	1,042.5	408.5	412.6	320.1	235.8	176.0	1,274.0	750.0	18.8	683.4	143.4	430.2	–	13,180.8
Capital asset charge	843.5	19.6	67.9	50.8	26.4	35.8	2.5	2.3	38.0	14.4	7.9	–	7.7	–	–	1,116.7
Fair value of assets and services provided free of charge or for nominal consideration	–	–	–	0.3	–	–	–	–	0.2	–	–	–	–	209.1	–	209.6
Other operating expenses	121.4	1.5	11.4	13.0	6.8	3.1	76.9	8.2	114.4	94.6	18.0	3.4	7.4	46.6	1.4	528.4
Other property management expenses	–	–	–	–	–	–	–	–	–	0.1	0.4	–	–	197.9	–	198.4
<b>Total expenses from transactions</b>	<b>7,733.7</b>	<b>655.8</b>	<b>1,159.7</b>	<b>494.1</b>	<b>462.4</b>	<b>366.7</b>	<b>361.6</b>	<b>196.3</b>	<b>2,009.1</b>	<b>1,168.3</b>	<b>108.7</b>	<b>693.5</b>	<b>175.2</b>	<b>1,369.4</b>	<b>2.9</b>	<b>16,957.4</b>
<b>Net result from transactions (net operating balance)</b>	<b>(238.3)</b>	<b>(0.2)</b>	<b>22.5</b>	<b>55.4</b>	<b>15.7</b>	<b>32.9</b>	<b>56.2</b>	<b>(0.1)</b>	<b>(0.4)</b>	<b>7.1</b>	<b>1.6</b>	<b>–</b>	<b>140.2</b>	<b>(354.3)</b>	<b>0.7</b>	<b>(261.1)</b>
<b>Other economic flows included in net result</b>																
Net gain/(loss) on non-financial assets	–	–	–	–	(0.3)	–	0.1	–	(2.0)	0.3	–	–	–	(4.1)	–	(6.0)
Net gain/(loss) on financial instruments	1.0	–	0.1	0.1	0.1	0.1	–	–	0.1	–	–	–	–	–	–	1.5
Other gains/(losses) from other economic flows	5.3	0.2	0.8	0.4	0.3	0.5	0.3	0.1	2.3	(0.5)	0.4	–	0.1	(10.8)	–	(0.6)
<b>Total other economic flows included in net result</b>	<b>6.3</b>	<b>0.2</b>	<b>0.9</b>	<b>0.5</b>	<b>0.1</b>	<b>0.5</b>	<b>0.4</b>	<b>0.1</b>	<b>0.4</b>	<b>(0.2)</b>	<b>0.4</b>	<b>–</b>	<b>0.1</b>	<b>(14.9)</b>	<b>–</b>	<b>(5.1)</b>
<b>Net result</b>	<b>(232.0)</b>	<b>–</b>	<b>23.4</b>	<b>55.9</b>	<b>15.8</b>	<b>33.4</b>	<b>56.6</b>	<b>–</b>	<b>–</b>	<b>6.9</b>	<b>2.0</b>	<b>–</b>	<b>140.3</b>	<b>(369.2)</b>	<b>0.7</b>	<b>(266.2)</b>

Notes:

(i) Refer to Note 4.1.1 for output definitions.

(ii) Total amount may not agree with Comprehensive Operating Statement due to eliminations.

Output group <sup>(i)</sup> 2016	1 \$M	2 \$M	3 \$M	4 \$M	5 \$M	6 \$M	7 \$M	8 \$M	9 \$M	10 \$M	11 \$M	12 \$M	13 \$M	14 \$M	15 \$M	Total <sup>(ii)</sup> \$M
<b>Income from transactions</b>																
Output appropriations	5,378.9	503.1	760.3	1,002.9	385.2	320.1	247.1	91.0	1,694.6	1,000.3	152.5	704.9	200.6	460.4	–	12,901.7
Special appropriations	1,068.5	59.7	43.2	25.4	49.6	9.1	13.8	7.9	63.9	–	–	–	0.1	–	–	1,341.2
Interest income	–	–	–	–	–	–	–	–	–	–	–	–	–	9.4	–	9.4
Rental income and income from services	–	–	–	–	–	–	–	–	–	–	–	–	–	476.6	–	476.6
Grants and other income transfers	252.3	–	286.2	0.6	9.7	87.3	63.3	86.7	0.5	3.6	–	–	30.4	13.4	–	834.2
Fair value of assets and services received free of charge or for nominal consideration	8.6	–	–	–	–	–	–	–	3.0	–	–	–	–	2.0	–	13.6
Other income	20.7	0.3	1.3	0.6	0.5	0.8	1.7	–	6.8	2.4	1.3	–	2.0	326.5	2.4	367.3
<b>Total income from transactions</b>	<b>6,729.0</b>	<b>563.1</b>	<b>1,090.9</b>	<b>1,029.5</b>	<b>445.0</b>	<b>417.3</b>	<b>325.8</b>	<b>185.6</b>	<b>1,768.8</b>	<b>1,006.3</b>	<b>153.8</b>	<b>704.9</b>	<b>233.2</b>	<b>1,288.3</b>	<b>2.4</b>	<b>15,943.9</b>
<b>Expenses from transactions</b>																
Employee expenses	83.1	1.3	23.7	23.9	11.5	3.2	39.2	9.2	535.8	266.3	73.1	6.4	15.7	97.5	1.3	1,191.2
Depreciation and amortisation	15.6	–	4.8	2.4	3.7	(0.1)	1.2	0.1	22.0	11.2	6.1	0.1	0.7	212.6	0.2	280.6
Interest expense	–	0.1	0.3	0.3	–	0.1	0.4	–	(0.5)	(0.4)	–	–	–	–	–	0.3
Maintenance	0.5	–	0.1	0.1	–	–	–	–	13.4	4.4	4.9	–	–	176.8	–	200.1
Grants and other transfers	5,634.2	520.6	953.9	868.7	361.1	332.1	217.0	162.7	1,036.5	625.4	29.9	694.1	203.1	279.4	–	11,918.6
Capital asset charge	747.7	17.7	65.5	50.8	26.5	35.8	2.5	2.3	38.0	13.1	10.3	–	6.6	–	–	1,016.8
Fair value of assets and services provided free of charge or for nominal consideration	2.5	–	–	–	6.4	–	–	–	4.9	–	–	–	–	–	–	13.9
Other operating expenses	112.8	0.9	9.4	16.4	5.4	2.6	60.4	6.3	111.2	83.7	28.8	4.3	6.9	40.1	0.9	490.2
Other property management expenses	–	–	–	–	–	–	–	–	–	–	–	–	–	210.1	–	210.1
<b>Total expenses from transactions</b>	<b>6,596.4</b>	<b>540.6</b>	<b>1,057.6</b>	<b>962.6</b>	<b>414.5</b>	<b>373.6</b>	<b>320.7</b>	<b>180.6</b>	<b>1,761.5</b>	<b>1,003.7</b>	<b>153.0</b>	<b>704.8</b>	<b>233.0</b>	<b>1,016.5</b>	<b>2.4</b>	<b>15,321.8</b>
<b>Net result from transactions (net operating balance)</b>	<b>132.5</b>	<b>22.4</b>	<b>33.3</b>	<b>66.9</b>	<b>30.5</b>	<b>43.7</b>	<b>5.1</b>	<b>5.0</b>	<b>7.3</b>	<b>2.6</b>	<b>0.8</b>	<b>0.1</b>	<b>0.2</b>	<b>271.8</b>	<b>–</b>	<b>622.1</b>
<b>Other economic flows included in net result</b>																
Net gain/(loss) on non-financial assets	(0.5)	–	–	–	–	–	0.1	–	(0.8)	1.0	0.2	–	–	0.9	–	0.9
Net gain/(loss) on financial instruments	0.4	–	–	–	–	–	–	–	0.2	–	–	–	–	–	–	0.6
Other gains/(losses) from other economic flows	(3.7)	(0.3)	(0.4)	(0.2)	(0.1)	0.1	(0.4)	(0.1)	(5.7)	(3.4)	(0.9)	(0.1)	(0.2)	(6.7)	–	(22.1)
<b>Total other economic flows included in net result</b>	<b>(3.8)</b>	<b>(0.3)</b>	<b>(0.4)</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>0.1</b>	<b>(0.3)</b>	<b>(0.1)</b>	<b>(6.3)</b>	<b>(2.4)</b>	<b>(0.7)</b>	<b>(0.1)</b>	<b>(0.2)</b>	<b>(5.8)</b>	<b>–</b>	<b>(20.6)</b>
<b>Net result</b>	<b>128.7</b>	<b>22.1</b>	<b>32.9</b>	<b>66.7</b>	<b>30.4</b>	<b>43.8</b>	<b>4.8</b>	<b>4.9</b>	<b>1.1</b>	<b>0.2</b>	<b>–</b>	<b>0.1</b>	<b>–</b>	<b>266.0</b>	<b>–</b>	<b>601.5</b>

Notes:

(i) Refer to Note 4.1.1 for output definitions.

(ii) Total amount may not agree with Comprehensive Operating Statement due to eliminations.

## 4.2 Administered (non-controlled) items

### 4.2.1 Administered income and expenses

Administered income includes taxes, fees and fines and the proceeds from the sale of administered surplus land and buildings. Administered expenses includes payments made on behalf of the State and payments into the consolidated fund. Administered assets include government income earned but yet to be collected. Administered liabilities include government expenses incurred but yet to be paid. Except as otherwise disclosed, administered resources are accounted for on an accrual basis using same accounting policies adopted for recognition of the departmental items in the financial statements. Both the controlled department financial statements and these administered items are consolidated into the financial statements of the State.

The department does not gain control over assets arising from taxes, fines and regulatory fees, consequently no income is recognised in the department's financial statements. The department collects these amounts on behalf of the State. Accordingly, the amounts are disclosed as income in the schedule of Administered Items.

(a) Output group <sup>(i)(ii)</sup>	1	2	3	4	5	6	7	8	9	10	11	12	13	14	Total
2017	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
<b>Administered income from transactions</b>															
Commonwealth contribution to the national health reform	4,062.1	–	453.8	–	9.5	102.2	46.8	47.8	–	–	–	–	–	–	4,722.1
State contribution to the national health reform	4,102.8	–	169.5	–	–	–	–	–	–	–	–	–	–	–	4,272.4
State contribution to the National Disability Insurance Agency	–	–	–	–	–	–	–	–	120.5	–	–	–	–	–	120.5
Commonwealth grants	8.1	–	–	67.5	–	–	0.1	–	–	2.5	–	–	0.1	–	78.2
Sales of goods and services	281.6	–	14.2	1.6	3.6	–	–	0.6	37.3	–	–	–	0.1	–	339.0
Appropriations – payments made on behalf of the State	–	–	–	–	–	–	–	–	–	–	–	–	0.1	–	0.1
Interest income	1.1	–	–	–	–	–	–	–	(0.1)	–	–	–	–	–	1.0
Fees	–	–	–	–	–	–	8.9	0.6	–	–	–	–	–	–	9.5
Grants and other income transfers	46.1	–	–	–	3.3	–	–	–	26.2	0.1	–	0.6	–	–	76.3
Other	21.3	–	0.1	–	–	–	0.2	–	0.3	0.3	–	0.4	0.3	–	23.0
<b>Total administered income from transactions</b>	<b>8,523.2</b>	<b>–</b>	<b>637.6</b>	<b>69.1</b>	<b>16.4</b>	<b>102.2</b>	<b>55.9</b>	<b>49.1</b>	<b>184.2</b>	<b>2.9</b>	<b>–</b>	<b>1.0</b>	<b>0.6</b>	<b>–</b>	<b>9,642.1</b>
<b>Administered expenses from transactions</b>															
Grants and other expense transfers	7,995.9	–	331.8	–	–	–	–	–	145.9	–	–	0.6	0.1	–	8,474.2
Other operating expenses	0.3	–	0.1	–	–	–	0.2	–	0.3	0.4	–	–	0.1	–	1.4
Payments into the consolidated fund	308.6	–	14.5	71.4	6.9	–	9.6	1.2	40.3	3.0	–	0.4	0.2	–	456.0
Payment to the departmental controlled entity	213.1	–	291.5	–	9.5	102.2	46.8	47.8	–	–	–	–	–	–	710.8
<b>Total administered expenses from transactions</b>	<b>8,517.9</b>	<b>–</b>	<b>637.8</b>	<b>71.4</b>	<b>16.4</b>	<b>102.2</b>	<b>56.6</b>	<b>49.1</b>	<b>186.5</b>	<b>3.4</b>	<b>–</b>	<b>1.0</b>	<b>0.3</b>	<b>–</b>	<b>9,642.3</b>
<b>Total administered net result from transactions</b>	<b>5.3</b>	<b>–</b>	<b>(0.2)</b>	<b>(2.3)</b>	<b>–</b>	<b>–</b>	<b>(0.6)</b>	<b>–</b>	<b>(2.3)</b>	<b>(0.4)</b>	<b>–</b>	<b>–</b>	<b>0.3</b>	<b>–</b>	<b>(0.2)</b>

<b>(a) Output group <sup>(i)(ii)</sup></b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>Total</b>
<b>2017</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>
<b>Administered other economic flows included in net result</b>															
Net gain/(loss) on non-financial assets and liabilities	–	–	0.2	(26.5)	(1.5)	–	0.6	–	2.4	0.4	–	–	–	–	(24.3)
Other gains/(losses) from other economic flows	–	–	–	(0.4)	–	–	–	–	(0.3)	–	–	–	–	–	(0.7)
<b>Total administered other economic flows</b>	<b>–</b>	<b>–</b>	<b>0.2</b>	<b>(26.9)</b>	<b>(1.5)</b>	<b>–</b>	<b>0.6</b>	<b>–</b>	<b>2.2</b>	<b>0.4</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(25.0)</b>
<b>Administered net result</b>	<b>5.3</b>	<b>–</b>	<b>–</b>	<b>(29.2)</b>	<b>(1.5)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(0.1)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>0.3</b>	<b>–</b>	<b>(25.2)</b>

Notes:

(i) Refer to Note 4.1.1 for output group definitions

(ii) Output group 15: Share Services is not applicable for administered activities.

<b>(a) Output group <sup>(i)(ii)</sup></b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>Total</b>
<b>2016</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>
<b>Administered income from transactions</b>															
Commonwealth contribution to the national health reform	3,585.0	–	408.0	–	9.9	93.2	36.7	47.5	–	–	–	–	–	–	4,180.4
State contribution to the national health reform	3,918.6	–	172.3	–	–	–	–	–	–	–	–	–	–	–	4,090.9
Commonwealth grants	10.1	–	–	27.9	–	–	0.1	–	–	1.2	1.3	–	0.1	–	40.6
Sales of goods and services	286.9	–	14.7	2.4	3.6	–	–	0.6	27.4	0.1	–	–	–	–	335.7
Interest income	0.9	–	–	–	–	–	–	–	–	–	–	–	–	–	0.9
Fees	–	–	–	–	–	–	8.6	0.6	–	–	–	–	–	–	9.1
Grants and other income transfers	50.9	–	–	–	0.1	–	–	–	–	–	–	1.1	–	–	52.2
Other	36.3	–	0.1	–	1.1	–	0.2	–	0.4	0.3	0.2	2.1	0.1	–	40.7
<b>Total administered income from transactions</b>	<b>7,888.8</b>	<b>–</b>	<b>595.1</b>	<b>30.4</b>	<b>14.6</b>	<b>93.2</b>	<b>45.5</b>	<b>48.7</b>	<b>27.8</b>	<b>1.5</b>	<b>1.5</b>	<b>3.2</b>	<b>0.2</b>	<b>–</b>	<b>8,750.7</b>
<b>Administered expenses from transactions</b>															
Grants and other expense transfers	7,337.4	–	318.2	–	–	–	–	–	–	–	–	1.1	–	–	7,656.8
Other operating expenses	0.3	–	0.1	–	–	–	0.2	–	0.3	0.3	0.1	0.1	0.1	–	1.3
Payments into the consolidated fund	342.4	(0.3)	15.0	30.5	4.7	–	8.8	1.2	30.1	1.3	1.0	1.6	0.2	–	436.4
Payment to the departmental controlled entity	249.2	–	262.1	–	9.9	93.2	36.7	47.5	–	–	–	–	–	–	698.7
<b>Total administered expenses from transactions</b>	<b>7,929.4</b>	<b>(0.3)</b>	<b>595.4</b>	<b>30.5</b>	<b>14.7</b>	<b>93.2</b>	<b>45.7</b>	<b>48.8</b>	<b>30.3</b>	<b>1.6</b>	<b>1.0</b>	<b>2.7</b>	<b>0.2</b>	<b>–</b>	<b>8,793.1</b>

<b>(a) Output group <sup>(i)(ii)</sup></b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>Total</b>
<b>2016</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>
<b>Total administered net result from transactions</b>	<b>(40.6)</b>	<b>0.3</b>	<b>(0.3)</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>–</b>	<b>(0.2)</b>	<b>–</b>	<b>(2.5)</b>	<b>–</b>	<b>0.4</b>	<b>0.5</b>	<b>–</b>	<b>–</b>	<b>(42.5)</b>
<b>Administered other economic flows included in net result</b>															
Net gain/(loss) on non-financial assets and liabilities	0.5	(0.3)	–	–	–	–	–	–	2.0	–	–	–	–	–	2.2
Other gains/(losses) from other economic flows	–	–	–	–	–	–	–	–	(0.1)	–	–	–	–	–	(0.1)
<b>Total administered other economic flows</b>	<b>0.5</b>	<b>(0.3)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1.9</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2.1</b>
<b>Administered net result</b>	<b>(40.1)</b>	<b>–</b>	<b>(0.3)</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>–</b>	<b>(0.2)</b>	<b>–</b>	<b>(0.6)</b>	<b>–</b>	<b>0.4</b>	<b>0.5</b>	<b>–</b>	<b>–</b>	<b>(40.4)</b>

Notes:

(i) Refer to Note 4.1.1 for output group definitions

(ii) Output group 15: Share Services is not applicable for administered activities.

