



Department of Health

Annual Report 2021–22



Department
of Health

The department proudly acknowledges Victoria’s Aboriginal communities and their rich culture and pays respect to their Elders past and present.

We acknowledge Aboriginal people as Australia’s first peoples and as the Traditional Owners and custodians of the land and water on which we rely.

We recognise and value the ongoing contribution of Aboriginal people and communities to Victorian life and how this enriches us.

We embrace the spirit of reconciliation, working towards the equality of outcomes and ensuring an equal voice.

To receive this publication in an accessible format, [email corporate reporting](mailto:corporate.reporting@health.vic.gov.au) <corporate.reporting@health.vic.gov.au>.

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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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Section 1: Year in review

Secretary's foreword



After yet another year in which the big story was the continuing COVID-19 pandemic, it can be difficult to remember the positive outcomes and what the department achieved to protect and promote the health of our community.

So, let me highlight just a few of those achievements.

In the race to protect Victorians from COVID-19 we delivered six million vaccines, an extraordinary number. The community proved its commitment to personal responsibility and protective behaviours, with over 100 million free rapid antigen tests taken home. And our COVID-19 Positive Pathways program, a collaboration between primary care, community health providers, health services and the department, assessed, triaged and supported two million Victorians – again, an extraordinary number.

Underpinning all of this was, of course, the tireless work of the people who make up our healthcare system. In the face of record demand for services, Victorian health workers have turned up day after day to deliver world-class care to those who need it. What has been achieved in the healthcare system over this last year across Victoria would not have been possible without them.

A community safe from COVID-19 and other health hazards, now and for the future

We all want to feel supported to stay healthy and safe, both physically and mentally, so that our children thrive and learn better, our workplaces are more productive, and our communities are more connected and liveable.

We've seen how wearing a mask, practising good hygiene and getting vaccinated have been the keys to helping Victorians keep safe from COVID-19.

And because prevention is better than cure, the department this year delivered more than one million free flu vaccinations to Victorians. This helped Victorians protect themselves and their loved ones, with the added bonus that it eased the pressure on our hospital and health system with fewer admissions for the flu over winter. The department also worked on vaccine rollouts for Japanese encephalitis and monkeypox, purchasing the vaccines and then providing them to those most at risk. Our local public health units, only established in 2020 in response to the pandemic, have already proved their worth well beyond tackling COVID-19, in their efforts at managing the spread of these two communicable diseases which are new to Victoria.

The introduction of GP respiratory clinics has also been significant in providing the right care at the right time, and in reducing the burden on our emergency departments. These clinics delivered over 47,000 GP-led respiratory assessments from December 2021 to June 2022. Patient feedback indicated that there were at least 5,000 fewer visits to emergency departments because people attended these clinics instead. This is another example of better patient experiences, better patient outcomes, and less crowded hospital emergency departments.

An effective, high-quality mental health system for the community

The mental health and wellbeing of the community has never been more important than now. That's why the department continues to listen, learn, and understand the needs of all Victorians, especially those with lived experience, as we strive to improve and deliver a better mental health system.

In March, we marked the one-year anniversary of the final report of the Royal Commission into Victoria's Mental Health System. At this early stage of the ten-year reform journey, the Victorian Government has already commenced work on more than 90 per cent of the Royal Commission's

recommendations with \$1.3 billion set aside for the reforms in the 2022–23 State Budget.

People with lived experience of mental illness or psychological distress, and their families, carers and supporters, have been central to the design and delivery of the new system. In the longer term their involvement in the reforms will help make sure that our new mental health and wellbeing services meet the needs of those to whom they matter most.

The expected passage in parliament this year of the new Mental Health and Wellbeing Bill is another significant milestone in the reforms. The Bill contains new rights-based principles that will guide service providers and decision makers to support the dignity and autonomy of people living with mental illness. It seeks to transform the mental health and wellbeing system so tomorrow's mental health services are more responsive to the needs and preferences of Victorians.

The first steps towards setting up a new 'front door' to Victoria's mental health services were also taken, with the establishment of the new local mental health and wellbeing services for adults and seniors. The first six providers for these mental health and wellbeing 'locals' have been selected to operate in different locations across Victoria. These services are local, easy to access and free – so Victorians can get the treatment, care and support they need in their community, close to home.

Access to high-quality care at the right place and the right time

Every Victorian deserves access to the best health care, no matter where they live. From Melbourne to Macedon, Armadale to Ararat and everywhere in between, the department is working to ensure everybody has care closer to home.

Earlier this year, the Victorian Government committed an additional \$698 million to the Better at Home program. This will help give Victorians access to more convenient care, centred on their needs, within their homes.

Not all care can be delivered at home, of course. That's why the department is also committed to building the new facilities required to deliver world-class care close to home. Over the past year, construction has started on 33 health, mental health, and aged care projects. Twelve new and refurbished mental health facilities opened their doors across the state, including critical regional rehabilitation facilities and the \$11 million North

West Metropolitan Youth Prevention and Recovery Care centre in Parkville. Significant progress is also being made to upgrade public sector residential aged care facilities across Victoria, with the new \$81 million Wantirna facility due for completion in the coming months, while new centres are being planned for both Melbourne and regional areas.

To ensure Victorians get the care they need at the right time, a record 650 paramedics were recruited and 23 new ambulances delivered in 2021–22. An additional 27 referral service triage practitioners were also deployed. This is a group of nurses and paramedics who better connect Triple Zero callers who do not require an emergency response with more appropriate and timely care. These initiatives have helped Ambulance Victoria expand its services to areas with high need, including in regional and rural Victoria.

Victorians have also benefited from the introduction of first aid legislation, the first of its kind in Australia, which ensures a high standard of first aid care at public events and mass gatherings.

A supported health workforce delivering the best health outcomes for the community

The bricks and mortar and high-tech equipment of our healthcare system are nothing without the skilled workforce that provides our care.

The department worked hard to build the Victorian health workforce in 2021–22, despite the impact of the pandemic on staff wellbeing and availability.

We launched the Be Well. Be Safe worker wellbeing program, which provides place-based wellbeing support for health services staff and their families. We also supported more than 440 international healthcare workers to join Victorian public health services and funded more than 1,000 new postgraduate nursing and midwifery places, helping to ensure the future of our highly skilled workforce.

As a department we continue to walk alongside Aboriginal community controlled health organisations and our Aboriginal colleagues. We are committed to self-determination and understand that Aboriginal ways of knowing, being and doing must be at the heart of health service planning, design and delivery.

This year, several Aboriginal community controlled health organisations implemented local initiatives to strengthen partnerships with mainstream health services and increase cultural safety. These important initiatives are helping to break down service barriers, build trust with communities and embed Aboriginal knowledge and holistic approaches to healthcare in the broader health system.

This work will take time, but we are committed to ensuring a thriving, supported health workforce for Victoria.

Sustainable investments that deliver the greatest impact on the community's health

Victorians want a health system they can count on. So, the department is committed to ensuring its resources go to where Victorians need them most, and where success can be clearly demonstrated.

In 2021–22 we continued the reform of our purchasing and supply systems through HealthShare Victoria, a logistics and procurement service. The pandemic has shown us all that a secure supply of health products is central to the state's public health efforts. The benefits from HealthShare's work across the sector are already apparent, making the health dollar go further.

With the number of Victorians aged 65 and above set to triple by 2058, sustainable investment in public aged care is also important. In 2021–22 we invested \$28 million in supporting public residential aged care services to provide safe, high-quality care to older Victorians. In practice, this investment means better nurse-to-resident ratios in high-care services, and supplementary care for high-risk residents.

The department has many partners across the state who work with us to deliver a more connected health system, and we extend our gratitude to them all. We also have the privilege of working in – and with – a community that is responsive, responsible and resilient under pressure. Thank you, Victoria.

There is no doubt that together we have achieved great things. But in a year in which the Delta and Omicron variants placed enormous strain on an already fatigued health workforce, it must be acknowledged that it has been tough for the thousands of health workers across the state. We know how important it is to double down on our efforts to strengthen and support the remarkable Victorians who have continued to deliver the care our community needs.

In closing out the year, I feel privileged to lead a passionate and values-driven team who are dedicated to working with consumers, clinicians, our partners and the community to deliver our vision for Victorians to be the healthiest people in the world.

Responsible body's declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Department of Health annual report for the year ending 30 June 2022.



Professor Euan M Wallace AM
Secretary
Department of Health

Vision, mission and values

Vision

Victorians are the healthiest people in the world.

Mission

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

The department contributes to the government's commitment to a stronger, fairer, better Victoria by developing and delivering policies, programs and services that support, protect and enhance the health, wellbeing and safety of all Victorians.

Values

The department adopts the seven core public sector values established under the *Public Administration Act 2004*. These values define what is important to the department and how the department operates, as well as guide employees' interactions with government, community, suppliers and other employees.



Responsiveness

- > providing frank, impartial and timely advice to the government
- > providing high-quality services to the Victorian community
- > identifying and promoting best practice



Integrity

- > being honest, open and transparent in dealings
- > using powers responsibly
- > reporting improper conduct
- > avoiding any real or apparent conflicts of interest
- > striving to earn and sustain public trust of a high level



Impartiality

- > making decisions and providing advice on merit and without bias, caprice, favouritism or self interest
- > acting fairly by objectively considering all relevant facts and fair criteria
- > implementing government policies and programs equitably



Accountability

- > working to clear objectives in a transparent manner
- > accepting responsibility for decisions and actions
- > seeking to achieve best use of resources
- > submitting to appropriate scrutiny



Respect

- > treating people fairly and objectively
- > ensuring freedom from discrimination, harassment and bullying
- > using people's views to improve outcomes on an ongoing basis



Leadership

- > actively implementing, promoting and supporting the department's values



Human rights

- > making decisions and providing advice consistent with human rights
- > actively implementing, promoting and supporting human rights

Purpose and functions

The purpose of the Department of Health is to deliver a world-class health system that focuses on improving patient outcomes and experience for all Victorians.

Our services

Acute health services

The public health system provides all Victorians with access to high-quality public hospitals and services to address their acute health needs. The department contributes to the management of the public health system through leadership, governance responsibility, policy development and the advancement of quality and safety.

These contributions include responsibility for funding, performance monitoring and accountability, strategic asset management and system planning.

Ageing, aged and home care

Older Victorians deserve safe and modern aged care services. Through its acute health, community and aged care services, the department seeks to enable older people to remain independent for as long as possible. The department is also the system manager for the Victorian public sector residential aged care sector, the largest in Australia.

Ambulance services

Victorians expect timely responses to emergencies. Emergency and non-emergency ambulance services contribute to integrated and accessible health and community services for all Victorians.

Drug services

Drug and alcohol problems affect not just individuals, but their families, their friends and their communities. The department works with Victoria's alcohol and drug services to provide the right drug treatment, support and harm-reduction services across Victoria.

Mental health

Mental health services support Victorians experiencing or affected by poor mental health, as well as their families and carers. The department is responsible for mental health policy, planning, strategy and programs that deliver prevention, early intervention, treatment and support. The department is leading implementation of the recommendations made by the Royal Commission into Victoria's Mental Health System.

Primary, community and dental health

Primary care is often someone's first point of contact with the health system. Victoria's community health services play an important role in the delivery of state-funded, population-focused, and community-based health services. The department is responsible for funding, monitoring and planning the provision of primary and community health care services (including counselling, allied health and nursing), dental services, maternal and child health, and early parenting services.

Public health

The department seeks to keep the community safe from harm due to communicable diseases, contaminated food or water, or contamination in the environment. The department works in partnership with local government and service providers to reduce and respond to preventable disease and public health hazards. It also provides health education and promotion for the community and leads or supports health and non-health emergency responses.

The department retains a dedicated COVID-19 response team that leads the government's management of the pandemic. The team provides such services as epidemiology data and intelligence, targeted outbreak management, vaccination and testing, and policy and strategy.

Small rural services

Where someone lives should not affect their access to high-quality healthcare. The department is responsible for planning, funding and monitoring a suite of services (acute health, aged care, home and community care, and primary health) which are delivered by small rural service providers. The funding and service delivery approach focuses on achieving a sustainable, flexible service mix that is responsive to local needs.

Health regulation

The department regulates thousands of professionals, organisations and businesses across the state with the objective of preventing serious harm to the health and wellbeing of Victorians. There are 11 health regulators within the health portfolio that are subject to the Department of Treasury and Finance’s Statement of Expectations Framework for Regulators. Of these, the following nine regulators are internal to the department:

- > Communicable Disease Prevention and Control
- > Medicines and Poisons
- > Environmental Health Regulation and Compliance – Legionella Team
- > Environmental Health Regulation and Compliance – Pest Control Team
- > Environmental Health Regulation and Compliance – Radiation Team
- > Food Safety Unit
- > Private Hospitals Unit
- > Tobacco Control Section
- > Water Unit.

The following two external regulators are supported by the department:

- > Victorian Assisted Reproductive Treatment Authority
- > Victorian Pharmacy Authority.

The department also has a large number of other functions that are regulatory in nature, such as for first aid, non-emergency patient transport, mental health, and cemeteries and crematoria.

Leadership charter

Our leadership charter helps shape our culture. It sets out the leadership behaviours that our staff and stakeholders can expect of our executive leadership group.

The charter commits the executive leadership group to lead by example and to ensure that their behaviours and approach to work embody the department’s values. Executives are committed to being accountable for their actions and outcomes, sharing information when it should be shared, and seeking out and valuing others’ views and perspectives.

The charter is available at the [leadership charter webpage](https://www.health.vic.gov.au/leadership-charter) <<https://www.health.vic.gov.au/leadership-charter>>.

Changes to the department

Several changes were made to the department in 2021–22:

- > On 26 July 2021, the staff and functions of Mental Health Reform Victoria were integrated into the Mental Health and Wellbeing division. This fulfilled a recommendation of the final report of the Royal Commission into Victoria’s Mental Health System.
- > On 1 August 2021, staff working in regional areas on population health, health protection and area population health, and community wellbeing transferred into the Public Health division from the Department of Families, Fairness and Housing.
- > In the period 1 May to 30 June 2022, the COVID-19 Response division was restructured as the COVID-19 Program branch within the Public Health division.

The department has also made changes to its output structure for 2021–22 to better align with standard output practice across government. These are outlined on page 224 of *2021–22 Budget Paper No. 3 – Service Delivery* and reported against in the [Performance reporting](#) section of this report.

[Section 2: Governance and organisational structure](#) contains information on the department’s senior executives and organisational structure as at 30 June 2022.

Subsequent events

The following departmental events occurred after the end of the reporting period:

- > On 1 July 2022, the Suicide Prevention and Response Office was established within the department’s Mental Health and Wellbeing division. Further information on this office is included under the heading: [Reduce the suicide rate](#).
- > On 31 August 2022, the department published its *Operational Plan 2022–23*. This document outlines the department’s priorities for the next year.

Portfolio performance reporting – non-financial

The department is required to report on its performance against the objectives set out in *2021–22 Budget Paper No. 3 – Service Delivery* and the department’s key priorities set out in its *Operational Plan 2021–22*.

This section is structured according to the following four objectives:

- > [Objective 1: Victorians have good physical health](#)
- > [Objective 2: Victorians have good mental health](#)
- > [Objective 3: Victorians act to protect and promote health](#)
- > [Objective 4: Victorian health services are person centred and sustainable](#)

Within these objectives, the department is required to report on the following:

- > Objective indicators, as set out in *2021–22 Budget Paper No. 3 – Service Delivery*
 - reduce obesity and increase physical health across Victoria
 - increase the proportion of children with healthy birth weight – with a focus on reducing smoking in pregnancy
 - reduce infant mortality
 - reduce inequalities in premature death
 - reduce the suicide rate
 - improve rates of self-reported health and wellbeing
 - reduce deaths resulting from misuse of prescription medicine
 - increase immunisation coverage rates at two years of age and at school entry
 - services are appropriate and available in the right place, at the right time
 - services respond to choice, culture, identity, circumstances and goals
 - services are efficient and sustainable
 - services are safe, high-quality and provide a positive experience.
- > Key priorities, as set out in the department’s *Operational Plan 2021–22*:
 - a community safe from COVID-19 and other health hazards
 - an effective, high-quality mental health system for the community
 - access to high-quality care at the right place and the right time
 - a supported health workforce delivering the best health outcomes for the community
 - sustainable investments that deliver the greatest impact on the community’s health
- > Objective indicator results, which are selected statistics presented over a four-year period.

Further, a series of data tables reporting detailed 2021–22 performance statistics against output measures set out in *2021–22 Budget Paper No. 3 – Service Delivery* are presented in the following subsection:

- > [Performance reporting](#)

Objective 1: Victorians have good physical health

This objective focuses on good physical health across the lifespan of all Victorians. Physical health is paramount to wellbeing throughout all stages of life.

Preventative measures to improve healthy living are central to this outcome. Improving overall physical health also relies on equitable and convenient access to high-quality care that is safe and appropriate.

The rapid emergence and spread of COVID-19 has presented an unprecedented challenge to the health of Victorians over the last two years.

A community safe from COVID-19 and other health risks or hazards is one of the department's key priorities.

Objective indicators

Reduce obesity and increase physical activity across Victoria

Over two-thirds of Victorian adults are overweight or obese. Around one-quarter of Victorian children are too, and 80 per cent of them will remain so as adults. Tackling obesity requires a long-term investment and effort.

The department continues to invest in initiatives to improve the health and wellbeing of the population through a focus on healthy eating and active living. These seek to tackle obesity and thereby address the root cause of the many chronic health conditions that so often lead to premature death, such as diabetes, heart disease and cancer.

In 2021–22 there was a renewed effort across Victoria to improve healthy eating and active living, with a greater focus on children, young people and their families.

Healthy kids, healthy futures

Healthy kids, healthy futures is a whole of government plan to support children and young people to be healthy, active and well, laying the foundations for lifelong health and wellbeing.

The plan aims to ensure that:

- > healthier food and drinks are provided and promoted at the places where children, young people and families gather
- > communities focus on improving the health and wellbeing of children and young people
- > young people and families are supported to be healthy and to raise healthy kids
- > there are more opportunities to be active throughout the day.

Healthy kids, Healthy futures establishes the strategic directions that will guide our efforts into the future so that all Victorian children and young people can thrive.

Vic Kids Eat Well

Launched in January 2022, this is an initiative that seeks to transform food and drink environments in school and community settings, in a partnership between Cancer Council Victoria and Nutrition Australia Vic Division. Vic Kids Eat Well emphasises fruit and vegetables, healthy snack options, reduced sugar-based beverages and 'fun' marketing approaches. Schools, before and after school care, sporting clubs, community facilities and venues of all types can play a role in helping Victorian kids eat well.

Healthy Kids Advisors

This is an initiative to put a positive focus on healthy eating for Victorian children, families and communities. Through this initiative, the Stephanie Alexander Kitchen Garden Foundation is bringing a fresh and enthusiastic approach to healthy eating to 13 selected Victorian communities. Over 250 people attended the March 2022 online launch, with local Healthy Kids Advisors now providing hands-on support for Vic Kids Eat Well in their communities.

Healthy Kids Advisors communities are aligned to the VicHealth Local Government Partnerships. By working together, the focus on good health is strengthened. The VicHealth Local Government Partnerships are supporting 23 Victorian councils (including all 13 Healthy Kids Advisors communities) to better support their children and young people so that they have the opportunity to grow up healthy, active and connected.

Ongoing efforts

The department also supports a range of other initiatives that contribute to preventing obesity and improving healthy eating and active living.

The Healthy Schools, Healthy Workers and Healthy Early Years Achievement Program supports 3,600 organisations, including 53 per cent of Victorian early years services, 30 per cent of Victorian schools and 32 per cent of large Victorian workplaces, to create healthier places for children and workers. The program reaches over 535,000 children and nearly 400,000 workers.

The Healthy Eating Advisory Service delivered by Nutrition Australia Vic Division, provides free practical support to hundreds of organisations to provide and promote healthier food and drink options. It provides dedicated service-specific nutrition resources, training, advice and tailored online menu assessments via FoodChecker to early childhood centres, schools, sport and recreation facilities, health services and other workplaces. This year there has been a focused initiative with public hospitals to introduce healthier 'no sugary drinks' and healthier food services for staff and visitors. The service has supported over 3,000 individual organisations, reaching nearly 770,000 children and 530,000 adults.

The INFANT Program supports new parents and their children to establish healthier eating and active play from the start of the child's life. Services within 30 local government areas are currently being supported to embed INFANT in their existing community health and maternal and child health services. Over 500 health professionals have already completed the INFANT Program facilitator training.

The Life! Helping You Prevent Diabetes, Heart Disease and Stroke Program supports over 5,000 Victorians every year to reach their health and wellbeing goals and reduce their risk of chronic disease. These participants join the 76,000 Victorians that have participated in the Life! Program since it was established in 2008.

The Victorian Government also continues to support communities through the Regional Partnerships. In 2022, the government committed to supporting the Loddon Campaspe Healthy Heart of Victoria initiative, improving the health and wellbeing of people in the Loddon Campaspe Region.

Together with the efforts of health promoters across the state, these initiatives are working to make a difference to the health and wellbeing of Victorians.

Increase the proportion of children with healthy birth weight – with a focus on reducing smoking during pregnancy

Safer Baby Collaborative

In 2019 Safer Care Victoria launched the Safer Baby Collaborative in partnership with 15 Victorian maternity services. This improvement collaborative aimed to reduce late pregnancy stillbirth by 20 per cent. A key aspect of the initiative was to improve rates of smoking cessation in pregnancy across the state.

In 2022 Safer Care Victoria reported that the collaborative had resulted in:

- > a decrease in the stillbirth rate of 21 per cent
- > an increase of 200 per cent in the proportion of women who stopped smoking during pregnancy, from a rate of 11 per cent to 33 per cent.

Reduce infant mortality

Infant and child first aid and CPR awareness

The 2019–20 State Budget allocated \$1.4 million over four years as part of the government's commitment to deliver first aid awareness to new parents. Due to restrictions posed by COVID-19, a series of infant and child first aid videos were developed, rather than the in-person training originally planned.

The free online videos demonstrate cardiopulmonary resuscitation (CPR) for infants aged 0–1 years and for children aged 1–5 years. Both these videos are translated into eight languages and one has been developed specially for Aboriginal and Torres Strait Islander families and carers. All the videos are available on the [Better Health Channel](https://www.betterhealth.vic.gov.au) <<https://www.betterhealth.vic.gov.au>>.

These videos are a great learning tool for all parents, particularly first-time parents, and have collectively attracted over 8,000 views since the October 2021 launch. They can also be screened in medical waiting rooms and other shared spaces, or used during maternal and child health visits.

The department has also funded in-person first aid and CPR training specifically for Aboriginal and Torres Strait Islander, and culturally and linguistically diverse communities. These are being delivered with 17 Aboriginal community controlled organisations and in four local government areas across the state.

Reduce inequalities in premature death

Health and health outcomes vary significantly across the state. Life expectancy varies by gender (Victorian females live around four years longer than Victorian males), and for Aboriginal Victorians it is seven years less than for non-Aboriginal Victorians. The leading causes of disease, injury and death^(a) disproportionately affect people living outside major cities, people in the lowest socioeconomic group, and Aboriginal Australians. COVID-19 has worsened these inequalities.

The department seeks to address these inequalities with targeted health promotions and clinical supports in settings and populations where greater disadvantage is experienced. Some of the department's efforts in tackling inequality include the following, which are discussed in this report:

- > [More healthy smiles in regional and rural Victoria](#)
- > [Responding to syphilis cases in regional Victoria](#)
- > [Reduce the suicide rate](#)
- > [Provide services designed and developed by Aboriginal people for Aboriginal people](#)
- > [Support for asylum seekers](#)
- > [Supporting the mental health of trans and gender diverse young people](#)

In addition, the Victorian Women's Health Program delivers targeted interventions and system capacity building within communities to address gender inequity, prevent violence against women and improve health and wellbeing outcomes. This program funds health services across the state to deliver multilingual healthcare and referrals, as well as general health promotion, information, training, research and advocacy.

Key priority: A community safe from COVID-19 and other health hazards

[Appendix 1: COVID-19 in Victoria 2021–22 timeline](#) shows the major COVID-19 events and milestones in Victoria during the twelve months ended 30 June 2022.

Provide equitable and safe access to vaccines

The department strives to ensure that Victorians have access to the best and most effective vaccines, delivered in the safest and most equitable way. Its dedicated immunisation unit works in partnership with stakeholders and service providers to maintain and/or improve immunisation coverage rates.

To ensure an adequately skilled immunisation workforce, support and training has been strengthened through the introduction of eLearning; modules include training in the administration of vaccines for such diseases as Japanese encephalitis and influenza.

The Victorian Government has also committed to improving and modernising immunisation systems and technology. In 2021 the new software application, Central Immunisation Records Victoria (CIRV), was developed to assist 79 local councils and some public health services to report vaccinations to the Australian Immunisation Register.

See also: [Increase immunisation coverage rates at two years of age and at school entry](#).

COVID-19 vaccination program

In February 2021, the Victorian Government, by agreement with the Commonwealth Government, established a Victorian COVID-19 Vaccination Program overseen by a dedicated COVID-19 vaccine team.

To help ensure all Victorians had access to a COVID-19 vaccine as soon as possible, the department established 166 state-run vaccination centres across Victoria. In partnership with primary care providers – GPs and pharmacists – the program allowed Victorians to get vaccinated quickly and safely. Outreach and mobile vaccine teams brought vaccinations to community events,

(a) The five leading categories (cancer; cardiovascular diseases; musculoskeletal conditions; mental health conditions and substance use; and injuries) account for 65 per cent of the total burden of disease in Australia – as reported in the *Victorian public health and wellbeing plan 2019–2023*.

schools, places of worship, aged care settings, and other at-risk communities across the state. In particular, the department partnered with Aboriginal community controlled organisations to close the gap between Indigenous and non-Indigenous vaccination rates.