**4.2.1 Administered income and expenses**

	2017 \$M	2016 \$M
<b>(b) Grants and other expense transfers</b>		
<b>Public hospitals</b>		
Monash Health	1,112.0	1,032.0
Alfred Health	666.0	613.5
Eastern Health	641.8	596.4
Melbourne Health	578.2	530.0
Western Health	563.6	516.7
Austin Health	540.4	505.3
Barwon Health	396.6	362.0
Royal Children's Hospital	372.2	361.7
St Vincent's Hospital (Melbourne) Limited	372.8	350.9
Peninsula Health	386.1	343.4
Northern Health	369.6	331.6
Mercy Hospitals Victoria Limited	263.2	242.3
Ballarat Health Services	216.4	194.5
Bendigo Health Care Group	214.7	184.7
Royal Women's Hospital	192.4	182.8
Latrobe Regional Hospital	147.1	136.2
Goulburn Valley Health	136.0	126.3
South West Healthcare	102.2	95.9
Peter MacCallum Cancer Centre	116.0	93.6
Albury Wodonga Health	99.6	93.4
Ramsay Health Care Limited	87.9	80.8
Northeast Health Wangaratta	86.7	76.6
Royal Victorian Eye and Ear Hospital	81.7	73.5
West Gippsland Health Care Group	62.6	54.7
Central Gippsland Health Service	49.7	48.4
Bairnsdale Regional Health Service	50.9	46.7
Wimmera Health Care Group	49.8	45.3
Echuca Regional Health	40.3	39.2
Djerriwarrh Health Services	41.5	38.2
Western District Health Service	34.0	32.0
Swan Hill District Health	31.6	28.5
Bass Coast Regional Health	36.4	28.1
Calvary Health Care Bethlehem Limited	18.6	21.9
Portland District Health	24.4	21.7
Colac Area Health	20.7	20.8
Castlemaine Health	22.4	19.6
Gippsland Southern Health Service	16.6	16.4
Benalla Health	17.5	16.3
East Grampians Health Service	16.3	14.9
Maryborough District Health Service	16.0	14.8
Stawell Regional Health	13.3	12.4
Kyabram District Health Services	12.7	11.9
	8,318.5	7,655.9
<b>Commonwealth Government</b>		
National Disability Insurance Agency	145.9	–
Cross Border payment to NSW Health	9.2	–
Other organisations with payments totalling less than \$10 million	0.6	0.9
<b>Total grants and other expense transfers</b>	<b>8,474.2</b>	<b>7,656.8</b>

#### 4.2.2 Administered assets and liabilities

	2017 \$M	2016 \$M
<b>Administered assets</b>		
<b>Financial assets</b>		
Trust funds	4.3	1.6
Receivables	41.3	7.8
Loans	3.3	3.3
Future service potential <sup>(i)</sup>	3.7	9.8
<b>Total administered assets</b>	<b>52.6</b>	<b>22.5</b>
<b>Administered liabilities</b>		
<b>Financial liabilities</b>		
Building redevelopment <sup>(i)</sup>	3.7	9.8
Amounts payable to the consolidated fund	12.8	7.7
Payables	28.5	0.1
Other	7.6	4.9
<b>Total administered liabilities</b>	<b>52.6</b>	<b>22.5</b>
<b>Total administered net assets</b>	<b>–</b>	<b>–</b>

Note:

- (i) On behalf of the Department of Treasury and Finance, the department administers funding provided under a Health Service Agreement for building redevelopment at St Vincent's Hospital of \$3.7 million (2016: \$9.8 million).

#### 4.3 Restructuring of administrative arrangements

In February 2017, the Victorian Government announced that the Youth Services and Youth Justice output would be transferred from the department (as transferor) to the Department of Justice and Regulation (as transferee), taking effect from 1 April 2017. The combined income and expenses for the Youth Services and Youth Justice output from 1 April 2017 are reported by the Department of Justice and Regulation. The net asset transfers were treated as a contribution of capital by the State.

	2017 Transfer out: Output – Youth Services and Youth Justice \$M
<b>Assets</b>	
Cash and deposits	0.3
Receivables	14.9
Property, plant and equipment	219.7
<b>Liabilities</b>	
Borrowings	1.8
Provisions	14.9
<b>Net assets recognised/(transferred)</b>	<b>218.2</b>
<b>Net capital contribution from the Crown</b>	<b>218.2</b>

## 5. Key assets available to support output delivery

### Introduction

The Department of Health and Human Services 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 department to be utilised for delivery of those outputs.

### Structure

- 5.1 Property, plant and equipment
  - 5.1.1 Depreciation and impairment
  - 5.1.2 Carrying values by purpose groups
  - 5.1.3 Reconciliation of movements in carrying values
- 5.2 Intangible assets
- 5.3 Investments accounted for using the equity method
  - 5.3.1 Details of joint venture

### 5.1 Total property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2017 \$M	2016 \$M	2017 \$M	2016 \$M	2017 \$M	2016 \$M
Land at fair value	16,839.6	15,163.2	–	–	16,839.6	15,163.2
Buildings at fair value	9,650.5	9,754.4	(605.2)	(385.3)	9,045.3	9,369.0
Plant, equipment and vehicles at fair value	91.1	92.0	(33.1)	(28.8)	58.0	63.2
Assets under construction at cost	195.9	94.2	–	–	195.9	94.2
<b>Net carrying amount</b>	<b>26,777.1</b>	<b>25,103.8</b>	<b>(638.3)</b>	<b>(414.1)</b>	<b>26,138.8</b>	<b>24,689.6</b>

### Initial recognition

Items of property, plant and equipment, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal consideration, the cost is the asset's fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

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.

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives.

The initial cost of non-financial physical assets under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Also noted that certain assets are acquired under finance leases, which may form part of a service concession arrangement (Public Private Partnership).

### Subsequent measurement:

Property, plant and equipment are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised below by asset category.

**Non-specialised land and non-specialised buildings** are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

**Specialised land and specialised buildings:** The market approach is used for specialised land, although it may be adjusted for a community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants.

For the majority of the department's specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciation.

**Vehicles** are valued using the depreciated replacement cost method. The department acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in the department who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Fair value for **plant and equipment** is determined using the depreciated replacement cost method.

Refer to Note 8.3 for additional information on fair value determination of property, plant and equipment.

### 5.1.1 Depreciation and impairment

#### Charge for the period

	2017 \$M	2016 \$M
Buildings	231.5	237.3
Health and Welfare	29.4	36.2
Public Administration	0.6	0.6
Youth Justice	2.6	3.4
Community Housing	198.9	197.3
Plant, equipment and vehicles	4.4	6.0
Health and Welfare	4.0	5.8
Community Housing	0.4	0.2
Intangible assets	21.2	24.1
Health and Welfare	6.4	6.8
Community Housing	14.8	17.3
Motor vehicles under finance lease	14.6	15.4
Health and Welfare	14.6	15.4
<b>Aggregate depreciation and amortisation allocated</b>	<b>271.7</b>	<b>282.8</b>
Less depreciation and amortisation capitalised to carrying amount of other assets during the year	(1.8)	(2.1)
<b>Total depreciation and amortisation</b>	<b>269.8</b>	<b>280.7</b>

All buildings, plant, equipment, vehicles and other non-current physical assets that have finite useful lives are depreciated. The exceptions to this rule include items under operating leases, assets held for sale and land.

Depreciation is calculated on a straight line basis at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset class	Useful life
Buildings	5 to 60 years
Plant, equipment and vehicles	3 to 10 years
Intangible assets	4 to 8 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

In the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced (unless a specific decision to the contrary has been made). Land, which is considered to have an indefinite life, is not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

**Impairment:** Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired.

The assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an 'other economic flow', except to the extent that it can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

5.1.2 Carrying values by 'purpose groups' <sup>(i)</sup>

Nature based classification	Health and Welfare		Youth Justice		Community Housing		Public Administration		Total	
	2017 \$M	2016 \$M	2017 \$M	2016 \$M	2017 \$M	2016 \$M	2017 \$M	2016 \$M	2017 \$M	2016 \$M
<b>Land at fair value</b>										
Rental property	–	–	–	–	15,979.5	14,298.9	–	–	15,979.5	14,298.9
Community services	853.3	775.5	–	86.1	–	–	8.8	6.6	862.1	868.2
<i>Less allowance for Shared Home Ownership Scheme equity conversion</i>	–	–	–	–	(2.0)	(3.9)	–	–	(2.0)	(3.9)
<b>Total land at fair value</b>	<b>853.3</b>	<b>775.5</b>	<b>–</b>	<b>86.1</b>	<b>15,977.5</b>	<b>14,295.0</b>	<b>8.8</b>	<b>6.6</b>	<b>16,839.6</b>	<b>15,163.2</b>
<b>Buildings at fair value</b>										
Rental property	–	–	–	–	8,856.5	8,855.5	–	–	8,856.5	8,855.5
Other property – regional offices	–	–	–	–	3.5	3.5	–	–	3.5	3.5
Community services	769.5	756.0	–	126.6	–	–	24.8	14.7	794.3	897.3
<i>Less accumulated depreciation</i>	(117.9)	(88.7)	–	(3.5)	(487.3)	(292.3)	–	(0.8)	(605.2)	(385.3)
<i>Less allowance for Shared Home Ownership Scheme equity conversion</i>	–	–	–	–	(3.8)	(1.9)	–	–	(3.8)	(1.9)
<b>Total buildings at fair value</b>	<b>651.6</b>	<b>667.3</b>	<b>–</b>	<b>123.2</b>	<b>8,368.8</b>	<b>8,564.7</b>	<b>24.8</b>	<b>13.9</b>	<b>9,045.2</b>	<b>9,369.0</b>
<b>Plant, equipment and vehicles at fair value</b>										
Plant, equipment and vehicles	46.0	42.7	–	1.0	2.3	2.0	–	–	48.3	45.7
<i>Less accumulated depreciation</i>	(33.2)	(29.4)	–	(0.2)	(0.7)	(0.3)	–	–	(33.9)	(29.8)
	<b>12.8</b>	<b>13.3</b>	<b>–</b>	<b>0.8</b>	<b>1.6</b>	<b>1.8</b>	<b>–</b>	<b>–</b>	<b>14.4</b>	<b>15.8</b>
Motor vehicles under finance lease	42.8	46.3	–	–	–	–	–	–	42.8	46.3
<i>Less accumulated depreciation</i>	0.8	1.0	–	–	–	–	–	–	0.8	1.0
	<b>43.6</b>	<b>47.4</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>43.6</b>	<b>47.4</b>
<b>Total plant, equipment and vehicles at fair value</b>	<b>56.4</b>	<b>60.6</b>	<b>–</b>	<b>0.8</b>	<b>1.6</b>	<b>1.8</b>	<b>–</b>	<b>–</b>	<b>58.0</b>	<b>63.2</b>
<b>Assets under construction at cost</b>										
Rental property	–	–	–	–	139.3	70.2	–	–	139.3	70.2
Other property	56.0	20.0	–	3.6	0.6	0.4	–	–	56.6	24.0
<b>Total assets under construction at cost</b>	<b>56.0</b>	<b>20.0</b>	<b>–</b>	<b>3.6</b>	<b>139.9</b>	<b>70.6</b>	<b>–</b>	<b>–</b>	<b>195.9</b>	<b>94.2</b>
<b>Net carrying amount of property, plant and equipment</b>	<b>1,617.4</b>	<b>1,523.4</b>	<b>–</b>	<b>213.7</b>	<b>24,487.8</b>	<b>22,932.0</b>	<b>33.5</b>	<b>20.5</b>	<b>26,138.7</b>	<b>24,689.6</b>

Note:

- (i) Property, plant and equipment are classified primarily by the purpose for which the assets are used, according to one of six purpose groups based upon government purpose classifications. All assets within a purpose group are further sub-categorised according to the assets' nature (e.g. buildings, plant and equipment), with each sub-category being classified as a separate class of asset for financial reporting purposes.

### 5.1.3 Reconciliation of movements in carrying values of property, plant and equipment

	Land at fair value \$M	Buildings at fair value \$M	Plant, equipment and vehicles at fair value \$M	Assets under construction at cost \$M	Total \$M
<b>Balance at 1 July 2015</b>	<b>12,769.3</b>	<b>9,451.2</b>	<b>56.8</b>	<b>70.3</b>	<b>22,347.5</b>
Capital contributed from asset transfers	1.6	0.3	–	–	1.9
Additions	5.1	4.8	37.4	261.2	308.6
Disposals	(58.2)	(82.1)	(12.2)	–	(152.5)
Net revaluation increments/(decrements)	2,470.8	(2.1)	–	–	2,468.7
Depreciation and amortisation	–	(237.3)	(21.4)	–	(258.7)
Fair value of assets received free of charge or for nominal considerations	1.5	4.5	2.7	–	8.7
Fair value of assets given free of charge or for nominal considerations	(5.0)	(1.3)	(0.4)	–	(6.8)
Transfer in/(out) of assets under construction	1.9	235.4	–	(237.3)	–
Transfers (to)/from assets held for sale	(23.7)	(4.3)	0.3	–	(27.7)
Transfers to provision for equity reduction	(0.2)	(0.1)	–	–	(0.2)
<b>Balance at 1 July 2016</b>	<b>15,163.2</b>	<b>9,369.1</b>	<b>63.1</b>	<b>94.2</b>	<b>24,689.6</b>
Capital contributed from asset transfers					
Machinery of Government transfer in/(out)	(86.1)	(120.6)	(2.6)	(10.4)	(219.7)
Additions	0.1	0.1	26.8	269.9	296.8
Disposals	(66.2)	(63.9)	(10.1)	–	(140.2)
Net revaluation increments/(decrements)	1,981.0	16.0	–	–	1,997.0
Depreciation and amortisation	–	(231.4)	(19.1)	–	(250.5)
Fair value of assets received free of charge or for nominal considerations	6.5	127.1	2.8	–	136.5
Fair value of assets given free of charge or for nominal considerations	(146.0)	(63.4)	(0.2)	–	(209.6)
Transfers in/(out) of assets under construction	4.1	153.7	–	(157.8)	–
Transfers to provision for equity reduction	1.7	(2.0)	–	–	(0.3)
Transfers (to)/from assets held for sale	–	(8.0)	(0.2)	–	(8.2)
Other changes	(18.7)	(131.4)	(2.8)	–	(152.9)
<b>Balance at 30 June 2017</b>	<b>16,839.6</b>	<b>9,045.2</b>	<b>58.0</b>	<b>195.9</b>	<b>26,138.7</b>

### 5.2 Intangible assets

	2017 \$M	2016 \$M
<b>Gross carrying amount</b>		
<b>Opening balance</b>	<b>130.9</b>	<b>118.5</b>
Additions from internal development	12.4	13.4
Additions	3.5	2.0
Disposals or classified as held for sale	–	(3.0)
<b>Closing balance</b>	<b>146.9</b>	<b>130.9</b>
<b>Accumulated amortisation and impairment</b>		
<b>Opening balance</b>	<b>(61.6)</b>	<b>(37.6)</b>
Amortisation of intangible produced assets	(21.2)	(24.0)
<b>Closing balance</b>	<b>(82.8)</b>	<b>(61.6)</b>
<b>Net book value at end of financial year</b>	<b>64.1</b>	<b>69.3</b>

**Initial recognition**

**Purchased intangible assets** are initially recognised at cost. When the recognition criteria in *AASB 138 Intangible Assets* is met, internally generated intangible assets are recognised at cost.

Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

**Subsequent measurement**

Intangible produced assets with finite useful lives, are amortised as an ‘expense from transactions’ on a straight line basis over their useful lives.

**Impairment of intangible assets**

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

The policy in connection with testing for impairment is outlined in Note 5.1.1.

**5.3 Investments accounted for using the equity method**

The department has an interest in a joint venture with Monash University in the Australian Regenerative Medical Institute (ARMI). This investment is accounted at cost.

**5.3.1 Details of joint venture**

ARMI was established to construct and operate a facility which will promote Victoria as a global leader in regenerative medical research, foster and develop existing research collaboration on domestic and overseas projects, and provide a major site for undergraduate and post graduate training programs.

Name of entity	Country of incorporation	Measurement method	Ownership interest (%)		Published fair value (\$M)	
			2017	2016	2017	2016
<b>Joint venture</b>						
ARMI <sup>(i)</sup>	Australia	Equity method	20	20	35.0	35.0

Note:

- (i) The interest of the department in the joint venture is 20% in accordance with the agreement. The fair value of the ownership interest held by the department is equal to the value of cash invested in the joint venture.

## 6. Other assets and liabilities

### Introduction

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

### Structure

- 6.1 Receivables
  - 6.1.1 Movement in the provision for doubtful debt
  - 6.1.2 Ageing analysis of contractual receivables
- 6.2 Loans
  - 6.2.1 Movement in the provision for doubtful contractual loans
  - 6.2.2 Ageing analysis of contractual loans
- 6.3 Prepayments
- 6.4 Payables
  - 6.4.1 Maturity analysis of contractual payables
- 6.5 Other provisions
  - 6.5.1 Reconciliation of movements in other provisions

### 6.1 Receivables

	2017 \$M	2016 \$M
<b>Current receivables</b>		
<i>Contractual</i>		
Tenants in arrears	12.5	12.1
Other receivables	99.1	62.8
<i>Less provision for doubtful contractual receivables</i>	(4.1)	(5.3)
	<b>107.5</b>	<b>69.7</b>
<i>Statutory</i>		
Amounts owing from Victorian Government	965.4	949.9
GST input tax credit recoverable	49.1	36.8
	<b>1,014.5</b>	<b>986.8</b>
<b>Total current receivables</b>	<b>1,122.0</b>	<b>1,056.4</b>
<b>Non-current receivables</b>		
<i>Contractual</i>		
Tenants in arrears	0.4	0.6
<i>Less provision for doubtful contractual receivables</i>	(0.3)	(0.3)
	<b>0.1</b>	<b>0.3</b>
<i>Statutory</i>		
Amounts owing from Victorian Government	1,571.0	1,614.3
	<b>1,571.0</b>	<b>1,614.3</b>
<b>Total non-current receivables</b>	<b>1,571.1</b>	<b>1,614.6</b>
<b>Total receivables</b>	<b>2,693.1</b>	<b>2,671.0</b>

**Contractual receivables** are classified as financial instruments and categorised as 'loans and receivables'. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.

**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. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the consolidated fund as the commitments fall due.

**6.1.1 Movement in the provision for doubtful debts**

	2017 \$M	2016 \$M
<b>Balance at beginning of the year</b>	<b>(5.6)</b>	<b>(6.7)</b>
Increase in provision recognised in the net result	(6.0)	(0.9)
Reversal of provision of receivables written off during the year as uncollectible	7.2	2.1
<b>Balance at the end of the year</b>	<b>(4.4)</b>	<b>(5.6)</b>

**Doubtful debts:** Receivables are assessed for bad and doubtful debts on a regular basis. The majority of debts are housing rental debtors. Due to the nature of the debt, long-term payment plans have been implemented.

A provision for doubtful receivables is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with *AASB 136 Impairment of Assets*.

A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. The increase in the provision for the year is recognised in the net result.

Bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off, but included in the provision for doubtful debts, are classified as 'other economic flows' in the net result.

**6.1.2 Ageing analysis of contractual receivables**

	Carrying amount \$M	Not past due and not impaired <sup>(i)</sup> \$M	Past due but not impaired			
			Less than 1 month \$M	1–3 months \$M	3 months – 1 year \$M	1–5 years \$M
<b>2017</b>						
Receivables	107.7	45.9	45.8	4.6	5.4	6.1
<b>Total</b>	<b>107.7</b>	<b>45.9</b>	<b>45.8</b>	<b>4.6</b>	<b>5.4</b>	<b>6.1</b>
<b>2016</b>						
Receivables	69.9	42.3	5.2	5.3	8.3	8.9
<b>Total</b>	<b>69.9</b>	<b>42.3</b>	<b>5.2</b>	<b>5.3</b>	<b>8.3</b>	<b>8.9</b>

Note:

(i) The amounts disclosed here includes repayments of borrowings that are not scheduled to be repaid in the next 12 months.

The average credit period for receivables is 30 days. There are no material financial assets which are individually determined to be impaired. Currently the department does not hold any collateral as security nor credit enhancements relating to any of its financial assets. There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

## 6.2 Loans

	2017 \$M	2016 \$M
<b>Current loans</b>		
<i>Contractual</i>		
Fixed interest home loans	1.2	1.5
Indexed interest home loans	9.1	9.6
Variable interest home loans	0.2	0.2
Other loans	8.6	7.1
<b>Total current loans</b>	<b>19.1</b>	<b>18.4</b>
<b>Non-current loans</b>		
<i>Contractual</i>		
Fixed interest home loans	1.6	1.5
Indexed interest home loans	8.0	9.8
Community housing loans	20.2	20.2
Other loans	32.1	33.3
<b>Total non-current loans</b>	<b>61.9</b>	<b>64.9</b>
<b>Less provision for return of equity</b>	<b>(0.1)</b>	<b>(0.1)</b>
<b>Less provision for doubtful contractual loans</b>		
Fixed interest home loans	(0.1)	(0.1)
Indexed interest home loans	(0.2)	(0.2)
<b>Total provision for doubtful contractual loans</b>	<b>(0.3)</b>	<b>(0.3)</b>
<b>Total loans</b>	<b>80.7</b>	<b>82.9</b>

The department has housing related loans and loans to health agencies. The majority of housing loans are secured by a registered mortgage. However, there are a small number of loans that are on terms in contracts of sale. The title remains in the name of the vendor, Director of Housing as successor in title to the Housing Commission, until the amount owing under the contract of sale is paid in full. Some mortgage relief and home renovation loans are subject to an unregistered mortgage with a caveat on the title noting the Director of Housing as having an interest in the property. The current Home Renovation Service loan program does not require security for loans of \$10,000 or less.

Loans are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.

**Defaults and breaches:** During the current and prior year, there were no defaults and breaches on any of the loans.

### 6.2.1 Movement in the provision for doubtful contractual loans

	2017 \$M	2016 \$M
<b>Balance at the beginning of the year</b>	<b>(0.3)</b>	<b>(0.4)</b>
(Increase)/decrease in allowance recognised in net result	–	–
<b>Balance at the end of the year</b>	<b>(0.3)</b>	<b>(0.3)</b>

Loans are assessed for bad and doubtful debts on a regular basis.

A provision for doubtful contractual loans is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

**6.2.2 Ageing analysis of contractual loans**

	Carrying amount \$M	Not past due and not impaired \$M	Past due but not impaired			
			Less than 1 month \$M	1–3 months \$M	3 months – 1 year \$M	1–5 years \$M
<b>2017</b>						
Loans	80.7	72.2	–	–	8.4	–
<b>Total</b>	<b>80.7</b>	<b>72.2</b>	<b>–</b>	<b>–</b>	<b>8.4</b>	<b>–</b>
<b>2016</b>						
Loans	82.9	45.6	–	–	7.5	29.8
<b>Total</b>	<b>82.9</b>	<b>45.6</b>	<b>–</b>	<b>–</b>	<b>7.5</b>	<b>29.8</b>

### 6.3 Prepayments

	2017 \$M	2016 \$M
Prepayments	14.1	11.4

Prepayments represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period.

### 6.4 Payables

	2017 \$M	2016 \$M
<b>Current payables</b>		
<i>Statutory</i>		
FBT payable	1.5	0.8
<i>Contractual</i>		
Employee benefits payable	20.7	8.2
Supplies and services	66.7	59.9
Amounts payable to government agencies	393.8	244.8
Concession payments to pensioners	114.5	114.7
Tenants in advance	24.2	22.6
Capital works	27.8	22.6
Other	21.3	42.6
<b>Total current payables</b>	<b>670.5</b>	<b>516.4</b>
<b>Non-current payables</b>		
<i>Contractual</i>		
Amounts payable to government agencies	537.3	437.9
Other	0.8	0.8
<b>Total non-current payables</b>	<b>538.1</b>	<b>438.6</b>
<b>Total payables</b>	<b>1,208.6</b>	<b>955.0</b>

Payables consist of:

- **contractual payables**, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the department prior to the end of the reporting period that are unpaid; and
- **statutory payables**, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and are not included in financial liabilities at amortised cost, because they do not arise from a contract.

Payables for supplies and services have an average credit period of 30 days.

The terms and conditions of amounts payable to the government and agencies vary according to the particular agreements and as they are not legislative payables, they are not classified as financial instruments.

The value of loans and other amounts guaranteed by the Treasurer is disclosed as contingent liabilities.

**6.4.1 Maturity analysis of contractual payables <sup>(i)</sup>**

	Carrying amount \$M	wNominal amount \$M	Maturity dates				
			Less than 1 month \$M	1–3 months \$M	3 months – 1 year \$M	1–5 years \$M	5+ years \$M
<b>2017</b>							
Payables	1,207.1	1,207.1	526.7	62.1	78.8	48.7	490.8
<b>Total</b>	<b>1,207.1</b>	<b>1,207.1</b>	<b>526.7</b>	<b>62.1</b>	<b>78.8</b>	<b>48.7</b>	<b>490.8</b>
<b>2016</b>							
Payables	954.2	954.2	382.2	14.4	119.2	438.5	(0.1)
<b>Total</b>	<b>954.2</b>	<b>954.2</b>	<b>382.2</b>	<b>14.4</b>	<b>119.2</b>	<b>438.5</b>	<b>(0.1)</b>

Note:

(i) Maturity analysis is presented using the contractual undiscounted cash flows.

## 6.5 Other provisions

	2017 \$M	2016 \$M
<b>Current provisions</b>		
Insurance claims	54.8	48.7
Make-good provision	0.1	0.1
<b>Total current provisions</b>	<b>54.9</b>	<b>48.8</b>
<b>Non-current provisions</b>		
Insurance claims	29.0	33.1
Make-good provision	1.1	0.6
<b>Total non-current provisions</b>	<b>30.1</b>	<b>33.7</b>
<b>Total other provisions</b>	<b>85.1</b>	<b>82.5</b>

Other provisions are recognised when the department has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

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

### 6.5.1 Reconciliation of movements in other provisions

	Make-good 2017 \$M	Insurance claims 2017 \$M	Total 2017 \$M
<b>Opening balance</b>	0.7	81.8	82.5
Additional provisions recognised	0.5	–	0.5
Reductions arising from payments/claims handling expenses/other sacrifices of future economic benefits	–	(28.3)	(28.3)
Actuarial revaluations of insurance claims liability inclusive of risk margin	–	29.6	29.6
Unwind of discount and effect of changes in the discount rate	–	0.7	0.7
<b>Closing balance</b>	<b>1.2</b>	<b>83.8</b>	<b>85.1</b>

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

The **make-good** provision is recognised in accordance with the lease agreement over the building facilities. The department must remove any leasehold improvements from the leased building and restore the premises to its original condition at the end of the lease term.

**Insurance claims:** The department engaged the Victorian Managed Insurance Authority (VMIA) under a claims administration agreement to manage non-medical indemnity claims resulting from public healthcare incidents occurring on or after 1 July 2005. These claims are managed by VMIA on behalf of the department under a service level agreement. VMIA has engaged an independent actuary to determine these liability provisions in accordance with the Institute of Actuaries of Australia's professional standard PS300. The estimation of outstanding claims liabilities is based on actuarial modelling including analysis of claims experience, loss trends, risk exposure data and industry data.

## 7. How we financed our operations

### Introduction

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

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 8.2 and 8.3 provide additional, specific financial instrument disclosures.

### Structure

- 7.1 Borrowings
  - 7.1.1 Maturity analysis of borrowings
  - 7.1.2 Interest expense
- 7.2 Leases
  - 7.2.1 Finance lease liabilities
- 7.3 Cash flow information and balances
  - 7.3.1 Reconciliation of net result to cash flow from operating activities
- 7.4 Trust account balances
- 7.5 Commitments for expenditure
  - 7.5.1 Total commitments payable
  - 7.5.2 Public Private Partnership commitments
  - 7.5.3 Commitments other than Public Private Partnerships

### 7.1 Borrowings

	2017 \$M	2016 \$M
<b>Current borrowings</b>		
Advances from Victorian Government	48.0	41.7
Finance lease liabilities	23.3	23.0
<b>Total current borrowings</b>	<b>71.3</b>	<b>64.7</b>
<b>Non-current borrowings</b>		
Advances from Victorian Government	13.4	13.4
Finance lease liabilities	21.8	25.8
<b>Total non-current borrowings</b>	<b>35.2</b>	<b>39.2</b>
<b>Total borrowings</b>	<b>106.5</b>	<b>103.9</b>

Borrowings are classified as financial instruments. All interest bearing liabilities are initially recognised at the fair value of the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether the department has categorised its interest-bearing liabilities as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'. The classification depends on the nature and purpose of the interest bearing liabilities. The department determines the classification of interest bearing liabilities at initial recognition.

**Defaults and breaches:** During the current and previous financial year, there were no defaults or breaches of required conditions, in relation to any of the borrowings.

**Advances from Victorian Government** are advances from the Department of Treasury and Finance. These advances are non-interest bearing.

**Finance lease liabilities** are secured by the assets leased. Finance leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

**7.1.1 Maturity analysis of borrowings**

	Carrying amount \$M	Nominal amount \$M	Maturity dates					
			Less than 1 month \$M	1–3 months \$M	3 months – 1 year \$M	1–5 years \$M	5+ years \$M	
<b>2017</b>								
Advances from Victorian Government	61.3	61.3	41.7	–	0.7	11.0	7.9	
Finance lease liabilities	45.1	46.7	4.8	3.3	16.3	22.3	–	
<b>Total</b>	<b>106.4</b>	<b>108.0</b>	<b>46.5</b>	<b>3.3</b>	<b>17.0</b>	<b>33.3</b>	<b>7.9</b>	
<b>2016</b>								
Advances from Victorian Government	55.1	55.1	33.7	–	–	15.3	6.1	
Finance lease liabilities	48.8	51.1	4.3	3.2	17.0	26.6	–	
<b>Total</b>	<b>103.9</b>	<b>106.2</b>	<b>38.0</b>	<b>3.2</b>	<b>17.0</b>	<b>41.9</b>	<b>6.1</b>	

### 7.1.2 Interest expense

	2017 \$M	2016 \$M
Finance lease costs	0.9	0.7
Interest on borrowings	0.1	(0.5)
<b>Total interest expense</b>	<b>1.1</b>	<b>0.3</b>

'Interest expense' includes costs incurred in connection with the borrowing of funds and includes interest on bank overdrafts and short term and long term borrowings, amortisation of discounts or premiums relating to borrowings and interest component of finance leases repayments.

Interest expense is recognised in the period in which it is incurred.

The department recognises borrowing costs immediately as an expense, even where they are directly attributable to the acquisition, construction or production of a qualifying asset.

## 7.2 Leases

### 7.2.1 Finance lease liabilities (department as lessee)

	Minimum future lease payments <sup>(i)</sup>		Present value of minimum future lease payments	
	2017 \$M	2016 \$M	2017 \$M	2016 \$M
<b>Finance lease liabilities payable<sup>(ii)</sup></b>				
Not longer than one year	24.4	24.5	23.3	23.0
Longer than one year but not longer than five years	22.3	26.6	21.8	25.8
Longer than five years	–	–	–	–
<b>Minimum future lease liabilities payable</b>	<b>46.7</b>	<b>51.1</b>	<b>45.1</b>	<b>48.8</b>
Less future finance charges	(1.6)	(2.2)	–	–
<b>Present value of minimum lease payments</b>	<b>45.1</b>	<b>48.8</b>	<b>45.1</b>	<b>48.8</b>
Included in the financial statements as:				
Current borrowings lease liabilities (Note 7.1)	–	–	23.3	23.0
Non-current borrowings lease liabilities (Note 7.1)	–	–	21.8	25.8
<b>Total finance lease liabilities</b>	<b>–</b>	<b>–</b>	<b>45.1</b>	<b>48.8</b>

Notes:

- (i) Minimum future lease payments include the aggregate of all base payments and any guaranteed residual.
- (ii) Finance lease liabilities include obligations that are recognised in the balance sheet; the future payments related to operating and lease commitments are disclosed in Note 7.5.

At the commencement of the lease term, finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum finance lease payments are apportioned between the reduction of the outstanding lease liability and the periodic finance expense which is calculated using the interest rate implicit in the lease and charged directly to the consolidated comprehensive operating statement.

Refer to Note 5.1.2 Motor vehicles under finance lease for assets pledged as security.

Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

## 7.3 Cash flow information and balances

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes and are readily convertible to known amounts of cash with an insignificant risk of changes in value.

	2017 \$M	2016 \$M
<b>Total cash and deposits disclosed in the balance sheet</b>		
Short term deposits <sup>(i)</sup>	46.4	62.6
Cash at bank <sup>(i)</sup>	23.3	27.3
Funds held in trust	314.4	141.0
Cash advances	(0.4)	(0.1)
<b>Balance as per cash flow statement</b>	<b>383.7</b>	<b>230.8</b>

Note:

- (i) Cash and short-term deposits are committed to a number of significant projects and are expected to be expensed in 2017–18 (as disclosed in Note 7.5).

Due to the State's investment policy and funding arrangements, the department does not hold a large cash reserve in its bank accounts. Cash received from generation of income is generally paid into the State's bank account ('public account'). Similarly, departmental expenditure, including in the form of cheques drawn for the payments to its suppliers and creditors are made via the public account. The public account remits to the department the cash required upon presentation of cheques by the department's suppliers or creditors.

### 7.3.1 Reconciliation of net result for the period to net cash flows from operating activities

	2017 \$M	2016 \$M
<b>Net result for the period</b>	<b>(266.3)</b>	<b>601.5</b>
<b>Non-cash movements</b>		
(Gain)/loss on sale of non-financial assets	6.0	(0.9)
Depreciation and amortisation	269.8	280.7
Interest on borrowings	0.1	(0.5)
Change in net market values of VMIA liability	33.2	38.5
Other income from investing activities	–	(314.8)
Remeasurement of superannuation defined benefit plans	–	0.9
Net gain/(loss) on financial assets	(1.5)	(0.6)
Other gains or losses from other economic flows	0.6	22.1
Resources (received)/provided free of charge	73.0	0.3
<b>Movements in assets and liabilities</b>		
(Increase)/decrease in receivables	(63.0)	(574.0)
(Increase)/decrease in prepayments	(2.7)	10.2
Increase/(decrease) in payables	294.1	237.0
Increase/(decrease) in provisions	(28.3)	(7.7)
(Increase)/decrease in inventories	–	0.7
Increase/(decrease) in income in advance	–	(38.0)
<b>Net cash flows from/(used in) operating activities</b>	<b>315.1</b>	<b>255.3</b>

## 7.4 Trust account balances

The department has responsibility for transactions and balances relating to trust funds held on behalf of third parties external to the department. Funds managed on behalf of third parties are not recognised in these financial statements as they are managed on a fiduciary and custodial basis, and therefore are not controlled by the department.

Any earnings on the funds held pending distribution are also applied to the trust funds under management as appropriate.

The following is a listing of trust account balances relating to trust accounts controlled and administered by the department. During 2016–17, the Minister for Finance approved the creation of the National Disability Insurance Scheme trust account and the Inter-departmental Transfer Trust, there were no trust accounts closed.

	2017						2016					
	Opening balance as at 1 July 2016 trust account balance \$M	Machinery of Government transfer out \$M	Total receipts \$M	Total payments \$M	Non-Cash Movement \$M	Closing balance as at 30 June 2017 trust account balance \$M	Opening balance as at 1 July 2015 trust account balance \$M	Machinery of Government transfer in \$M	Total receipts \$M	Total payments \$M	Non-Cash Movement \$M	Closing balance as at 30 June 2016 trust account balance \$M
<b>Controlled trusts</b>												
<b>Casey Hospital Escrow Account</b> This trust was established to manage and control payments to the contractor for the completion of the Casey Hospital refurbishment.	3.2	–	–	–	(1.6)	1.6	4.0	–	–	–	(0.7)	3.2
<b>Health State Managed Fund</b> This trust was established under the Health (Commonwealth State Funding Arrangements) Act 2012 No. 40 of 2012 for the purpose of receiving funding for block grants, teaching, training and research.	–	–	1,199.4	1,197.2	–	2.2	–	–	1,102.8	1,102.6	(0.2)	–
<b>Hospital and Charities Fund</b> This account was established under the Health Services Act 1988 to record funding for health service agencies. Monies are paid into the fund from the Gambling Regulation Act No. 114 of 2003, Casino Control Act No. 47 of 1991 and Sec. 10 of the Financial Management Act 1994.	55.0	–	1,515.8	1,339.7	(35.5)	195.7	88.1	–	6,181.4	6,189.7	(24.8)	55.0
<b>Intellectually Handicapped Children's Amenities Fund</b> <i>Intellectually Disabled Persons Act 1986</i> repealed by the <i>Disability Act 2006</i> . To meet the cost of the provision of amenities for children under the age of 16 years in the care of the department.	0.1	–	–	–	–	0.1	0.1	–	–	–	–	0.1
<b>Mental Hospital's Fund</b> <i>Gaming Regulation Act 2003</i> . For the establishment and maintenance of mental health services and residential institutions and facilities; for the administration of the <i>Mental Health Act 1986</i> ; for the administration of the <i>Disability Act 2006</i> .	2.1	–	63.9	63.9	–	2.1	2.1	–	63.9	63.9	–	2.1

	2017						2016					
	Opening balance as at 1 July 2016 trust account balance \$M	Machinery of Government transfer out \$M	Total receipts \$M	Total payments \$M	Non-Cash Movement \$M	Closing balance as at 30 June 2017 trust account balance \$M	Opening balance as at 1 July 2015 trust account balance \$M	Machinery of Government transfer in \$M	Total receipts \$M	Total payments \$M	Non-Cash Movement \$M	Closing balance as at 30 June 2016 trust account balance \$M
<b>Public Health Fund</b> This trust was established by the Minister for Finance in accordance with the National Health Reform Agreement to allow the Department of Health and Human Services to access public health funding contributions paid by the Commonwealth through the National Health Funding Pool and apply this funding to deliver public health activities managed by the State.	3.9	–	138.5	138.7	(2.7)	1.0	5.1	–	127.3	125.9	(2.5)	3.9
<b>State Development Special Projects Trust Account</b> Established under the <i>Financial Management Act 1994</i> to assist in facilitating, encouraging, promoting and carrying out activities leading to a balanced economic development of the state.	2.0	–	13.7	11.4	(0.6)	3.7	2.7	–	27.0	27.6	–	2.0
<b>Treasury Trust</b> To record the receipt and disbursement of unclaimed monies and other funds held in trust.	58.1	(0.3)	42.7	32.0	(6.7)	61.7	49.1	–	105.4	95.9	(0.4)	58.1
<b>Inter-departmental Transfer Trust</b> The trust was established under section 19 of the <i>Financial Management Act 1994</i> by the Minister for Finance to record inter-departmental transfers when no other trust arrangement exists.	–	–	103.7	83.1	3.8	24.4	–	–	–	–	–	–
<b>Vehicle Lease Trust Account</b> To record transactions relating to the Government's vehicle pool and fleet management business.	19.7	–	1.8	(2.1)	(0.1)	23.6	14.6	–	2.7	(2.5)	–	19.7
<b>Victorian Health Promotion Fund</b> This account was established under the <i>Tobacco Act 1987</i> , section 32, prior to the abolition by the High Court in July 1997 of taxes on tobacco products. Following the High Court decision, the Act was amended and the source of funding was specified by the Treasurer under section 32 (3a).	–	–	38.3	38.3	–	–	–	–	37.6	37.6	–	–
<b>Total controlled trusts</b>	<b>144.2</b>	<b>(0.3)</b>	<b>3,117.9</b>	<b>2,902.3</b>	<b>(43.5)</b>	<b>316.0</b>	<b>165.8</b>	<b>–</b>	<b>7,648.0</b>	<b>7,640.8</b>	<b>(28.7)</b>	<b>144.2</b>