Over six million vaccines were delivered through the state-run programs until June 2022. Compared to other jurisdictions, this was a very high number over a short period of time. By the end of 2021, over 93 per cent of the eligible population had received at least two doses of COVID-19 vaccines.

Help deliver COVID-safe major events

The Victorian COVID-19 public events framework, first established by the department in November 2020, sets out the arrangements by which major events can take place and the public can enjoy them in a COVID-safe way. Working closely with event organisers and venues, the department helped ensure the best COVIDSafe practices were in place at all major events, keeping Victorians as safe as possible.

Under the framework, a number of Melbourne's major sporting events were able to go ahead in late 2021 and early 2022, including the Spring Racing Carnival, the Boxing Day Test, the Australian Open, and the Formula 1 Grand Prix.

Trial and implement new COVID-19 testing methods

The department continued its engagement with the Doherty Institute to trial and implement innovative COVID-19 testing methods. This allowed Victoria to adapt its testing strategy at different stages of the pandemic according to the suitability of different testing methods. These include:

- > the continued validation and expansion of saliva as a specimen for polymerase chain reaction (PCR) testing to make repeat frequent testing more acceptable
- > the development of a mobile testing fleet to make testing more accessible
- > the assessment and validation of rapid antigen tests (RATs), including rapid validation against emerging variants
- > laboratory validation of self-collected PCR samples to expand choice in testing options

- > the development of a range of serological testing methods to measure the immune response to testing and vaccination.

While PCR testing is considered the 'gold standard' diagnostic test to detect COVID-19, Victoria began to acquire RAT supplies to provide to the public following the Therapeutic Goods Administration's approval of RATs for self-collection from 1 November 2021.

With the emergence of the Delta and Omicron variants in late 2021, daily COVID-19 case numbers rapidly began to rise. Facing the need for many more tests each day, Victoria began providing free RAT kits via state-run fixed testing sites from 5 January 2022.

Over 2021–22, about 100 million RATs were distributed for free to Victorians, via testing sites, schools and early childhood education centres, health services and local public health units, and to critical workforces. The majority of these RATs (approximately 80 million) were distributed to students and staff of schools and early childhood education centres during terms 1 and 2 this year.

Just over one million Victorians reported their results to the state coronavirus hotline or website, which help track and trace case numbers across the state. The inclusion of RATs in Victoria's COVID-19 testing toolkit has helped the state to have greater agility and capacity in its response to COVID-19 outbreaks.

Maintain effective contact tracing

Before the COVID-19 vaccines became available, contact tracing was the major weapon against COVID-19 transmission. The emergence of the Omicron variant – a much more transmissible virus strain – changed that. The department rapidly transitioned to a strategy of triage and prioritisation, connecting those most at risk of severe illness to primary care and health services, and moved to a targeted outbreak management model for high-risk settings through the local public health units. These changes in approach were possible because of the investments the department had made in new COVID-19 information technology systems – particularly TREVI^(a) – and because of the increasing number of Victorians who had been double and triple dose vaccinated.

(a) Transmission and Response Epidemiology Victoria, a digital contact tracing system.

Under this new approach, Victorians who tested positive were required to inform members of their households and social and workplace contacts of the results and advise these contacts of their own testing obligations. These requirements were supported by the department through automated electronic messaging to people who tested positive, the COVID-19 website, the COVID-19 hotline and other media.

Since January 2022 Victorians have been able to notify the department of their positive RAT result through an online portal and inbound hotline (1800 675 398), which then connected them to COVID-19 Positive Pathways.

COVID Positive Pathways

Since 1 July 2021, more than two million Victorians have been supported through the COVID Positive Pathways program – a statewide model of care to consistently assess, triage and monitor the care provided for all COVID-19 positive Victorians. In most cases, this has meant providing up to date information about their symptoms, what to look out for and where to access primary care or social support while they recover safely at home. For others, approximately 0.4 per cent (7,000 people), it has identified those who require urgent assistance and acute inpatient admission. For those managing symptoms at home, home-based monitoring has been key, enabling regular contact with each person to support their ongoing assessment of clinical and social needs and to adjust as required.

Eligibility for COVID-19 medicines was introduced to the program's intake assessment and communications. This recognises the important role these medicines play to reduce the severity of the disease, potentially reducing hospitalisation and mortality. The program will continue to adapt and respond to new strains and waves of COVID-19, as well as be part of the community's response through vaccinations, testing, isolating and supporting each other.

GP respiratory clinics

From late 2021, 26 general practitioner-led respiratory clinics were established to provide free healthcare for people who are unwell with mild respiratory symptoms (particularly for COVID-19 and influenza, but also for conditions such as asthma and hay fever). These clinics deliver faster, more appropriate care for mild cases and reduce the burden on hospital emergency departments.

From December 2021 to June 2022, these clinics delivered over 47,000 respiratory assessments and, based on patient feedback, diverted 5,000 people away from hospital emergency departments.

Help keep our borders safe

Based on health advice from the Chief Health Officer, on 11 January 2021, the Victorian Government issued the Victorian border crossing permit directions to create the 'traffic light' system for domestic travel into Victoria.

This system served to prevent cross-border COVID-19 infections from other states and territories with active community transmission and remained in place until November 2021.

Areas across Australia were designated as red, orange or green zones based on the latest COVID-19 advice from Victoria's Chief Health Officer. The traffic light entry system applied to all arrivals, both Victorian residents and non-residents, into Victoria from around Australia.

The management of international arrivals was also a critical part of Victoria's response to the COVID-19 pandemic, including the establishment of COVID-19 Quarantine Victoria (CQV) and the Emergency Accommodation Program. As international borders were reopened and quarantine restrictions were eased, the management of international arrivals continued to be adjusted. In partnership with CQV the department developed a monitoring framework to guide quarantine arrangements and public health measures for international arrivals.

Keep Victorians safe from broader health hazards

While COVID-19 has been the predominant public health issue for the last couple of years, the ongoing management of health hazards is also a significant focus of the department. This work involves identifying, preventing and mitigating the impacts of infectious diseases and other hazards in the environment, such as chemical and radiological threats. The department works in partnership with agencies at all levels of government in Australia on broader health issues including:

- > safe food and drinking water
- > water fluoridation to reduce tooth decay
- > regulation of aquatic facilities to protect people from microbiological hazards

- > vaccination programs
- > promoting education about safe behaviours including hygiene and safe sex
- > infection prevention and control guidelines for hair, beauty, tattooing and skin penetration industries
- > radiation regulation
- > infectious disease monitoring.

Some of these activities are discussed below. Others are dealt with elsewhere in this report. For example:

- > [Provide equitable and safe access to vaccines](#)
- > [Increase immunisation coverage rates at two years of age and at school entry](#)

Infectious diseases

A number of infectious diseases are notifiable under the *Public Health and Wellbeing Act 2008*. Notifiable, communicable diseases are reported to the department by laboratories and sometimes medical practitioners. These notifications serve as the trigger for a variety of public health actions, including:

- > contact tracing to identify those at risk
- > performing risk assessments
- > monitoring disease trends through surveillance and the provision of both public health advice and treatment or vaccination.

Some notable achievements in 2021–22 include:

- > rapid contact tracing of a case of measles in a returned traveller, preventing spread to anyone else
- > in response to the increasing incidence of influenza in the community, the rollout of free influenza vaccinations to all Victorians^(a)
- > a rapid response to Japanese encephalitis through the rollout of a vaccination, while vector control advice and activities protected Victorians in high-risk locations
- > contact tracing of monkeypox cases and the provision of a vaccination to those at risk, slowing transmission and protecting Victorians.

Radiation

The department closely regulates the use of radiation, protecting people and the environment from its harmful effects by licensing users of

radiation sources and managers of radiation practices under the *Radiation Act 2005*. There are 19,000 individuals and corporate entities licensed to use radiation across the state. Detailed reporting of this function is described in the [Radiation Act annual reports](#) <<https://www.health.vic.gov.au/radiation/radiation-act-annual-reports>>.

Commercial solariums

Commercial tanning was banned in Victoria in 2015. However, a number of illicit operations are uncovered every year. Under the *Radiation Act 2005* the department investigates allegations of illegal commercial tanning operations and, in 2021–22, it became aware of 30 potential breaches of the ban. Investigation into one of these resulted in the seizure of five tanning units. The department also completed two prosecutions during the year related to investigations commenced in previous years. Both resulted in convictions and/or fines.

Regulation of cooling towers

The department has regulated cooling tower operations since 2001 to minimise the impact of Legionnaires' disease outbreaks on the Victorian community. It does this via a world-first registration system that ensures that the location of every cooling tower system is known, while owners must comply with maintenance and testing standards and have effective risk management plans. As at June 2022 Victoria had 2,800 registered cooling tower systems across 1,653 sites.

Safeguarding drinking water supplies

The *Safe Drinking Water Act 2003* and Safe Drinking Water Regulations 2015 provide Victorian water agencies and the department with a framework that ensures safe drinking water supplies.

As the regulator, the department reports on the performance of the state's 23 water agencies in the provision of safe drinking water. In 2021–22 most of the agencies performed well – there were only eight notifications of water that did not meet a drinking water quality standard under the Regulations, five fewer than in 2020–21. There was also a 32 per cent reduction in reports about known or suspected contamination, with 43 reports made under section 22 of the Act in 2021–22, compared to 63 reports in 2020–21. Of these 43 reports in 2021–22, only

(a) A total of 448,940 influenza vaccines were administered as part of the program.
A total of 2,894,688 Victorians received an influenza vaccination from 1 January to 27 August 2022.

three incidents resulted in advisories, compared to nine in 2020–21.

The department continues to work with water agencies to improve risk control and preventive measures to proactively manage the foreseeable risks to drinking water quality from more frequent bushfires, floods, storms, power outages and algal blooms.

Each year the department publishes a [drinking water quality annual report](https://www.health.vic.gov.au/water/drinking-water-quality-annual-report) <<https://www.health.vic.gov.au/water/drinking-water-quality-annual-reports>>. The 2021–22 report will be published in March 2023.

More healthy smiles in regional and rural Victoria

While around 96 per cent of Victorians have access to fluoridated water, there are still some regional and rural communities that do not. Fluoride acts as a constant repair kit for teeth. It makes them stronger and reduces the risk of tooth decay.

In 2021–22 the department worked with Wannon Water to commission the Camperdown water fluoridation plant, providing fluoridated drinking water to more than 5,000 residents of Camperdown, Lismore and Derrinallum, and connecting customers to the Camperdown rural pipeline.

Responding to syphilis cases in regional Victoria

Between 2016 and 2019 the department noted an increasing number of syphilis notifications in the Mildura local government area (LGA), in northwest Victoria. Most cases were among women of reproductive age. Beginning in 2019 – and continuing throughout the COVID-19 pandemic – the department has been running a targeted public health response that has included enhanced surveillance, intensive case follow-up for pregnant women, contact tracing, referral to healthcare, and workforce development activities. The department also launched a local awareness campaign for the general community, and local partnerships codesigning and leading community engagement activities supported the response.

In 2019, the rate of infectious syphilis among women in the Mildura LGA was the highest in Victoria, with 54 cases per 100,000 population. In 2021, thanks to the efforts of the department and the community, the rate more than halved to 22 cases per 100,000 population. The work is not

yet complete, but is well on its way to ensuring the number of cases continues to fall over the coming years.

Feedback on the awareness campaign in Mildura found that it was well received, with good recall of social media tiles and newspaper and radio advertisements. The sustained public health response resulted in increased awareness of syphilis, more people coming forward for testing, and fewer infections. Community engagement and prevention activities will continue to enable a further decrease in the number of syphilis cases in the Mildura LGA as well as statewide.

Support Victorians to make healthy decisions about their wellbeing

A range of other health promotion campaigns are funded by the department and delivered through state health promotion agencies, including VicHealth, Cancer Council Victoria, and Quit Victoria.

The department also commissions Diabetes Victoria and the Heart Foundation to support the uptake of health risk assessment for target cohorts in primary care and the referral to evidence-based behaviour modification programs in the community (such as the Life! healthy lifestyle program) to reduce disease and avoidable presentations to hospital.

Both community health and women's health services deliver statewide health promotion programs aimed at improving equity and delivering individual and population-level interventions that support Victorians to make healthy decisions about their wellbeing.

See also: [Government advertising expenditure](#) for examples of campaigns the department undertook in 2021–22 to support Victorians' health-related decision making.

The department funds BreastScreen Victoria, Australian Centre for the Prevention of Cervical Cancer, Cancer Council Victoria, the Victorian Aboriginal Controlled Community Health Organisation and primary health networks to deliver and support participation in a range of population-based health screening programs for chronic disease, cancer prevention and early detection. The performance of these screening programs is reported each year, and the 2021–22 data can be found under the [Health Protection](#) output.

The pandemic has disrupted a lot of screening activity. So, the department has provided extra funding for initiatives to catch up on cancer

screening programs over the last two years, including targeted, local strategies to improve the participation of vulnerable populations.

Objective 1: Indicator results

	2018–19	2019–20	2020–21	2021–22
Victorians have good physical health				
Persons completing the Life! – Diabetes and Cardiovascular Disease Prevention Program	5,782	4,612	3,456	3,942
Proportion of adults who are overweight (self-reported)	29.9%	31.3%	30.2%	N/A ^(a)
Proportion of adults who are obese (self-reported)	21.3%	20.3%	21.1%	N/A ^(a)
Proportion of adults who were current smokers	17.6%	16.9%	16.5%	N/A ^(a)
Proportion of adults who smoked daily	12.6%	12.4%	12.1%	N/A ^(a)
Proportion of adults with doctor-diagnosed high blood pressure	26.3%	26.0%	22.9%	N/A ^(a)
Proportion of adults with doctor-diagnosed type 2 diabetes	5.4%	5.7%	5.8%	N/A ^(a)
Proportion of adults who were sufficiently physically active	52.9%	51.1%	N/A ^(b)	N/A ^(a)
Sources: Internal departmental data; Victorian Population Health Survey (VPHS)				

(a) The VPHS 2021 was cancelled due to changes in work priorities during the COVID-19 pandemic.

(b) Routine VPHS questions about physical activity were not asked in the 2020 survey as it was modified to focus on the impact of the COVID-19 pandemic.

Objective 2: Victorians have good mental health

This objective focuses on good mental health across the lifespan of all Victorians.

Good mental health is important for the wellbeing of individuals and communities. The department is leading action to reduce suicide rates, provide better access to services, promote positive mental health and wellbeing, and prevent mental illness. This includes leading the government's response to the Royal Commission into Victoria's Mental Health System.

An effective, high-quality mental health system for the community is one of the department's key priorities.

Objective indicators

Reduce the suicide rate

The rate of suicide deaths in Victoria has changed little in recent years. In 2020 there were 697 deaths and in 2021 there were 699^(a). We are committed to reducing this number.

The Coroners Court of Victoria (CCoV) manages the Victorian Suicide Register, which contains detailed information about Victorians who die by suicide. Through data sharing arrangements with CCoV, the department monitors suicide rates, including rates in specific geographical areas and priority populations, and uses the insights gained to develop evidence-based prevention and response initiatives. This work places Victoria in a strong position in the struggle to reduce the rates of suicide in this state.

Aboriginal and Torres Strait Islander suicide

On 20 January 2022, CCoV released the *Suicides of Aboriginal and Torres Strait Islander people, Victoria 2018–21* report. The report showed that although the overall number of suicides remained stable in Victoria in 2021, there was a 75 per cent increase in the number of suicides of Aboriginal and Torres Strait Islander people, with 35 suicides in 2021, compared to 20 in 2020.

The Victorian Aboriginal Community Controlled Health Organisation (VACCHO), in partnership with the department's Mental Health and Wellbeing division and the Coroners Koori Engagement Unit, is coordinating an Aboriginal-led co-design process to develop a self-determined suicide prevention strategy. The 2022–23 State Budget includes \$3.5 million over two years to support these initiatives.

This funding will also support an in-depth analysis of Aboriginal suicides in Victoria, as well as a review to improve real-time surveillance and response through a partnership between the CCoV and VACCHO.

Suicide Prevention and Response Office

The Royal Commission into Victoria's Mental Health System final report recommended the establishment of a suicide prevention and response office within the department led by a State Suicide Prevention and Response Adviser (Recommendation 26). The office was established on 1 July 2022 with the appointment of the State Adviser. The office will:

- > take a system-based approach to suicide prevention and response efforts
- > work with people with lived experience of suicidal behaviour, family members and carers, and people with lived experience of bereavement by suicide to co-produce, implement and monitor a new suicide prevention and response strategy for Victoria
- > work with the Commonwealth Government to ensure suicide prevention and response efforts in Victoria complement and are coordinated with national approaches
- > facilitate a community-wide and government-wide approach to suicide prevention and response efforts
- > work within governance structures that encompass all Victorian Government departments and relevant agencies
- > employ people with lived experience of suicidal behaviour, family members and carers, and people with lived experience of bereavement by suicide.

(a) Coroners Court of Victoria *Monthly suicide data report* (June 2022). Note: Suicide data may be subject to change as the Coroner investigates each case. Outcomes of investigations may alter data in coming months/years.

The Royal Commission also recommended government-wide governance structures to elevate suicide prevention and response across all decision making (Recommendation 46.2.b). A Suicide Prevention and Response Victorian Secretaries Board Subcommittee was established in April 2022 to provide oversight and accountability for suicide prevention and response outcomes. Membership of the subcommittee includes senior executives from all Victorian Government departments, the Coroners Court of Victoria, WorkSafe Victoria and Victoria Police.

Aftercare – Hospital Outreach Post-Suicidal Engagement (HOPE)

The HOPE initiative provides practical, tailored and accessible psychosocial support and outreach for people following a suicide attempt or serious planning for suicide. Since its establishment in 2017, HOPE has already supported over 4,500 Victorians in their recovery journeys.

As part of the department’s mental health reform and investment program, HOPE has been expanded from 12 sites to 21 sites. Regional HOPE teams are providing outreach to nine sub-regional areas, and HOPE sites are progressively implementing expanded referral pathways into HOPE with services outside standard business hours.

A new HOPE service specifically for children and young people, and codesigned by them and their families, has also been established at four sites. The department is looking closely at the performance of this service to see how it can inform further child and youth services in the future.

The expansion of HOPE means Victorians of all ages have access to intensive wrap-around support for up to three months following a suicide attempt.

Distress Brief Intervention program

Distress Brief Intervention is a time-limited intervention (generally less than 14 days) that provides support for people in psychological distress. This program is being designed and trialled in partnership with the Commonwealth Government. At first, the trial will run in one metropolitan and one regional area, targeting areas that have the highest rates of psychological distress. The department will use the results of the trial to inform its next steps in the development of future psychological support programs.

Postvention

Postvention responses in Victoria are delivered in partnership with the Commonwealth Government using the StandBy – Support After Suicide model. This model provides support to anyone who has been bereaved or impacted by suicide, including individuals, families and first responders. It is free and can be delivered face to face or via telephone support. In Victoria, the StandBy model is delivered by WellWays (in Western Victoria and the Murray primary health region) and Jesuit Social Services (in Eastern Melbourne, Gippsland, North-Western Melbourne and South-Eastern Melbourne).

Switchboard Victoria delivers a specialist support program for lesbian, gay, bisexual, transgender or intersex, queer plus people impacted by suicide.

Helplines

Since the COVID-19 pandemic began the Victorian Government has invested additional funding into helplines, comprising \$1 million for Beyond Blue and \$1.2 million for Lifeline, to support Victorians’ access to timely and appropriate mental healthcare.

The department also funds On The Line to operate SuicideLine Victoria. This helpline provides 24/7 telephone, web chat and video counselling to people 15 years and older who are at risk of suicide, bereaved by suicide, or concerned for someone at risk of suicide. Helpline services include intake and assessment, single and multi-session counselling, support and referrals for Victorians in need.

Place-based suicide prevention trials

Since 2016, the Victorian Government and primary health networks have partnered to support local communities to develop and implement coordinated, place-based approaches to suicide prevention. This approach included setting up twelve trial sites

This place-based trial sought to harness local skills, expertise and resources to implement tailored, evidence-based interventions in local communities. In each site, all relevant organisations and services worked together to develop a plan to reduce suicides in the area and to deliver effective suicide prevention at a local level.

Key participants included people with lived experience of suicide, community agencies, Aboriginal community-controlled organisations, schools, businesses, local councils, transport

organisations, police, health services, ambulance services, and others to identify what was needed to prevent suicide and find solutions that would work for the local community.

The trials concluded on 30 June 2022. The department will use the findings of the trial to inform the continued development of its suicide prevention and response strategy. A final report outlining the achievements and learnings from the trials will be published.

Improve rates of self-reported health and wellbeing

Self-reported health is an internationally recognised indicator of objective health status. Improving self-reported health requires both action across the whole population and a targeted approach regarding key population groups and sub-groups.

The department is working to embed mental health consumer and carer reported experiences in performance reporting. It has developed a new outcomes and performance framework and will publicly report its performance as part of the new reform-focused reporting process (see below). In partnership with service providers, the department will progressively use self-reported mental health results, and clinician-reported measures, to assess and better understand the effectiveness of the care provided. These new insights will drive service improvement.

New mental health and wellbeing outcomes and performance framework

To support the significant reform being implemented across Victoria's mental health and wellbeing service system, work is underway to develop a new outcomes and performance framework (OPF) – in response to Recommendation 1 of the Royal Commission's final report. The OPF will be used to drive collective responsibility and accountability for the mental health and wellbeing of Victorians across the system, shifting the focus of monitoring and measurement from outputs to outcomes.

Contained in the OPF will be a range of self-reported measures from consumers of mental health services as well as their carers, family members and supporters. Some of these measures seek to understand how the mental health of consumers has improved as a result of the care they have received while others report on carer and consumer experience of service.

Inclusion of these measures in the OPF will embed consumer and carer voices as a key aspect of performance reporting for the mental health system and facilitate the use of this information to continually improve services. It will also provide a mechanism to track progress on the mental health and wellbeing reforms through the perspectives of consumers and carers actually using the services.

Extensive stakeholder engagement with organisations across the mental health and wellbeing sector was undertaken to inform the development of the OPF in the first half of 2022. The OPF is a foundation piece that will help guide departmental reporting toward a focus on improved consumer, carer and system outcomes, and work on its development will continue throughout 2022.

Reform-focused reporting

The *2022–23 Budget Paper No. 3 – Service Delivery* (BP3) introduced four new measures and corresponding targets relating to consumer and carer experience of mental health services. It will be the first time either consumer or carer experience measures have been publicly reported on by government and marks the beginning of a new approach to BP3 reporting. Existing measures were also updated.

The new and updated measures will report on the government's response to the Royal Commission's final report and are another example of the department's wish to shift the focus of reporting toward outcomes, consistent with the Victorian Auditor-General's report^(a) on service delivery. The department's intention is for the transformation of BP3 measures and reporting to enhance transparency, strengthen incentives for performance improvement, and support better decision making.

(a) *Measuring and Reporting on Service Delivery*, May 2021.

Key priority: An effective, high-quality mental health system for the community

Deliver new and better mental health and wellbeing services

A major emphasis of the Royal Commission's final report was the reconfiguration and expansion of mental health and wellbeing services. Key elements of these changes include:

- > the creation of new 'local' mental health and wellbeing services for adults and seniors, which provide an easy way to get treatment and support – at a level between primary providers and 'area' services
- > expansion and realignment of area mental health and wellbeing services into revised age-based streams, including infant, child and youth, and young adults; and adult and seniors streams
- > new investment in home and community-based services.

After extensive place-based engagement, the first six local service providers were identified in Benalla/Wangaratta/Mansfield; Latrobe City; Frankston; Geelong/Queenscliff; Brimbank; and Whittlesea. These services will commence operation in the second half of 2022.

In 2021–22, the department commenced work with major partners in the reform of area mental health and wellbeing services. This included plans to more effectively integrate lived experience workforces into the design, planning and delivery of care and support services. The plans also sought to expand core clinical services and ensure changes to age-based service delivery streams are seamless from a consumer perspective.

The department also expanded trials of hospital-in-the-home services (that commenced in early 2021) and improved integration of mental health and alcohol and other drug services. In April 2022, the department announced as well the first three Infant, Child and Family hub locations in Southern Melbourne, Brimbank-Melton, and Loddon.

Mental Health Improvement Program

In 2021, Safer Care Victoria, the state's lead agency for healthcare improvement, established the Mental Health Improvement Program. Under this program, the Chief Mental Health Nurse, lived experience advisors, and the project team transitioned from the Office of the Chief Psychiatrist to Safer Care Victoria. This move consolidated the quality and safety functions of the Office of the Chief Mental Health Nurse with the quality and safety remit of Safer Care Victoria.

A Mental Health Improvement Leadership Advisory Group, comprising clinicians, consumers and carers, was established to guide the delivery of the program. An expert working group of clinicians, consumers and carers also met to focus on improvement priorities.

As recommended by the Royal Commission, two streams of work have emerged as key priority areas:

- > Stream one: Safety for all
 - Towards the elimination of restrictive intervention
 - Preventing gender-based violence
 - Preventing suicides in mental healthcare settings.
- > Stream two: Reducing compulsory treatment.

Safety for all will initially focus on the elimination of restrictive practices in acute mental health inpatient units. Reducing compulsory treatment aims to reduce the number of community treatment orders and focus on community and hospital settings.

Develop a new mental health and wellbeing workforce strategy

The Royal Commission highlighted the importance of a skilled mental health workforce. It recommended that a mental health workforce strategy be developed, implemented and maintained (Recommendation 57), and that it be refreshed every two years. The prolonged impacts of the pandemic on all workforces have made the development of this strategy all the more urgent.