	2017						2016					
	Opening balance as at 1 July 2016 trust account balance \$M	Machinery of Government transfer in \$M	Total receipts \$M	Total payments \$M	Non-Cash Movement \$M	Closing balance as at 30 June 2017 trust account balance \$M	Opening balance as at 1 July 2015 trust account balance \$M	Machinery of Government transfer in \$M	Total receipts \$M	Total payments \$M	Non-Cash Movement \$M	Closing balance as at 30 June 2016 trust account balance \$M
<b>Administered trusts</b>												
<b>Anzac Day Proceeds Fund, Act 6198, Sec. 4A</b> Established under the <i>ANZAC Day Act 1958</i> to receive funds as required to be paid by the <i>Anzac Day Act 1958</i> and the <i>Racing Act 1958</i> and to be credited to the Victorian Veterans Fund.	–	–	0.4	0.1	–	0.4	0.1	–	–	–	–	–
<b>National Disability Insurance Scheme Trust Account</b> The National Disability Insurance Scheme Trust was established in accordance with a Memorandum of Understanding (MOU) between the Department of Health and Human Services, the Department of Education and Training, Taxi Services Commission, and the Department of Treasury and Finance. The Trust is used solely to manage the State's payments to the NDIA, as required under the Bilateral Agreement between the Commonwealth and Victoria that outlines the transition to the National Disability Insurance Scheme.	–	–	145.9	145.9	–	–	–	–	–	–	–	–
<b>National Health Funding Pool – Victorian State Pool Fund</b> This trust was established under the <i>Health (Commonwealth State Funding Arrangements) Act 2012 No. 40 of 2012</i> to record funding made available by the Commonwealth and the State under the National Health Reform Agreement.	–	–	9,038.5	9,038.5	–	–	–	8,316.3	8,354.3	38.0	–	–
<b>Public Service Commuter Club</b> The trust fund was established to record the receipt of amounts associated with the Public Service Commuter Club Scheme and deductions from club members salaries as well as recording payment to the Public Transport Corporation.	(0.7)	–	1.3	1.3	–	(0.8)	(0.6)	–	1.3	1.3	–	(0.7)

	2017						2016					
	Opening balance as at 1 July 2016 trust account balance \$M	Machinery of Government transfer in \$M	Total receipts \$M	Total payments \$M	Non-Cash Movement \$M	Closing balance as at 30 June 2017 trust account balance \$M	Opening balance as at 1 July 2015 trust account balance \$M	Machinery of Government transfer in \$M	Total receipts \$M	Total payments \$M	Non-Cash Movement \$M	Closing balance as at 30 June 2016 trust account balance \$M
<b>Revenue Suspense Account</b> Short term clearing account pending correct identification of receipts.	2.4	–	0.1	–	–	2.5	2.1	–	0.2	–	–	2.4
<b>Victorian Natural Disasters Relief Fund</b> This account was established for the purpose of granting assistance to persons who suffer losses as a result of flood, bushfires and other natural disasters.	–	–	0.6	0.6	–	–	(0.1)	–	1.3	1.2	–	–
<b>Total administered trusts</b>	<b>1.7</b>	<b>–</b>	<b>9,186.8</b>	<b>9,186.4</b>	<b>–</b>	<b>2.1</b>	<b>1.5</b>	<b>–</b>	<b>8,319.2</b>	<b>8,356.8</b>	<b>38.0</b>	<b>1.7</b>

## 7.4 Trust account balances

### Third party funds under management

Third party funds under management are funds held in trust for certain clients. They are not used for government purposes and therefore not included in the department's financial statements.

In February 2009, the Minister for Finance approved the establishment of the 2009 Victorian Bushfire Appeal Trust Account in the Public Account, as part of the Trust Fund, pursuant to section 19(1) of the *Financial Management Act 1994*.

The purpose of the trust account is the receipt of donations and other contributions, and their disbursement for assistance to individuals and communities in towns, suburbs and rural areas affected by the 2009 Victorian bushfires. Contributions include funds provided by the Victorian, Commonwealth and other jurisdictions, as well as the general public, for the above purpose.

Pursuant to section 21 of the *Financial Management Act 1994*, monies from the 2009 Victorian Bushfire Appeal Trust Account have been invested as allowed under the *Trustee Act 1958*. Interest earned is credited to the trust account.

	2017 \$M	2016 \$M
<b>2009 Victorian Bushfire Appeal Trust account</b>		
Cash at bank	2.9	3.1
Receivable	0.1	0.1
<b>Total funds under management</b>	<b>3.0</b>	<b>3.1</b>
Balance of funds brought forward 1 July 2016	3.1	6.0
Interest earned	0.1	0.1
<b>Total funds available</b>	<b>3.2</b>	<b>6.1</b>
Payments to individuals and communities	0.2	2.9
<b>Total payments</b>	<b>0.2</b>	<b>2.9</b>
<b>Balance carried forward</b>	<b>3.0</b>	<b>3.1</b>

## 7.5 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

### 7.5.1 Total commitments payable <sup>(i)</sup>

	2017 \$M	2016 \$M
<b>Nominal amounts</b>		
The following commitments have not been recognised as liabilities in the financial statements.		
<b>(a) Capital expenditure commitments</b>		
Less than 1 year	139.2	70.2
Longer than 1 year and not longer than 5 years	8.0	26.5
<b>Total capital commitments</b>	<b>147.2</b>	<b>96.7</b>
<b>(b) Operating lease commitments</b>		
Less than 1 year	55.9	59.0
Longer than 1 year and not longer than 5 years	166.6	177.4
Longer than 5 years	189.6	246.8
<b>Total operating lease commitments</b>	<b>412.1</b>	<b>483.2</b>
<b>(c) Public Private Partnerships (PPPs) commitments</b>		
<b>(i) Royal Women's Hospital</b>		
Less than 1 year	45.8	48.2
Longer than 1 year and not longer than 5 years	199.6	194.1
Longer than 5 years	627.0	681.6
<b>Total Royal Women's Hospital commitments</b>	<b>872.4</b>	<b>923.9</b>
<b>(ii) Casey Hospital</b>		
Less than 1 year	16.8	14.6
Longer than 1 year and not longer than 5 years	73.0	73.6
Longer than 5 years	157.9	175.0
<b>Total Casey Hospital commitments</b>	<b>247.7</b>	<b>263.2</b>
<b>(iii) Royal Children's Hospital</b>		
Less than 1 year	140.3	137.7
Longer than 1 year and not longer than 5 years	630.5	601.4
Longer than 5 years	2,839.6	3,020.5
<b>Total Royal Children's Hospital commitments</b>	<b>3,610.4</b>	<b>3,759.6</b>

	2017 \$M	2016 \$M
<b>Nominal amounts</b>		
<b>(iv) Victorian Comprehensive Cancer Centre</b>		
Less than 1 year	167.9	137.8
Longer than 1 year and not longer than 5 years	662.2	671.7
Longer than 5 years	2,194.9	2,274.4
<b>Total Victorian Comprehensive Cancer Centre commitments</b>	<b>3,025.0</b>	<b>3,083.9</b>
<b>(v) Bendigo Hospital</b>		
Less than 1 year	62.3	653.0
Longer than 1 year and not longer than 5 years	253.4	287.1
Longer than 5 years	1,744.8	2,021.3
<b>Total Bendigo Hospital commitments</b>	<b>2,060.5</b>	<b>2,961.4</b>
<b>Total PPP commitments</b>	<b>9,816.0</b>	<b>10,992.0</b>
<b>(d) Other expenditure commitments</b>		
Less than 1 year	343.4	353.0
Longer than 1 year and not longer than 5 years	307.0	186.2
Longer than 5 years	42.1	–
<b>Total other expenditure commitments</b>	<b>692.5</b>	<b>539.2</b>
<b>Total commitments for expenditure (inclusive of GST)</b>	<b>11,067.8</b>	<b>12,111.1</b>
Less GST recoverable from the ATO	992.1	1,066.0
<b>Total commitments for expenditure (exclusive of GST)</b>	<b>10,075.7</b>	<b>11,045.1</b>

Note:

(i) For future finance lease and non-cancellable operating lease payments that are recognised on the balance sheet, refer to Note 7.2 Leases.

#### PPP commitments

The Minister for Health has entered into 5 long-term contracts with various private sector consortiums for the design, construction, maintenance and financing of hospital infrastructure assets for Royal Women's Hospital, Casey Hospital, Royal Children's Hospital, the Victorian Comprehensive Cancer Centre and Bendigo Hospital. These arrangements are referred to as public private partnerships (PPP) or service concessions arrangements.

The respective health agency is the operator of the PPP infrastructure assets and consequently recognises the associated assets, finance lease liabilities, transactions and commitments to the private sector provider, in their own financial statements. For additional information relating to these balances, transactions and commitments (including present value information) refer to the relevant health agencies' financial report.

In the table above, the department has disclosed the total nominal amounts due to the private sector consortiums, as the department has agreed to fund these amounts on behalf of the relevant health sector agencies to satisfy the terms of the PPP arrangements. These amounts include the principal, interest, maintenance and ancillary services payments required over the remaining terms of the contracts. These payments will be funded via appropriation revenue and will be recognised as a grant expense to the health agency.

#### 7.5.2 Commitments other than PPPs

	2017 \$M	2016 \$M
Capital expenditure commitments: Property, plant and equipment and intangibles	147.2	96.6
Operating lease commitments: Properties and equipment	412.1	483.2
Other expenditure commitments: Provision of services <sup>(i)</sup>	692.5	539.2
<b>Total commitments other than PPPs (inclusive of GST)</b>	<b>1,251.8</b>	<b>1,119.0</b>

Note:

(i) On 27 August 2013, the Minister for Health signed a Services Agreement Restructure Deed and other relevant documents in accordance with Part 3A of the Health Services Act 1988 with the owners of Mildura Base Hospital, the Motor Trades Association of Australia Superannuation Fund (MTAA), and the other parties to the transaction. In accordance with the restructure agreement, the MTAA agreed to surrender the 99 year lease of the site, transfer the building, plant and equipment on site to the State, and forego the service delivery franchise. In exchange the Government made a restructure fee payment to the MTAA and agreed to accept liability for the outstanding bond payments relating to a previous financing arrangement for the hospital. The formal transfer of the site occurring on 30 August 2013. Mildura Hospital continues to be operated by Ramsay Health Care Group until 15 September 2020. However, there is provision for a further two years extension if both the Minister and Ramsay Health Care Group agree.

## 8. Risks, contingencies and valuation judgements

### Introduction

The Department of Health and Human Services 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 department related mainly to fair value determination.

### Structure

- 8.1 Financial instruments specific disclosures
- 8.2 Contingent assets and contingent liabilities
- 8.3 Fair value determination

### 8.1 Financial instruments specific disclosures

#### Introduction

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

Guarantees issued on behalf of the department are financial instruments because, although authorised under statute, terms and conditions for each financial guarantee may vary and are subject to an agreement.

#### Categories of financial instruments

**Loans and receivables** are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment. The department recognises the following assets in this category:

- cash and deposits;
- receivables (excluding statutory receivables);
- term deposits; and
- loan receivables.

**Financial liabilities at amortised cost** are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. The department recognises the following liabilities in this category:

- payables (excluding statutory payables); and
- borrowings (including finance lease liabilities).

**Offsetting financial instruments:** Financial instrument assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, the department concerned has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where the department does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

**Derecognition of financial assets:** A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the department 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 department has transferred its rights to receive cash flows from the asset and either:
  - (a) has transferred substantially all the risks and rewards of the asset; or
  - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the department has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the department's continuing involvement in the asset.

**Impairment of financial assets:** At the end of each reporting period, the department assesses whether there is objective evidence that a financial asset or group of financial assets are impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

The allowance is the difference between the financial asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with *AASB 136 Impairment of Assets*.

**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.

### 8.1.1 Financial instruments: Categorisation

	Contractual financial assets – loans and receivables \$M	Contractual financial liabilities at amortised cost \$M	Total \$M
<b>2017</b>			
<b>Contractual financial assets</b>			
Cash and deposits	383.7	–	383.7
Receivables <sup>(i)</sup>	112.0	–	112.0
Loans	81.0	–	81.0
Short term investments – term deposits	418.5	–	418.5
<b>Total contractual financial assets</b>	<b>995.2</b>	<b>–</b>	<b>995.2</b>
<b>Contractual financial liabilities</b>			
Payables <sup>(i)</sup>	–	1,207.1	1,207.1
Borrowings <sup>(i)</sup>	–	64.7	64.7
<b>Total contractual financial liabilities</b>	<b>–</b>	<b>1,271.8</b>	<b>1,271.8</b>
<b>2016</b>			
<b>Contractual financial assets</b>			
Cash and deposits	230.8	–	230.8
Receivables <sup>(i)</sup>	75.5	–	75.5
Loans	83.3	–	83.3
Short term investments – term deposits	346.8	–	346.8
<b>Total contractual financial assets</b>	<b>736.4</b>	<b>–</b>	<b>736.4</b>
<b>Contractual financial liabilities</b>			
Payables <sup>(i)</sup>	–	954.2	954.2
Borrowings <sup>(i)</sup>	–	70.2	70.2
<b>Total contractual financial liabilities</b>	<b>–</b>	<b>1,024.4</b>	<b>1,024.4</b>

Note:

(i) The total amounts disclosed here exclude statutory amounts e.g. amounts owing to/from Victorian Government and GST input tax credit recoverable and taxes payable. Refer to Note 6.1 for the breakdown of contractual and statutory receivables.

### 8.1.2 Financial instruments: Net holding gain/(loss) on financial instruments by category

	Total interest income / (expense) \$M	Total \$M
<b>2017</b>		
<b>Contractual financial assets</b>		
Cash and deposits	–	–
Receivables <sup>(i)</sup>	–	–
Loans	0.8	0.8
Short term investments – term deposits	8.0	8.0
<b>Total contractual financial assets</b>	<b>8.8</b>	<b>8.8</b>
<b>Contractual financial liabilities</b>		
Payables <sup>(i)</sup>	–	–
Borrowings <sup>(i)</sup>	(1.1)	(1.1)
<b>Total contractual financial liabilities</b>	<b>(1.1)</b>	<b>(1.1)</b>
<b>2016</b>		
<b>Contractual financial assets</b>		
Cash and deposits	–	–
Receivables <sup>(i)</sup>	–	–
Loans	1.0	1.0
Short term investments – term deposits	8.4	8.4
<b>Total contractual financial assets</b>	<b>9.4</b>	<b>9.4</b>

	Total interest income / (expense) \$M	Total \$M
<b>Contractual financial liabilities</b>		
Payables <sup>(i)</sup>	–	–
Borrowings <sup>(i)</sup>	(0.3)	(0.3)
<b>Total contractual financial liabilities</b>	<b>(0.3)</b>	<b>(0.3)</b>

Note:

(i) The total amounts disclosed here exclude statutory amounts e.g. amounts owing to/from Victorian Government and GST input tax credit recoverable and taxes payable.

The net holding gains or losses disclosed above are determined as follows:

- for cash and cash equivalents, loans and receivables, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest income, and minus any impairment recognised in the net result;
- for financial liabilities measured at amortised cost, the net gain or loss is the interest expense.

### 8.1.3 Financial risk management objectives and policies

The department is exposed to a number of financial risks, including:



As a whole, the department's financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability are disclosed in Note 8.1.

The main purpose in holding financial instruments is to prudentially manage the department's financial risks within the government policy parameters.

The department's main financial risks include credit risk, liquidity risk and interest rate risk. The department manages these financial risks in accordance with its financial risk management policy.

The department uses different methods to measure and manage the different risks to which it is exposed.

#### 8.1.3.1 Financial instruments: Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. The department's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the department. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the department's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Victorian Government and home loan recipients, it is the department's policy to only deal with entities with high credit ratings of a minimum triple B rating and to obtain sufficient collateral or credit enhancements, where appropriate.

In addition, the department does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, the department's policy is to only deal with banks with high credit ratings.

Provision for of impairment for contractual financial assets is recognised when there is objective evidence that the department will not be able to collect a receivable.

Provision for impairment for financial assets is calculated based on past experience, and current and expected changes in client credit ratings, or when there is objective evidence that the department will not be able to collect a receivable. Tenant loans are made up of small amounts therefore the likelihood of default are considered immaterial.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial report statements, net of any allowances for losses, represents the department's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to the department's credit risk profile in 2016–17.

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

	Financial institutions Double-A credit rating Total \$M	Government agencies Triple-A credit rating Total \$M	Credit ratings not disclosed \$M	Total \$M
<b>2017</b>				
Cash and deposits	22.9	360.7	–	383.7
Receivables <sup>(i) (ii)</sup>	–	–	112.0	112.0
Loans <sup>(ii)</sup>	–	–	81.0	81.0
Short term investments – term deposits	–	418.5	–	418.5
<b>Total contractual financial assets</b>	<b>22.9</b>	<b>779.2</b>	<b>193.0</b>	<b>995.2</b>
<b>2016</b>				
Cash and deposits	27.2	203.6	–	230.8
Receivables <sup>(i) (ii)</sup>	–	–	75.5	75.5
Loans <sup>(ii)</sup>	–	–	83.3	83.3
Short term investments – term deposits	–	346.8	–	346.8
<b>Total contractual financial assets</b>	<b>27.2</b>	<b>550.4</b>	<b>158.8</b>	<b>736.4</b>

## Notes:

- (i) The total amounts disclosed here exclude statutory amounts e.g. amounts owing from Victorian Government, GST input tax credit recoverable and other taxes payable.
- (ii) The carrying amounts consist of amounts due from numerous counterparties for which no credit ratings have been disclosed due to impracticability.

**8.1.3.2 Financial instruments: Liquidity risk**

Liquidity risk arises from being unable to meet financial obligations as they fall due. The department operates under the government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, make payments within 30 days from the date of resolution.