In December 2021, *Victoria's mental health and wellbeing workforce strategy 2021–24* was launched by the Minister for Mental Health. The strategy sets out a coordinated approach to delivering and supporting a mental health workforce which is diverse and multidisciplinary, and has the right skills.

The strategy outlines four inter-related priorities for achieving this objective:

- > building workforce supply
- > building workforce skills, knowledge and capabilities
- > supporting the safety, wellbeing and retention of the workforce
- > building system enablers for excellence.

Implementation of the strategy has been supported by an investment of \$372 million in the 2022–23 State Budget. This included a \$41 million immediate implementation package announced with the launch of the strategy.

This funding builds on the previous investment of \$51 million to support and grow the lived experience workforces in the 2021–22 and 2020–21 State Budgets.

Building workforce supply

The \$372 million investment to implement the strategy will support the delivery of more than 1,500 new workers.

This includes more than 400 nurses, more than 600 allied health clinicians, more than 300 psychologists, and more than 100 psychiatrists.

These new workers will be trained as mental health clinicians through supported learning pathways which include supervision supports and structures.

Building workforce skills, knowledge and capabilities

Alongside the release of the strategy, the department also released *Victoria's mental health and wellbeing workforce capability framework*, (Recommendation 58 of the Royal Commission's final report).

Implementation of the framework is underway, with the development of tools and resources in progress. A tailored advisory body is also being established to support implementation.

Additional activity to complement the framework and further support capability includes the development of clinical supervision training for senior clinicians, a service capability program to better support diverse communities, and planning work to establish a new statewide capability entity.

Supporting the safety, wellbeing and retention of the workforce

The mental health and wellbeing workforce has faced significant challenges to their physical safety and psychological wellbeing in recent years. These issues have been exacerbated through the pandemic and were identified by the Royal Commission as a key concern.

In 2021–22, the department partnered with WorkSafe Victoria to establish a new Mental Health Workforce Safety and Wellbeing Committee (Recommendation 59 of the Royal Commission's final report). This Committee monitors workforce wellbeing, identifies risks and provides advice to government on wellbeing matters.

The department also launched a new annual wellbeing survey in 2021 to support the Committee's role in monitoring wellbeing issues. This survey will continue in 2022 and beyond.

Building system enablers for excellence

To further support system enablers, in 2021 the department also undertook its first annual mental health workforce census. The census provides the first comprehensive snapshot and profile of the workforce across clinical services. It has been used to develop a department-led supply and demand model to estimate future system needs. This census will continue to ensure that the strategy can accurately guide reform activity.

Write new mental health legislation

The Royal Commission recommended the Victorian Government replace the *Mental Health Act 2014* with a new Mental Health and Wellbeing Act (Recommendation 42) in 2022.

To meet this recommendation, the Mental Health and Wellbeing Bill was introduced to the Victorian Parliament on 21 June 2022. The new Act will lay the legal foundations for rebuilding the mental health and wellbeing system.

It will also support the Royal Commission's vision for an integrated, contemporary and adaptable mental health and wellbeing system.

The new Act seeks to:

- > promote good mental health and wellbeing for all Victorians
- > reset the legislative foundations for the mental health and wellbeing system
- > support the delivery of services that are responsive to the needs and preferences of Victorians
- > establish new roles and entities recommended by the Royal Commission
- > put the views, preferences and values of people living with mental illness or psychological distress, families, carers and supporters at the forefront of service design and delivery.

The legislation contains new rights-based objectives and principles to ensure the highest possible standard of mental health and wellbeing for Victorians is attained.

Development of the bill was informed by the Mental Health and Wellbeing Act Expert Advisory group, public engagement and ongoing consultation with key stakeholders with lived experience and clinical experience.

The Victorian Government has also commissioned an independent review of Victoria's compulsory treatment criteria and the alignment of the new Act with other decision-making laws. The independent review panel, led by Justice Shane Marshall AM, will begin its review in October 2022 and will deliver a final report to the Minister for Mental Health by October 2023. The terms of reference for the review will be developed collaboratively by consumers and carers with lived experience, advocates and clinicians with relevant expertise.

This is the first stage of the legislative reform process. There will be a further review of the new Act after the first five years of its operation.

Trial a health-led response to public intoxication

In August 2019, the government committed to decriminalising public drunkenness and implementing a health-led model so that publicly intoxicated individuals can access the healthcare and support they need.

This decision was made in the context of the coronial inquest into the death of Yorta Yorta woman, Tanya Day, who died in custody after being arrested for public drunkenness.

The government appointed an independent expert reference group (ERG) to provide advice on the nature and scale of a public health response to public drunkenness. On 19 August 2020, the ERG delivered its final report, *Seeing the Clear Light of Day*, to the Attorney-General. The ERG's report included 86 recommendations and detailed advice on the possible design of the health model. The government supports the ERG's proposed overall approach and is currently considering all the recommendations in detail.

Prior to decriminalisation, in collaboration with the Department of Justice and Community Safety (DJCS), Victoria Police, and other key stakeholders, the department will develop, trial and refine a model of care. Trial sites in the City of Yarra, City of Greater Dandenong, City of Greater Shepparton and Mount Alexander Shire (Castlemaine) are being established, ahead of a statewide rollout by November 2023.

Cultural safety will be at the core of the design and implementation of the model. The department and DJCS will continue to consult widely with Aboriginal communities, service providers, government agencies, unions, experts and community members across Victoria on its development.

This reform builds upon decades of work and activism by the Aboriginal community and will reduce rates of incarceration by treating public intoxication as a health issue, not a crime.

Objective 2: Indicator results

	2018–19	2019–20	2020–21	2021–22
Victorians have good mental health				
Proportion of adults with doctor-diagnosed anxiety or depression	29.1%	29.8%	31.8%	N/A ^(a)
Proportion of adults with high/very high psychological distress	15.0%	18.1%	23.4%	N/A ^(a)
Standardised rate of death from suicide (per 100,000 people)	10.5	10.7	10.1	N/A ^(b)
Sources: Victorian Population Health Survey (VPHS); Australian Bureau of Statistics (ABS)				

(a) The VPHS 2021 was cancelled due to changes in work priorities during the COVID-19 pandemic.

(b) Mortality data lags by one to two years.

Objective 3: Victorians act to protect and promote health

The department wants all Victorians to enjoy the highest attainable standards of health, wellbeing, development and participation at every age.

Recognising the influential role of social, cultural and economic forces, as well as biological and environmental factors, on health and wellbeing, we consider the whole population and support community-led action wherever possible.

Access to high-quality care at the right place and the right time is one of the department's key priorities.

Objective indicators

Reduce deaths resulting from misuse of prescription medicine

SafeScript

SafeScript is the Victorian Government's comprehensive real-time prescription monitoring system. It has now been in operation for nearly four years. Use of this system by prescribers and pharmacists has been mandatory since April 2020. SafeScript gives doctors, nurse practitioners and pharmacists access to up-to-the-minute information on the prescription histories of their patients. It monitors all Schedule 8 medicines, such as morphine and oxycodone, as well as Schedule 4 drugs of dependence, Z-group medicines and quetiapine.

The introduction of SafeScript in 2019 has seen a year-on-year decrease in the number of Victorians dying from overdose. This is a real success story for the department, and a stark contrast to the previous decade when the number of overdose-related deaths increased every year.

Industry Licensing Scheme

The department regulates 2,224 Victorian businesses that require access to scheduled medicines and other controlled substances. The scheme provides oversight of access to controlled substances to minimise the risk of misuse and resulting harm.

The businesses include pharmaceutical manufacturers and wholesalers, hospitals and other health services, research facilities and higher education providers, testing laboratories, and pest bait manufacturers. In 2021–22, the department processed 100 per cent of new licence and permit applications within the required timeframes.

Schedule 8 treatment permits

The Schedule 8 treatment permit system provides regulatory oversight of the prescribing of Schedule 8 medicines. The scheme complements SafeScript. Each permit application is assessed on whether its supply is safe, legal and appropriate. Intervention occurs where there is potential harm. This system includes applications for pharmacotherapy (medication-assisted treatment for opioid dependence).

Timeliness in processing the permit applications is important to ensure prompt detection and intervention in unsafe or inappropriate prescribing of Schedule 8 medicines. In 2021–22, 100 per cent of permit applications were processed on time.

Increase immunisation coverage rates at two years of age and at school entry

Despite the challenges of COVID-19 over the past two years, Victoria has continued to make sure that children get their normal immunisations, keeping them healthy and safe.

The percentage of Victorian children 'fully immunised' according to the National Immunisation Program schedule at two years (24 months of age) and school entry (60 months of age) continues to exceed the national average. Up to March 2022, 93.08 per cent of Victorian children aged 24 months were fully immunised, compared to the national rate of 92.73 per cent, with a rate of 95.50 per cent for those aged 60 months, which is also higher than the national average of 94.73 per cent.

Key priority: Access to high-quality care at the right place and the right time

Reduce waiting lists

Every year, about 200,000 Victorians have some sort of planned (elective) surgery in a public hospital. Being able to have that surgery on time is important. While all Victorians needing urgent

(Category 1) surgery were treated on time, the pandemic has caused delays to many others. In response, in April 2022 the Victorian Government announced a record investment of \$1.5 billion to deliver a COVID Catch-Up Plan to boost surgical activity across Victoria. The plan will also deliver fundamental reform in how health services provide planned surgery. The first phase of this reform, begun in early 2022, will enable a record 240,000 Victorians to receive surgery every year by June 2024. The aim is that no Victorians will experience excessive delays for their surgery.

The plan is made up of several elements, as outlined below.

More activity

More operations will be provided through eight new dedicated planned surgery centres – Rapid Access Hubs – increased twilight and after-hours work, and expanded same-day models of care.

The eight new centres will progressively open their doors in 2022–23 to rapidly provide patients with the specialised care they need. They will be located at St Vincent's on the Park in East Melbourne, Northern Health's Broadmeadows Hospital, Austin Health's Heidelberg Repatriation Hospital, The Royal Women's Hospital, Mercy Health's Werribee Mercy Hospital, Alfred Health's Sandringham Hospital, The Peter MacCallum Cancer Centre, and Barwon Health in Geelong.

New equipment

A new \$20 million Surgical Equipment Innovation Fund has been set up to upgrade, modernise and replace surgical equipment and image-capture systems. This will make operating theatres more efficient and effective, improving surgical outcomes.

Better utilisation of Victoria's private capacity

The department has also been working closely with private hospitals, creating capacity so that some public patients will receive their surgery in these facilities.

In a Victorian first, the Frankston Private Hospital will be transformed into a dedicated public planned surgery centre. Once fully operational in 2023, about 9,000 Victorians a year will be able to have their operations in this hospital.

A bigger surgical workforce

Victoria is also investing \$80 million to upskill more than 1,000 nurses and theatre and sterilisation technicians, and to support advanced training for 400 more surgical nurses. The department is also recruiting 2,000 healthcare workers from overseas to support the hospital system, 645 of whom arrived in 2021–22.

Partnering for reform

To support the delivery of this new plan and drive the long-term system reforms, the department appointed Professor Benjamin Thomson to be the state's Chief Surgical Adviser. Professor Thomson will provide the expert clinical leadership to the newly established Surgery Recovery Taskforce, and work with health services, specialty colleges and other industry partners, to improve Victoria's surgery system.

Recruit more paramedics

In 2021–22, Ambulance Victoria recruited over 650 paramedics, a record number. This has enabled Ambulance Victoria to expand ambulance services in areas of need, especially in regional and rural Victoria. Peak Period Units have been established at Leongatha, Moe and Warragul, and 24-hour services established at Mansfield, Cobram, Yarrowonga and Korumburra. In metropolitan Melbourne new 24-hour services have been established at Thomastown, Hoppers Crossing and Bayswater, and Peak Period Units at Mernda, Craigieburn, Boronia and Templestowe.

The Graduate Bridging Program paramedics were also recruited to support the statewide introduction of 22 medium acuity transport services. These services have operated from 15 locations across metropolitan Melbourne and seven locations in rural and regional Victoria since November 2021. The rural services are based in Geelong, Belmont, Traralgon, Wonthaggi, Wendouree, Shepparton and Eaglehawk.

These services partner the Graduate Bridging Program paramedics with experienced paramedics, providing greater support to new graduates as they enter the workforce while responding to lower-urgency Code 2 and 3 cases. This service also frees up more experienced paramedics to respond to the most urgent and time-critical emergency cases.

In addition, 27 more referral service triage practitioners, a mix of nurses and paramedics, have been deployed to support the delivery of Ambulance Victoria's secondary triage program. Secondary triage provides a more thorough assessment of specific Code 2 and 3 Triple Zero (000) calls to better connect callers who do not require an emergency response with the right care, at the right time.

Further recruitment and training is underway to enable further expansion of services in 2022–23.

Buy more ambulances

The 2019–20 State Budget provided \$109 million over four years to deliver the government's election commitments, including \$29.9 million to convert 15 single-crew stations in regional Victoria to dual-crew stations. In addition, new vehicles were introduced as part of the medium acuity transport services (described above).

In line with the planned phasing of the funding from 2019–20, all 23 new ambulances were purchased in the first year of the investment. In 2021–22, a dual-crew upgrade was introduced at Inglewood, following successful rollout of dual-crew upgrades at Camperdown, Rochester, Terang, St Arnaud, Avoca and Beechworth in previous years. More dual-crew upgrades are also on track for implementation in 2022 at Rupanyup, Charlton, Murchison, Beaufort, Yarram, Foster, Euroa and Paynesville.

Work is also underway to build new ambulance stations in East Bentleigh and Clyde North, and upgrade ambulance stations at Ocean Grove and Gisborne during 2022–23.

Provide students with free dental check-ups

The department has been working with Dental Health Services Victoria and the Department of Education and Training to implement free dental examinations and treatment for government school students. The School Dental Program, *Smile Squad*, provides free annual oral health check-ups and follow-up care for all children attending government primary and secondary schools. The \$321.9 million initiative includes teeth cleaning, fluoride applications, fillings and any other non-cosmetic treatments to make sure Victorian kids have healthy teeth.

Due to the COVID-19 pandemic, *Smile Squad* services were paused during much of 2021. During these pauses, *Smile Squad* provided six-monthly phone check-ins for students requiring care, and urgent and emergency dental care was provided in community dental clinics.

Schools in 38 local government areas across Melbourne and regional Victoria, as well as regional and remote areas serviced by the Royal Flying Doctor Service, have now been invited to participate in the program. The program now reaches more than 1,000 schools with around 430,000 Victorian students.

Once they are fully operational, *Smile Squad* vans will offer free check-ups and dental treatment for about 630,000 school kids every year. Around 500 dentists, oral health therapists and dental assistants will be employed to staff the vans.

Fund new hospital wards and emergency departments

In 2021–22, the department's capital program across the health, ambulance, mental health and aged care portfolios grew to \$8.8 billion total estimated investment in active projects at various stages of progress.

Notable achievements over 2021–22 include the completion and opening of the Monash Medical Centre Emergency Department expansion, with 28 additional emergency beds, a dedicated children's emergency area and a mental health and alcohol and other drugs hub (MHAOD); and the opening of the latest stage of the Goulburn Valley Health redevelopment, with a new 10-cot special care nursery, a 12-bed paediatric ward and an expanded emergency department. In addition, the new program of works creating emergency departments especially designed for children commenced at five of the state's major hospitals.

In response to the recommendations of the Royal Commission into Victoria's Mental Health System, two further emergency department MHAOD hubs were completed in 2021–22 at St Vincent's Hospital and University Hospital Geelong. The hubs will better support Victorians experiencing urgent mental health, alcohol and drug issues.

The main façade for Australia’s first dedicated heart hospital, the Victorian Heart Hospital, was completed in October 2021. Construction will be completed by the end of 2022. The Royal Victorian Eye and Ear Hospital progressively opened new sections during the year as its redevelopment progressed.

Delivery of major investments continued, including the new Footscray Hospital, the Frankston Redevelopment, Ballarat Base Hospital Redevelopment, Warrnambool Base Hospital Redevelopment, and the new Melton Hospital. These projects will continue to add further emergency department and inpatient unit capacity across the system.

Provide services designed and developed by Aboriginal people for Aboriginal people

Aboriginal Health and Wellbeing Partnership Forum

The Aboriginal Health and Wellbeing Partnership Forum is a strategic partnership between the Victorian Government, the Aboriginal community-controlled health sector and the mainstream health sector. Its role is to determine priorities for the improvement of the health and wellbeing of Aboriginal people living in Victoria and to ensure those priorities are actioned.

The Forum places self-determination at the centre of its work, with a focus on addressing systemic barriers to good health and guiding Aboriginal health and wellbeing policy reform. The Forum has provided government with 14 reform priorities to enable transformational change across Victoria’s health system. These include improving Aboriginal cultural safety in mainstream health services, outcomes-based funding reform, infrastructure, and shared data and evidence.

Aboriginal Workforce Fund

Aboriginal community controlled health organisations (ACCHOs) are best placed to meet the demand and the health needs of Aboriginal Victorians and to deliver on Aboriginal service models of health and wellbeing. ACCHOs have strong connections with and a deep knowledge of their local communities and invest in activities that are aligned with local community needs.

The Aboriginal Workforce Fund was established in 2020 to expand the Aboriginal community, health and family violence workforce after the pandemic. The department has received \$21 million of the \$40 million Fund to support workforces across ACCHOs, according to their own organisational priorities and workforce requirements.

To support this self-determination approach, ACCHOs were invited to submit applications in a submission and fund allocation process that was flexible, equitable and outcomes based.

Submissions from across the sector were received to address a wide variety of workforce requirements, with ACCHOs receiving their first instalments late in the 2021–22 financial year. The remaining instalments were delivered early in the 2022–2023 financial year. The Fund supports both clinical and non-clinical workforce, including support staff such as administration, human resources, finance, IT specialists and management positions. These positions will support strategic planning, training, career pathways and direct service delivery for services such as podiatry, alcohol and other drugs, social and emotional wellbeing, aged care, child and family and chronic disease management services.

COVID-19 demand funding for Aboriginal health organisations

The COVID-19 pandemic presented the Victorian health system, including ACCHOs, with unprecedented challenges.

To support ACCHOs to meet increased service demand due to COVID-19, the department provided \$12 million for community-led healthcare initiatives in response to COVID-19 and general healthcare in the community.

A demand-driven investment approach, centred on self-determined priorities, was developed. This gave the ACCHOs flexibility to use their local knowledge and health expertise to determine investment priorities that responded to the changing health and wellbeing needs of communities faced with managing COVID-19 outbreaks. Priorities included increased provision of primary care services, care coordination, outreach supports and in-home health care.

Aboriginal health practitioner-led Victorian Fluoride Varnish Program for Aboriginal children

The Drugs, Poisons and Controlled Substances Amendment (Registered Aboriginal and Torres Strait Islander Health Practitioners) Regulations 2022 were made on 22 February 2022.

The amendment authorises registered Aboriginal and Torres Strait Islander health practitioners to obtain, possess and administer fluoride varnish to Aboriginal children's teeth to prevent tooth decay.

These changes will support a prevention and early intervention program aimed at promoting oral health in Aboriginal children in a culturally appropriate healthcare setting, such as ACCHOs. This will reduce the incidence of tooth decay in a population group that is at high risk of oral disease.

The department will work with the Victorian Aboriginal Community Controlled Health Organisation (VACCHO), the Aboriginal Community Controlled Organisations (ACCOs), and Dental Health Services Victoria (DHSV) to provide the support required, including workforce training, program implementation and referral pathways.

The Fluoride Varnish Program is part of the Aboriginal model of care for oral health, which looks at strengthening culturally safe dental care and prevention services to Aboriginal Victorians. The two-year project, funded by the department and led by VACCHO, is being developed with a self-determined approach and is co-designed with key stakeholders, including DHSV, the ACCOs and the wider Aboriginal community.

This program will also support the development of a strong and sustainable Aboriginal workforce and provide preventive healthcare in a culturally appropriate and safe environment.

Continue to revitalise public sector residential aged care facilities

In 2021–22, a significant construction milestone was reached when the main structural works on the \$81.58 million Wantirna residential aged care facility were completed. Construction on the four-storey 120-bed facility is expected to be complete in late 2022.

Design development has continued for the new 150-bed facility at the Kingston Centre in Cheltenham. Designs were released for the new \$57.11 million 50-bed facility in Rutherglen in May 2022. These two facilities will move into construction in 2022–23.

The 2022–23 State Budget funded further regional redevelopment of public sector residential aged care services (PSRACS) at Camperdown, Orbost and Mansfield, with planning funding for proposed new PSRACS facilities at Mornington, Bright and Heywood.

The department commenced development of a longer-term strategy for the next phase of sequential improvement to existing PSRACS facilities across both metropolitan and regional Victoria, which will become the blueprint for coordinated investment to renovate, refurbish or replace outdated PSRACS.

Objective 3: Indicator results

	2018–19	2019–20	2020–21	2021–22
Victorians act to protect and promote health				
Immunisation coverage: At school entry	95.7%	95.8%	96.1%	95.0% ^{E(a)}
Immunisation coverage: At two years of age	92.0%	92.3%	92.2%	93.0% ^E
Percentage of Aboriginal children fully immunised at 60 months	96.5%	97.7%	97.2%	97.0% ^E
Eligible newborns screened for hearing deficit before one month of age	98.7%	98.4%	98.3%	96.3%
Healthcare worker immunisation – influenza	83.0%	87.7%	93.0%	77.0%
Perinatal and child mortality reports received, reviewed and classified	100%	99.3%	95.5%	90.0% ^E
Perinatal mortality rate per 1,000 of babies of Aboriginal mothers using rolling three-year average	10.0	11.5	12.6	11.3
Smoking cessation of Aboriginal mothers	23.5%	24.1%	24.1%	23.2%
Source: Internal departmental data				

(a) E = estimated.

Objective 4: Victorian health services are person centred and sustainable

This objective seeks to achieve the following outcomes:

- > services are appropriate and accessible in the right place, at the right time
- > services respond to choice, culture, identity, circumstances and goals
- > services are efficient and sustainable
- > services are safe, high quality and provide a positive experience.

Through these improvements, the department seeks better outcomes for patients and clients.

A supported health workforce delivering the best health outcomes for the community, and sustainable investments that deliver the greatest impact on the community's health, are two of the department's key priorities.

Objective indicators

Services are appropriate and accessible in the right place, at the right time

Disability Liaison Officers

In 2021–22 the Disability Liaison Officer Program assisted around 20,400 people with disability to access timely and appropriate healthcare, including COVID-19 vaccinations. Disability liaison officers, based at 22 health services across Victoria, also partner with other providers to design tailored responses and systemic improvements to health service access for people with disability.

Establish public fertility care services for Victoria

In response to the Independent Review of Assisted Reproductive Treatment conducted by Michael Gorton AM, the Victorian government committed \$70 million over three years in the 2021–22 State Budget to establish Victoria's first public fertility care services, including Victoria's first public sperm and egg bank. This investment includes \$20 million to improve public hospital facilities for delivering the services and \$50 million over three years to provide up to 2,700 treatment cycles and related fertility care services to up to 4,000 Victorians per year.

These services will mean more people, including those in regional and rural communities, LGBTIQ+ and single people, and low-income earners will have the opportunity to start a family.

With a focus on high-value care and a broad range of services, it is expected that providers of the new public fertility care services will start in a phased approach towards the end of 2022.

Better at Home

This initiative – announced in 2020 but building on decades of health service experience – allows more patients to receive hospital care in the comfort of their homes, supported by family and friends. In 2021–22, over 350,000 admitted bed days were delivered at home – an increase of 19 per cent compared to the previous year. Additional funding of \$698 million announced in the 2022–23 State Budget will support the delivery of more care at home over the next four years including acute, rehabilitation, geriatric evaluation and management, health independence program and outpatient specialist clinic services.

Services respond to choice, culture, identity, circumstances and goals

Aboriginal health

The department has worked with the Aboriginal community-controlled health sector to support various initiatives, including:

- > funding of \$1.1 million to implement the 'strong voice' component of the Victorian Aboriginal Community Controlled Health Organisation's (VACCHO) strategic plan. This work promotes the aspirations, innovations and knowledge and experience of Aboriginal communities and strengthens Aboriginal leadership for improving the health and wellbeing of Aboriginal Victorians.
- > working in partnership with VACCHO to co-design a model of care for a culturally safe virtual specialist clinic, which could be piloted in rural areas. The aim is to increase access by Aboriginal Victorians in rural areas to specialist clinical services using telehealth and coordination of care between major hospitals and ACCHOs.

- > the community-led early detection and healthy living initiative to promote health-seeking behaviours for cancer screening and treatment to support the *Victorian Aboriginal cancer journey strategy*
- > funding for enhancement of the Victorian Aboriginal Health Service Sexual Health and Blood-Borne Virus Program, with a focus on Aboriginal women’s sexual and reproductive health
- > engagement with local Aboriginal stakeholders in Bendigo, Geelong, Whittlesea and Wyndham on the design of new early parenting centres; and commissioning of Aboriginal artwork for the new early parenting centres that will contribute to a culturally safe, welcoming environment for Aboriginal families
- > engagement with VACCHO and key Victorian Aboriginal health services on how an integrated early years health care approach across antenatal, maternal and child health, and early parenting periods could best support Aboriginal children and their families
- > securing of \$8.2 million over four years and \$2.2 million ongoing to sustain the Aboriginal Maternal and Child Health (MCH) Program through the 2022–23 State Budget initiative, *Closing the gap: universal early years healthcare*. The Aboriginal MCH Program is delivered by Aboriginal health services across the state and improves access to and participation in the universal MCH service for Aboriginal families and children by offering a culturally safe, flexible approach.
- > a storytelling project celebrating 50 years of Aboriginal hospital liaison officers across Victoria.