The department is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. The department manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements;
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short term obligations;
- holding investments and other contractual financial assets that are readily tradeable in the financial markets;
- careful maturity planning of its financial obligations based on forecasts of future cash flows; and
- a high credit rating for the State of Victoria (Moody's Investor Services, Standard & Poor's triple-A, which assists in accessing debt market at a lower interest rate).

The department's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The carrying amount detailed in Notes 6.4.1 and 7.1.1, of contractual financial liabilities recorded in the financial statements, represents the department's maximum exposure to liquidity risk.

**8.1.3.3 Financial instruments: Market risk**

The department's exposures to market risk is primarily through interest rate risk. The department's exposure to other price risks is insignificant. Objectives, policies and processes used to manage the risk are disclosed below.

**Sensitivity disclosure analysis and assumptions**

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

- A shift of +0.5% and -0.5% (2016: +0.25% and -0.25%) in market interest rates (AUD) from year end cash deposits.

Several loan programs have loans with interest rates linked to movement in the consumer price index (CPI). The total balances outstanding under these programs have reduced to a level that any changes to the CPI have a limited impact on the amount of interest charged and no new lending is made under these programs.

The tables that follow show the impact on the department's net result and equity for each category of financial instrument held by the department at the end of the reporting period, if the above movements were to occur.

**Interest rate risk**

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The department does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The department has minimal exposure to cash flow interest rate risks through cash and deposits and term deposits.

Exposure to interest rate risk is insignificant and might arise primarily through the department's interest bearing assets. Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest bearing financial instruments. For financial liabilities, the department mainly incurs financial liabilities with relatively even maturity profiles.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and the department's sensitivity to interest rate risk are set out in the table that follows.

### Interest rate exposure of financial instruments

	Weighted average effective interest rate (%)	Carrying amount \$M	Interest rate exposure		
			Fixed interest rate \$M	Variable interest rate \$M	Non-interest bearing \$M
<b>2017</b>					
<b>Financial assets</b>					
Cash and deposits	1.5%	383.7	–	64.8	318.8
Receivables <sup>(i)</sup>		112.0	–	–	112.0
Loans	4.8%	81.0	2.8	16.5	61.8
Short term investments – term deposits	1.9%	418.5	418.5	–	–
<b>Total financial assets</b>		<b>995.2</b>	<b>421.2</b>	<b>81.3</b>	<b>492.6</b>
<b>Financial liabilities</b>					
Payables <sup>(i)</sup>		1,207.1	–	–	1,207.1
Borrowings	3.6%	64.7	45.1	–	19.6
<b>Total financial liabilities</b>		<b>1,271.8</b>	<b>45.1</b>	<b>–</b>	<b>1,226.7</b>
<b>2016</b>					
<b>Financial assets</b>					
Cash and deposits	1.6%	230.8	20.0	68.9	141.9
Receivables <sup>(i)</sup>		75.5	–	–	75.5
Loans	3.3%	83.3	3.0	18.6	61.7
Short term investments – term deposits	2.2%	346.8	346.8	–	–
<b>Total financial assets</b>		<b>736.4</b>	<b>369.8</b>	<b>87.5</b>	<b>279.1</b>
<b>Financial liabilities</b>					
Payables <sup>(i)</sup>		954.2	–	–	954.2
Borrowings	4.2%	70.2	48.8	–	21.4
<b>Total financial liabilities</b>		<b>1,024.4</b>	<b>48.8</b>	<b>–</b>	<b>975.9</b>

Notes:

(i) The total amounts disclosed here exclude statutory amounts e.g. amounts owing to/from Victorian Government and GST input tax credit recoverable and taxes payable.

### 8.1.3.3 Financial instruments: Market risk

#### Interest rate risk sensitivity analysis

	Carrying amount \$M	Interest rate risk		Consumer Price Index (CPI)	
		–0.50% Net result \$M	+0.50% Net result \$M	–0.25% Net result \$M	1.50% Net result \$M
<b>2017</b>					
<b>Contractual financial assets</b>					
Cash and deposits <sup>(i)</sup>	383.7	(0.2)	0.2	–	–
Receivables <sup>(ii) (iii)</sup>	112.0	–	–	–	–
Loans <sup>(iii)</sup>	81.0	(0.1)	0.1	–	0.2
Short term investments – term deposits	418.5	(2.1)	2.1	–	–
<b>Total impact</b>	<b>995.2</b>	<b>(2.4)</b>	<b>2.4</b>	<b>–</b>	<b>0.2</b>
<b>Contractual financial liabilities</b>					
Payables <sup>(iii)</sup>	1,207.1	–	–	–	–
Borrowings <sup>(iii) (iv)</sup>	64.7	–	–	–	–
<b>Total impact</b>	<b>1,271.8</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

	Carrying amount \$M	Interest rate risk		Consumer Price Index (CPI)	
		-0.25% Net result \$M	+0.25% Net result \$M	-0.25% Net result \$M	1.50% Net result \$M
<b>2016</b>					
<b>Contractual financial assets</b>					
Cash and deposits <sup>(i)</sup>	230.8	(0.2)	0.2	–	–
Receivables <sup>(ii) (iii)</sup>	75.5	–	–	–	–
Loans <sup>(iii)</sup>	83.3	–	–	–	0.3
Short term investments – term deposits	346.8	(0.9)	0.9		
<b>Total impact</b>	<b>736.4</b>	<b>(1.1)</b>	<b>1.1</b>	<b>–</b>	<b>0.3</b>
<b>Contractual financial liabilities</b>					
Payables <sup>(iii)</sup>	954.2	–	–	–	–
Borrowings <sup>(iii) (iv)</sup>	70.2	–	–	–	–
<b>Total impact</b>	<b>1,024.4</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

Notes:

- (i) All cash and deposits are held in Australian dollars and were held on deposits at fixed and variable interest rates. This item is not subject to any other identified risk sensitivities.
- (ii) The carrying amount is denominated in Australian dollars and is non-interest bearing. This item is not subject to the identified risk sensitivities.
- (iii) The total amounts disclosed here exclude statutory amounts e.g. amounts owing to/from Victorian Government and GST input tax credit recoverable and taxes payable.
- (iv) Borrowings are denominated in Australian dollars. \$45.1 million (2016: \$48.8 million) relates to finance lease liabilities associated with motor vehicles. Each contract has interest fixed at the inception of the lease.

## 8.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a disclosure and, if quantifiable, are stated 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 entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

	2017 \$M	2016 \$M
<b>Quantifiable contingent assets</b>		
Details and estimates of contingent assets are as follows:		
(a) Bank guarantee held for:		
– satisfactory performance of IT Managed Services contract; and	0.8	–
– building contracts.	14.0	16.7
(b) Letter of comfort held for Community Chef recallable grant	2.9	2.4
(c) The department provided recallable capital grants to a number of hospitals and these are recallable by way of future cash flow adjustments. The department has not taken any decision in respect of the need for the recipient hospitals to bear those future cash flow adjustments at this time. Decisions about whether recallable grants are to be repaid are solely at the discretion of the department in consideration of the outcomes arising from the expenditure of the grant funds and other policy considerations. As such, hospitals at this time have no obligation to repay the recallable grant unless the department determines at some point in the future that a cash flow adjustment in respect of the recallable grant is warranted.	0.7	3.4
(d) Litigation for the recovery of costs in relation to defective construction work.	1.7	–
<b>Total</b>	<b>20.0</b>	<b>22.5</b>

### 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 entity; 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.

	2017 \$M	2016 \$M
<b>Quantifiable contingent liabilities</b>		
(a) In 2016, there existed a building construction contractual dispute in which a Contractor claimed to be entitled to a sum greater than the amount determined by the Superintendent (the independent assessor of claims under the contract) as being due to the Contractor under the contract with the department. The claim was made against the department and the department denied liability for the amounts in excess of the amount determined by the Superintendent. The contract was otherwise complete.  The dispute progressed in accordance with the procedures set out in the <i>Building and Construction Industry Security of Payment Act 2002</i> (the Act) for resolving such disputes. Under a construction contract, the Superintendent is the Principal's representative (the department is the Principal). When there is a dispute as to amounts owing under a construction contract dealt with under the Act, as in this case, the Principal is required to set the sum demanded aside while the dispute is resolved. The purpose of this is to ensure that the funds are available if the dispute were to be resolved in favour of the contractor.  This matter was not applicable in 2017.	–	0.2
(b) The Department of Health and Human Services has estimated that potential liability exists in respect of a number of legal actions instigated by clients and their representatives, employees and others, and other contractual liabilities.	2.4	9.9
<b>Total</b>	<b>2.4</b>	<b>10.2</b>

### **Non-quantifiable contingent liabilities**

In response to the concerns of some health services, the department has undertaken to provide certain health services adequate cash flow support to enable these health services to meet their current and future obligations as and when they fall due for a period up to September 2018 should this be required. In line with processes already established by the department, it is expected that each health service that has been pledged this support will:

- continue to provide monthly advice on its financial position, including the likelihood of any short-term liquidity issues; and
- commit to achieve the agreed budget targets, and all other requirements of their service agreements or statement of priorities in 2017–18.

### **8.3 Fair value determination**

This section sets out information on how the department determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through 'other comprehensive income', and
- land, buildings, plant and equipment

In addition, the fair values of other assets and liabilities which are carried at amortised cost, also need to be determined for disclosure purposes.

The department determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

#### **Fair value 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 department 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.

The Valuer-General Victoria (VGV) is the department's independent valuation agency.

#### **How this section is structured**

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value; and
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
  - a reconciliation of the movements in fair values from the beginning of the year to the end; and
  - details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for financial instruments (refer Note 8.3.1) and non-financial physical assets (refer Note 8.3.2).

### 8.3.1 Fair value determination of financial assets and liabilities

The fair values and net fair values of financial assets and liabilities are determined as follows:

- Level 1 – the fair value of financial instruments with standard terms and conditions and traded in active markets are determined with reference to quoted market prices;
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The department currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair values, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2016–17 reporting period.

The fair value of the financial instruments is the same as the carrying amounts.

### 8.3.2 Fair value determination of non-financial physical assets

	Fair value measurement at end of reporting period using:			
	Carrying amount \$M	Level 1 <sup>(i)</sup> \$M	Level 2 <sup>(i)</sup> \$M	Level 3 <sup>(i)</sup> \$M
<b>2017</b>				
<b>Land at fair value</b>				
Non-specialised land	16,362.7	–	16,357.7	5.0
Specialised land	476.9	–	57.0	419.9
<b>Total land at fair value</b>	<b>16,839.6</b>	<b>–</b>	<b>16,414.6</b>	<b>424.9</b>
<b>Buildings at fair value</b>				
Non-specialised building	8,343.8	–	8,343.4	0.4
Specialised building	693.0	–	266.0	427.0
<b>Total buildings at fair value</b>	<b>9,036.8</b>	<b>–</b>	<b>8,609.4</b>	<b>427.4</b>
<b>Plant, equipment and vehicles at fair value</b>				
Plant and equipment	13.1	–	–	13.1
Motor vehicles	1.3	–	–	1.3
<b>Total plant, equipment and vehicles at fair value</b>	<b>14.4</b>	<b>–</b>	<b>–</b>	<b>14.4</b>

	Fair value measurement at end of reporting period using:			
	Carrying amount \$M	Level 1 <sup>(i)</sup> \$M	Level 2 <sup>(i)</sup> \$M	Level 3 <sup>(i)</sup> \$M
<b>2016</b>				
<b>Land at fair value</b>				
Non-specialised land	14,636.4	–	14,632.0	4.4
Specialised land	526.9	–	55.5	471.4
<b>Total land at fair value</b>	<b>15,163.2</b>	<b>–</b>	<b>14,687.4</b>	<b>475.8</b>
<b>Buildings at fair value</b>				
Non-specialised building	8,794.8	–	8,794.4	0.4
Specialised building	562.2	–	1.0	561.1
<b>Total buildings at fair value</b>	<b>9,357.0</b>	<b>–</b>	<b>8,795.4</b>	<b>561.6</b>
<b>Plant, equipment and vehicles at fair value</b>				
Plant and equipment	14.1	–	–	14.1
Motor vehicles	1.8	–	–	1.8
<b>Total plant, equipment and vehicles at fair value</b>	<b>15.8</b>	<b>–</b>	<b>–</b>	<b>15.8</b>

Note:

- (i) Classified in accordance with the fair value hierarchy. The department, in conjunction with the Victorian Valuer-General, monitors the changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

\$0.2 million of specialised land has been transferred from Level 3 to Level 2 following asset consolidation and revaluation in 2016–17.

**Non-specialised land and non-specialised buildings** are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value. Non-specialised buildings, where there was no active market, have been valued using the depreciated replacement cost (DRC) approach.

A managerial revaluation of the department's land asset class was undertaken in 2016–17 and 2015–16 in accordance with FRD103F which specifies that '...a managerial revaluation will be performed in non-scheduled years, where the cumulative movement in indexed valuations is 'material' (greater than 10%)'. The cumulative movement for the department's property asset class since the last scheduled revaluation was 35.6% at 30 June 2017 (2016: 19.5%), and a revaluation was performed using the indexed valuations provided by the Victorian Valuer-General. The effective date of the valuation is 30 June 2017 for 2016–17 (30 June 2016 for 2015–16).

The cumulative movement in the department's building asset class was below the 10% threshold needed to trigger an interim managerial revaluation.

Director of Housing land and buildings are held in Level 2 as it is considered that each residential dwelling assessed has an active and liquid market, if not for its ownership and on-going use by the Department of Health and Human Services for housing purposes. As such, the market value of each residential asset has been determined by having regard to its highest and best use.

**Specialised land and specialised buildings:** The market approach is used for specialised land, although may be adjusted for a community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of 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 takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land with a CSO adjustment would be classified as Level 3 assets.

For the majority of the department's specialised buildings, the DRC method is used, adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of the departments' specialised land and specialised buildings was performed by the Valuer-General Victoria in June 2014 using either the market approach or the DRC approach.

A managerial revaluation of the department's land asset class was undertaken in 2016–17 and 2015–16 in accordance with FRD103F which specifies that '...a managerial revaluation will be performed in non-scheduled years, where the cumulative movement in indexed valuations is 'material' (greater than 10%)'. The cumulative movement for the department's property asset class since the last scheduled revaluation was 35.6% at 30 June 2017 (2016: 19.5%), and a revaluation was performed using the indexed valuations provided by the Victorian Valuer-General. The effective date of the valuation is 30 June 2017 for 2016–17 (30 June 2016 for 2015–16). The cumulative movement in the department's building asset class was below the 10% threshold needed to trigger an interim managerial revaluation.

**Vehicles** are valued using the depreciated replacement cost method. The department acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in the department who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

**Plant and equipment** is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2017.

For all assets measured at fair value, the current use is considered the highest and best use.

## Reconciliation of Level 3 fair value movements

	Non-specialised land \$M	Specialised land \$M	Non-specialised buildings \$M	Specialised buildings \$M	Plant and equipment \$M	Motor vehicles \$M	Total \$M
<b>2017</b>							
<b>Opening balance</b>	<b>4.4</b>	<b>471.4</b>	<b>0.5</b>	<b>561.1</b>	<b>14.1</b>	<b>1.8</b>	<b>1,053.2</b>
Machinery of Government transfer in/(out)	–	(86.1)	–	(127.4)	(0.6)	(0.1)	(214.2)
Additions	–	–	–	–	3.8	–	3.8
Capitalisation of work in progress	–	–	–	3.9	–	–	3.9
Disposals	–	(9.9)	–	–	–	–	(9.9)
Transfers in/(out) of Level 3	–	(0.2)	–	–	–	–	(0.2)
<b>Gains or losses recognised in net result</b>							
Depreciation	–	–	(0.1)	(21.2)	(4.2)	(0.3)	(25.8)
<b>Subtotal of gains or losses recognised in net result</b>	<b>–</b>	<b>–</b>	<b>(0.1)</b>	<b>(21.2)</b>	<b>(4.2)</b>	<b>(0.3)</b>	<b>(25.8)</b>
<b>Gains or losses recognised in other economic flows – other comprehensive income</b>							
Net revaluation increments/(decrements)	0.7	44.7	–	10.6	–	–	56.0
<b>Subtotal of gains or losses recognised in other economic flows</b>	<b>0.7</b>	<b>44.7</b>	<b>–</b>	<b>10.6</b>	<b>–</b>	<b>–</b>	<b>56.0</b>
<b>Closing balance</b>	<b>5.0</b>	<b>419.9</b>	<b>0.4</b>	<b>427.0</b>	<b>13.1</b>	<b>1.3</b>	<b>866.7</b>
	Non-specialised land \$M	Specialised land \$M	Non-specialised buildings \$M	Specialised buildings \$M	Plant and equipment \$M	Motor vehicles \$M	Total \$M
<b>2016</b>							
<b>Opening balance</b>	<b>3.6</b>	<b>429.9</b>	<b>0.5</b>	<b>555.2</b>	<b>8.6</b>	<b>1.3</b>	<b>999.1</b>
Equity transfer from another department	–	1.6	–	0.3	–	–	1.9
Additions	–	22.7	–	28.0	11.4	1.0	63.1
Disposals	–	–	–	–	(0.3)	(0.1)	(0.4)
Transfer between classes	–	(23.5)	–	–	–	–	(23.5)
Transfers in/(out) of Level 3	–	2.3	–	–	–	–	2.3
<b>Gains or losses recognised in net result</b>							
Depreciation	–	–	–	(24.4)	(5.5)	(0.5)	(30.4)
Impairment loss	–	–	–	–	–	–	–
Assets received free of charge	–	1.5	–	4.5	–	–	6.0
Assets given free of charge	–	(5.0)	–	(1.3)	–	–	(6.3)
<b>Subtotal of gains or losses recognised in net result</b>	<b>–</b>	<b>(3.5)</b>	<b>–</b>	<b>(21.2)</b>	<b>(5.5)</b>	<b>(0.5)</b>	<b>(30.7)</b>
<b>Gains or losses recognised in other economic flows – other comprehensive income</b>							
Net revaluation increments/(decrements)	0.8	41.9	–	(1.2)	–	–	41.5
<b>Subtotal of gains or losses recognised in other economic flows</b>	<b>0.8</b>	<b>41.9</b>	<b>–</b>	<b>(1.2)</b>	<b>–</b>	<b>–</b>	<b>41.5</b>
<b>Closing balance</b>	<b>4.4</b>	<b>471.4</b>	<b>0.5</b>	<b>561.1</b>	<b>14.1</b>	<b>1.8</b>	<b>1,053.2</b>

*Description of significant unobservable inputs to Level 3 valuations*

	Valuation technique	Significant Unobservable Inputs
<b>Non-specialised land</b>	Market approach	Community Service Obligation (CSO) adjustment
<b>Specialised land</b>	Market approach	Community Service Obligation (CSO) adjustment
<b>Non-specialised buildings</b>	Depreciated replacement cost	Direct cost per square metre
<b>Specialised buildings</b>	Depreciated replacement cost	Direct cost per square metre
<b>Plant and equipment</b>	Depreciated replacement cost	Useful life of equipment
<b>Vehicles</b>	Depreciated replacement cost	Useful life of vehicles

Significant unobservable inputs have remained unchanged since June 2016.

*Non-financial physical assets classified as held for sale*

	Fair value measurement at end of reporting period using:			
	Carrying amount \$M	Level 1 <sup>(i)</sup> \$M	Level 2 <sup>(i)</sup> \$M	Level 3 <sup>(i)</sup> \$M
<b>2017</b>				
<b>Land held for sale</b>				
Specialised land	0.1	–	0.1	–
<b>Total land at fair value held for sale</b>	<b>0.1</b>	<b>–</b>	<b>0.1</b>	<b>–</b>
<b>Buildings held for sale</b>				
Specialised building	2.9	–	2.9	–
<b>Total buildings held for sale</b>	<b>2.9</b>	<b>–</b>	<b>2.9</b>	<b>–</b>

	Fair value measurement at end of reporting period using:			
	Carrying amount \$M	Level 1 <sup>(i)</sup> \$M	Level 2 <sup>(i)</sup> \$M	Level 3 <sup>(i)</sup> \$M
<b>2016</b>				
<b>Land held for sale</b>				
Specialised land	23.7	–	0.2	23.5
<b>Total land at fair value held for sale</b>	<b>23.7</b>	<b>–</b>	<b>0.2</b>	<b>23.5</b>
<b>Buildings held for sale</b>				
Specialised building	2.0	–	2.0	–
<b>Total buildings held for sale</b>	<b>2.0</b>	<b>–</b>	<b>2.0</b>	<b>–</b>

Note:

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

There have been no transfers between levels during 2016–17.

## 9. Other disclosures

### Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

### Structure

- 9.1 Ex-gratia expenses
- 9.2 Other economic flows included in net result
- 9.3 Non-current assets held for sale
- 9.4 Reserves
- 9.5 Entities consolidated pursuant to section 53(1)(b) of the FMA
- 9.6 Responsible persons
- 9.7 Remuneration of executives
- 9.8 Related parties
- 9.9 Remuneration of auditors
- 9.10 Subsequent events
- 9.11 Other accounting policies
- 9.12 Australian Accounting Standards issued that are not yet effective
- 9.13 Glossary of technical terms
- 9.14 Style conventions

### 9.1 Ex-gratia expenses

	2017 \$M	2016 \$M
Compensation for economic loss	–	2.8
<b>Total ex-gratia expenses <sup>(i)</sup></b>	<b>–</b>	<b>2.8</b>

Note:

- (i) The total for ex-gratia expenses is also presented in Note 3.1.5 Other operating expenses.

### 9.2 Other economic flows included in net result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates and the effects of changes in actuarial assumptions,
- other revaluations on the value of outstanding insurance claims and liabilities, and
- bad debt expenses.

	2017 \$M	2016 \$M
<b>(a) Net gain/(loss) on non-financial assets</b>		
<b>Revenue from disposal of non-financial physical assets</b>		
Land	61.6	58.4
Buildings	67.5	83.0
Shared home ownership scheme	2.8	1.9
Miscellaneous assets	11.9	14.6
<b>Total revenue from disposal of non-financial physical assets</b>	<b>143.8</b>	<b>157.8</b>
<b>Costs on disposal of non-financial physical assets</b>		
Land	65.6	57.0
Buildings	61.4	81.3
Shared home ownership scheme	2.6	1.8
Community services properties	3.0	1.3
Miscellaneous assets	17.3	15.5
<b>Total costs on disposal of non-financial physical assets</b>	<b>149.7</b>	<b>156.9</b>
<b>Net gain/(loss) on non-financial assets</b>	<b>(6.0)</b>	<b>0.9</b>
<b>(b) Net gain/(loss) on financial instruments</b>		
Net gain/(loss) on financial instruments and statutory receivables/payables	1.5	0.6
<b>Total net gain/(loss) on financial instruments</b>	<b>1.5</b>	<b>0.6</b>

	2017 \$M	2016 \$M
<b>(c) Other gains/(losses) from other economic flows</b>		
Net gain/(loss) arising from revaluation of long service leave liability	6.4	(18.2)
Revaluation and adjustments of insurance claims	6.1	3.2
Bad debt expenses	(13.1)	(7.1)
<b>Total other gains/(losses) from other economic flows</b>	<b>(0.6)</b>	<b>(22.1)</b>

### 9.3 Non-financial assets held for sale

In addition to the assets and liabilities disclosed above, the following non-financial assets held for sale exist at the reporting date:

	2017 \$M	2016 \$M
<b>Non-financial assets classified as held for sale</b>		
Buildings held for sale	2.9	2.0
Land held for sale	0.1	23.7
Plant, equipment and vehicles	0.8	0.6
<b>Total non-financial assets classified as held for sale</b>	<b>3.8</b>	<b>26.3</b>

#### *Measurement of non-financial physical assets*

Non-financial physical assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

This condition is regarded as met only when:

- the asset is available for immediate use in the current condition; and
- the sale is highly probable and the asset sale is expected to be completed within 12 months from the date of classification.

These non-financial physical assets, related liabilities and financial assets are measured at the lower of carrying amount and fair value less costs to sell, and are not subject to depreciation or amortisation.

### 9.4 Reserves

	2017 \$M	2016 \$M
<b>Physical asset revaluation surplus <sup>(i)</sup></b>		
Balance at beginning of financial year	2,545.1	76.4
Revaluation increments/(decrements) of land and buildings	1,997.0	2,468.7
<b>Balance at the end of financial year</b>	<b>4,542.1</b>	<b>2,545.1</b>

Note:

- (i) The physical assets revaluation surplus arises on the revaluation of land and buildings.

### 9.5 Entities consolidated pursuant to section 53(1)(b) of the FMA

The following four entities have been consolidated into the department's financial statements pursuant to a determination made by the Minister for Finance under section 53(1)(b) of the FMA:

- Mental Health Complaints Commissioner;
- Mental Health Tribunal;
- Commission for Children and Young People; and
- the Director of Housing.

The financial effects of each of those entities, except Director of Housing, were trivial to the departmental consolidated group, both individually and in aggregate. Therefore, those entities are reported in aggregate, together with the department in the table below.

	Department of Health and Human Services (DHHS) and other section 53 (1)(b) entities		Director of Housing		Eliminations and adjustments		DHHS consolidated group	
	2017 \$M	2016 \$M	2017 \$M	2016 \$M	2017 \$M	2016 \$M	2017 \$M	2016 \$M
Total income from transactions	15,681.2	14,655.6	1,015.1	1,288.3	(17.7)	(4.0)	16,678.6	15,939.8
Total expenses from transactions	15,588.0	14,305.2	1,369.5	1,016.6	(17.7)	(4.0)	16,939.7	15,317.8
Net result from transactions	93.2	350.4	(354.4)	271.7	–	–	(261.2)	622.1
Total assets	4,774.0	4,702.8	25,073.6	23,469.0	(16.1)	(8.6)	29,831.5	28,163.2
Total liabilities	1,637.2	1,384.1	174.4	166.8	(16.1)	(8.6)	1,795.5	1,542.3

## 9.6 Responsible persons

In accordance with the Directions of the Minister for Finance under the *Financial Management Act 1994* the following disclosures are made for the responsible persons for the reporting period.

### Names

The persons who held the positions of ministers and responsible bodies in the department are as follows:

Minister for Ambulance Services	The Hon. Jill Hennessy MP	1 July 2016 to 30 June 2017
Minister for Health	The Hon. Jill Hennessy MP	1 July 2016 to 30 June 2017
Minister for Housing, Disability and Ageing	The Hon. Martin Foley MP	1 July 2016 to 30 June 2017
Minister for Mental Health	The Hon. Martin Foley MP	1 July 2016 to 30 June 2017
Minister for Families and Children	The Hon. Jenny Mikakos MLC	1 July 2016 to 30 June 2017
Minister for Youth Affairs	The Hon. Jenny Mikakos MLC	1 July 2016 to 30 June 2017
Minister for Sport	The Hon. John Eren MP	1 July 2016 to 30 June 2017
Secretary, Department of Health and Human Services	Kym Peake	1 July 2016 to 30 June 2017
Acting Secretary, Department of Health and Human Services	Melissa Skilbeck	17 September 2016 to 2 October 2016
Acting Secretary, Department of Health and Human Services	Terry Symonds	29 December 2016 to 9 January 2017
Director of Housing under the <i>Housing Act 1983</i>	Nick Foa	1 July 2016 to 30 June 2017
Acting Director of Housing under the <i>Housing Act 1983</i>	Fiona Williams	21 December 2016 to 7 January 2017

### Remuneration

Remuneration received or receivable by the responsible bodies in connection with the management of the department during the reporting period was in the range:

Income band	30 June 2017	30 June 2016
\$110,000 – \$119,999	–	1
\$140,000 – \$149,999	–	1
\$310,000 – \$319,999	–	1
\$340,000 – \$349,999	–	1
\$370,000 – \$379,999	1	–
\$530,000 – \$539,999	1	–
<b>Total</b>	<b>2</b>	<b>4</b>

## 9.7 Remuneration of executives

The number of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. The 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 by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

**Short-term employee benefits** include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

**Post-employment benefits** include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

**Other long-term benefits** include long service leave, other long-service benefit or deferred compensation.

**Termination benefits** include termination of employment payments, such as severance packages.

**Share-based payments** are cash or other assets paid or payable as agreed between the entity and the employee, provided specific vesting conditions, if any, are met.

**Remuneration of executive officers (including Key Management Personnel disclosed in Note 9.8)**

	Total remuneration	
	2017 \$M	2016 <sup>(i)</sup> \$M
Short-term employee benefits	29.0	
Post-employment benefits	3.3	
Other long-term benefits	0.7	
Termination benefits	0.4	
Share-based payments	–	
<b>Total remuneration<sup>(i) (ii)</sup></b>	<b>33.4</b>	
<b>Total number of executives</b>	<b>164</b>	<b>145</b>
<b>Total annualised employee equivalent (AEE)<sup>(iii)</sup></b>	<b>133.8</b>	<b>110.6</b>

Notes:

- (i) No comparatives have been reported because remuneration in the prior year was determined in line with the basis and definition under FRD 21B. Remuneration previously excluded non-monetary benefits and comprised any money, consideration or benefit received or receivable, excluding reimbursement of out-of-pocket expenses, including any amount received or receivable from a related party transaction. Refer to the prior year's financial statements for executive remuneration for the 2015–16 reporting period.
- (ii) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 *Related Party Disclosures* and are also reported within the related parties note disclosure (Note 9.8).
- (iii) Annualised employee equivalent is based on the time fraction worked over the reporting period.

**9.8 Related parties**

The department is a wholly owned and controlled entity of the State of Victoria.

The following entities have been consolidated into the department's financial statements pursuant to the determination made by the Minister for Finance under section 53(1)(b) of the *Financial Management Act 1994* (FMA):

- Mental Health Complaints Commissioner;
- Mental Health Tribunal;
- Commission for Children and Young People; and
- the Director of Housing.

Related parties of the department, Mental Health Complaints Commissioner, Mental Health Tribunal, the Director of Housing and Commission for Children and Young People include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

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

**Significant transactions with government-related entities**

The department received funding and made payments to the Consolidated Fund of \$15,089.9 million (2016: \$14,242.9 million) and \$456.0 million (2016: \$436.4 million) respectively.

Refer to Note 3.1.2 for other government-related entity transactions:

**Key management personnel** of the department include the Portfolio Ministers, the Hon. Jill Hennessy MP, the Hon. Martin Foley MP, the Hon. Jenny Mikakos MLC, the Hon. John Eren MP, the Secretary, Kym Peake and members of the Senior Executive Team, which includes:

- Deputy Secretary of Corporate Services, Carolyn De Gois
- Former Deputy Secretary of Corporate Services, Lance Wallace
- Deputy Secretary of People, Capability & Oversight, Annalise Bamford
- Former Deputy Secretary of People, Capability & Oversight, Elizabeth Langdon
- Deputy Secretary of Finance & Infrastructure, and Director of Housing, Nick Foa
- Deputy Secretary of Regulation, Health Protection and Emergency Management, Melissa Skilbeck
- Deputy Secretary of Community Participation, Sport & Recreation, Health & Wellbeing, Anne Congleton
- Deputy Secretary of Health Service Policy and Commissioning, Terry Symonds
- Deputy Secretary of Operations, Chris Asquini
- Deputy Secretary of Community Services Programs & Design, Amanda Cattermole
- Acting Deputy Secretary of Portfolio Strategy & Reform, Amity Durham
- Chief Financial Officer, Greg Stenton
- Acting Chief Executive Officer of Victorian Agency for Health Information, Diane Watson
- Chief Executive Officer of Safer Care Victoria, Euan Wallace

Key management personnel of the agencies consolidated pursuant to section 53(1)(b) of the FMA into the department's financial statements include:

Entity	Key Management Personnel	Position title
Mental Health Complaints Commissioner	Dr Lynne Coulson Barr	Commissioner
Mental Health Tribunal	Matthew Carroll	President
Commission for Children and Young People	Liana Buchannen	Principal Commissioner
Commission for Children and Young People	Andrew Jackomos	Commissioner for Aboriginal Children and Young People

The compensation detailed below excludes the salaries and benefits the Portfolio Minister received. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* is reported within the Department of Parliamentary Services' Financial Report.

### Compensation of KMPs

	Department of Health and Human Services	Section 53 <sup>(ii)</sup>
	2017	2017
	\$M	\$M
Short-term employee benefits	4.3	0.8
Post-employment benefits	0.4	0.1
Other long-term benefits	0.2	–
Termination benefits	–	–
Share-based payments	–	–
<b>Total <sup>(i)</sup></b>	<b>4.8</b>	<b>0.9</b>

Notes:

- (i) Note that KMPs are also reported in the disclosure of remuneration of executive officers (refer to Note 9.7).
- (ii) This includes remuneration of KMPs for Mental Health Complaints Commissioner, Mental Health Tribunal, Director of Housing and the Commission for Children and Young People.

### Transactions and balances with key management personnel and other related parties

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

Outside of normal citizen type transactions, there were no material related party transactions that involved key management personnel, their close family members and their personal business interests for the department or its section 53(1)(b) entities listed above.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

### 9.9 Remuneration of auditors

	2017	2016
	\$	\$
Victorian Auditor-General's Office – audit of the financial report	533,000	650,000

### 9.10 Subsequent events

The Director of Housing (Director) is undertaking a staged title transfer of 1,448 Director owned properties to Aboriginal Housing Victoria. The first tranche of 511 units, generally located in the metropolitan region, was transferred on 28 July 2016. The second tranche of 474 units, generally located in the Gippsland, Grampians and Barwon regions, was transferred on 1 July 2017. The last tranche will follow in 2018–19, subject to AHV continuing to meet and maintain the Victorian Registrar of Housing Agencies organisational performance metrics.

The transfer of property titles at zero cash consideration is in acknowledgement that the social and economic circumstances, and the disadvantage experienced by Aboriginal Victorian tenants, presents a challenge to the efficient delivery of housing services by AHV while maintaining high standards of housing and the organisation's continued financial sustainability.

The intention to transfer the properties to Aboriginal Housing Victoria is underpinned by the principle of self-determination. This will assist Aboriginal Housing Victoria to provide culturally appropriate social housing for Aboriginal Victorians and to develop innovative solutions to promote socio-economic independence among Aboriginal Victorians.

The financial implications of the title transfer to Aboriginal Housing Victoria are outlined below:

- > The book value of the properties (at 30 June 2017) transferred to AHV in 2017–18 is estimated at \$92.3 million.
- > The title transfer will reduce the Balance Sheets and record an expense in the Comprehensive Operating Statements of the Director and the department by \$92.3 million.

### 9.11 Other accounting policies

#### ***Contributions by owners***

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 department.

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

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

## 9.12 Australian Accounting Standards issued that are not yet effective

Certain new Australian Accounting Standards (AAS) have been published that are not mandatory for the 30 June 2017 reporting period. The Department of Treasury and Finance assesses the impact of all these new standards and advises the department of their applicability and early adoption where applicable. The department has not, and does not intend to, adopt these standards early.

The following AASs become effective for reporting periods commencing after the operative dates stated:

Standard/Interpretation <sup>(i)</sup>	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 9 <i>Financial Instruments</i>	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. While there will be no significant impact arising from AASB 9, there will be a change to the way financial instruments are disclosed.
AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i>	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: <ul style="list-style-type: none"> <li>The change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI); and</li> <li>Other fair value changes are presented in profit and loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.</li> </ul>	1 Jan 2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. Changes in own credit risk in respect of liabilities designated at fair value through profit and loss will now be presented within other comprehensive income (OCI). Hedge accounting will be more closely aligned with common risk management practices making it easier to have an effective hedge. For entities with significant lending activities, an overhaul of related systems and processes may be needed.
AASB 2014-1 <i>Amendments to Australian Accounting Standards [Part E Financial Instruments]</i>	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1 Jan 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.

Standard/Interpretation <sup>(i)</sup>	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 15 <i>Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2018	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.
AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i>	Amends the measurement of trade receivables and the recognition of dividends. Trade receivables, that do not have a significant financing component, are to be measured at their transaction price, at initial recognition. Dividends are recognised in the profit and loss only when: <ul style="list-style-type: none"> <li>• the entity's right to receive payment of the dividend is established;</li> <li>• it is probable that the economic benefits associated with the dividend will flow to the entity; and</li> <li>• the amount can be measured reliably.</li> </ul>	1 Jan 2017, except amendments to AASB 9 (Dec 2009) and AASB 9 (Dec 2010) apply from 1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.
AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 Jan 2018	This amending standard will defer the application period of AASB 15 for for-profit entities to the 2018–19 reporting period in accordance with the transition requirements.
AASB 2016-3 <i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i>	This Standard amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require: <ul style="list-style-type: none"> <li>• A promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation;</li> <li>• For items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and</li> <li>• For licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access).</li> </ul>	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector, other than the impact identified for AASB 15 above.
AASB 2016-7 <i>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i>	This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1 Jan 2019	This amending standard will defer the application period of AASB 15 for not-for-profit entities to the 2019-20 reporting period.

Standard/Interpretation <sup>(i)</sup>	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2016-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	<p>This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events. The amendments:</p> <ul style="list-style-type: none"> <li>require non-contractual receivables arising from statutory requirements (i.e. taxes, rates and fines) to be initially measured and recognised in accordance with AASB 9 as if those receivables are financial instruments; and</li> <li>clarifies circumstances when a contract with a customer is within the scope of AASB 15.</li> </ul>	1 Jan 2019	The assessment has indicated that there will be no significant impact for the public sector, other than the impacts identified for AASB 9 and AASB 15 above.
AASB 16 <i>Leases</i>	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 Jan 2019	<p>The assessment has indicated that as most operating leases will come on balance sheet, recognition of the right-of-use assets and lease liabilities will cause net debt to increase.</p> <p>Rather than expensing the lease payments, depreciation of right-of-use assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.</p> <p>No change for lessors.</p>
AASB 2016-4 <i>Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</i>	The standard amends AASB 136 Impairment of Assets to remove references to using depreciated replacement cost (DRC) as a measure of value in use for not-for-profit entities.	1 Jan 2017	<p>The assessment has indicated that there is minimal impact. Given the specialised nature and restrictions of public sector assets, the existing use is presumed to be the highest and best use (HBU), hence current replacement cost under AASB 13 Fair Value Measurement is the same as the depreciated replacement cost concept under AASB 136.</p>
AASB 1058 <i>Income of Not-for-Profit Entities</i>	This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable the not-for-profit entity to further its objectives.	1 Jan 2019	The assessment has indicated that revenue from capital grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as performance obligations are satisfied. As a result, the timing recognition of revenue will change.