Support for asylum seekers

In 2021–22 the state budget allocated \$3.9 million to the ‘Support for asylum seekers’ initiative, so that people who are ineligible for Commonwealth safety net supports can take better care of their health and mental health. In 2021–22, the initiative provided primary healthcare and mental health support to people without Medicare, and case coordination and financial assistance to people ineligible for income support so that they could pay for rent, food and medication. Close to 5000 people were assisted across all components of the initiative.

Supporting the mental health of trans and gender diverse young people

In 2021–22 the ‘Supporting the mental health of trans and gender diverse young people’ Budget initiative provided more than \$5 million to boost the capacity of Royal Children’s Hospital, Monash Health, Orygen, Transgender Victoria and Transcend to provide gender affirming primary care, mental health care and peer and family support. The initiative also established a project that aims to improve the clinical pathways between services that support trans and gender diverse young people.

Services are efficient and sustainable

Transition to the national weighted activity unit

The department has adopted the national weighted activity unit (NWAU) as part of its funding model reform program to replace local funding models^(a) for acute admitted care, subacute care, emergency care and non-admitted care. A major benefit of this change is that it supports flexibility in the delivery of services, where all activity is counted and funded as a common unit.

Other benefits include alignment with national reform initiatives, including progressive alignment with national safety and quality initiatives, as foreshadowed in the National Health Reform Agreement, and comparability of funding across service streams, signalling equity of funding regardless of service setting, and enhanced decision making on substitution of services where clinically warranted.

Services are safe, high quality and provide a positive experience

First aid regulation

In late 2021, Victoria introduced the Non-Emergency Patient Transport and First Aid Services (First Aid Services) Regulations 2021, which are the first of their kind in Australia. The new regulations introduce a licensing regime for commercial first aid providers and are aimed at ensuring a high standard of first aid care at public events and mass gatherings. In 2021–22 the department issued forty licences and began inspecting first aid providers at public events.

(a) These include Weighted Inlier Equivalent Separation (WIES), Subacute Weighted Inlier Equivalent Separation (SWIES), Weighted Ambulatory Service Event (WASE) and Non-Admitted Emergency Services Grant (NAESG).

Health services regulation

The department regulates 79 private hospitals and 127 day procedure centres, including liposuction facilities and mobile anaesthetists under the Health Services (Health Service Establishments) Regulations 2013. Departmental staff with specialised clinical backgrounds inspect private facilities to ensure compliance with the regulations. During 2021–22, 100 inspections were conducted.

Care Opinion

The department has invested \$1.1 million to expand the Care Opinion pilot, which provides a platform for Victorian health consumers to report their experience, and encourages care providers to respond to the feedback and make changes where needed. Wider use of Care Opinion can help make our hospitals safer and more consumer centred.

Key priority: A supported health workforce delivering the best health outcomes for the community

Support healthcare worker wellbeing

The safety and wellbeing of the health workforce have been a key priority for the Victorian Government as these workers have continued to support patients during peak demand.

Be Well. Be Safe

This is a healthcare worker wellbeing program, announced by the Victorian Government in October 2021. The department is providing \$32 million to Victorian public health services, Forensicare and Ambulance Victoria to consult with staff and provide place-based wellbeing and extended supports for staff and their families. The program has supported a range of onsite psychological services, additional rest and recovery spaces, meal deliveries, strengthened safety measures for staff and coaching for new leaders.

Healthcare worker wellbeing centre

This centre, run by Safer Care Victoria, continued to support health organisations with a toolkit and training to listen to staff and make changes that matter to them. The Victorian Nursing and Midwifery Health Program and Victorian Doctors Health Program provided confidential support to clinicians.

Personal protective equipment

The department has worked to ensure there is continued access to appropriate personal protective equipment (PPE) to maintain the health and safety of frontline staff and updated guidance on the use of PPE to reflect best practice. Over 161,000 healthcare workers in high-risk settings have been fit-tested to ensure their N95 masks fit their individual features, with all public health services and Ambulance Victoria running respiratory protection programs.

Occupational violence and aggression training

The Victorian Government committed to fund occupational violence and aggression training for 1,000 frontline healthcare workers. The department is in the process of developing de-escalation training that will be rolled out later this year. All healthcare workers already have access to online occupational violence and aggression training. This includes how to recognise factors that may increase the likelihood of violence and aggression and how to best prevent and respond to incidents.

Progress a health workforce strategy

The department is developing a Victorian health workforce strategy to tackle immediate, medium and long-term needs in health workforce supply, capability and wellbeing. While the strategy will be future-focused to address workforce recovery, development and growth over the coming decade, it will also identify the immediate actions required to better support the health workforce.

In 2022–23, the department will be undertaking stakeholder consultation with healthcare workers, their representatives and professional groups from a range of backgrounds to explore the key themes and identify immediate priorities and appropriate actions for the Victorian health system. This will include both clinical and non-clinical workforces.

Restore our pipeline of health workers

Due to the COVID-19 pandemic, the health workforce has continued to face increased patient demands and disruptions to the training and availability of staff. This has placed pressures on the supply of nurses, midwives, doctors and allied health professionals in Victoria's health services.

The pandemic significantly disrupted clinical placements for many nursing, midwifery, medical and allied health students. To address the backlog, the department supported health services to provide additional clinical placements for students

across multiple settings, enabling the students to graduate on time. In total, the department supported over one million student clinical placement days across nursing, midwifery, medicine and allied health in 2021–22.

To help manage patient demand during COVID-19 peaks, the department introduced surge workforce models for acute settings; supported the employment of over 1,000 registered undergraduate nursing and midwifery students; and endorsed and trained wider professional groups to conduct vaccination and testing, which ensured highly skilled workers remained at the bedside.

The pandemic also disrupted the recruitment of international healthcare workers into Victoria's health system. The department supported over 440 international healthcare workers to return or take up employment in public health services in 2021–22. This program will be further expanded in 2022–23.

Healthcare workers have also received additional financial support in critical settings to attract and retain workers during surge periods. The Hospital Surge Support Allowance operated from October 2021 to March 2022 during the Delta and Omicron waves. In June 2022, a \$353 million Healthcare Worker Winter Retention and Surge Payment Program was announced, which offers payments of \$3,000 to all staff working in public hospitals and ambulance services during the forecast surge in winter.

Specialised training for frontline healthcare workers

Supporting clinical staff with ongoing training and development in specialised care contributes to the delivery of safe and high-quality services.

Recognising this, the department funded a range of programs in 2021–22 to support nurses, midwives, medical specialist and allied health professionals to develop specialist clinical and leadership skills. This included funding for rural general practitioner procedural positions and over 1,000 postgraduate nursing and midwifery places in Victorian health services.

The department also supported specialised training and development to enable the workforce to meet the demands of the COVID-19 pandemic. This includes investing in training for COVID-19 critical care and infection prevention and control, and upskilling general nurses to look after COVID-19 patients with acute respiratory conditions.

The department also supported an additional 24 allied health educators to train multidisciplinary teams within health services. These teams supplemented the acute and critical care nursing workforce.

Build the cultural safety of the health system and workforce

Investments in Aboriginal health workforce

As part of the Aboriginal Workforce Fund (discussed earlier under Objective 3) and COVID-19 demand funding, totalling \$33 million, several Aboriginal community controlled health organisations (ACCHOs) are implementing local initiatives to strengthen partnerships with mainstream health services to increase cultural safety, break down service barriers, build trust with communities and embed Aboriginal knowledge and holistic approaches to healthcare in the broader health system.

A key focus is to strengthen the cultural safety of both Aboriginal workers across the health sector and Aboriginal service users. A culturally safe healthcare system provides Aboriginal Victorians with equitable access to services and healthcare providers that are free from racism and meet health and wellbeing needs. This is particularly important for those who do not have an ACCHO in their local area or require specialist services not provided by their local ACCHO.

Health services in receipt of Aboriginal cultural safety fixed grants are required to increase Aboriginal employment and career opportunities within their service, strengthen cultural safety at all levels of the organisation and provide a cultural safety plan and annual report.

A further \$12.7 million was allocated to ACCHOs to establish and expand multidisciplinary social and emotional wellbeing teams. Of these funds, \$4.2 million was provided to ACCHOs in the 2021–2022 financial year, with ACCHOs requesting that further recurrent funding be allocated through a gradual, scaled-up approach to expansion. The expansion of these teams in ACCHOs was a key recommendation from the Royal Commission into Victoria's Mental Health System interim report. Implementation of the Royal Commission reforms has focused on improving Aboriginal social and emotional wellbeing, and ensuring Aboriginal people can decide where they receive treatment. These reforms seek to ensure that all treatment,

care and support is safe, inclusive, respectful and responsive, irrespective of whether it is provided through ACCHOs or mainstream health services.

In 2021–22, the department supported five Aboriginal nurses in four health services to participate in the Aboriginal Postgraduate Nursing and Midwifery Scholarship Program; and 25 cadetships across 11 health services for Aboriginal nursing, midwifery, and allied health undergraduate students in their final years of study to participate in paid work experience within a Victorian public health service.

Increasing the number of Aboriginal health professionals employed by public health services is also important in contributing to positive health and wellbeing outcomes for Victorian Aboriginal peoples and their communities, and supporting a culturally safe work environment.

Aboriginal cultural safety framework

The department is committed to ensuring that Aboriginal Victorians have access to culturally safe, holistic health services and continues to implement initiatives that align to the *Aboriginal and Torres Strait Islander cultural safety framework*. These include:

- > continued funding to strengthen the cultural safety of mainstream health services through the statewide Aboriginal cultural safety fixed grant funding (\$28 million per annum). This funding model supports the delivery, transparency and accountability of cultural safety actions in Victorian public health services across eight cultural safety domains.
- > ensuring Aboriginal cultural safety guidance notes and resources are made available to health services to guide them in strategies and actions to strengthen the cultural safety of their organisations, workforce and service delivery. In addition to this, funding has been provided to the Victorian Aboriginal Community Controlled Health Organisation (VACCHO) to develop cultural safety resources to guide and support health services in strengthening cultural safety.
- > funding VACCHO to explore the feasibility of the development and implementation of an Aboriginal cultural safety accreditation program. This feasibility study is scoping options for the implementation of Aboriginal-defined cultural safety standards that align with current accreditation standards and programs.

- > ongoing investment in VACCHO to lead an Aboriginal network and support system for Aboriginal hospital liaison officers across the state.

Key priority: Sustainable investments that deliver the greatest impact on the community's health

Provide additional funding for elective surgery to help reduce the waitlist

The Victorian Government's COVID Catch-Up Plan to boost surgical activity across Victoria is discussed in detail under the heading: [Reduce waiting lists](#).

Support the expansion of emergency department staffing

In May 2021, the Victorian Government announced \$759 million in funding to health services to support ambulance and emergency department performance, improve bed availability within hospitals, and expand the healthcare workforce.

The funding included \$266 million for Ambulance Victoria to employ additional triage nurses and expand secondary triage services and non-emergency patient transfers, and \$89 million to boost capacity and drive improvements in emergency departments.

Through this multi-year program the department seeks to ensure that Victorians who need urgent access to emergency care get it, wherever they live. In addition, as the program is aimed at primary care providers, it will also help to prevent unnecessary ambulance calls and emergency department presentations.

Invest in sustainable healthcare and public sector aged care delivery

In 2021–22, \$28.8 million was invested to support public sector residential aged care services to provide high-quality and safe care to older people living in residential aged care services. These funds support Victoria's nurse to resident ratios in high-care services and care supplements for the complex care needs of PSRACS residents.

Partner with services to enhance financial monitoring and management

A new system for health services to submit monthly financial and non-financial data was implemented in July 2021. The Health Agencies Reporting Tool (HeART) improves and standardises reporting across services, enhancing capability and financial monitoring.

Matters reported on include a detailed trial balance, cash flow, budgets and forecasts, as well as high-level full-time equivalent and national weighted activity unit activity information. Health services also have the ability to review data and reports via HeART, a capability not previously possible. Complementing HeART is a dedicated health sector business partnering function introduced to enhance collaboration on financial matters between the department and health services.

Reform our purchasing and supply systems

Key to reforming purchasing and supply systems is the continued growth of HealthShare Victoria, a commercially oriented end-to-end supply chain, logistics and procurement service.

In 2021–22 HealthShare Victoria together with the department undertook several important streams of work, including;

- > setting up a 22,500 square metre distribution centre (DC) in western Melbourne, and stocking the DC with bulk medical consumables
- > beginning the first stage of supply chain operations by taking over the procurement of products on collective agreements for The Royal Melbourne Hospital, Western Health, Northern Health, the Peter MacCallum Cancer Centre, The Royal Children's Hospital, The Royal Women's Hospital and the Royal Victorian Eye and Ear Hospital.
- > securing Tier 1 personal protective equipment (PPE), hand hygiene and other disinfectants, medicines and equipment for central ordering and distribution through the State Supply Chain managed by Monash Health.

Through its procurement arrangements HealthShare Victoria is already providing savings and benefits to the health sector.

The COVID-19 pandemic has highlighted the importance of access to and security of supply of health-related products and the importance of planning to mitigate against emerging risks.

While certain supplies (such as PPE) have stabilised since the start of the pandemic, the ongoing effect of longer-term supply chain disruptions has led to shortages in some areas. The department, in conjunction with HealthShare Victoria's leadership, continues to work in partnership with health services, Monash Health, the State Supply Chain, Safer Care Victoria and suppliers to facilitate procurement for Victoria's public health services.

Invest in quality, safety and patient outcomes

The department, in partnership with the Australian Government, is leading the cardiac outcomes linked data project. The project aims to improve outcomes for Victorians with heart disease by giving clinicians the information they need to enhance services across general practice and specialist care. Data-driven insights will help general practitioners identify patient groups likely to require hospital care and provide early preventive treatments to improve patient outcomes.

Safer Care Victoria works with clinicians and consumers to help health services deliver better, safer healthcare to Victorians. Further information on its 2021–22 activities will be published in its annual report, available on the [Safer Care Victoria website](https://www.safercare.vic.gov.au) <<https://www.safercare.vic.gov.au>>.

Invest in Aboriginal health to improve health outcomes for all Aboriginal Victorians

Investments in Aboriginal health to improve health outcomes are reported in detail in earlier sections of this report, in particular:

- > [Aboriginal and Torres Strait Islander suicide](#)
- > [Provide services designed and developed by Aboriginal people for Aboriginal people](#)
- > [Services respond to choice, culture, identity, circumstances and goals](#)
- > [Build the cultural safety of the health system and workforce](#)

Aboriginal health and improvements in health outcomes are also discussed within the context of other more general initiatives described in this report.

Objective 4: Indicator results

	2018–19	2019–20	2020–21	2021–22
Services are appropriate and accessible in the right place, at the right time				
Non-urgent (Category 3) elective surgery patients admitted within 365 days	96.2%	95.3%	80.5%	82.2% ^{E(a)}
Semi-urgent (Category 2) elective surgery patients admitted within 90 days	82.0%	76.1%	61.8%	55.5% ^E
Urgent (Category 1) elective surgery patients admitted within 30 days	100%	100%	100%	100% ^E
Emergency Category 1 treated immediately	100%	100%	100%	100%
Emergency patients treated within clinically recommended time to treatment	71.5%	73.4%	68%	64%
Services respond to choice, culture, identity, circumstances and goals				
Health Independence Program direct contacts	1,591	1,502	1,393	1,362 ^E
Patients treated in specialist outpatient clinics – unweighted	1,812	1,717	1,766	1,846 ^E
Post-acute clients not readmitted to acute hospital	93.9%	93.7%	93.5%	93.6% ^E
Health Independence Program clients contacted within three days of referral	88.7%	90.8%	91.3%	89.7% ^E
Services are efficient and sustainable				
Major trauma patients transferred to a major trauma service	91.9%	91.2%	90.5%	90.5% ^E
Unplanned readmission after treatment for acute myocardial infarction	1.5	2.2	1.8	4.4 ^(b)
Unplanned readmission after treatment for heart failure	8.9	8.7	7.5	11.2 ^(b)
Unplanned readmission after hip replacement surgery	3.4	3.7	3.4	5.1 ^(b)
Unplanned readmission after knee replacement surgery	5.2	5.3	4.5	5.1 ^(b)
Unplanned readmission for paediatric tonsillectomy and adenoidectomy	2.5	2.5	2.5	3.8 ^(b)
Services are safe, high quality and provide a positive experience				
Public hospitals accredited	100%	100%	100%	100%
Rate of Staphylococcus aureus bacteraemias (SAB) infections per 10,000 patient days	0.9	0.5	0.7	0.5
Rate of intensive care unit central line associated blood stream infections (CLABSI) per 1,000 device days	0.9	0.6	0.6	0.7
Hand hygiene compliance	85.0%	87.5%	86.4%	85.5%
Positive patient experience	92.4%	N/A	N/A ^(c)	90.4% ^E
Patient reported hospital cleanliness	69.4%	71.0%	N/A ^(c)	85.8% ^E
Discharge Experience Index	75.7%	N/A	N/A ^(c)	71.1% ^E
Sources: Internal departmental data; Victorian Healthcare Experience Survey				

(a) E = estimated.

(b) The number of unplanned readmissions has increased in 2021–22 due to a change in the performance measurements approach. This new measure employs an improved case capture methodology that identifies readmissions previously out of scope. The new approach enables a more accurate assessment of the effectiveness of care across multiple health services.

(c) The Victorian Healthcare Experience Survey program was paused in Quarter 4 2020 and remained on hold until August 2021. Data for the 2020–21 financial year was not collected and is not available.

Performance reporting

The department reports output performance using 162 performance measures set out in *2021–22 Budget Paper No. 3 – Service Delivery*. These have been disaggregated from output group (a structure used in previous years) to individual outputs for consistency with standard practice across government.

Results in the tables below are coded according to:

- ✓ Performance target achieved or exceeded (86 measures)
- Performance target not achieved – within five per cent variance (14 measures)
- Performance target not achieved – exceeds five per cent variance (61 measures)

N/A Performance not rated (1 measure)

Of the 61 measures where the performance target was not achieved and exceeded 5 per cent variance, most did not meet their targets due to the impacts of the COVID-19 pandemic. The department is working to improve performance in all its services to the community.

Admitted Services

This output relates to acute and sub-acute patient services (elective and non-elective) provided at Victorian metropolitan and rural public hospitals.

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Quantity					
Palliative separations	number	7,700	8,379	8.8%	✓
The result is higher than target. It is driven by increased admission of people with complex palliative care needs, primarily in the inner, eastern and south eastern metropolitan hospitals.					
Sub-acute care separations	number	39,600	31,080	-21.5%	■
The result is lower than target primarily due to the ongoing impact of the COVID-19 pandemic on activities.					
Total separations – all hospitals	number (thousand)	2,034	1,866	-8.3%	■
The result is lower than target primarily due to the ongoing impact of the COVID-19 pandemic on activities.					
NWAU (National weighted activity unit) funded separations – all hospitals except small rural health services	number (thousand)	1,840	1,686	-8.4%	■
The result is lower than target primarily due to the ongoing impact of the COVID-19 pandemic on activities.					
Perinatal mortality rate per 1000 babies of Aboriginal mothers, using rolling 3-year average	rate per 1000	8.7	11.3	29.9%	■
The most recent data available is the 3-year rolling average for 2018–20. Data for 2021–22 are not available. Rates can vary widely due to small numbers. Safer Care Victoria's Safer Baby Collaborative, in collaboration with the Victorian Aboriginal Community Controlled Health Organisation (VACCHO), is working to strengthen links with Koori maternity services to improve perinatal and maternal outcomes of Aboriginal mothers, as set out in <i>Korin Korin Balit-Djak</i> . In line with this plan, SCV supports enhancing health service participation to improve Aboriginal health outcomes. It is anticipated that the Safer Baby Collaborative will have resulted in improved outcomes for the 2019–21 period.					
Number of patients admitted from the elective surgery waiting list	number	208,800	146,687	-29.7%	■
The result is lower than target primarily due to the ongoing impact of the COVID-19 pandemic, including restrictions on performing elective surgery and capacity constraints throughout 2021 and 2022.					

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
NWAU (National weighted activity unit) funded emergency separations – all hospitals	number (thousand)	759	632	-16.7%	■
The result is lower than target primarily due to the ongoing impact of the COVID-19 pandemic on activities, including necessary changes to the way in which care is delivered.					
Quality					
Eligible newborns screened for hearing deficit before one month of age	per cent	98	96.3	-1.7%	○
Hand hygiene compliance	per cent	85	85.5	0.5%	✓
Healthcare worker immunisation – influenza	per cent	92	77	-16.3%	■
Of the 81 health services that submitted data, 39 did not achieve the 2021–22 target of a 92 per cent immunisation rate. The focus on COVID-19 vaccinations reduced the level of healthcare worker influenza vaccinations. Low influenza case numbers during the 2021 influenza season meant that the low rate of healthcare worker influenza immunisation had no notable adverse impact on health services. Mandatory vaccination requirements for healthcare workers against influenza in 2022–23 will see the rate of immunisation increase.					
Intensive Care Unit central line associated blood stream infections (CLABSI) per 1000 device days	rate	0	0.7	N/A	N/A
Health services continue to strive to achieve a zero rate of infection for this measure. However, occasionally a small number of infections continue to be reported. To enable health services to focus resources on their COVID-19 response, reporting for this measure was shifted from mandatory to voluntary from Quarter 3 2021–22. Some health services have continued to report this indicator, but due to the potential smaller sample size the results should be interpreted with caution.					
Major trauma patients transferred to a major trauma service	per cent	88	90.5	2.8%	✓
Percentage of patients who reported positive experiences of their hospital stay	per cent	95	90.4	-4.8%	○
Perinatal and child mortality reports received, reviewed and classified	per cent	100	90	-10.0%	■
100% of cases are received and reviewed. Currently, there are roughly 10% classifications that are pending.					
Public hospitals accredited	per cent	100	100	0.0%	✓
Patient reported hospital cleanliness	per cent	70	85.8	22.6%	✓
The adult inpatient results are interim and indicative only. This result is taken from the Victorian Healthcare Experience Survey.					
Staphylococcus aureus bacteraemias (SAB) infections per 10 000 patient days	rate	1	0.5	-50.0%	✓
This is a favourable result. To enable health services to focus resources on their COVID-19 response, reporting for this measure was shifted from mandatory to voluntary from Quarter 3 2021–22. Due to the smaller sample size, the results should be interpreted with caution.					
Unplanned readmission after treatment for acute myocardial infarction	per cent	4	4.4	8.7%	■
Ten health services did not meet targets. However, no health service result was a statistically significant outlier. To improve on the current results Safer Care Victoria is running multiple cardiovascular disease collaborations with the sector.					
Unplanned readmission after treatment for heart failure	per cent	11.3	11.2	-0.6%	✓
Unplanned readmission after hip replacement surgery	per cent	6	5.1	-14.7%	✓
This is a favourable result.					
Unplanned readmission for paediatric tonsillectomy and adenoidectomy	per cent	3.7	3.8	1.4%	○
Unplanned readmission after knee replacement surgery	per cent	5.5	5.1	-8.0%	✓
This is a favourable result.					

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Timeliness					
Non-urgent (Category 3) elective surgery patients admitted within 365 days	per cent	95	82.2	-13.5%	■
The result is lower than target primarily due to the ongoing impact of the COVID-19 pandemic, including restrictions and capacity constraints on elective surgery throughout 2021 and 2022.					
Semi-urgent (Category 2) elective surgery patients admitted within 90 days	per cent	83	55.5	-33.1%	■
The result is lower than target primarily due to the ongoing impact of the COVID-19 pandemic, including restrictions and capacity constraints on elective surgery throughout 2021 and 2022.					
Urgent (Category 1) elective surgery patients admitted within 30 days	per cent	100	100	0.0%	✓
Cost					
Total Output Cost	\$ million	12,903.4	15,507.0	20.2%	
The 2021–22 actual outcome primarily reflects funding increases in government policy initiatives related to the COVID-19 response and output movements between Non-admitted and Admitted Services related to the transition to the Commonwealth price model.					

Non-admitted Services

This output relates to acute and sub-acute services provided at Victorian metropolitan and rural public hospitals.

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Quantity					
Health Independence Program direct contacts	number (thousand)	1,599	1,362	-14.8%	■
The result is lower than target primarily due to the ongoing impact of the COVID-19 pandemic on activities.					
Patients treated in Specialist Outpatient Clinics – unweighted	number (thousand)	1,975	1,846	-6.5%	■
The result is lower than target primarily due to the ongoing impact of the COVID-19 pandemic on activities.					
Quality					
Post-acute clients not readmitted to acute hospital	per cent	90	93.6	4.0%	✓
Timeliness					
Health Independence Program clients contacted within three days of referral	per cent	85	89.7	5.5%	✓
This result is an estimate as the source dataset is yet to be finalised.					
Cost					
Total Output Cost	\$ million	2,208.8	1,959.9	-11.3%	
The 2021–22 actual outcome relates to realignment of funding to Admitted Services related to the transition to the Commonwealth price model. This is offset by funding increases in government policy initiatives and higher than expected own source revenue in health services.					

Emergency Services

This output relates to emergency presentations at reporting hospitals with emergency departments.