Note:

- (i) For the current year, given the number of consequential amendments to AASB 9 Financial Instruments and AASB 15 Revenue from Contracts with Customers, the standards/interpretations have been grouped together to provide a more relevant view of the upcoming changes.

### 9.13 Glossary of technical terms

The following is a summary of the major technical terms used in this report.

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

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

**Administered item** generally refers to a department lacking the capacity to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

**Amortisation** is the expense that results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an 'other economic flow'.

**Borrowings** refers to interest bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, finance leases and other interest bearing arrangements. Borrowings also include non-interest bearing advances from government that are acquired for policy purposes.

**Capital asset charge** is a charge levied on the written-down value of controlled non-current physical assets in a department's balance sheet which aims to: attribute to agency outputs the opportunity cost of capital used in service delivery; and provide incentives to departments to identify and dispose of underutilised or surplus assets in a timely manner.

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

**Comprehensive result** is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

**Controlled item** generally refers to the capacity of a department to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

**Current grants** are amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

**Depreciation** is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

**Effective interest method** is the method used to calculate the amortised cost of a financial asset or liability and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument, or, where appropriate, a shorter period.

**Employee benefits expenses** includes all costs related to employment including salaries and wages, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

**Eliminations** are the removal of transactions that occur between entities within a consolidated group to ensure figures are not overstated.

**Ex-gratia expenses** mean the voluntary payment of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

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

**Financial asset** is any asset that is:

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

**Financial liability** is any liability that is:

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

**Financial statements** comprise:

- (a) a balance sheet as at the end of the year;
- (b) a comprehensive operating statement for the year;
- (c) a statement of changes in equity for the year;
- (d) a statement of cash flows for the year;
- (e) notes, comprising a summary of significant accounting policies and other explanatory information;
- (f) comparative information in respect of the preceding year as specified in paragraphs 38 of *AASB 101 Presentation of Financial Statements*; and
- (g) a balance sheet as at the beginning of the preceding year when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraph 41 of *AASB 101*.

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

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

**General government sector** comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those that are mainly non-market in nature, those that are largely for collective consumption by the community and those that involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

**Grants for on-passing** are grants paid to one institutional sector (e.g. a State general government entity) to be passed on to another institutional sector (e.g. local government or a private non-profit institution).

**Intangible assets** represent identifiable non-monetary assets without physical substance.

**Interest expense represents** costs incurred in connection with the borrowings. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of finance leases repayments and amortisation of discounts or premiums in relation to borrowings.

**Interest income** includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

**Investment properties** are properties held to earn rentals or for capital appreciation or both. Investment properties exclude properties held to meet service delivery objectives of the State of Victoria.

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

**Leases** are rights to use an asset for an agreed period of time in exchange for payment. Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of infrastructure, property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

**Net acquisition of non-financial assets** (from transactions) are purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. Includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write-offs, impairment write-downs and revaluations.

**Net financial liabilities** is calculated as liabilities less financial assets, other than equity in public non-financial corporations (PNFC) and public financial corporations (PFC). This measure is broader than net debt as it includes significant liabilities, other than borrowings (e.g. accrued employee liabilities such as superannuation and long service leave entitlements). For the PNFC and PFC sectors, it is equal to negative net financial worth.

**Net financial worth** is equal to financial assets minus liabilities. It is a broader measure than net debt as it incorporates provisions made (such as superannuation, but excluding depreciation and bad debts) as well as holdings of equity. Net financial worth includes all classes of financial assets and liabilities, only some of which are included in net debt.

**Net operating balance or net result from transactions** is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

**Net result** is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as other economic flows – other comprehensive income.

**Net worth** is calculated as assets less liabilities, which is an economic measure of wealth.

**Non-financial assets** are all assets that are not financial assets. It includes inventories, land, buildings, plant and equipment, and intangible assets.

**Non-financial public sector** represents the consolidated transactions and assets and liabilities of the general government and PNFC sectors. In compiling statistics for the non-financial public sector, transactions and debtor/creditor relationships between sub-sectors are eliminated to avoid double counting.

**Non-produced assets** are assets needed for production that have not themselves been produced. They include land, subsoil assets, and certain intangible assets. Non-produced intangibles are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

**Operating result** is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner movements in equity'. Refer also 'net result'.

**Other economic flows included in net result** are changes in the volume or value of an asset or liability that do not result from transactions. In simple terms, other economic flows are changes arising from market remeasurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; actuarial gains and losses arising from defined benefit superannuation plans; fair value changes of financial instruments.

**Other economic flows – other comprehensive income** comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards. They include changes in physical asset revaluation surplus; share of net movement in revaluation surplus of associates and joint ventures; and gains and losses on remeasuring available-for-sale financial assets.

**Other operating expenses** generally represent cost of goods sold and the day to day running costs, including maintenance costs, incurred in the normal operations of the department.

**Payables** includes short and long term accounts payable, grants, taxes and interest payable.

**Produced assets** include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films and research and development costs (which does not include the start-up costs associated with capital projects).

**Public financial corporations (PFC)** are bodies primarily engaged in the provision of financial intermediation services or auxiliary financial services. They are able to incur financial liabilities on their own account (e.g. taking deposits, issuing securities or providing insurance services). Estimates are not published for the public financial corporation sector.

**The public non-financial corporation (PNFC)** sector comprises bodies mainly engaged in the production of goods and services (of a non-financial nature) for sale in the market place at prices that aim to recover most of the costs involved (e.g. water and port authorities). In general, PNFCs are legally distinguishable from the governments which own them.

**Receivables** includes amounts owing from government through appropriation receivable, short and long term accounts receivable, accrued investment income, grants, taxes and interest receivable.

**Rental income and income from services** includes rental income under operating leases and income from the provision of services.

**Transactions** are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (for example, assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the Government.

## 9.14 Style conventions

### ***Style conventions***

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

- > zero, or rounded to zero
- > (xxx.x) negative numbers
- > 20xx year end
- > 20xx–xx year period

The financial statements and notes are presented based on the illustration for a government department in the 2016–17 Model Report for Victorian Government departments. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the department's annual reports.

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## Portfolio budget outcomes

The portfolio budget outcomes provide a comparison between the actual financial statements of all general government-sector entities within the portfolio and the forecast financial information published in *Budget Paper No. 5 2016–17: Statement of Finances* (BP5).

The portfolio budget outcomes comprise the comprehensive operating statement, balance sheet, statement of cash flows, statement of changes in equity, and administered items statement for the full financial year 2016–17.

The portfolio budget outcomes have been prepared on a consolidated basis for the period 1 July 2016 to 30 June 2017 and include all general government-sector entities within the portfolio. Financial transactions and balances are classified into either controlled or administered categories as agreed with the Treasurer in the context of the published statements in BP5.

The portfolio budget outcomes statements are not subject to audit by the Victorian Auditor-General's office. They are not prepared on the same basis as the department's financial statements as they consolidate financial information of the following entities:

- > the Department of Health and Human Services (not including Director of Housing – Public Non-Financial Corporation)
- > public hospitals and public health services
- > multipurpose services
- > Ambulance Victoria
- > Health Purchasing Victoria
- > Victorian Assisted Reproductive Treatment Authority
- > Victorian Institute of Forensic Mental Health
- > Disability Services Commissioner
- > The Commission for Children and Young People
- > Tweddle Child and Family Health Service
- > The Queen Elizabeth Centre
- > Victorian Health Promotion Foundation
- > The Victorian Institute of Sport
- > Melbourne Cricket Ground Trust.

The portfolio budget outcomes statements include funding from the Commonwealth Government and revenue from the sale of services attributed to the department from the state government. They also include income and expenses associated with National Health Reform funding, which are explained below.

### Funding arrangements under National Health Reform

The 2016–17 financial statements reflect the funding arrangements under the joint Commonwealth–State National Health Reform Agreement. This funding arrangement took effect in Victoria from 1 October 2012. The Addendum to the National Health Reform Agreement took effect from 1 July 2017 and ceases on 30 June 2020.

The arrangement provides for Commonwealth funding under the National Health Reform Agreement (previously paid to Victoria as National Healthcare specific-purpose payments) to be administered via the National Health Funding Pool (NHFP) State Pool Account. From 2012–13, this funding has been reported in the department's Administered Accounts.

Other changes to the administered accounts include the reporting of the state contribution for hospital services funded on an activity basis and the payment of the commonwealth contribution towards services funded through block grants to the department's controlled entity.

The administrator of the NHFP has responsibility for the receipt of all monies into the NHFP State Pool Account and payment for activity-based services to local hospital networks, based on directions from the Minister for Health. Payments are also made from the NHFP State Pool Account to Victoria for the Commonwealth share of block-funded grants. These payments are also made under directions from the Minister for Health. The Reserve Bank of Australia operates the NHFP accounts on behalf of the administrator. The administrator reports NHFP State Pool Account transactions annually through audited special purpose financial statements

In 2016–17, the portfolio recorded an actual net result from transactions of \$637 million surplus compared with a 2016–17 published budgeted surplus of \$105 million.

The variance between budgeted and actual surplus is related to:

- > Commonwealth funding owed to hospitals and health services not yet paid that is potentially at risk due to a Commonwealth review of National Health Reform Agreement (NHRA) activity and associated funding. This has resulted in lower than anticipated expenditure in the hospitals sector
- > operating funding received by hospitals which was partly spent for capital purposes
- > the Kardinia Park Stadium Trust assets received free of charge which had not been valued at time of the published budget.

## Financial position – balance sheet

Total assets have increased by \$1,670 million compared with the published budget, mostly attributed to managerial land revaluation within Property, Plant and Equipment and the addition of the New Bendigo Hospital. The increase is also partly attributable to the balance of current receivables across public hospitals and health services at balance date being greater than the published budget balance.

## Portfolio financial statements

Detailed financial results for the 2016–17 portfolio budget and actual results are included in Appendix 2 of the annual report, following the department's audited financial statements.

## Comprehensive operating statement for the financial year ended 30 June 2017

	2016–17 actual \$M	2016–17 revised budget \$M	Variation to revised budget %	2016–17 published budget \$M	Variation to published budget %	Notes
<b>Net result from continuing operations</b>						
<b>Income from transactions</b>						
Output appropriations	13,755	13,822	(0.5)	13,382	2.8	
Special appropriations	1,335	1,361	(1.9)	1,404	(4.9)	
Interest	45	38	18.4	68	(33.8)	1
Sales of goods and services	1,566	1,777	(11.9)	1,650	(5.1)	2
Grants	6,190	6,132	0.9	5,304	16.7	3
Fair value of assets and services received free of charge or for nominal consideration	155	147	5.4	–	–	4
Other income	666	700	(4.9)	496	34.3	5
<b>Total income from transactions</b>	<b>23,712</b>	<b>23,977</b>	<b>(1.1)</b>	<b>22,303</b>	<b>6.3</b>	
<b>Expenses from transactions</b>						
Employee benefits	10,905	11,158	(2.3)	10,305	5.8	6
Depreciation	909	917	(0.9)	952	(4.5)	
Interest expense	187	194	(3.6)	184	1.6	
Grants and other expense transfers	2,090	1,995	4.8	1,703	22.7	7
Capital asset charge	1,117	1,117	–	1,120	(0.3)	
Other operating expenses	7,867	8,344	(5.7)	7,935	(0.9)	
<b>Total expenses from transactions</b>	<b>23,074</b>	<b>23,725</b>	<b>(2.7)</b>	<b>22,199</b>	<b>3.9</b>	
<b>Net result from transactions (net operating balance)</b>	<b>637</b>	<b>252</b>	<b>152.8</b>	<b>105</b>	<b>506.7</b>	

	2016–17 actual \$M	2016–17 revised budget \$M	Variation to revised budget %	2016–17 published budget \$M	Variation to published budget %	Notes
<b>Other economic flows included in net result</b>						
Net gain/(loss) on non-financial assets	(10)	–	–	(5)	100.0	
Share of net profits/(losses) of associates and joint venture entities, excluding dividends	1	–	–	–	–	
Net gain/(loss) on financial instruments and statutory receivables/payables	(35)	(26)	34.6	–	–	
Other gains/(losses) from other economic flows	58	(5)	(1,260.0)	(2)	(3,000.0)	8
<b>Total other economic flows included in net result</b>	<b>14</b>	<b>(31)</b>	<b>(145.2)</b>	<b>(7)</b>	<b>(300.0)</b>	
<b>Net result</b>	<b>651</b>	<b>220</b>	<b>195.9</b>	<b>98</b>	<b>564.3</b>	
<b>Other economic flows – other comprehensive income</b>						
Adjustment to accumulated surplus/(deficit) due to a change in accounting policy	(18)	–	–	–	–	
Asset revaluation reserve	517	–	–	–	–	9
Financial assets available-for-sale reserve	11	–	–	–	–	
Other	153	–	–	–	–	10
<b>Total other economic flows – other comprehensive income</b>	<b>664</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
<b>Comprehensive result</b>	<b>1,315</b>	<b>220</b>	<b>497.7</b>	<b>98</b>	<b>1,241.8</b>	

1. The variances reflect a revised budget that was reduced from published budget due to lower expectations of interest revenue during the year. Subsequently the actual revenue was higher than revised budget due to greater investment balances held in the hospitals sector.
2. The variance relates to lower than anticipated revenue for patient fees across public hospitals and health services.
3. The variance relates to additional revenue from the Commonwealth for drugs added to the Pharmaceutical Benefits Scheme (PBS) late in 2015–16. This was not reflected in the published budget however was updated in the revised budget.
4. The variance relates to the recognition of the Kardinia Park Stadium Trust assets which had not been valued at time of the published budget.
5. The variance relates to donations and miscellaneous non-operating revenue that was not anticipated at published budget, however updated for revised budget.
6. Actuals exceeded published budget due to increased costs of Enterprise Bargaining Agreements (EBAs) across the hospital entities in 2016–17. These costs were reflected in the revised budget.
7. The variance is mainly due to the transition to National Disability Insurance Scheme (NDIS) which was not reflected in the Published Budget. As a result of this transition, expenses relating to the disability output that were previously paid directly to service providers and accounted for as other operating expenses are now paid to the NDIA and accounted for as grants and other expense transfers.
8. The variances are due mainly to annual and long service leave provision revaluations being reflective of bond rate movements which are unknown at published and revised budgets.
9. This item reflects the revaluations of non-financial physical assets which are based on movements of indices issued by the Valuer General Victoria. These are not known when the published and revised budgets are prepared.
10. This item reflects the hedging reserve balance relating to financing arrangements for the Victorian Comprehensive Cancer Centre, as well as reserves held across public hospitals and health services for specific purposes.

## Balance sheet as at 30 June 2017

	2016–17 actual \$M	2016–17 revised budget \$M	Variation to revised budget %	2016–17 published budget \$M	Variation to published budget %	Notes
<b>Assets</b>						
<b>Financial assets</b>						
Cash and deposits	1,193	1,063	12.2	1,178	1.3	1
Receivables	3,078	2,913	5.7	2,642	16.5	2
Other financial assets	945	681	38.8	769	22.9	3
Investments accounted for using equity method	36	36	–	40	(10.0)	
<b>Total financial assets</b>	<b>5,252</b>	<b>4,692</b>	<b>11.9</b>	<b>4,629</b>	<b>13.5</b>	
<b>Non-financial assets</b>						
Inventories	83	80	3.8	80	3.8	
Non-financial assets classified as held for sale including disposal group assets	86	109	(21.1)	7	1,128.6	4
Property, plant and equipment	16,586	16,200	2.4	15,760	5.2	
Investment properties	39	25	56.0	22	77.3	5
Intangible assets	217	161	34.8	101	114.9	6
Other	153	147	4.1	147	4.1	
<b>Total non-financial assets</b>	<b>17,164</b>	<b>16,722</b>	<b>2.6</b>	<b>16,117</b>	<b>6.5</b>	
<b>Total assets</b>	<b>22,417</b>	<b>21,414</b>	<b>4.7</b>	<b>20,747</b>	<b>8.0</b>	
<b>Liabilities</b>						
Payables	2,034	1,775	14.6	1,489	36.6	7
Borrowings	3,002	3,060	(1.9)	3,006	(0.1)	
Provisions	2,865	2,822	1.5	2,749	4.2	
<b>Total liabilities</b>	<b>7,901</b>	<b>7,657</b>	<b>3.2</b>	<b>7,245</b>	<b>9.1</b>	
<b>Net assets</b>	<b>14,516</b>	<b>13,757</b>	<b>5.5</b>	<b>13,502</b>	<b>7.5</b>	
<b>Equity</b>						
Accumulated surplus/(deficit)	1,779	1,454	22.4	1,171	51.9	
Contributed capital and reserves	12,737	12,303	3.5	12,331	3.3	
<b>Total equity</b>	<b>14,516</b>	<b>13,757</b>	<b>5.5</b>	<b>13,502</b>	<b>7.5</b>	

1. The variances reflect higher than anticipated balances of short term investments, held by the hospitals sector at balance date, with Treasury Corporation Victoria and Victorian Funds Management Corporation.
2. The variance reflects a balance greater than initially anticipated at Published Budget of current receivables across public hospitals and health services, which was subsequently updated for Revised Budget.
3. The variance reflects a balance greater than anticipated of current term deposits across public hospitals and health services.
4. The variance reflects the disposal of assets to Jewish Care (Victoria) Inc. during 2016–17 which was not anticipated at Revised Budget. The former site of the Peter MacCallum Cancer Centre in East Melbourne is now represented in the remaining balance.
5. The variance reflects properties held by the Victorian Eye and Ear Hospital that ceased being used as administration offices and were re-classified as investment properties.
6. The variances reflect increases in the expected and actual value of software assets recognised during the financial year.
7. The variances reflect increases in both expected and actual value of deposits and advances payable, including aged care accommodation deposits, during the year.