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Quantity					
Emergency presentations	number (thousand)	1,944	1,856	-4.5%	○
Emergency patients that did not wait for treatment	per cent	<5	5.9	18.0%	■
The result is higher than target (negative result) which may be due to an increase in the average waiting time for emergency patients due to impacts arising from the COVID-19 pandemic, including changes in patient complexity, heightened infection control practices and significant workforce impacts.					
Emergency patients re-presenting to the emergency department within 48 hours of previous presentation	per cent	<6	5.9	-1.7%	✓
Patients' experience of emergency department care	per cent	85	73	-14.1%	■
The adult inpatient results are interim. Interim results on the Victorian Healthcare Experience Survey portal are updated nightly and are likely to change as more surveys are returned. The results are unweighted and should be treated as indicative. The COVID-19 pandemic has seen unprecedented demand on emergency departments, which has impacted on patient experience of their emergency department care.					
Timeliness					
Emergency Category 1 treated immediately	per cent	100	100	0.0%	✓
Emergency patients treated within clinically recommended 'time to treatment'	per cent	80	64	-20.0%	■
The result is lower than target primarily due to impacts arising from the COVID-19 pandemic, including changes in patient complexity, heightened infection control practices and significant workforce impacts.					
Emergency patients with a length of stay of less than four hours	per cent	75	55	-26.7%	■
The result is lower than target primarily due to impacts arising from the COVID-19 pandemic, including changes in patient complexity, heightened infection control practices and significant workforce impacts.					
Proportion of ambulance patient transfers within 40 minutes	per cent	90	63	-30.0%	■
The result is lower than target primarily due to impacts arising from the COVID-19 pandemic, including changes in patient complexity, heightened infection control practices and significant workforce impacts.					
Cost					
Total Output Cost	\$ million	838.3	899.9	7.3%	
The 2021–22 actual outcome primarily reflects funding increases associated with government policy initiatives.					

Acute Training and Development

This output relates to the provision of grants to hospitals for the training and accreditation of health workers.

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Quantity					
Additional student clinical placement days	number	80,000	51,082	-36.1%	■
The 2021–22 actual is lower than the 2021–22 target primarily as a result of the impact of the COVID-19 pandemic.					
Clinical placement student days (medicine)	days	385,000	355,836	-7.6%	■
The 2021–22 actual is lower than the 2021–22 target primarily as a result of the impact of the COVID-19 pandemic.					
Clinical placement student days (nursing and midwifery)	number	385,000	468,360	21.7%	✓
This result is above target because health services worked intensively with universities to ensure that third-year nursing and midwifery students were able to finish their required placements in order to graduate.					
Clinical placement student days (allied health)	number	160,000	137,818	-13.9%	■
The 2021–22 expected outcome is lower than the 2021–22 target primarily as a result of the impact of the COVID-19 pandemic.					
Health workers trained in information sharing and family violence risk assessment and risk management	number	12,000	46,858	290.5%	✓
This result is above target because new courses (including e-learning options) allowed for increased training uptake across the sector and supported the implementation of reforms to reduce family violence.					
Number of filled rural generalist GP procedural positions	number	15	37.3	148.3%	✓
The overperformance is due to a redesign of the Victorian Rural Generalist Program, which now funds additional procedural positions.					
Funded post graduate nursing and midwifery places at Diploma and Certificate level	number	954	1167	22.3%	✓
Funding from other programs has been reprioritised to fund additional postgraduate nursing and midwifery activity.					
Total funded FTE (early graduate) allied health positions in public system	number	700	657	-6.1%	■
The 2021–22 actual result is lower than the 2021–22 target primarily as a result of changes to the graduate model and the impact of the COVID-19 pandemic on service capacity.					
Total funded FTE (early graduate) medical positions in public system	number	1,525	1,623	6.4%	✓
This result is above target because funding from other programs was reprioritised to fund additional graduate medical positions.					
Total funded FTE (early graduate) nursing and midwifery positions in public system	number	1,889	1,982	4.9%	✓
This result is above target because funding from other programs was reprioritised to fund additional nursing and midwifery graduate positions.					
Quality					
Learner satisfaction about their feeling of safety and wellbeing while undertaking their program of study at health services	per cent	80	95	18.8%	✓
Performance on this measure has been consistently higher than target.					
Cost					
Total Output Cost	\$ million	352.3	320.6	-9.0%	
The 2020–21 actual outcome primarily reflects funding requested to be carried over into 2022–23 and realignment of funding to Admitted Services output related to the COVID-19 response.					

Residential Aged Care

This output includes delivery of services for older Victorians requiring ongoing care and support in a residential aged care setting.

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Quantity					
Available bed days	days	1,153,718	1,134,188	-1.7%	○
Quality					
Residential care services accredited	per cent	100	100	0.0%	✓
Cost					
Total Output Cost	\$ million	436.1	417.0	-4.4%	
The 2021–22 actual outcome reflects the impact of realignment of funding to Aged Support Services output.					

Aged Care Assessment

This output includes delivery of comprehensive assessment of older Victorians' requirements for treatment and residential aged care services.

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Quantity					
Aged care assessments	number	59,000	53,245	-9.8%	■
Activity volume has been impacted by COVID-19 issues, including workforce retention, recruitment and redeployment to support urgent health responses. Staff retention and recruitment have been impacted by COVID-19 workforce fatigue and uncertainty in the sector regarding impacts of the Commonwealth's aged care reforms. The result also reflects delayed uptake by clients seeking face to face assessments instead of telephone or telehealth modes. There has been increased demand for support plan reviews (SPR), which are not fully counted in this measure. In addition, the assessments and SPRs have been more complex, most likely as a response to delayed assessment and care for clients during COVID-19.					
Timeliness					
Average waiting time (calendar days) from referral to assessment	days	16	13	-18.8%	✓
This is a favourable result.					
Percentage of high-priority clients assessed within the appropriate time in all settings	per cent	90	93.2	3.6%	✓
Percentage of low priority clients assessed within the appropriate time in all settings	per cent	90	80	-11.1%	■
Performance continues to be impacted by COVID-19, with a high volume of support plan reviews (SPR) required, which are not fully counted in this measure. There has been increased demand for both assessments and SPR. In addition, the assessments and SPRs are more complex, likely as a response to delayed assessment and care for clients during COVID-19. Staff retention and recruitment have been impacted by COVID-19 workforce fatigue and uncertainty in the sector regarding impacts of the Commonwealth's aged care reforms. Active triage processes to manage wait list for low priority community assessments are in place.					
Percentage of medium priority clients assessed within the appropriate time in all settings	per cent	90	98.3	9.2%	✓
This is a favourable result.					
Cost					
Total Output Cost	\$ million	59.6	58.2	-2.4%	
The 2021–22 actual outcome primarily reflects funding requested to be carried over into 2022–23 for Commonwealth programs					

Aged Support Services

This output includes delivery of a range of community services that support older Victorians, such as eye care services, Personal Alert Victoria services, and pension-level Supported Residential Services.

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Quantity					
Pension-level beds available in assisted Supported Residential Services facilities	number	1,736	1,571	-9.5%	■
The 2021–22 target has not been met because two further Supporting Accommodation for Vulnerable Victorians Initiative (SAVVI) supported residential services have closed, resulting in a loss of 62 registered beds.					
Pension-level Supported Residential Services residents provided with service coordination and support/brokerage services	number	775	775	0.0%	✓
Personal alert units allocated	number	29,121	29,121	0.0%	✓
Victorian Eyecare Service (occasions of service)	number	75,800	60,536	-20.1%	■
Factors contributing to the low service numbers this year include increased non-attendance due to the high rate of COVID-19 in the community, the impact of COVID-19 on staffing, which affected Victorian Eyecare Service's capacity to follow up and book appointments, and a reduction in rural claims.					
Clients accessing aids and equipment	number	22,658	27,325	20.6%	✓
Additional resourcing has increased capacity to provide more lymphoedema garments due to additional four-year Commonwealth funding and increased capacity to meet need for other equipment/subsidies due to additional NDIS Out of Scope funding.					
Quality					
Funded research and service development projects for which satisfactory reports have been received	per cent	100	100	0.0%	✓
Clients satisfied with the aids and equipment services system	per cent	90	99	10.0%	✓
This is a favourable result.					
Timeliness					
Applications for aids and equipment acknowledged in writing within 10 working days	per cent	90	99.9	11.0%	✓
This is a favourable result.					
Cost					
Total Output Cost	\$ million	108.8	129.4	18.9%	
The 2021–22 actual outcome reflects the impact of realignment of funding from Residential Aged Care output.					

Home and Community Care Program for Younger People

This output includes delivery of a range of community-based nursing, allied health and support services enabling younger people to maintain their independence, including the Home and Community Care program for Younger People services.

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Quantity					
Home and Community Care for Younger People – number of clients receiving a service	number	60,000	60,799	1.3%	✓
Home and Community Care for Younger People – hours of service delivery	hours (thousand)	1,000	820	-18.0%	■
The below-target result is due to staff shortages and a decrease in the ability to provide some services due to the impact of COVID-19 and the delivery of COVID-19 supports that cannot be reported in the client database.					
Cost					
Total Output Cost	\$ million	202.2	213.8	5.7%	
The 2021–22 actual outcome reflects the impact of additional program funding transfers between the Department of Health and the Department of Families, Fairness and Housing.					

Ambulance Emergency Services

This output includes emergency road, rotary and fixed air wing patient treatment and transport services that provide timely and high-quality emergency ambulance services.

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Quantity					
Community Service Obligation emergency road and air transports	number	283,447	280,752	-1.0%	○
Statewide emergency air transports	number	5,071	3,777	-25.5%	■
Activity below target reflects lower demand for air services, which has largely been influenced by Victoria's COVID-19 response and its impacts on community movement and activity.					
Statewide emergency road transports	number	506,828	503,315	-0.7%	○
Treatment without transport	number	88,587	100,297	13.2%	✓
This increase reflects a focus on supporting people to remain at home or at emergency scene (when clinically appropriate to do so) rather than be transported to an emergency department.					
Quality					
Audited cases attended by Community Emergency Response Teams (CERT) meeting clinical practice standards	per cent	90	100	11.1%	✓
This is a favourable result.					
Audited cases statewide meeting clinical practice standards	per cent	95	99.8	5.1%	✓
This is a favourable result.					
Proportion of adult patients suspected of having a stroke who were transported to a stroke unit with thrombolysis facilities within 60 minutes	per cent	95	98.3	3.5%	✓
Proportion of patients experiencing severe cardiac or traumatic pain whose level of pain is reduced significantly	per cent	90	92.6	2.9%	✓

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Proportion of patients very satisfied or satisfied with overall services delivered by paramedics	per cent	95	97.1	2.2%	✓
Timeliness					
Proportion of emergency (Code 1) incidents responded to within 15 minutes – statewide	per cent	85	67.5	–20.6%	■
Ambulance performance has been significantly impacted by COVID-19, with increased demands on the health system across the state. Overall demand for ambulance services has been significantly above that of previous years. Ambulance Victoria is deploying a range of strategies to stabilise performance, including hiring additional paramedics, diverting cases to secondary triage services where safe and appropriate to do so and using a surge workforce.					
Proportion of emergency (Code 1) incidents responded to within 15 minutes in centres with more than 7 500 population	per cent	90	71.9	–20.1%	■
Ambulance performance has been significantly impacted by COVID-19, with increased demands on the health system across the state. Overall demand for ambulance services has been significantly above that of previous years. Ambulance Victoria is deploying a range of strategies to stabilise performance, including hiring additional paramedics, diverting cases to secondary triage services where safe and appropriate to do so and using a surge workforce.					
Cost					
Total Output Cost	\$ million	1,166.5	1,215.7	4.2%	
The 2021–22 actual outcome reflects additional funding associated with government initiatives.					

Ambulance Non-Emergency Services

This output includes non-emergency road, rotary and fixed air wing patient treatment and transport services that provide access to timely, high-quality non-emergency ambulance services.

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Quantity					
Community Service Obligation non-emergency road and air transports	number	240,596	228,837	–4.9%	○
Statewide non-emergency air transports	number	2,538	3,039	19.7%	✓
Air activity is entirely demand driven. Activity above target represents higher demand for air services.					
Statewide non-emergency road transports	number	295,925	304,864	3.0%	✓
Quality					
Audited cases statewide meeting clinical practice standards	per cent	95	100	5.3%	✓
This result is an estimate as the source dataset is yet to be finalised.					
Cost					
Total Output Cost	\$ million	196.9	188.3	–4.4%	
The 2021–22 actual outcome reflects a rephase of funding associated with government policy initiatives as part of the COVID-19 response.					

Drug Prevention and Control

This output relates to encouraging all Victorians to minimise the harmful effects of alcohol and other drugs by providing a comprehensive range of strategies, which focus on education, prevention and early intervention programs, community and residential treatment services, and effective regulation.

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Quantity					
Number of phone contacts from family members seeking support	number	10,682	9,104	-14.8%	■
The negative result for family member phone contacts is offset by the very positive result achieved against the measure, Number of telephone, email, website contacts and requests for information on alcohol and other drugs (see below).					
Needles and syringes provided through the Needle and Syringe program	number (thousand)	10,170	9,978	-1.9%	○
Number of telephone, email, website contacts and requests for information on alcohol and other drugs	number (thousand)	4,200	5,840	39.0%	✓
This is a positive result, reflecting that people have adapted to seeking support outside of face-to-face methods. Providing easily accessible and available alcohol and drug information is an effective way of giving support to those who seek it.					
Timeliness					
Pharmacotherapy permits processed within designated timeframe	per cent	100	100	0.0%	✓
Percentage of new licences and permits issued to health services or businesses for the manufacture, use or supply of drugs and poisons within six weeks following receipt of full information	per cent	100	100	0.0%	✓
Percentage of treatment permits for medical practitioners or nurse practitioners to prescribe Schedule 8 drugs assessed within four weeks	per cent	80	100	25.0%	✓
The actual result exceeds the target as the more junior staff had consolidated their skills and knowledge through training and were able to take on more complex applications. In addition, the number of voluntary assisted dying permit applications was lower than usual compared to previous years, which freed up some of the senior officers to help process and assess Schedule 8 permit applications.					
Cost					
Total Output Cost	\$ million	44.8	33.5	-25.2%	
The 2021–22 actual outcome primarily reflects lower than budgeted expenditure on government policy initiatives due to delays caused by the COVID-19 response.					

Drug Treatment and Rehabilitation

This output includes assisting the community and individuals to control and reduce the harmful effects of illicit and licit drugs, including alcohol, in Victoria.

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Quantity					
Clients on the Pharmacotherapy program This result is an estimate as the source dataset is yet to be finalised.	number	14,000	14,804	5.7%	✓
Commenced courses of treatment – community-based drug treatment services This is a positive result reflective of the continued demand for services as the capacity of services returns to normal and in-person attendance have resumed, following the easing of public health orders and COVID-19 restrictions in Victoria. Telephone and online supports continued throughout the year. The number of courses of treatment is likely to increase steadily over the coming months.	number	10,189	11,863	16.4%	✓
Number of drug treatment activity units – residential services The below-target result is primarily due to the impact of COVID-19 restrictions and outbreaks. Services needed to be responsive to the changing environment, implementing control measures such as social distancing, e.g. conversion of twin rooms to single rooms, which significantly reduced the capacity of the services and number of admissions. Service delivery was also impacted by workforce shortages and challenges similar to those experienced more broadly across Victoria.	number	78,535	61,442	-21.8%	■
Number of drug treatment activity units – community-based services The below-target result is due to the impact of staff shortages.	number	97,855	89,708	-8.3%	■
Workers complying with Alcohol and Other Drug Minimum Qualification Strategy requirements This result refers to workers who had completed their qualifications only. Workers who were enrolled but had not completed their qualification were not included.	per cent	85	71	-16.5%	■
Quality					
Percentage of new clients to existing clients The positive result in the number of new clients is reflective of the demand for services and demonstrates improved access to initial supports. It is also reflective of service providers focusing resources on intake and assessment activities to ensure responsiveness to new referrals for service.	per cent	50	59.4	18.8%	✓
Percentage of residential rehabilitation clients remaining in treatment for 10 days or more	per cent	80	82.9	3.6%	✓
Successful courses of treatment (episodes of care) – community-based drug treatment services This positive result is reflective of clients with alcohol and other drug related issues remaining in and successfully completing the course of treatment. It is also representative of the demand for services.	number	7,385	10,093	36.7%	✓
Percentage of residential withdrawal clients remaining in treatment for two days or more This positive result reflects that clients are remaining in residential withdrawal at a higher rate. This is indicative of the increased complexity of client presentations, requiring longer withdrawal periods, and the increase in treatment compliance. During COVID-19 restriction periods clients were more likely to remain in withdrawal whilst access to community-based treatment services was restricted.	per cent	80	95.3	19.1%	✓

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Timeliness					
Median wait time between intake and assessment	days	10	7	-30.0%	✓
This is a positive result which translates to improved client engagement.					
Median wait time between assessment and commencement of treatment	days	20	12.8	-36.0%	✓
This is a positive result. It demonstrates reduced waiting times for treatment and leads to higher rates of continued client engagement and improved outcomes.					
Cost					
Total Output Cost	\$ million	285.4	308.1	7.9%	
The 2021–22 actual outcome primarily reflects funding increases associated with government policy initiatives.					

Mental Health Clinical Care

This output provides a range of inpatient residential and community-based clinical services to people with mental illness, and their families and carers.

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Quantity					
Clinical inpatient separations	number	28,747	26,240	-8.7%	■
COVID-19 outbreaks and implementing COVID-19 safe practices have continued to have an impact on operational beds, resulting in some acute bed closures.					
Total community service hours (child and adolescent)	number (thousand)	266	230	-13.5%	■
COVID-19 outbreaks contributed to workforce shortages/ furlough leave in mental health programs. These factors contributed to a negative result.					
Total community service hours (adult)	number (thousand)	1,185	987	-16.7%	■
COVID-19 outbreaks contributed to workforce shortages/ furlough leave in mental health programs. These factors contributed to a negative result.					
Total community service hours (aged)	number (thousand)	154	128	-16.9%	■
COVID-19 outbreaks contributed to workforce shortages/ furlough leave in mental health programs. These factors contributed to a negative result.					
New case index	per cent	50	56	12.0%	✓
This is a favourable result.					
Registered community clients	number	85,863	80,219	-6.6%	■
COVID-19 outbreaks contributed to ongoing changes to accessing mental health care treatment while care and workforce shortages/ furlough leave in mental health programs reduced consumers' ability to access treatment.					
Occupied residential bed days	number	153,574	145,310	-5.4%	■
COVID-19 outbreaks and implementing COVID-19 safe practices have continued to have an impact on operational beds, resulting in some residential bed closures.					
Occupied sub-acute bed days	number	186,771	193,010	3.3%	✓

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Quality					
Clients readmitted (unplanned) within 28 days	per cent	14	15.3	9.3%	■
Low average length of stay due to high demand impacted the appropriate length of treatment and care and resulted in earlier discharges into the community. This led to higher instances of readmission.					
New client index	per cent	45	49	8.9%	✓
This is a measure of turnover of community clients. The higher number is a favourable outcome as it reflects more people seeking support and gaining access to services during the past reporting period.					
Number of designated mental health services achieving or maintaining accreditation under the National Safety and Quality in Health Service Standards	number	18	18	0.0%	✓
Post-discharge community care (child and adolescent)	per cent	88	87	-1.1%	○
Post-discharge community care (adult)	per cent	88	84	-4.5%	○
Post-discharge community care (aged)	per cent	88	88	0.0%	✓
Pre-admission community care	per cent	61	63	3.3%	✓
Seclusions per 1 000 occupied bed days	rate per 1000	8	8.7	8.7%	■
Despite a reduction in seclusion in Quarter 4 across all age ranges and types of patients, including in forensic services, the result was impacted by a higher number of events for a small number of adult patients (across metropolitan and regional services) with challenging behaviours.					
Timeliness					
Emergency patients admitted to a mental health bed within eight hours	per cent	80	49.1	-38.6%	■
This result is due to high demand and acuity of consumers presenting to emergency departments across the north west and south east metropolitan and Hume areas. At times, due to the pandemic, beds were closed because of COVID-19 safety measures, which resulted in increased pressure for throughput. The Royal Commission into Victoria's Mental Health System Interim Report stated that the increase in mental health-related presentations outstrips both population growth and the growth in emergency departments generally. This issue is being addressed by the creation of 144 new acute public beds, as recommended by the Royal Commission, which are currently being developed.					
Cost					
Total Output Cost	\$ million	2,177	1,952.2	-10.3%	
The 2021–22 actual outcome primarily reflects funding rephased or requested to be carried over into 2022–23.					

Mental Health Community Support Services

This output includes a range of rehabilitation and support services provided to youth and adults with a psychiatric disability, and their families and carers.

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Quantity					
Bed days	number	62,744	49,100	-21.7%	■
COVID-19 outbreaks and implementing COVID-19 safe practices have continued to have an impact on operational beds, resulting in some mental health community support bed closures.					
Client Support Units	number	44,157	41,249	-6.6%	■
COVID-19 outbreaks and implementing COVID-19 safe practices have continued to have an impact on operational beds, resulting in some community support bed closures.					

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Clients receiving community mental health support services	number	1,800	2,329	29.4%	✓
Greater consumer confidence in accessing services and the reopening of some services are the probable causes for this increase. This is a positive result.					
Quality					
Proportion of major agencies accredited	per cent	100	100	0.0%	✓
Cost					
Total Output Cost	\$ million	166.3	161.2	-3.1%	
The 2021–22 actual outcome primarily reflects funding requested to be carried over into 2022–23.					

Community Health Care

This output includes delivery of a range of community care and support services, including counselling, allied health and nursing, that enable people to continue to live independently in the community.

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Quantity					
Rate of admissions for ambulatory care sensitive chronic conditions for Aboriginal Victorians	rate per 1000	14.4	14.4	0.0%	✓
Number of referrals made using secure electronic referral systems	number	75,000	75,000	0.0%	✓
Primary Care Partnerships with reviewed and updated Strategic Plans	per cent	100	100	0.0%	✓
Service delivery hours in community health care	number (thousand)	1,060	967	-8.8%	■
The result is lower than target primarily due to the impact of COVID-19. Many services are supporting the response effort and these activities are not able to be captured under this measure.					
Quality					
Agencies with an Integrated Health Promotion plan that meets the stipulated planning requirements	per cent	95	98	3.2%	✓
Cost					
Total Output Cost	\$ million	381	555.2	45.7%	
The 2021–22 actual outcome primarily reflects funding increases associated with government policy initiatives related to the COVID-19 response.					

Dental Services

This output includes delivery of a range of dental health services to support health and wellbeing in the community.

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Quantity					
Persons treated	number	376,150	266,206	-29.2%	■
The results have been impacted by the restrictions on non-urgent public dental services in response to the COVID-19 pandemic. Activity levels have recently increased and performance against this measure in 2022–23 is expected to improve.					
Priority and emergency clients treated	number	249,100	206,462	-17.1%	■
The results have been impacted by the restrictions on non-urgent public dental services in response to the COVID-19 pandemic. Emergency and urgent care continued to be available to all eligible clients, maintaining performance closer to target than for overall people treated. Activity levels have recently increased and performance against this measure in 2022–23 is expected to improve.					
Children participating in the Smiles 4 Miles oral health promotion program	number	49,000	51,000	4.1%	✓
Timeliness					
Waiting time for dentures	months	22	20.2	-8.2%	✓
This is a favourable result.					
Percentage of Dental Emergency Triage Category 1 clients treated within 24 hours	per cent	90	91	1.1%	✓
Waiting time for general dental care	months	23	26.7	16.1%	■
The results have been impacted by the cumulative effect of restrictions on non-urgent public dental services in response to the COVID-19 pandemic.					
Cost					
Total Output Cost	\$ million	351.9	282.2	-19.8%	
The 2021–22 actual outcome reflects rephasing of funding for the Free Dental Care for Government School Students initiative, which was delayed due to the COVID-19 pandemic					

Maternal and Child Health and Early Parenting Services

This output involves the provision of community-based maternal and child health services available to all families with children.

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Quantity					
Hours of additional support delivered through the Enhanced Maternal and Child Health program	number	248,000	248,000	0.0%	✓
Total number of Maternal and Child Health Service clients (aged 0 to 1 year)	number	80,000	80,000	0.0%	✓
Timeliness					
Children aged 0 to 1 month enrolled at maternal and child health services from birth notifications	per cent	99	99	0.0%	✓
Cost					
Total Output Cost	\$ million	150.6	143.9	-4.5%	
The 2021–22 actual outcome reflects timing delays in expenditure on government policy initiatives driven by the impacts of the COVID-19 response.					

Health Protection

This output includes protecting the health of Victorians through a range of prevention programs including regulation, surveillance and the provision of statutory services.

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Quantity					
Inspections of cooling towers	number	1,300	939	-27.8%	■
This result is due to working from home advisories, which meant that onsite inspections could not be carried out for certain periods over the full year, although 534 virtual audits were conducted during this time.					
Inspections of radiation safety management licences	number	480	169	-64.8%	■
Inspections were impacted by COVID-19 restrictions and working from home advisories, which meant that onsite inspections could not be carried out for certain periods of the year, although 58 virtual audits were conducted, primarily in the earlier part of the year. The 169 inspections that did take place were mostly conducted in Quarter 4.					
Percentage of Aboriginal children fully immunised at 60 months	per cent	97	97	0.0%	✓
Number of available HIV rapid test trial appointments used	number	2,875	2,021	-29.7%	■
Pandemic lockdowns in Quarter 1 and Quarter 2, when the service was closed for rapid HIV testing, affected the annual result. PRONTO!, the service which provides the tests, was closed on four public holidays during Quarter 4, which also affected the result. The numbers for rapid test trial appointments are also affected by the fact that PRONTO! are seeing many people come in on pre-exposure prophylaxis or PrEP, for HIV prevention, making the rapid HIV test unsuitable. However, these people are getting a serology HIV and other testing done for sexually transmissible infections and/or blood-borne viruses.					
Women screened for breast cancer by BreastScreen Victoria	number	267,000	261,675	-2.0%	○
Number of persons participating in newborn bloodspot or maternal serum screening	number	80,000	78,697	-1.6%	○
Persons screened for prevention and early detection of health conditions – pulmonary tuberculosis screening	number	2,000	1,223	-38.9%	■
The 2021–22 outcome is lower than the target due to several factors, including the number of infectious tuberculosis cases notified each year and the number of large-scale screenings required. COVID-19 has also had an impact on the number of people screened.					
Smoking cessation of Aboriginal mothers	per cent	25.2	23.2	-7.9%	■
While the overall result is below target, the Quarter 4 result is better than the two previous quarters, which were 22.7 per cent and 22.5 per cent respectively.					
Quality					
Calls to food safety hotlines that are answered	per cent	97	99.3	2.4%	✓
Immunisation coverage – adolescent (Year 7) students fully immunised for DTPa (diphtheria, tetanus and pertussis)	per cent	90	N/A	N/A	N/A
This target can no longer be measured. Previously this target was measured by asking local council immunisation services to report numbers of returned consent cards. However, this has not occurred in the past two years due to COVID-19 restrictions.					
Immunisation coverage – At school entry	per cent	95	95	0.0%	✓
Immunisation coverage – At two years of age	per cent	95	93	-2.1%	○
Public health emergency response calls dealt with within designated plans and procedure timelines	per cent	100	100	0.0%	✓
Timeliness					
Percentage of food recalls acted upon within 24 hours of notification	per cent	97	100	3.1%	✓
Infectious disease outbreaks responded to within 24 hours	per cent	100	100	0.0%	✓

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Participation rate of women in target age range screened for breast cancer	per cent	54	45.5	-15.7%	■
The below-target result is due to the COVID-19 response, which has required the implementation of safety measures that have reduced the capacity of some BreastScreen Victoria services.					
Cost					
Total Output Cost	\$ million	555	2,372.0	327.4%	
The 2021–22 actual outcome primarily reflects funding increases associated with government policy initiatives related to the COVID-19 response.					

Health Advancement

This output relates to improving the general health and wellbeing of Victorians through the provision of community information and the fostering of healthy behaviours.

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Quantity					
Persons completing the Life! – Diabetes and Cardiovascular Disease Prevention program	number	5,616	3,942	-29.8%	■
Life! continues to be significantly impacted by the COVID-19 pandemic with face to face programs only resuming in May 2022. Despite efforts to offer an online program, interest from participants and referrals remains low.					
Number of courses for health professionals on sexual and reproductive health	number	50	51	2.0%	✓
Number of education or monitoring visits of tobacco or e-cigarette retailers	number	1,500	1,500	0.0%	✓
Number of sales to minors test purchases undertaken	number	3,000	750	-75.0%	■
Due to ongoing challenges associated with COVID-19, it has not been possible to carry out test purchasing activity to the targeted levels. Where councils have been unable to undertake test purchasing, they have carried out additional education visits to retailers, eating and drinking areas and outdoor areas where children and young people spend significant amounts of time.					
Number of education or monitoring visits of smoke-free areas	number	3,500	4,000	14.3%	✓
Despite COVID-19 restrictions and workforce shortages, councils have exceeded targets for inspections of smoke-free areas.					
Quality					
Local Government Authorities with Municipal Public Health and Wellbeing Plans	per cent	100	100	0.0%	✓
Cost					
Total Output Cost	\$ million	81.5	95.3	16.9%	
The 2021–22 actual outcome primarily reflects increases in government policy initiatives related to the COVID-19 response.					

Emergency Management

This output includes training in emergency management preparedness, planning, response, relief and recovery.

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Quantity					
Number of people trained in emergency management	number	2,000	2,023	1.2%	✓
Cost					
Total Output Cost	\$ million	15	16.8	11.9%	
The 2021–22 actual outcome primarily reflects funding increases associated with government policy initiatives related to the COVID-19 response.					

Small Rural Services – Acute Health

This output relates to admitted and non-admitted services delivered by small rural services, including elective and non-elective surgical and medical care, accident and emergency services, and maternity services.

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Quantity					
Separations	number (thousand)	35.8	31	-13.4%	■
This is a measure of activity, which remains lower than expected due to the ongoing effect of the COVID-19 pandemic.					
Small rural weighted activity unit	number (thousand)	350,000	310,000	-11.4%	■
This is a measure of activity, which remains lower than expected due to the ongoing effect of the COVID-19 pandemic.					
Quality					
Percentage of health services accredited	per cent	100	100	0.0%	✓
Cost					
Total Output Cost	\$ million	431.5	454.2	5.3%	
The 2021–22 actual outcome primarily reflects funding increases associated with government policy initiatives related to the COVID-19 response.					

Small Rural Services – Aged Care

This output includes delivery of in home, community-based and residential care services for older people, delivered in small rural towns.

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Quantity					
Small rural available bed days	number	701,143	701,143	0.0%	✓
Quality					
Residential care services accredited	per cent	100	100	0.0%	✓
Cost					
Total Output Cost	\$ million	243.9	251.3	3.0%	
The 2021–22 actual outcome primarily reflects higher than expected Commonwealth Residential Contribution paid directly to agencies.					

Small Rural Services – Home and Community Care Services

This output includes delivery of in home, community-based care services for older people, and younger people with disabilities delivered by small rural services.

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Quantity					
Home and Community Care for Younger People – hours of service delivery	hours	55,000	44,324	–19.4%	■
The below-target result is due to the decrease in the ability to provide some services due to the impact of COVID-19 while alternative services being delivered cannot be reported in the client database. In addition, providers are experiencing staff shortages as a result of COVID-19.					
Cost					
Total Output Cost	\$ million	5.3	4.7	–11.1%	
The 2021–22 actual outcome primarily relates to realignment of funding to the Home and Community Care Program for Younger People output.					

Small Rural Services – Primary Health

This output includes delivery of in home, community-based and primary health services delivered by small rural services and designed to promote health and wellbeing and prevent the onset of more serious illness.

Performance measures	Unit of measure	2021–22 target	2021–22 actual	Variation (%)	Result
Quantity					
Service delivery hours in community health care	number	91,500	100,690	10.0%	✓
The result is higher than the target due to the permissible use of funds from other outputs to provide community health services according to local need. Many services are supporting the COVID-19 response effort.					
Cost					
Total Output Cost	\$ million	24.5	20.7	–15.5%	
The 2021–22 actual outcome primarily reflects lower than estimated own source revenue in small rural health services					

Portfolio performance reporting – financial

Departmental five-year financial summary

Five-year financial summary (\$ millions)	2022	2021	2020	2019	2018
Income from government	17,798.8	22,650.3	18,971.9	17,696.3	16,373.1
Total revenue and income from transactions	21,831.1	25,698.4	22,028.4	19,417.0	17,921.1
Total expenses from transactions	(21,094.3)	(25,170.7)	(21,420.3)	(19,391.5)	(17,742.8)
Net result from transactions	718.8	527.7	608.1	25.5	178.3
Net result for the period	721.8	513.9	545.4	(9.0)	181.7
Net cash flow from operating activities	60.1	989.6	(96.9)	325.9	361.9
Total assets	7,554.8	40,433.6	34,865.9	33,372.5	34,380.8
Total liabilities	2,691.6	3,157.7	2,928.7	2,177.4	1,968.3

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 financial 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 entities related to the department, the financial information of the Mental Health Tribunal is included in the department's 2021–22 financial statements in accordance with determinations made by the Assistant Treasurer under section 53(1)(b) of the *Financial Management Act 1994* (FMA).

In contrast, the financial information of the following entities was included in the department's 2020–21 financial statements in accordance with determinations made by the Assistant Treasurer under section 53(1)(b) of the FMA:

- > Director of Housing (from 1 July 2006)
- > Mental Health Tribunal (from 1 July 2014)
- > Commission for Children and Young People (from 1 July 2015)
- > Disability Worker Registration Board (from 1 June 2020)
- > Victorian Disability Worker Commission (from 1 June 2020)
- > Department of Families, Fairness and Housing (DFFH) (from 1 February 2021)
- > Respect Victoria (from 1 February 2021)
- > Victorian Multicultural Commission (from 1 February 2021)
- > Victorian Veterans Council (from 1 February 2021).

Since the machinery of government changes in 2020–21, the financial information relating to these entities is now included in the Department of Families, Fairness and Housing annual report.

Financial performance and business review

The details below relate to the department's consolidated financial statements including for the Mental Health Tribunal, as indicated, above.

In 2021–22, the department recorded a net gain from transactions of \$718.8 million. The surplus is mainly due to the accounting effect of the State Supply Arrangement where appropriation revenue was received to purchase personal protective equipment and rapid antigen test kits. Not all purchased inventory was consumed during the financial year. The unused portion of inventory purchased during the year was recognised in the balance sheet, impacting the department's result.

In addition, contributing to the department's surplus is the result of the funding mechanism for the capital program in health services. The department is required to recognise revenue (depreciation-equivalent funding) to fully cover the depreciation expense related to assets that reside with the health services. During the financial year, the department is only able to access and allocate depreciation-equivalent funding to on-pass to health services to deliver the government's approved capital program. The depreciation-equivalent revenue that is not able to be allocated is recognised as a receivable from the Victorian Government for application towards the future-approved capital program expenditure.

Financial position – balance sheet

Total net assets have decreased by \$32.4 billion in 2021–22 compared to last year. This is mostly attributed to the decrease in property, plant and equipment related to the transfer of DFFH-related assets to the DFFH as part of the machinery of government changes in 2020–21.

Cash flows

The overall cash position at the end of the 2021–22 financial year is \$106.3 million surplus, which is a decrease of \$807.6 million compared to the beginning of the year. The overall decrease is mostly due to the removal of DFFH cash and deposits as part of the machinery of government changes in 2020–21.

Capital projects reaching practical completion during the financial year ended 30 June 2022

Project name	Original completion date	Latest approved completion date	Practical completion date	Reason for variance in completion dates	Original approved TEI budget (\$M)	Latest approved TEI budget (\$M)	Actual TEI cost (\$M)	Variation between actual cost and latest approved TEI budget (\$M)	Reason for variance from latest approved TEI budget
Monash Medical Centre – infrastructure upgrades (Clayton)	June 2022	June 2023	May 2022	Updated to reflect project delivery and change in scope	63.200	76.300	71.694	4.606	Balance of funding is required for financial closeout of the project, expected in the next financial year.
Northern Hospital inpatient expansion – Stage 2 (Epping)	June 2022	December 2022	August 2021	Updated to reflect project delivery and change in scope	162.672	162.672	158.535	4.137	Balance of funding is required for financial closeout of the project, expected in the next financial year.
Regional Drug Residential Rehabilitation Services (regional various)	June 2021	June 2023	November 2021	Updated to reflect project delivery and change in scope	40.600	52.10	48.344	3.756	All sites have been handed over as part of Separable Portion 1. Final activities progressing on schedule, with balance of funding required for financial closeout of the project, expected in the next financial year.
Youth Prevention and Recovery Care (PARC) Service (metropolitan Melbourne)	December 2021	December 2023	December 2021	Updated to reflect project delivery and change in scope	11.900	12.900	11.403	1.497	Balance of funding is required for financial closeout of the project, expected in the next financial year.

Capital projects reaching financial completion during the financial year ended 30 June 2022

Project name	Practical completion date	Financial 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)	Reason for variance from latest approved TEI budget
Modernisation of metro public sector residential aged care (Kew)	August 2020	December 2021	57.570	57.570	57.570	0.000	N/A
Mental health and alcohol and other drugs facilities renewal 2017–18 (statewide)	June 2022	June 2022	10.000	10.000	10.000	0.000	N/A
Western Health urgent infrastructure works (Footscray and Sunshine)	June 2021	June 2022	61.335	61.335	61.335	0.000	N/A
World-Class Care for Wangaratta Patients (Wangaratta)	June 2022	June 2022	7.506	7.506	7.506	0.000	N/A

Section 2: Governance and organisational structure

The department's ministers

As at 30 June 2022



Mary-Anne Thomas MP

Minister for Health
Minister for Ambulance Services

Mary-Anne Thomas MP was appointed as Minister for Health and Minister for Ambulance Services in June 2022.

The Minister for Health and Minister for Ambulance Services is responsible for the health and wellbeing of all Victorians, ensuring a strong public health system and its continued growth and redevelopment.



Gabrielle Williams MP

Minister for Mental Health

Gabrielle Williams MP was appointed as Minister for Mental Health in June 2022. She is also the Minister for Treaty and First Peoples.

The Minister for Mental Health is responsible for managing the challenges created by the increasing demand for mental health services in Victoria and ensuring Victorians with mental illness and addiction, along with their families, receive the treatment and support they need.



Colin Brooks MP

Minister for Disability, Ageing and Carers

Colin Brooks MP was appointed as Minister for Disability, Ageing and Carers and Minister for Child Protection and Family Services in June 2022.

The Minister for Disability, Ageing and Carers is responsible for residential aged care, carers and child and family services – in addition to supporting Victorians with a disability as they transition to the National Disability Insurance Scheme.

The department's senior executives

As at 30 June 2022

Professor Euan Wallace AM

Secretary

Euan Wallace was appointed as Secretary of the Department of Health and Human Services in November 2020, then as Secretary of the Department of Health in February 2021.

The Secretary leads the department in its vision for Victorians to be the healthiest people in the world.

Jodie Geissler

Deputy Secretary – Commissioning and System Improvement

Jodie Geissler was appointed as Deputy Secretary – Commissioning and System Improvement in March 2021. Jodie oversees the strategic commissioning of health and aged care services, focusing on system service design and improvement, in partnership with clinicians, service providers and the community. She is also responsible for leading operational policy development and implementation, and resource allocation and funding, as well as for driving improvement across the health system.

Katherine Whetton

Deputy Secretary – Mental Health and Wellbeing

Katherine Whetton was appointed as Deputy Secretary – Mental Health in January 2021. Katherine leads the division responsible for the delivery of Victoria's mental health reforms and the continued stewardship of the mental health and alcohol and other drugs services sectors.

Professor Zoe Wainer

Deputy Secretary – Public Health

Zoe Wainer commenced as Deputy Secretary – Public Health in June 2021. Zoe leads the division responsible for advancing public health, improving population health and wellbeing outcomes, and leading the response to health threats and broader emergencies.

Chris Hotham

Deputy Secretary – Health Infrastructure

Chris Hotham was appointed as Deputy Secretary – Health Infrastructure in December 2019. Chris leads the division responsible for infrastructure policy, partnerships and the Victorian Health Building Authority (VHBA), which leads the planning, delivery and oversight of public health, mental health and aged care infrastructure.

Nicole Brady

Deputy Secretary – Reform and Planning

Nicole Brady was appointed as Deputy Secretary – Reform and Planning in February 2022. Nicole is responsible for driving reform and improvement within the health system, including design changes to improve the equity of healthcare in Victoria and to better respond to the needs of patients and stakeholders.

Nicole McCartney

Chief Aboriginal Health Adviser

Nicole McCartney was appointed the inaugural Chief Aboriginal Health Adviser in August 2019. Nicole also leads the new Aboriginal Health Division and is focused on embedding self-determination and cultural safety in the Victorian health system.

Beth Gubbins

Acting Deputy Secretary – Corporate Services

Beth Gubbins was appointed as Acting Deputy Secretary – Corporate Services in April 2022. Beth oversees the provision of a range of functions, including budget and finance, performance and reporting, people and culture, information technology, procurement, records management and customer support.

Jacinda de Witts

Deputy Secretary – Regulatory, Risk, Integrity and Legal

Jacinda de Witts was appointed as Deputy Secretary in January 2019. As Deputy Secretary – Regulatory, Risk, Integrity and Legal, Jacinda oversees the department's health regulatory reform and compliance work, safeguards organisational integrity and provides risk and legal advisory services to the department.

Jacinda is also the department's General Counsel.

Professor Michael Roberts

Chief Executive Officer – Safer Care Victoria

Mike Roberts was appointed as Chief Executive Officer – Safer Care Victoria in August 2021. Safer Care Victoria is an administrative office of the department. Mike leads the office in its role as the state's lead healthcare quality and safety improvement agency.

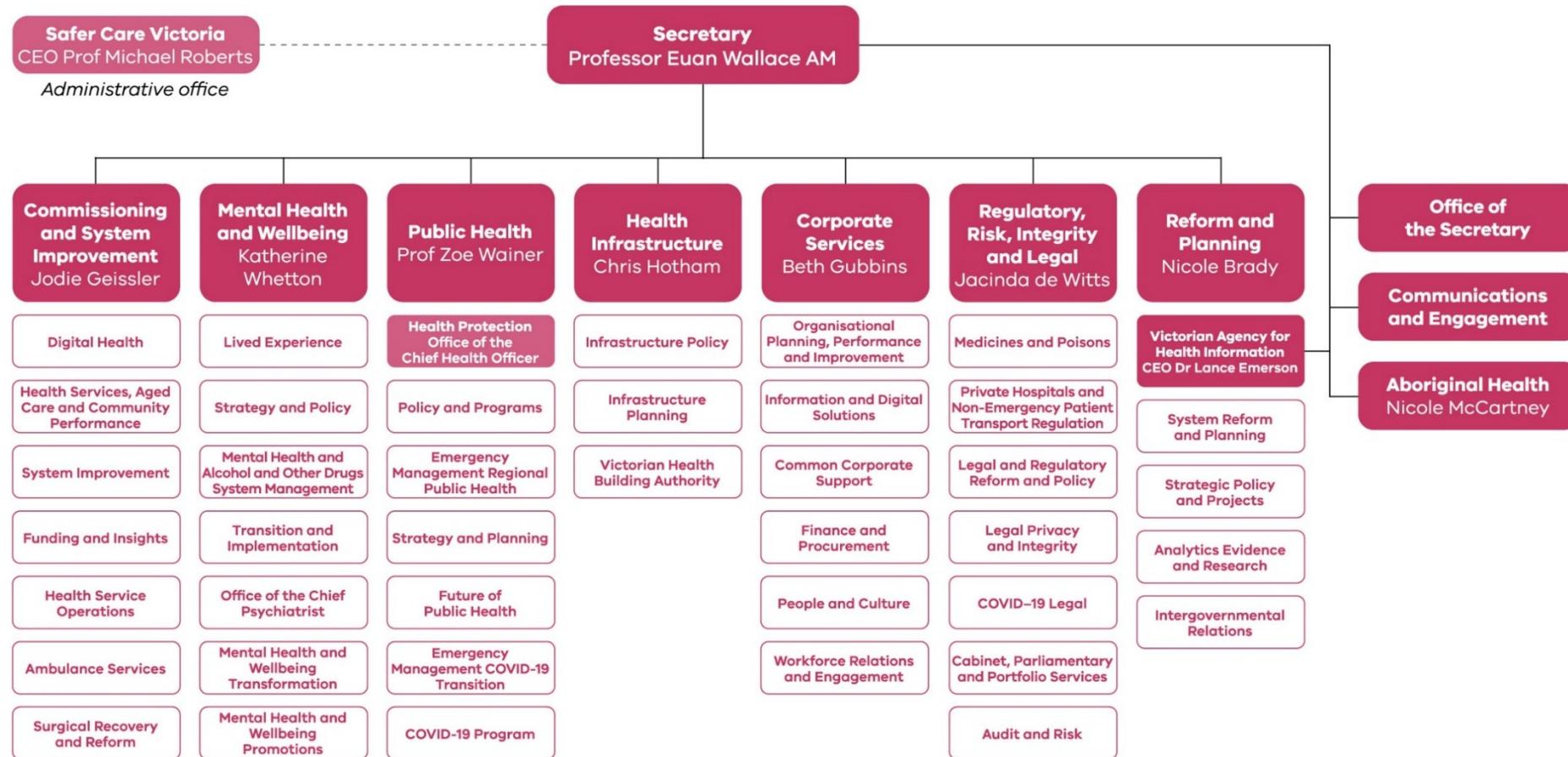
Dr Lance Emerson

Chief Executive Officer – Victorian Agency for Health Information

Lance Emerson was appointed as Chief Executive Officer – Victorian Agency for Health Information in January 2018. At establishment in 2017 the agency was an administrative office, like Safer Care Victoria. In 2021 the agency became part of the department, aligned with the Reform and Planning division. Lance leads the agency in its role of providing accurate and comprehensive performance information on Victorian health services, both to the department and government and also to the sector – health services, clinicians and consumers.

Organisational chart

As at 30 June 2022



Committee structure

Executive Board

The Executive Board assists the Secretary with strategic leadership to meet the department's objectives (including vision, purpose and direction setting); improve performance and outcomes; and implement complex reform priorities.

The Executive Board operates under terms of reference and comprises the Secretary, Deputy Secretaries and Chief Executive Officers of Safer Care Victoria and the Victorian Agency for Health Information. Additional attendees to support Executive Board discussions include the Chief Communications Officer and the Chief Aboriginal Health Adviser.

Several policy and operational subcommittees report to the Executive Board:

- > Data Governance and Information Technology Subcommittee
- > Health System Reform Subcommittee
- > Infrastructure and Planning Subcommittee
- > Investment and Finance Subcommittee
- > People, Culture and Safety Subcommittee
- > Quality, Safety and Performance Subcommittee.

Stand-alone legislative committees

Three stand-alone committees support statutory assurance responsibilities and may include independent or non-executive members who provide expertise and advice.

Executive Remuneration Committee

The Executive Remuneration Committee ensures a consistent and rigorous approach is taken to setting and adjusting executive remuneration.

Health and Safety Consultation Committee

The Health and Safety Consultation Committee provides a department-wide forum for consultation with key stakeholders on priority departmental health and safety matters.

Audit and Risk Management Committee

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.

Under its approved charter, the committee must include independent members with no departmental responsibility. At 30 June 2022, these independent members were:

- > Kate Hughes, Chair
- > Laurinda Gardner
- > Mark Toohey

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 committee's responsibilities cover the following areas:

- > annual financial statements
- > financial management compliance attestation
- > risk management and internal controls
- > fraud and corruption control
- > legislative and policy compliance
- > internal audit
- > external audit.

Other internal committees

The department also has the following internal committees:

- > Our Pride Network Committee
- > Divisional Occupational Health and Safety committees
- > Procurement Committee.

Section 3: Workforce data

Public sector values and employment principles

The *Public Administration Act 2004* established the Victorian Public Sector Commission (VPSC). The VPSC's role is to strengthen public sector efficiency, effectiveness and capability, and advocate for public sector professionalism and integrity.

The public sector values are set out in the section: [Vision, mission and values](#).

The department's policies and practices are consistent with the VPSC's employment standards and provide for fair treatment, career opportunities and the early resolution of workplace issues. The department advises its employees on how to avoid conflicts of interest, how to respond to offers of gifts and how to deal with misconduct.

Employment and conduct principles

The values and employment principles that apply to the broader public sector are detailed in the *Public Administration Act 2004*.

The department complies with these employment principles and continually updates its policies and procedures to advance them.

The department's values are also aligned to those set out in the Act. It is committed to applying merit and equity principles to all employment policies, programs and resources and ensures its values are implemented throughout the department, including through performance planning and employee recognition processes.

Our People

The department's people work across a range of fields, including aged care, mental health, public health and prevention. The corporate and executive support functions play an essential enabling role across human resources, communications, information technology, finance and business services. The department's strategic plan sets out the directions and priorities for service delivery.

Recognising our employees

The department held its inaugural Reflection and Recognition Awards (RARAs) in December 2021, which acknowledged the achievements and contributions of its people.

In the virtual awards, the Secretary thanked staff for their hard work and dedication and for making a critical difference to the health and wellbeing of Victorian communities. The RARAs celebrated not just the specific achievements of individuals but also the collective effort of all staff across the department, in the following categories:

- > Improving Health
- > Diversity and Inclusion
- > Patient Centred Care
- > Work Together as One
- > Always Improving
- > Best Workers, Best Workplaces.

Additionally, Secretary's Awards were presented in the following categories:

- > Valuing Kindness
- > Making an Impact.

Capability development

COVID-19 and continued advances in digital learning technology shaped the department's learning and development approaches this year. The introduction of a new learning management system, OurPeople Learning, created a one-stop shop for staff to access a suite of 238 different learning offerings. These offerings were further supplemented by access to thousands of online courses through LinkedIn Learning, providing staff with the opportunity to learn how, when and where it suited them.

Health professional technical training

Learning and development continued to focus on the role of the department's authorised officers and infection prevention and control, supported by the Health Professional Technical Training (HPTT) team. Across the department and local public health units workforce this year, general and specialist training was provided to more than

630 staff, including a suite of modules introduced through OurPeople Learning. HPTT assisted several external agencies engaged to support the department's operations around COVID-19 and provided training to over 1,300 people, predominantly related to call centres.

Virtual workshops

The department also supported over 1,000 new starters through participation in its virtual induction to the Department of Health facilitator-led workshop.

The department's efforts to develop and grow workforce capability were focused on:

- > health, safety and wellbeing
- > COVID-19 pandemic response
- > inclusion and cultural safety
- > professional development
- > infection prevention and control
- > management and leadership
- > writing and communication
- > software and systems
- > finance and procurement.

Programs continued to be delivered virtually, with the exception of regulatory authorised officer training, which was delivered face to face on certain days to ensure these people could continue to build their capability during the COVID-19 pandemic.

Mandatory training

The department strengthened its compliance with statutory requirements with the introduction of a structured schedule of refresher training and targeted campaigns in certain fields. As a result, 66 per cent of employees have completed mandatory training across the suite of nine modules, which include:

- > Privacy Awareness
- > Prevention of Sexual Harassment
- > Charter of Human Rights and Responsibilities
- > Aboriginal Cultural Safety
- > Preventing Bullying and Inappropriate Behaviour
- > Security Awareness
- > Workforce Diversity and Inclusion
- > Code of Conduct
- > Your Health, Safety and Wellbeing.