## Statement of cash flows for the financial year ended 30 June 2017

	2016–17 actual \$M	2016–17 revised budget \$M	Variation to revised budget %	2016–17 published budget \$M	Variation to published budget %	Notes
<b>Cash flows from operating activities</b>						
<b>Receipts</b>						
Receipts from government	16,340	16,552	(1.3)	15,825	3.3	
Receipts from other entities	6,453	6,597	(2.2)	6,053	6.6	
Interest received	45	38	18.4	68	(33.8)	1
Dividends received	6	–	–	–	–	
Other receipts	702	800	(12.3)	581	20.8	2
<b>Total receipts</b>	<b>23,546</b>	<b>23,987</b>	<b>(1.8)</b>	<b>22,527</b>	<b>4.5</b>	
<b>Payments</b>						
Payments of grants and other transfers	(2,081)	(2,032)	2.4	(1,740)	19.6	3
Payments to suppliers and employees	(18,418)	(19,382)	(5.0)	(18,117)	1.7	
Capital asset charge	(1,117)	(1,117)	–	(1,120)	(0.3)	
Interest and other costs of finance paid	(187)	(194)	(3.6)	(185)	1.1	
<b>Total payments</b>	<b>(21,803)</b>	<b>(22,725)</b>	<b>(4.1)</b>	<b>(21,161)</b>	<b>3.0</b>	
<b>Net cash flows from/(used in) operating activities</b>	<b>1,743</b>	<b>1,262</b>	<b>38.1</b>	<b>1,366</b>	<b>27.6</b>	
<b>Cash flows from investing activities</b>						
Net investment	(202)	5	(4,140.0)	–	–	4
Payments for non-financial assets	(1,384)	(1,346)	2.8	(1,367)	1.2	
Proceeds from sale of non-financial assets	23	3	666.7	–	–	5
Net loans to other parties	1	2	(50.0)	2	(50.0)	
Net (purchase)/disposal of investments – policy purposes	–	–	–	–	–	
<b>Net cash flows from/(used in) investing activities</b>	<b>(1,562)</b>	<b>(1,336)</b>	<b>16.9</b>	<b>(1,365)</b>	<b>14.4</b>	
<b>Cash flows from financing activities</b>						
Owner contributions by state government	77	190	(59.5)	148	(48.0)	
Repayment of finance leases	(55)	(23)	139.1	(23)	139.1	6
Net borrowings	15	(6)	(350.0)	(6)	(350.0)	
<b>Net cash flows from/(used in) financing activities</b>	<b>37</b>	<b>161</b>	<b>(77.0)</b>	<b>119</b>	<b>(68.8)</b>	
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>218</b>	<b>87</b>	<b>150.6</b>	<b>119</b>	<b>83.2</b>	
Cash and cash equivalents at the beginning of the financial year	975	975	–	1,058	(7.8)	
<b>Cash and cash equivalents at the end of the financial year</b>	<b>1,193</b>	<b>1,063</b>	<b>12.2</b>	<b>1,178</b>	<b>1.3</b>	

1. *The variances reflect a revised budget that was reduced from published budget due to lower expectations of interest revenue during the year. Subsequently the actual revenue was higher than revised budget due to greater investment balances held in the hospitals sector.*
2. *The variance mainly reflects donations, fundraising, bequests and research revenue from non-government sources that were less than anticipated at revised budget. The published budget was revised with higher expectations during the financial year.*
3. *The variance between actuals and Published Budget is \$341 million and is mainly due to the transition to NDIS which was not reflected in the Published Budget. As a result of this transition, expenses relating to the disability output that were previously paid directly to service providers and accounted for as other operating expenses are now paid to the NDIA and accounted for as grants and other expense transfers.*
4. *The variance reflects greater than anticipated term deposit investments across public hospitals and health services.*
5. *The variance mainly reflects sale proceeds for vehicles sold across the portfolio.*
6. *The variance reflects repayments of finance leases mainly for public private partnerships.*

## Statement of changes in equity for the financial year ended 30 June 2017

	2016–17 actual \$M	2016–17 revised budget \$M	Variation to revised budget %	2016–17 published budget \$M	Variation to published budget %
Accumulated funds	1,147	1,217	(5.8)	1,074	6.8
Adjustment due to change in accounting policy	(18)	–	–	–	–
Transactions with owners in their capacity as owners	–	60	(100.0)	–	–
Comprehensive result	651	275	136.7	98	564.3
<b>Accumulated surplus/(deficit)</b>	<b>1,780</b>	<b>1,552</b>	<b>14.7</b>	<b>1,171</b>	<b>52.0</b>
Net contributions by owners	5,891	6,313	(6.7)	6,344	(7.1)
Transactions with owners in their capacity as owners	–	(253)	(100.0)	68	(100.0)
<b>Contributions by owners</b>	<b>5,891</b>	<b>6,060</b>	<b>(2.8)</b>	<b>6,412</b>	<b>(8.1)</b>
Physical asset revaluation reserve	6,238	5,721	9.0	5,291	17.9
Transactions with owners in their capacity as owners	–	174	(100.0)	–	–
Comprehensive result	–	(55)	(100.0)	–	–
<b>Physical asset revaluation reserve</b>	<b>6,238</b>	<b>5,840</b>	<b>6.8</b>	<b>5,291</b>	<b>17.9</b>
Financial assets available-for-sale reserve	607	–	–	–	–
Other reserves	–	471	(100.0)	627	(100.0)
<b>Other reserves</b>	<b>607</b>	<b>471</b>	<b>28.9</b>	<b>627</b>	<b>(3.2)</b>
<b>Changes in equity</b>	<b>14,516</b>	<b>13,923</b>	<b>4.3</b>	<b>13,502</b>	<b>7.5</b>

## Administered items statement for the financial year ended 30 June 2017

	2016–17 actual \$M	2016–17 revised budget \$M	Variation to revised budget %	2016–17 published budget \$M	Variation to published budget %	Notes
<b>Administered income</b>						
Appropriations – payments made on behalf of the state	–	1	(100.0)	–	–	
Sales of goods and services	349	343	1.7	335	4.2	
Grants	9,265	9,385	(1.3)	8,506	8.9	
Interest	1	3	(66.7)	3	(66.7)	
Other income	27	55	(50.9)	55	(50.9)	1
<b>Total administered income</b>	<b>9,642</b>	<b>9,788</b>	<b>(1.5)</b>	<b>8,898</b>	<b>8.4</b>	
<b>Administered expenses</b>						
Expenses on behalf of the state	744	735	1.2	722	3.0	
Grants and other transfers	8,442	8,609	(1.9)	7,757	8.8	
Payments into the consolidated fund	456	453	0.7	429	6.3	
<b>Total administered expenses</b>	<b>9,642</b>	<b>9,797</b>	<b>(1.6)</b>	<b>8,907</b>	<b>8.3</b>	
<b>Income less expenses</b>	<b>–</b>	<b>(9)</b>	<b>(100.0)</b>	<b>(9)</b>	<b>(100.0)</b>	
<b>Other economic flows included in net result</b>						
Net gain/(loss) on non-financial assets	(24)	9	(366.7)	9	(366.7)	2
Net gain/(loss) on financial instruments and statutory receivables/payables	(1)	–	–	–	–	
<b>Total other economic flows included in net result</b>	<b>(25)</b>	<b>9</b>	<b>(377.8)</b>	<b>9</b>	<b>(377.8)</b>	
<b>Net result</b>	<b>(25)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
<b>Other economic flows – other comprehensive income</b>						
Other	–	–	–	–	–	
<b>Total other economic flows – other comprehensive income</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
<b>Comprehensive result</b>	<b>(25)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
<b>Administered assets</b>						
Cash and deposits	2	2	–	–	–	
Receivables	43	9	377.8	7	514.3	3
Other financial assets	4	2	100.0	1	300.0	
Other	4	10	(60.0)	54	(92.6)	
<b>Total administered assets</b>	<b>53</b>	<b>23</b>	<b>130.4</b>	<b>62</b>	<b>(14.5)</b>	

	2016–17 actual \$M	2016–17 revised budget \$M	Variation to revised budget %	2016–17 published budget \$M	Variation to published budget %	Notes
<b>Administered liabilities</b>						
Payables	32	10	220.0	16	100.0	4
Provisions	8	5	60.0	5	60.0	
<b>Total administered liabilities</b>	<b>40</b>	<b>15</b>	<b>166.7</b>	<b>20</b>	<b>100.0</b>	
<b>Net assets</b>	<b>13</b>	<b>8</b>	<b>62.5</b>	<b>41</b>	<b>(68.3)</b>	
<b>Equity</b>						
Accumulated surplus/(deficit)	49	–	–	–	–	
Contributed capital	(62)	–	–	–	–	
<b>Total equity</b>	<b>(13)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	

1. The variance primarily reflects miscellaneous revenues not budgeted as the revenue varies year on year.
2. This relates to the disposal of property related to an aged care facility.
3. The variance primarily reflects the first year of operation of the National Disability Insurance Scheme (NDIS) trust fund, accordingly an amount of \$28.5 million relates to the department's accrual funding contributions to the NDIS for June 2017. In addition, administered debtors payable to the consolidated fund increased by \$4.6 million.
4. The variance primarily reflects the first year of operation of the NDIS trust fund, accordingly an amount of \$28.5 million relates to the department's accrual funding contributions to the NDIS for June 2017.

## Director of Housing

### Comprehensive operating statement for the financial year ended 30 June 2017

	2017 \$M	2016 \$M
<b>Income from transactions</b>		
Output appropriations	489.5	460.4
Special appropriations	0.4	–
Interest income	8.9	9.4
Rental income and income from services	479.9	476.6
Grants and other income transfers	30.5	13.4
Other income	5.2	326.5
Fair value of assets and services received free of charge or for nominal consideration	0.7	2.0
<b>Total income from transactions</b>	<b>1,015.1</b>	<b>1,288.3</b>
<b>Expenses from transactions</b>		
Employee expenses	101.9	97.5
Depreciation and amortisation	212.3	212.6
Rates to local authorities	113.7	116.3
Maintenance	171.4	176.8
Rental property lease expenses	12.2	13.2
Tenant utilities and other expenses	71.7	78.6
Home finance operating costs	0.3	2.0
Grants and other expense transfers	430.2	279.4
Fair value of assets and services provided free of charge or for nominal consideration	209.1	–
Other operating expenses	46.6	40.1
<b>Total expenses from transactions</b>	<b>1,369.5</b>	<b>1,016.6</b>
<b>Net result from transactions (net operating balance)<sup>1 2</sup></b>	<b>(354.4)</b>	<b>271.7</b>
Other economic flows included in net result		
Net gain/(loss) on non-financial assets	(4.1)	0.9
Other gains/(losses) from other economic flows	(10.8)	(6.7)
<b>Total other economic flows included in net result</b>	<b>(14.9)</b>	<b>(5.8)</b>
<b>Net result for the year</b>	<b>(369.3)</b>	<b>265.9</b>
<b>Other economic flows – other comprehensive income</b>		
<b>Items that will not be reclassified to net result</b>		
Changes in physical asset revaluation reserve	1,893.6	2,345.9
Remeasurement of superannuation defined benefit plans	0.9	0.9
<b>Total other economic flows – other comprehensive income</b>	<b>1,894.4</b>	<b>2,346.8</b>
<b>Comprehensive result</b>	<b>1,525.2</b>	<b>2,612.7</b>

**Notes on extraordinary items affecting the net result from transactions:**

1. *The net result from transactions for 2016–17 is (\$354.4) million deficit. The (\$354.4) million deficit has resulted from two main reasons:*
  - a. *The Director of Housing's first tranche of the staged title transfer of director-owned properties to Aboriginal Housing Victoria. The first tranche of approximately 500 dwellings located in the metropolitan area (approximately one third of AHV's management portfolio) was transferred on 28 July 2016. The financial effect is a \$205.1 million reduction of the director's net assets in the balance sheet and a \$205.1 million expense in the comprehensive operating statement (charged to the fair value of assets and services provided free of charge line).*
  - b. *\$150.8 million is due to increased expenditure on a number of new initiatives in Family Violence and Homelessness, including Rapid Housing, Home Boost and various Supported Accommodation Assisted Program Grants.*
2. *The net result from transactions for 2015–16 was \$271.7 million surplus. The surplus last year was due to one off revenue resulting from the extinguishment of the loan between the Director of Housing and the government. The Director of Housing had an existing loan with the government which was provided to grow public housing and homeownership. For administrative simplicity, the government has forgiven the outstanding balance of the loan and the Director of Housing was no longer required to make repayments. Rather, grant revenue provided to the Director of Housing will be reduced by an amount equal to the annual repayment.*

## Balance sheet as at 30 June 2017

	2017 \$M	2016 \$M
<b>Assets</b>		
<b>Financial assets</b>		
Cash and deposits	62.9	81.5
Receivables	27.7	18.9
Loans	40.0	42.5
Short-term investments – term deposits	418.5	346.8
<b>Total financial assets</b>	<b>549.1</b>	<b>489.7</b>
<b>Non-financial assets</b>		
Non-financial physical assets classified as held for sale	3.0	2.2
Property, plant and equipment	24,487.8	22,932.0
Intangible assets	32.8	42.6
Prepayments	1.0	2.5
<b>Total non-financial assets</b>	<b>24,524.5</b>	<b>22,979.3</b>
<b>Total assets</b>	<b>25,073.6</b>	<b>23,469.0</b>
<b>Liabilities</b>		
Payables	81.2	71.1
Borrowings	13.4	13.4
Provisions	79.9	82.3
<b>Total liabilities</b>	<b>174.4</b>	<b>166.8</b>
<b>Net assets</b>	<b>24,899.2</b>	<b>23,302.2</b>
<b>Equity</b>		
Accumulated surplus/(deficit)	(205.1)	163.3
Physical asset revaluation reserve	4,244.2	2,350.6
Contributed capital	20,860.1	20,788.3
<b>Net worth</b>	<b>24,899.2</b>	<b>23,302.2</b>

## Statement of changes in equity for the financial year ended 30 June 2017

	Physical asset revaluation reserve \$M	Accumulated surplus/ (deficit) \$M	Contributed capital \$M	Total \$M
<b>Balance at 1 July 2015</b>	<b>4.7</b>	<b>(103.5)</b>	<b>20,770.7</b>	<b>20,671.9</b>
Net result for the year	–	265.9	–	265.9
Remeasurement of superannuation defined benefit plans	–	0.9	–	0.9
Changes in physical asset revaluation reserve	2,345.9	–	–	2,345.9
Capital contribution by Victorian State Government	–	–	17.6	17.6
<b>Balance at 30 June 2016</b>	<b>2,350.6</b>	<b>163.3</b>	<b>20,788.3</b>	<b>23,302.2</b>
Net result for the year	–	(369.3)	–	(369.3)
Remeasurement of superannuation defined benefit plans	–	0.9	–	0.9
Changes in physical asset revaluation reserve	1,893.6	–	–	1,893.6
Capital contribution by Victorian State Government	–	–	71.8	71.8
<b>Balance at 30 June 2017</b>	<b>4,244.2</b>	<b>205.1</b>	<b>20,860.1</b>	<b>24,899.2</b>

## Cash flow statement for the financial year ended 30 June 2017

	2017 \$M	2016 \$M
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Receipts of output appropriations	489.5	460.4
Receipts of special appropriations	0.4	–
Receipts of funds from other authorities	31.9	14.6
Rent received	465.1	470.3
User charges received – rental properties	5.0	5.0
Interest received	8.8	9.2
Other receipts	9.8	14.4
GST recovered from Australian Taxation Office <sup>(i)</sup>	33.4	31.7
<b>Total receipts</b>	<b>1,043.8</b>	<b>1,005.5</b>
<b>Payments</b>		
Payments of grants and other expense transfers	(467.0)	(305.5)
Payments for employee benefits	(103.4)	(97.5)
Payments for supplies and services	(47.2)	(38.7)
Interest and other costs of finance paid	(3.6)	(1.7)
Maintenance	(173.2)	(178.1)
Other property management expenses	(199.7)	(211.6)
<b>Total payments</b>	<b>(994.1)</b>	<b>(833.1)</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>49.7</b>	<b>172.4</b>
<b>Cash flows from investing activities</b>		
Proceeds from the sale of non-financial assets	138.8	151.2
Purchase of short-term investments – term deposits	(71.6)	(225.1)
Client loans repaid	2.5	2.5
Payment for non-financial assets	(209.7)	(237.4)
<b>Net cash flows from/(used in) investing activities</b>	<b>(140.1)</b>	<b>(308.7)</b>
<b>Cash flows from financing activities</b>		
Owner contributions by Victorian Government – appropriation for capital expenditure purposes	71.8	17.6
<b>Net cash flows from/(used in) financing activities</b>	<b>71.8</b>	<b>17.6</b>
Net increase/(decrease) in cash and deposits	(18.5)	(118.7)
Cash and deposits at beginning of financial year	81.5	200.1
<b>Cash and deposits at the end of the financial year</b>	<b>62.9</b>	<b>81.5</b>

Note:

(i) Goods and services tax (GST) recovered/paid from the Australian Taxation Office is presented on a net basis

## Capital projects completed during the financial year ended 30 June 2017

Project name	Original completion date	Latest approved completion date	Practical completion date	Original approved TEI budget (\$M)	Latest approved TEI budget (\$M)	Actual TEI cost (\$M)	Variation between actual cost and latest approved TEI budget (\$M)
Ballarat Hospital – additional beds, ambulatory care and helipad (Ballarat) <i>Project is not yet at financial close (project is in defects and liabilities phase).</i>	Dec 2016	Dec 2016	Dec 2016	46.360	47.060	46.130	(0.930)
Radiotherapy Services in South West Victoria – stage 2 (Warrnambool) <i>Project is not yet at financial close (project is in defects and liabilities phase).</i>	June 2017	June 2017	July 2016	15.000	15.000	14.865	(0.135)
Victorian Comprehensive Cancer Centre (Parkville) <i>Project is not yet at financial close (project is in defects and liabilities phase).</i>	Dec 2015	June 2016	June 2016	1071.100	501.490	500.884	(0.606)
Werribee Mercy Hospital Mental Health Expansion (Werribee) <i>Project is not yet at financial close (project is in defects and liabilities phase).</i>	Dec 2016	May 2017	May 2017	34.700	34.700	34.114	(0.586)
Boort Hospital Redevelopment (Boort) <i>Project is not yet at financial close (project is in defects and liabilities phase).</i>	June 2017	June 2017	Mar 2017	14.000	14.000	12.156	(1.844)
Box Hill Hospital – redevelopment (Box Hill) <i>Project is not yet at financial close (project is in defects and liabilities phase).</i>	Dec 2016	Jun 2017	June 2017	447.500	447.500	446.714	(0.786)
Expanding accommodation with support (statewide) <i>Project is not yet at financial close (project is in defects and liabilities phase).</i>	June 2016	June 2017	June 2017	11.079	11.079	10.420	(0.659)
Simonds Stadium Redevelopment – stage 4 (South Geelong) <i>Final milestone payment paid in July 2017</i>	June 2017	June 2017	May 2017	75.000	75.000	74.250	(0.250)
Transitional Mental Health Service (Secure Step-Down Care) (statewide) <i>Project is not yet at financial close (project is in defects and liabilities phase).</i>	June 2017	June 2017	June 2017	14.900	14.900	13.050	(1.850)

## Disclosure index

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

### Report of operations

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Note: FRD = Financial Reporting Direction; SD = Standing Direction

## Full report

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## Additional departmental information available on request

Subject to the provisions of the FOI Act, information that shall be retained by the responsible body shall include:

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

Requests for additional information may be made in writing to the following:

Chief Communications Officer  
GPO Box 4057  
Melbourne VIC 3001

[Email Chief Communications Officer](mailto:DHHSCommunications@dhhs.vic.gov.au) <DHHSCommunications@dhhs.vic.gov.au>

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