Strengthening leader capability

The department continued to strengthen its leader capability at all levels by:

- > introducing quarterly executive learning forums that provide a regular, thought-provoking learning experience for executive leaders
- > developing and implementing a Manager Essentials Program designed for 'new to role' and 'new to department' leaders. The program aims to build a manager's knowledge and skills to effectively manage fundamental tasks across the employee life-cycle and includes a 'just in time' toolkit and calendar of 'lunch and learns'. Since its introduction in August 2021, over 540 people leaders have participated in the 'lunch and learn' sessions.
- > providing over 275 leaders with the opportunity to participate in internally led workshops focused on employee wellbeing, collaboration and conflict resolution
- > providing peer and experiential learning opportunities through structured mentoring and coaching engagements across all leader levels
- > supporting more than 43 people leaders to participate in cross-department leadership and 'new to role' programs provided by the Victorian Leadership Academy. These programs continue to build consistent leadership capability across this cohort.
- > launching an organisational culture survey, in which staff described their current experience of both the culture they work in and their desired culture. Survey results will inform the development of a strategic roadmap and identify activities and actions to improve culture.

Secretary's Wellbeing Roundtable

The Secretary's Wellbeing Roundtable commenced in August 2021, consisting of employee representatives from all divisions. This initiative provides an opportunity for the Secretary to hear reflections, experiences and observations regarding the issues impacting people's experience of work in the department. Employee representatives worked within their divisions to share and support local wellbeing initiatives. Four roundtables were held in 2021–22.

Comparative workforce data

Department of Health employment levels

The following tables disclose, by head count and full-time staff equivalent (FTE), the number of all active public service employees of the department employed in the last full pay period in June of the current reporting period and in the last full pay period in June of the previous reporting period.

Summary of employment levels in June of 2022 and 2021

	All employees		Ongoing			Fixed-term and casual	
	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE
June 2022	3,306	3,119.3	1,554	317	1,758.4	1,435	1,360.9
June 2021	4,342	4,093.6	1,630	337	1,865.6	2,375	2,228.0

Department of Health employment levels in June 2022

	All employees		Ongoing			Fixed-term and casual	
	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE
Gender							
Women	2,132	1,968.2	897	289	1,084.4	946	883.9
Men	1,147	1,125.5	648	25	663.4	474	462.1
Self-described	27	25.6	9	3	10.6	15	15.0
Age							
15–24	62	55.9	24	0	23.9	38	31.9
25–34	644	621.6	219	19	232.3	406	389.3
35–44	977	911.6	422	117	496.6	438	415.0
45–54	880	841.1	442	83	497.8	355	343.3
55–64	589	554.8	357	68	401.0	164	153.7
65+	154	134.3	90	30	106.7	34	27.6
Classification							
VPS 1	14	10.9	0	0	0.0	14	10.9
VPS 2	76	69.2	37	15	46.0	24	23.2
VPS 3	265	256.0	169	21	184.4	75	71.6
VPS 4	616	587.0	254	44	282.4	318	304.6
VPS 5	1,116	1,053.9	563	125	646.9	428	407.0
VPS 6	853	823.5	470	57	510.0	326	313.5
SMA ^(a)	13	11.1	2	0	2.0	11	9.1
STS ^(b)	31	30.8	10	0	10.0	21	20.8
Executives	189	186.2	7 ^(c)	0	7.0	182	179.2
Other ^(d)	133	90.7	42	55	69.7	36	21.0
Total employees	3,306	3,119.3	1,554	317	1,758.4	1,435	1,360.9

Note:

There may be rounding errors in FTE tables due to data being formatted to one decimal place.

There are 10 Workcover employees included in the Ongoing category count.

(a) SMA = Senior Medical Adviser

(b) STS = Senior Technical Specialist

(c) There are 7 VPS employees acting as executives under long-term acting arrangements.

(d) 'Other' classification group may include solicitors, nurses, trade assistants, scientists, external auditors.

Annualised total salary, by \$20,000 bands, for executives and other senior non-executive staff

The following table discloses the annualised total salary for senior employees of the department, categorised by classification. The salary amounts are for the full financial year, at a 1-FTE rate, and exclude superannuation.

Income band (salary)	Executives	STS ^(a)	PS	SMA	SRA	Other
< \$160,000						128
\$160,000–\$179,999		10		3 ^(b)		5
\$180,000–\$199,999	37 ^(c)	13 ^(d)				
\$200,000–\$219,999	40	6		1		
\$220,000–\$239,999	30	2		1		
\$240,000–\$259,999	31 ^(e)			1		
\$260,000–\$279,999	11 ^(f)					
\$280,000–\$299,999	12 ^(g)					
\$300,000–\$319,999	6					
\$320,000–\$339,999	3			1		
\$340,000–\$359,999	6			4		
\$360,000–\$379,999	7			2 ^(h)		
\$380,000–\$399,999	1					
\$400,000–\$419,999	2					
\$420,000–\$439,999	1					
\$440,000–\$459,999						
\$460,000–\$479,999	1					
\$520,000–\$539,999						
\$540,000–\$559,999						
\$560,000–\$579,999						
\$580,000–\$599,999						
\$600,000–\$629,999	1					
Total	189	31		13		133

(a) Abbreviations used in the column headings are: STS = Senior Technical Specialists; PS = Principal Scientists; SMA = Senior Medical Advisors; and SRA = Senior Regulatory Analysts.

(b) There is one employee employed on a part-time basis at a 0.5 FTE rate.
There is one employee employed on a part-time basis at a 0.8 FTE rate.

(c) There is one employee employed on a part-time basis at a 0.5 FTE rate.

(d) There is one employee employed on a part-time basis at a 0.8 FTE rate.

(e) There is one employee employed on a part-time basis at a 0.6 FTE rate.
There is one employee employed on a part-time basis at a 0.8 FTE rate.

(f) There is one employee employed on a part-time basis at a 0.8 FTE rate.
There is one employee employed on a part-time basis at a 0.6 FTE rate.

(g) There is one employee employed on a part-time basis at a 0.6 FTE rate.

(h) There is one employee employed on a part-time basis at a 0.8 FTE rate.

Safer Care Victoria employment levels

The following tables disclose, by head count and full-time staff equivalent (FTE), the number of all active public service employees of the administrative office, Safer Care Victoria, employed in the last full pay period in June of the current reporting period and in the last full pay period in June of the previous reporting period.

Summary of employment levels in June of 2022 and 2021

	All employees		Ongoing			Fixed-term and casual	
	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE
June 2022	185	169.0	63	26	80.7	96	88.4
June 2021	146	134.0	84	31	105.9	31	28.2

Safer Care Victoria employment levels in June of 2021 and 2022

	June 2022						June 2021							
	All employees		Ongoing			Fixed-term and casual		All employees		Ongoing			Fixed-term and casual	
	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE
Gender														
Women	160	145.2	55	25	72.2	80	73.1	131	119.5	75	30	96.4	26	23.2
Men	22	21.0	7	1	7.5	14	13.5	15	14.5	9	1	9.5	5	5.0
Self-described	3	2.8	1	0	1.0	2	1.8	na	na	na	na	na	na	na
Age														
15–24	0	0.0	0	0	0.0	0	0.0	0	0	0	0	0	0	0
25–34	48	45.2	17	3	19.1	28	26.1	37	36.2	25	4	28.2	8	8.0
35–44	66	59.5	22	9	27.5	35	32.0	48	43.7	26	9	31.7	13	12.0
45–54	41	36.6	13	7	17.7	21	18.9	42	37.8	24	11	31.8	7	6.0
55–64	28	26.0	11	6	15.6	11	10.4	17	15.1	9	5	12.9	3	2.2
65+	2	1.8	0	1	0.8	1	1.0	2	1.3	0	2	1.3	0	0
Classification														
VPS 2	0	0.0	0	0	0.0	0	0.0	0	0	0	0	0	0	0
VPS 3	3	2.6	1	1	1.6	1	1.0	6	5.2	4	2	5.2	0	0
VPS 4	47	41.8	18	7	22.7	22	19.1	34	31.6	20	6	24.0	8	7.6
VPS 5	97	89.1	30	16	41.3	51	47.8	71	65.4	37	18	50.9	16	14.5
VPS 6	28	26.2	13	2	14.1	13	12.1	26	23.7	18	4	20.3	4	3.4
SMA ^(a)	1	1.0	0	0	0.0	1	1.0	1	1.0	0	0	0.0	1	1.0
STS ^(b)	2	1.8	0	0	0.0	2	1.8	2	1.7	0	0	0	2	1.7
Executives	7	6.5	1 ^(c)	0	1.0	6	5.5	6	5.5	5	1	5.5	0	0
Total employees	185	169.0	63	26	80.7	96	88.4	146	134.0	84	31	105.9	31	28.2

Note:

There may be rounding errors in FTE tables due to data being formatted to one decimal place.

(a) SMA = Senior Medical Adviser

(b) STS = Senior Technical Specialist

(c) There is one VPS employee acting as an executive under a long-term acting arrangement.

Annualised total salary, by \$20,000 bands, for executives and other senior non-executive staff

The following table discloses the annualised total salary for senior employees of Safer Care Victoria, categorised by classification. The salary amounts are for the full financial year, at a 1-FTE rate, and exclude superannuation.

Income band (salary)	Executives	STS ^(a)	PS	SMA	SRA	Other
< \$160,000						
\$160,000–\$179,999						
\$180,000–\$199,999	3	1				
\$200,000–\$219,999	1			1		
\$220,000–\$239,999		1 ^(b)				
\$240,000–\$259,999	1					
\$260,000–\$279,999						
\$280,000–\$299,999						
\$300,000–\$319,999						
\$320,000–\$339,999						
\$340,000–\$359,999						
\$360,000–\$379,999						
\$380,000–\$399,999	1					
\$400,000–\$419,999						
\$420,000–\$439,999						
\$440,000–\$459,999						
\$460,000–\$479,999	1 ^(c)					
\$520,000–\$539,999						
Total	7	2		1		

(a) Abbreviations used in the column headings are: STS = Senior Technical Specialists; PS = Principal Scientists; SMA = Senior Medical Advisors; and SRA = Senior Regulatory Analysts.

(b) There is one employee employed on a part-time basis at a 0.8 FTE rate.

(c) There is one employee employed on a part-time basis at a 0.5 FTE rate.

Executive data

For a department, a member of the Senior Executive Service (SES) is defined as a person employed as an executive under Part 3 of the *Public Administration Act 2004* (PAA). For a public body, an executive is defined as a person employed as an executive under Part 3 of the PAA or a person to whom the Victorian Government's *Public entity executive remuneration policy* 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 SES does not include a statutory office holder or an Accountable Officer.

The following tables disclose the SES of the department and its portfolio agencies for June 2022:

- > Tables 1 and 3 disclose the total numbers of SES, broken down by gender
- > Tables 2 and 4 provide a reconciliation of executive numbers presented between the report of operations and Note 9.7 *Remuneration of executives* in the financial statements
- > Table 5 provides the total executive numbers for all of the department's portfolio agencies
- > Tables 1 to 5 also disclose the variations, denoted by 'var', between the current and previous reporting periods.

Table 1: Total number of SES for the department, broken down by gender

Class	All		Women		Men		Self-described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
Secretary	1	0	0	0	1	0	0	0
SES-3	9	(1)	6	1	3	(2)	0	0
SES-2	52	1	32	5	19	(5)	1	1
SES-1	127	20	79	7	46	11	2	2
Total	189	20	117	13	69	4	3	3

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 SES and the total remuneration paid to SES over the course of the reporting period. The financial statements note does not include the Accountable Officer, 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 2: Reconciliation of executive numbers for the department

	2022	2021
Executives (financial statement Note 9.7)	270	183
Accountable Officer (Secretary)	1	1
Less separations	(82)	(13)
Less executives employed by other departments	(0)	(2)
Total executive numbers at 30 June	189	169

Table 3: Total number of SES for Safer Care Victoria, broken down by gender

Class	All		Women		Men		Self-described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
SES-1	4	3	4	4	0	(1)	0	0
SES-2	1	1	1	1	0	0	0	0
SES-3	2	(3)	0	(5)	2	2	0	0
Total	7	1	5	0	2	1	0	0

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 SES and the total remuneration paid to SES over the course of the reporting period. The financial statements note does not include the Accountable Officer, 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 4: Reconciliation of executive numbers for Safer Care Victoria

	2022	2021
Executives (financial statement Note 9.7)	9	6
Accountable Officer (Chief Executive Officer)	1	1
Less separations	(3)	0
Total executive numbers at 30 June	7	7

Table 5: Number of SES for the department's portfolio agencies

Organisation name	2022				2021				Variance			
	Women	Men	Prefer not to say	Total	Women	Men	Prefer not to say	Total	Women	Men	Prefer not to say	Total
Albury Wodonga Health	3	1	0	4	3	2	0	5	0	-1	0	-1
Alexandra District Health	1	0	0	1	1	0	0	1	0	0	0	0
Alfred Health	6	6	0	12	5	5	0	10	1	1	0	2
Alpine Health	0	1	0	1	0	1	0	1	0	0	0	0
Austin Health	5	4	0	9	2	6	0	8	3	-2	0	1
Bairnsdale Regional Health Service	1	1	0	2	2	1	0	3	-1	0	0	-1
Barwon Health	6	3	0	9	5	3	0	8	1	0	0	1
Bass Coast Health	2	1	0	3	2	0	0	2	0	1	0	1
Beaufort and Skipton Health Service	1	0	0	1	1	0	0	1	0	0	0	0
Beechworth Health Service	0	1	0	1	0	1	0	1	0	0	0	0
Benalla Health	1	0	0	1	1	0	0	1	0	0	0	0
Bendigo Health Care Group	1	4	0	5	3	4	0	7	-2	0	0	-2
Boort District Health	1	0	0	1	0	1	0	1	1	-1	0	0
Casterton Memorial Hospital	0	1	0	1	0	1	0	1	0	0	0	0
Central Gippsland Health Service	2	1	0	3	2	2	0	4	0	-1	0	-1
Central Highlands Rural Health	1	0	0	1	1	0	0	1	0	0	0	0
Cohuna District Hospital	1	0	0	1	1	0	0	1	0	0	0	0
Colac Area Health	1	0	0	1	1	0	0	1	0	0	0	0
Corryong Health	0	1	0	1	0	1	0	1	0	0	0	0
Dental Health Services Victoria	1	5	0	6	1	5	0	6	0	0	0	0
Dhelkaya Health	1	0	0	1	1	0	0	1	0	0	0	0
East Grampians Health Service	0	1	0	1	0	1	0	1	0	0	0	0
East Wimmera Health Service	0	1	0	1	0	1	0	1	0	0	0	0
Eastern Health	5	2	0	7	5	3	0	8	0	-1	0	-1
Echuca Regional Health	2	0	0	2	1	1	0	2	1	-1	0	0
Gippsland Southern Health Service	0	1	0	1	0	2	0	2	0	-1	0	-1

Organisation name	2022				2021				Variance			
	Women	Men	Prefer not to say	Total	Women	Men	Prefer not to say	Total	Women	Men	Prefer not to say	Total
Goulburn Valley Health Services	4	4	0	8	4	3	0	7	0	1	0	1
Grampians Health	3	6	0	9	6	8	0	14	-3	-2	0	-5
Great Ocean Road Health	1	0	0	1	1	0	0	1	0	0	0	0
Heathcote Health	0	1	0	1	0	1	0	1	0	0	0	0
Hesse Rural Health Service	1	0	0	1	1	0	0	1	0	0	0	0
Heywood Rural Health	0	1	0	1	0	1	0	1	0	0	0	0
Inglewood and Districts Health Service	0	1	0	1	0	0	0	0	0	1	0	1
Kerang District Health	1	0	0	1	0	1	0	1	1	-1	0	0
Kilmore and District Hospital	0	1	0	1	0	1	0	1	0	0	0	0
Kooweerup Regional Health Service	1	0	0	1	1	0	0	1	0	0	0	0
Kyabram and District Health Service	1	0	0	1	1	0	0	1	0	0	0	0
Latrobe Regional Hospital	1	6	0	7	3	4	0	7	-2	2	0	0
Mallee Track Health and Community Service	1	0	0	1	1	0	0	1	0	0	0	0
Mansfield District Hospital	0	1	0	1	0	1	0	1	0	0	0	0
Maryborough District Health Service	1	0	0	1	1	0	0	1	0	0	0	0
Melbourne Health	7	1	0	8	4	2	0	6	3	-1	0	2
Mildura Base Public Hospital	1	2	0	3	2	2	0	4	-1	0	0	-1
Monash Health	14	8	0	22	10	9	0	19	4	-1	0	3
Moyne Health Services	1	0	0	1	1	0	0	1	0	0	0	0
NCN Health	1	0	0	1	1	0	0	1	0	0	0	0
Northeast Health Wangaratta	6	0	0	6	3	0	0	3	3	0	0	3
Northern Health	4	4	0	8	12	13	0	25	-8	-9	0	-17
Omeo District Health	0	2	0	2	0	1	0	1	0	1	0	1
Orbost Regional Health	1	0	0	1	1	0	0	1	0	0	0	0
Peninsula Health	4	2	0	6	5	1	0	6	-1	1	0	0
Peter MacCallum Cancer Centre	5	2	0	7	5	2	0	7	0	0	0	0
Portland District Health	0	1	0	1	1	1	0	2	-1	0	0	-1

Organisation name	2022				2021				Variance			
	Women	Men	Prefer not to say	Total	Women	Men	Prefer not to say	Total	Women	Men	Prefer not to say	Total
Robinvale District Health Services	2	0	0	2	1	0	0	1	1	0	0	1
Rochester and Elmore District Health Service	1	0	0	1	1	0	0	1	0	0	0	0
Royal Children's Hospital	7	2	0	9	4	3	0	7	3	-1	0	2
Royal Victorian Eye and Ear Hospital	3	3	0	6	1	4	0	5	2	-1	0	1
Royal Women's Hospital	7	4	0	11	7	4	0	11	0	0	0	0
Rural Northwest Health	1	0	0	1	0	0	0	0	1	0	0	1
Seymour Health	0	1	0	1	0	1	0	1	0	0	0	0
South Gippsland Hospital	0	1	0	1	0	1	0	1	0	0	0	0
South West Healthcare	1	4	0	5	2	3	0	5	-1	1	0	0
Swan Hill District Health	1	2	0	3	1	2	0	3	0	0	0	0
Tallangatta Health Service	1	0	0	1	1	0	0	1	0	0	0	0
Terang and Mortlake Health Service	1	0	0	1	1	0	0	1	0	0	0	0
Timboon and District Healthcare Service	1	0	0	1	1	0	0	1	0	0	0	0
Victorian Institute of Forensic Mental Health	7	5	0	12	6	3	0	9	1	2	0	3
West Gippsland Healthcare Group	1	2	0	3	1	2	0	3	0	0	0	0
West Wimmera Health Service	3	2	0	5	4	2	0	6	-1	0	0	-1
Western District Health Service	0	1	0	1	0	1	0	1	0	0	0	0
Western Health	10	10	0	20	13	9	0	22	-3	1	0	-2
Yarram and District Health Service	0	1	0	1	1	0	0	1	-1	1	0	0
Yarrawonga Health	1	1	0	2	1	1	0	2	0	0	0	0
Yea and District Memorial Hospital	0	0	0	0	0	0	0	0	0	0	0	0
Total	149	117	0	266	148	128	0	276	1	-11	0	-10

Workforce inclusion

The department remains committed to creating a workplace that reflects the significant diversity of the Victorian community.

The department understands the unique and varied challenges of a diverse workforce and their families, and is committed to removing barriers and achieving equality, fairness and inclusion. The department also aims to create a working culture and environment that recognises, appreciates and effectively utilises the talents, skills and unique perspectives of people.

Gender equality

The department has continued implementing its obligations under the *Gender Equality Act 2020*. So far, it has achieved the following key milestones:

- > successful completion of the department's first workplace gender audit by 1 December 2021, based on workforce data as at 30 June 2021 – the audit was deemed compliant by the Commission for Gender Equality in the Public Sector (the Commission)
- > completion of extensive consultation in two phases with over 100 departmental staff across all divisions, levels of the workforce and staff networks, as well as with the Community and Public Sector Union, to inform the development of the department's first gender equality action plan (GEAP) under the Act
- > completion of the department's GEAP 2022–25 and its submission to the Commission. The GEAP was launched in August 2022.

To support the implementation of the GEAP, a year one implementation plan has been developed and endorsed. The plan includes performance goals which will be monitored and reviewed annually with changes made as the available data improves. Progress against high-level measures from the department's baseline workplace gender audit will be included in future annual reports.

The department has also continued to implement gender impact assessments across new policies, programs and services that have a significant impact on the public. In addition, it has continued initiatives toward the advancement of gender equality that stemmed from the previous gender equality action plan launched in July 2019, including:

- > promotion of gender balance in recruitment selection panels and unconscious bias training for panel members to reduce recruitment bias
- > regular whole of department communications from the Deputy Secretary with the additional role of Gender Equality Champion
- > regular monitoring of executive gender pay gaps
- > continued engagement of an external provider to offer parental leave supports, including for parents preparing for and returning from parental leave, as well as guidance on working and managing in a flexible work environment.

Disability employment

The department's *Disability employment strategy: 2018–2020* supported increased opportunities for people with disability to work in the department and provided a focus to ensure staff with disability were enabled and supported throughout the recruitment process and with adjustments to the workplace.

The expiry of the strategy has led to the development of a *Disability employment implementation plan* which builds on existing work the department has undertaken to enhance the employment of people with disability.

The plan highlights the department's focus on being an employer of choice for people with disability and tackles employment barriers such as attitudes and behaviour, job design, inaccessible work environments and lack of ongoing workplace development and support. The department employs a dedicated disability employment adviser to lead this work.

The plan is guided by *Getting to work: Victorian public sector disability employment action plan 2018 – 2025*, which aims for greater numbers of people with disability to be employed at all levels of the public service, and for them to have successful careers and a fairer employment experience.

Its principal objective is to increase the overall engagement, representation and meaningful employment of people with disability across every level and it commits to achieving an employment target where people with disability make up 12 per cent of employees across all government departments by 2025.

The department continues to develop and implement resources and establish guidelines to support managers with hiring responsibilities across each stage of the recruitment process, through the

creation of disability awareness essentials around unconscious bias, workplace adjustments, and disability-specific advice and support for hiring panels. The department also supports staff participation in the VPS Enablers Network.

Neurodiverse employment

RISE Program

The RISE Program, which was launched in 2017 in partnership with Specialisterne Australia, is a unique recruitment and support initiative to enable people on the autism spectrum to enter the Victorian Public Service.

The aim of the program, underpinned by the *RISE recruitment and support framework*, launched in October 2020, is to support autistic employees and create momentum for them to have a positive transition into the workforce. The expectation is that some will move onto other roles within the department or be promoted on merit once they become familiar with the working environment, policies, programs and practices. As they move on in the program, new people on the autism spectrum are recruited to fill the vacancies created, which both creates a pipeline of employees and allows the program to be seen as a potential pathway to a career in the VPS.

The program initially focused on providing data entry services within a records management environment. However, in 2020 it expanded to provide digitisation and printing services for the department, as well as across the Victorian Government, as part of the COVID-19 response.

The program has continued to provide meaningful employment for people on the autism spectrum and as of 30 June 2022, 18 staff remained employed in various roles and at different grades across the department.

Other supports

Poor understanding of autism and a lack of support for employees on the autism spectrum can create barriers to gaining and maintaining employment. A Neurodiverse Confident Services (NCS) panel, a collaboration between the department, the Victorian Public Sector Commission and VPS Autism Success Network, was established in April 2022 to provide ad-hoc and ongoing support to neurodiverse staff, their managers, colleagues and teams. The panel of five providers delivers:

- > counselling – to ensure organisational factors are effective and workplace wellbeing is robust
- > workplace enablement – to increase awareness, understanding, confidence and skills on the part of managers and colleagues to create a supportive team environment for new and existing neurodiverse employees.

The department also supports staff participation in the VPS Autism Success Network.

Aboriginal workforce strategy

The department's new *Aboriginal workforce strategy 2021–2026* was launched at the all-staff forum on 19 November 2021. This strategy demonstrates a commitment to ensuring the principles of self-determination and cultural safety are embedded in everything we do. This will improve both the employee experience for the Aboriginal workforce and the health, safety and wellbeing outcomes for Aboriginal communities.

Self-determination is interwoven into the fabric of the strategy, aligning the department with the Victorian Government's commitment to the practical outcomes of both the Treaty and truth-telling process through the Yoorrook Justice Commission, as well as with the priorities and targets set out in the *Victorian Closing the Gap Implementation Plan*.

To become an employer of choice for Aboriginal people the strategy aims to create an outstanding culturally safe employee experience, where individuals are valued for their cultural knowledge and lived experience. The strategy also commits to a target where the Aboriginal workforce makes up three per cent of the department's total workforce by 2026.

Cultural Safety

The department's *Aboriginal and Torres Strait Islander Cultural Safety Framework* was first launched in June 2019 following extensive consultation with Aboriginal staff and community.

The department has made substantial progress in implementing the framework in the workplace, however there is still significant work to be done to ensure Aboriginal cultural safety is embedded consistently in the workplace and to track organisational change over time. The development of an Aboriginal Cultural Safety Measurement and Assessment Tool (MAT) is a key accompaniment to the framework.

Currently in the early stages of consultation and development, the Cultural Safety MAT will identify where the department is placed on the cultural safety framework continuum and provides measurements to monitor progress in implementing the cultural safety framework and organisational change over time.

The development of a Cultural Safety MAT that is practical and provides an annual monitoring and accountability mechanism will enable it to be implemented across all the department's divisions.

This ground-breaking tool is planned for implementation in 2023 and will be accompanied by the *Aboriginal cultural safety capability framework*, which guides practice improvement.

Aboriginal Staff Network

The Aboriginal Staff Network (ASN), under the *Aboriginal workforce strategy*, plays a crucial role in the retention of Aboriginal staff. It supports the employment life cycle of Aboriginal employees from induction to cultural support, career development and the sharing of the passion and stories of the Aboriginal voice. The Aboriginal Staff Network Forum was held in May 2022, in partnership with the Department of Families, Fairness and Housing's ASN. It was a great success and a real milestone, as this was the first face to face gathering since the beginning of the COVID-19 pandemic. The ASN will grow under the new *Aboriginal Workforce Strategy*; the department will continue to share knowledge and contribute to the Aboriginal Cultural Safety Measurement and Assessment Tool development.

LGBTIQ+ Inclusion

After a number of disruptions due to COVID-19 priorities over the last couple of years, the department's PRIDE Network was recently reactivated. As part of the whole of Victorian Government Pride Network, the network aims to ensure LGBTIQ+ staff and community remain connected and supported. The network provided a pivotal role in the development of the department's new *Gender equality action plan*, ensuring that the voices of LGBTIQ+ and gender diverse employees were heard and represented in the plan. In addition, the PRIDE Network has advocated for increased access to all-gender facilities in departmental workplaces and updates to staff signature blocks as an outward demonstration of an inclusive culture at the department.

The department continued its partnership with PRIDE in Diversity to ensure inclusive policy and practice and has access to best practice awareness training. The PRIDE Network worked alongside the Inclusion Team to review the Pride In Diversity awareness training materials, which are scheduled for delivery in August and September 2022. The Inclusion Team and PRIDE Network plan to develop a new LGBTIQ+ inclusion strategy and implementation plan to be launched in late 2022.

Employment programs

Graduate recruitment

The department had three graduates participating in the 2021 Victorian Public Service (VPS) Graduate Recruitment and Development Scheme (GRADS). However, due to machinery of government changes, these graduate positions were transitioned across to the new Department of Families, Fairness and Housing where, following the successful completion of their graduate year, they commenced ongoing VPS3 roles effective as of 24 January 2022.

For the 2022 intake, the department recruited five graduates from diverse academic backgrounds. In addition, the department had a further intake of five graduates participating in its internal Aboriginal Graduate Program over the same period.

Graduates participating in the 12-month graduate programs complete three rotations to develop core skills and gain broad experience working within various business units.

Student placement program

The department offers students undertaking a tertiary qualification the opportunity to complete a student placement as part of their relevant tertiary course.

A total of eight tertiary student placements were completed across various program areas in the department. This smaller number compared to previous years was due to the challenges of COVID-19 and associated restrictions, which meant a significant number of student placements were disrupted or unable to be completed.

Digital Jobs Internship Program

The Victorian Government's Digital Jobs Internship Program supports individuals who are over the age of thirty and have over ten years' work experience to change their career into one of several digital job categories. Following a twelve-week training course in the selected job category, participants complete a twelve-week internship as a paid VPS2. During the 2021–22 financial year, the department employed a total of five interns through this innovative program.

Youth Employment Scheme

The department is active in providing job opportunities for disadvantaged job seekers through the Youth Employment Scheme (YES). YES is a Victorian Government initiative that enables unemployed or otherwise disadvantaged young people aged 15 to 29 years old to enter the workforce with the potential to build sustainable careers through traineeships while attaining a qualification.

During 2021–2022, the ongoing effects of the pandemic caused challenges with sourcing and engaging young people. Three YES trainees were placed in the department and another eight in the health sector. Of the 11 engaged overall, the department has placed one person with a disability, three people with refugee backgrounds and two people who identify as Aboriginal as YES trainees. Two of the YES trainees have secured further VPS roles and two more have had their traineeships extended.

Youth Employment Program

The Youth Employment Program (YEP) is an initiative of Working for Victoria in response to the COVID-19 pandemic. Placements for 17-to-29-year-olds were fully funded as studies have shown this cohort were among the most severely impacted by the economic downturn associated with COVID-19. This group was prioritised also because further studies have shown that a larger proportion of people aged under 30 years lose their jobs during economic downturns and take longer to find another job, especially if they lack tertiary qualifications. The pandemic has also been shown to have had a significant impact on women and culturally and linguistically diverse (CALD) cohorts, so these groups were also a priority under YEP. The CALD cohort engaged by the department included young people from 21 different countries and 28 who spoke English as a second language.

YEP participants are employed directly by departments and hospitals. These placements allow participants to have paid employment while attaining a qualification.

The placements started in September 2020 – 47 fully funded placements were approved, of which 39 were 12-month placements and 8 were nine-month placements. During 2021–2022 the department engaged a further 22 YEP candidates.

This year's YEP candidates included tertiary-qualified people and young people with substantial work experience, several of whom have moved on to higher VPS grade levels. Of the 2021–22 intake, 41 per cent advanced to long-term VPS employment, including six who now have ongoing VPS positions in the department.

Career Trackers and Career Seekers

The department is committed to supporting employment pathways for asylum seekers and refugees through its ongoing participation in the Career Seeker Program. The department has also continued its Career Trackers Program for Aboriginal university students, supporting students to gain valuable work experience.

Occupational health and safety

The department is committed to the health, safety and wellbeing of its workforce to effectively deliver successful and sustainable health outcomes for all Victorians – by taking a holistic view of employee health, safety and wellbeing, and by focusing on prevention and early intervention. The department has assigned clear safety responsibilities and accountabilities to all staff so that everyone understands their authority, agency and personal responsibility to act to support their own safety and that of others.

Health, safety and wellbeing

The department continues to offer a range of employee wellbeing supports to ensure the needs of its diverse workforce are met. Its Employee Wellbeing and Support Program offers specialised employee support services that are available to all employees and their immediate family members at no cost. The program has been well received by staff with an annual utilisation rate of 29.7 per cent – compared to the industry benchmark of 7.8 per cent. Through the Employee Wellbeing and Support Program the department offers individualised coaching for managers and executives that is proactive, ongoing and set up to ensure they are supported to do their roles as best they can. As of June 2022, 33 per cent of executives and six per cent of people managers had engaged with this support.

Peer Support Network

Complementary to the department's Employee Wellbeing and Support Program is the best practice Peer Support Network, which provides informal, confidential support to employees by using an active listening, clarification and referral model. Assistance is provided by peer supporters – departmental employees who volunteer their time to support their colleagues. Over the last year the Network has consolidated the shared service model and the new contract with the training provider, Converge International, which commenced in May 2021. A new Peer Supporter reflective practice model was also established during the year. It provides a range of specifically designed services to support the wellbeing of the peer supporters within the Network. The growth of the Peer Support Network has continued over the last year, with a focus on having a peer in every division across the organisation.

Workplace facilitator

The workplace facilitator offers a confidential, independent, and neutral service to assist employees develop strategies to manage workplace issues at a local level. The role is focused on self-determination and seeks to empower staff at all levels to manage conflict confidently and develop effective communication skills. The service includes coaching and facilitation for employees and teams and complements the other employee wellbeing supports provided by the department. Approximately 22 per cent of employees who utilised the service in 2021–22 were return clients. Most of these employees have returned to use the service to proactively support early intervention or de-escalation of an issue, to receive coaching around strategic communication, or to develop strategies for effective collaboration.

Improvement measures in 2021–22

Other employee support improvements in 2021–22 include:

- > the launch of a new suite of resources and tools to support staff and managers to navigate challenging conversations. These guides are designed to help employees develop the skills required to make these conversations productive. The resources, which consist of a guide for all employees and a guide for people leaders, come in an easy to use format and can be used in any situation. They upskill the department's workforce and foster an environment where everyone feels heard and able to contribute to conversations. These resources complement the support provided by the workplace facilitator and the Conflict Assist stream through the Employee Wellbeing and Support Program.
- > the introduction, in September 2021, of the Aboriginal Social and Emotional Employee Wellbeing Program, available to all Aboriginal staff across the department. The supports available through this program provide Aboriginal staff with an opportunity to yarn in a confidential, non-judgemental space and take away strategies to help address their needs. The supports are available through the Victorian Aboriginal Health Service's (VAHS) specialist Employee Assistance Program, which helps Aboriginal staff to consider their challenges, find healing and develop strategies to address identified issues in accordance with cultural

safety and self-determination. This program is complemented by the Aboriginal Peer Support Network noted earlier.

- > progress toward the implementation of the *Family violence multi-agency risk assessment and management (MARAM) framework*, which applies to the department as a prescribed organisation. This framework is designed to increase the safety and wellbeing of the department's staff through identifying, assessing and managing family violence risk effectively. It was developed in response to the 2015 Royal Commission into Family Violence and is established in law under the *Family Violence Protection Act 2008*.
- > the creation of a dedicated suite of resources to support staff who may be experiencing grief and loss. These resources acknowledge that grief and loss are not just experienced in relation to the death of a loved one but also as a result of any major loss, including relationship break-up, loss of a living situation, job loss, retirement, retrenchment or significant job changes as a result of a restructure. The *Grief, loss and bereavement guide* and supporting resources provide practical information about the manifestation of grief and loss and tools and tips on how to look after yourself when experiencing grief. There are also resources aimed at those who may be supporting colleagues or employees who are experiencing grief and loss.

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

The right-hand column of this report provides data for the 2021–22 financial year based on claims received for the period 1 July 2021 to 30 June 2022. The claims information for 2019–20 reflects the Department of Health and Human Services prior to the machinery of government changes on 1 February 2021 as the Victorian WorkCover Authority has been unable to disaggregate the data. The 2020–21 column reflects Department of Health data only as provided by the Victorian WorkCover Authority, and some metrics cannot be calculated for the period due to the machinery of government changes, including the rates per 100 FTE.^(a)

Measure	KPI	2019–20	2020–21	2021–22
Hazards	No. of hazards ^(b)	682	36	59
	Rate per 100 FTE	7.96	na	1.79
Incidents	No. of incidents ^(c)	1,967	118	309
	Rate per 100 FTE	22.96	na	9.4
	No. of incidents requiring first aid ^(d) and/or further medical treatment	367	42	177
Claims	No. of standard claims ^(e)	259	14	47
	Rate per 100 FTE	2.44	na	1.44
	No. of lost time claims ^(f)	130	7	31
	Rate per 100 FTE	1.22	na	0.95
	No. of claims exceeding 13 weeks ^(g)	69	na	17
	Rate per 100 FTE	0.65	na	0.52
Absenteeism	Total number of days of absence due to injury or illness	67,596	na	na
	Rate per 100 FTE	789	na	na
Fatalities	No. of fatalities	0	0	0
Prosecutions	Total number of prosecutions ^(h)	0	0	0
Claims costs ⁽ⁱ⁾	Average cost per standard claim ^(j)	\$149,100	na	\$437,753

(a) FTE = full-time equivalent

(b) Figures for 2020–21 are total number of recorded hazards as at June 2021.

(c) Figures for 2020–21 are total number of recorded incidents as at June 2021.

(d) Figures for number of incidents requiring first aid and/or further medical treatment derived from eDINMAR (electronic Disease, Incident, Near Miss, Accident Reporting).

(e) Includes accepted, pending and rejected claims that met the standard claims threshold.

(f) A time-lost claim where one or more days' compensation is paid by the Victorian WorkCover Authority

(g) Data extracted with a six-month lag to allow for claims to reach 13 weeks' compensation.

(h) Refers to all health safety and wellbeing prosecutions.

(i) Includes payments and estimated future costs.

(j) Data extracted with a three-month lag to allow for the claims estimate to develop to give an accurate picture of associated costs.

Measure	KPI	Performance
Management commitment	OHS policy statement and OHS criteria	<p>Health, safety and wellbeing accountabilities were included in all executive performance plans and the performance and development plans for all employees in 2021–22. In October 2021 the department introduced a new health and safety policy that was signed off by the Secretary.</p> <p>The department continued to support and participate in the whole of government OHS committee structure, established in partnership with unions and WorkSafe to lead and improve OHS performance in the public sector.</p> <p>The department's health and safety management system content was developed and implemented, incorporating consultation with department employees, health and safety representatives and senior management on health and safety matters in the workplace.</p> <p>Workers' compensation performance reports are provided to senior leaders on a monthly basis. Middle and senior managers have desktop access to health and safety performance reports through the department's corporate reporting tool.</p> <p>The Workers' Compensation team have placed significant importance on restructuring their team to have a specific focus on driving early intervention. This new model has achieved positive results whereby only 14.5 per cent of early intervention matters have converted to a WorkCover claim. In addition, 95 per cent of early intervention matters were closed off with no further support or intervention required.</p>
Consultation and participation	Designated work group structures and issue resolution procedures	<p>The department has in place a health and safety consultation structure comprising a health and safety committee which meets quarterly. These meetings are complemented by monthly community of practice meetings for health and safety representatives and designated management representatives.</p> <p>The department continues to maintain an extensive network of 20 designated work groups with 20 health and safety representatives and 21 designated management representatives.</p> <p>The department has a model procedure for managers and employees to follow in resolving health and safety issues identified in department workplaces.</p>
Risk management	Regular internal audits conducted, and issues identified and actioned	<p>The department has an electronic employee health and safety incident reporting system (eDINMAR) in all locations. This system has resulted in increased rates of reporting, greater accountability and timelier follow-up and resolution of reported hazards and risks. OHS performance metrics are now available to all staff through the Our Insights system, sourced from the eDINMAR system.</p> <p>The department has comprehensive procedures and tools for assessing and managing key risks, including conducting regular workplace inspections.</p>
Training	Managers, health and safety representatives and other staff trained	<p>The department continued to deliver the Managing My Mental Health and Wellbeing at Work training for all staff and Leading with Respect: Managing for Team Wellbeing training for people managers to support ongoing implementation of the Mental Health and Wellbeing Charter. The department has also refreshed and relaunched the delivery of Vicarious Trauma and Awareness training for the workforce, ensuring the content is relevant, up to date with best proactive research and tailored to the needs of the workforce. This training is a core training program for all departmental employees.</p> <p>All newly elected health and safety representatives were encouraged and supported by the department to undertake the five-day health and safety representative training program and existing health and safety representatives were encouraged to do the one-day refresher training.</p> <p>The department developed a program of health and safety activities for the annual health and safety month and conducted an annual health and safety representative forum as a key activity to support and recognise elected health and safety representatives. There were approximately 68 registered participants at the 2021 forum.</p>

Section 4: Other disclosures

Local Jobs First

The *Local Jobs First Act 2003* (formerly the *Victorian Industry Participation Policy Act 2003*) brings together the Victorian Industry Participation policy (VIPP) and Major Project Skills Guarantee (MPSG) policy, which were previously administered separately.

Departments and public sector bodies are required to apply the Local Jobs First policy to all projects valued at \$3 million or more in metropolitan Melbourne or for statewide projects, or \$1 million or more for projects in regional Victoria.

MPSG applies to all construction projects valued at \$20 million or more, and requires the use of Victorian apprentices, trainees or cadets for at least ten per cent of the total estimated labour hours.

Every Victorian Government department and agency is required to report on compliance with Local Jobs First in their annual report.

Under the *Local Jobs First Act 2003*, projects and activities valued at less than \$50 million are considered standard projects, while projects or activities valued at over \$50 million are considered strategic projects. These are reported on separately below.

The MPSG guidelines and VIPP guidelines will continue to apply to MPSG-applicable and VIPP-applicable projects respectively where contracts were entered prior to 15 August 2018.

Projects commenced – Local Jobs First standard projects

During 2021–22, the department commenced 16 Local Jobs First standard projects totalling \$141.2 million. Of these projects, seven were located in regional Victoria, with an average commitment of 61.5 per cent of local content, and six in metropolitan Melbourne, with a commitment of 61.3 per cent local content. Five statewide projects were commenced, with an average commitment of 77.5 per cent local content. The MPSG applied to four of these projects.

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

- > an overall average of 66.8 per cent of local content commitment was made
- > a total of 316.1 jobs (annualised employee equivalent (AEE)) were committed, including:
 - the creation of 28.9 new jobs
 - the retention of 205.2 existing jobs (AEE)
 - the commitment to 7.8 new apprenticeships, cadetships and traineeships
 - the retention of 29.3 existing apprenticeships, cadetships and traineeships
 - a 31.3 per cent MPSG commitment against the applicable projects
- > 1,324 small to medium-sized businesses were engaged through the supply chain on commenced standard projects
- > the number of small to medium-sized enterprises that prepared a local industry development plan (LIDP) is not available in the 2021–22 data set at the time of reporting.

Projects completed – Local Jobs First standard projects

During 2021–22, the department reported two Local Jobs First standard projects as completed, totalling \$43.8 million. Of those projects, both were regional, with a commitment of 91.6 per cent local content. No statewide or metropolitan projects were reported. The MPSG applied to one to these projects.

The outcomes from the implementation of the Local Jobs First policy to these projects, where information was provided, were as follows:

- > an average of 91.6 per cent of local content commitment was made
- > a total of 80 jobs (AEE) were committed, including:
 - the creation of 6.8 new jobs
 - the retention of 55.3 existing jobs
 - the creation of 4.2 new jobs for apprentices, trainees and cadets
 - the retention of 13.9 jobs for apprentices, trainees and cadets

- > the MPSG-applicable project committed to a total of 15,900 hours to apprentices, trainees and cadets, being an engagement commitment of 25 per cent
- > 338 small to medium-sized businesses were engaged through the supply chain on completed standard projects
- > the number of small to medium-sized enterprises that prepared an LIDP is not available in the 2021–22 data set at the time of reporting.

Projects commenced – Local Jobs First strategic projects

During 2021–22, the department commenced 17 Local Jobs First strategic projects, valued at \$1,154.3 million. Eight of these projects are expected to be at least partially based in regional Victoria, eight in metropolitan Melbourne, and four statewide. The MPSG applies to 16 of these projects.

The outcomes expected from the implementation of the policy, where information has been provided, are as follows:

- > an average of 80 per cent of local content outcome
- > a total of 1,366.7 (AEE) positions committed, including:
 - the creation of 555.6 new jobs
 - the retention of 650.4 existing jobs (AEE)
 - the commitment to 72.3 new apprenticeships, cadetships and traineeships
 - the retention of 88 existing apprenticeships, cadetships and traineeships
 - an average MPSG commitment of 8.67 per cent
- > 2,512 small to medium-sized businesses were engaged through the supply chain on commenced strategic projects
- > the number of small to medium-sized enterprises that prepared an LIDP is not available in the 2021–22 data set at the time of reporting.

Projects completed – Local Jobs First strategic projects

During 2021–22, the department did not report any Local Jobs First strategic projects as completed.

Reporting requirements – all projects

The department (as the Department of Health and Human Services) commenced four contracts prior to 15 August 2020 with a total of 88 per cent estimated to be of local content for which a VIPP plan or LIDP was not required as the procurement activity was local in nature.

In 2021–22, the Department of Jobs, Precincts and Regions (DJPR) changed the reporting mechanism for local jobs disclosures, with all data now being sourced directly from the Industry Capability Network Victorian Management Centre portal.

Data included in disclosures is subject to rationalisation and review by DJPR, and is anticipated to be reflected in that department's Local Jobs First annual report.

Data available to individual departments in 2021–22 did not include the number of small to medium-sized businesses that prepared an LIDP, engaged as the principal contractor, and is therefore not available for inclusion in this report.

Reporting requirements – grants

The department submitted no grants processes involving Local Jobs First during 2021–22.

Disclosure of major contracts

In accordance with the requirements of government policy and accompanying guidelines, the department disclosed all contracts greater than \$10 million in value entered into during the year ended 30 June 2022. Details of contracts that have been disclosed in the Victorian Government contracts publishing system can be viewed at the [Buying for Victoria Tenders Portal](https://www.tenders.vic.gov.au) <<https://www.tenders.vic.gov.au>>.

Contractual details have not been disclosed for contracts where disclosure is exempted under the *Freedom of Information Act 1982* and/or government guidelines.

Competitive neutrality policy

Competitive neutrality requires government businesses to ensure that, 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 competition 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 ensures Victoria fulfils its requirements on competitive neutrality reporting as required under the Competition Principles Agreement and Competition and Infrastructure Reform Agreement.

Information and communication technology expenditure

For the 2021–22 reporting period, the department incurred a total information and communication technology (ICT) expenditure of \$355,390,479. The details are 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-BAU ICT expenditure	Operational expenditure	Capital expenditure	
(Total)	(Total = operational expenditure and capital expenditure)			
\$270,031	\$85,359	\$65,461	\$19,898	

ICT expenditure refers to the department's costs in providing business-enabling ICT services within the current reporting period. It comprises BAU ICT expenditure and 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.

For reporting purposes, all ICT expenditure relating to shared services for the Department of Health and the Department of Families, Fairness and Housing is disclosed in the Department of Health Annual Report 2021–22.

Consultancy expenditure

The department experienced reduced demand for high-level, independent advice and support during 2021–22, which resulted in decreased use of consultants compared to 2020–21. Use of consultants ensured that the department was well positioned to respond to the numerous and unique challenges which continued to arise due to the COVID-19 emergency.

Consultancies (under \$10,000)

In 2021–22, there was one consultancy engaged during the year where the total fees payable to the individual consultancy were less than \$10,000. The total expenditure incurred during 2021–22 in relation to this consultancy was \$9,630 (excluding GST).

Consultancies (\$10,000 or greater)

In 2021–22, there were 29 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2021–22 in relation to these consultancies was \$16,141,666 (excluding GST).

The tables in the following pages provide the details of this consultancy expenditure, which is categorised as follows:

- > capital, business and planning
- > information, data and technology
- > policy/program advice and delivery
- > probity, data integrity and audit
- > program assessment and evaluation
- > workforce support.

Improving procurement practice

The department undertook a number of activities to reduce reliance on consultants, including building internal capabilities and improving procurement processes.

During 2021–22, the department:

- > continued strong management of consultant engagements through the Strategic Alliance framework established in 2018–19 with five third-party providers across the health, community services and organisational improvement domains. The details of work undertaken under the framework and payments made in 2021–22 are included in the first part of the tables.

- > leveraged strategic consultancy relationships under the alliance model to maintain procurement rigour during the department's emergency response to COVID-19. These benefits and discounted rates have also been leveraged to support the Department of Families, Fairness and Housing, and particularly Homes Victoria.
- > supported capability uplift of its people and the transformational change of the department and its services, as well as improved the quality of the strategic advice received
- > continued to develop internal capability through knowledge sharing with department staff involved in Strategic Alliance projects, as well as dedicated internal consulting, advisory and project-based programs to improve policy and program delivery
- > drove high-level scrutiny of consultant engagements to ensure, among other things, that all alternative avenues of supply were considered prior to engaging a consultant
- > commenced procurement planning to establish a new consultancy/professional services procurement arrangement, improving on the Strategic Alliance model, to support continuity of the benefits realised under that arrangement, as well as creating a competitive environment with increased partner choices.

The Strategic Alliance panel comprised three domains. The health domain had the greatest demand and expenditure, so was afforded the highest funding allocation to support this demand. Following a competitive procurement process, the two providers for the health domain were KPMG and Boston Consulting Group. The latter offered specialised health services, for which there was less demand, resulting in fewer consultancies.

Improvements to procurement processes ensured that contracted solutions were competitive, used government and department panel contracts where appropriate, and undertook meaningful contract review processes to inform decisions on future engagements.

These arrangements continued to drive value for money, with a focus on ensuring the department used consultants and contracts appropriately and effectively.

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

Category	Consultant	Purpose of consultancy	Total approved project fee ^(a) excl. GST	Expenditure 2021–22 excl. GST	Future expenditure ^(b) excl. GST
Policy/Program Advice & Delivery	Boston Consulting Group	Delivery, Health system reform	\$1,200,000	\$1,200,000	\$0
	Strategic Alliance (Health) total approved project fee whole-of-life status excl. GST as at 30 June 2022: \$17,235,359	Support, Transition plan for COVID-19 command and vision for future public health model in Victoria	\$959,000	\$959,000	\$0
Policy/Program Advice & Delivery	Ernst & Young Services Pty Ltd Strategic Alliance (Community Services) total approved project fee whole-of-life status excl. GST as at 30 June 2022: \$1,622,086	Business analysis, Essential services in response to COVID-19	\$146,683	\$127,333	\$0
Policy/Program Advice & Delivery	KPMG Strategic Alliance (Health) total approved project fee whole-of-life status excl. GST as at 30 June 2022: \$24,015,165	Support, Vision initiative evaluation project	\$134,579	\$26,916	\$0
		Transitional support, People with disability following hospital discharge	\$169,451	\$118,615	\$0
		Funding model reform, Early parenting centres	\$218,469	\$152,928	\$0
		Review, Integrated health promotion program	\$152,471	\$111,574	\$0
		Development, Better at Home program	\$302,608	\$211,321	\$0
		Review, Alfred Hospital Burns Service clinical service	\$94,674	\$68,854	\$8,607
		COVID-19 analysis of National Partnership Agreement funded activities	\$314,755	\$81,409	\$64,980
		Advisory services, COVID-19 and the private health sector	\$8,130,426	\$966,668	\$0

(a) The total approved project fee represents the lifecycle contract value and includes expenditure incurred in previous years.

(b) Figures of \$0 indicate that the contract expired in the 2021–22 financial year, noting instances where expenditure occurred in previous financial years

Category	Consultant	Purpose of consultancy	Total approved project fee ^(a) excl. GST	Expenditure 2021–22 excl. GST	Future expenditure ^(b) excl. GST
		Financial review, Victorian public hospitals impacted by COVID-19	\$1,392,516	\$236,095	\$102,127
		Integrated planning and governance framework, School dental program	\$518,969	\$17,388	\$21,002
		Support, Royal Commission into Victoria's Mental Health System	\$1,281,345	\$427,669	\$390,340
		Strategy and workforce data, Mental health workforce	\$730,489	\$361,555	\$141,045
		Integrated public hospital laboratory information systems	\$998,970	\$99,675	\$0
		Review, Benchmarking cost of COVID-19 care	\$93,377	\$65,910	\$27,467
		Review, Commercial billing	\$84,965	\$84,965	\$0
		Development, Statewide model of care for youth suicide prevention & recovery care	\$90,000	\$74,444	\$15,556
		Productivity analysis, Victorian health system	\$221,500	\$221,500	\$83,949
		Delivery, Mental health workforce strategy	\$785,355	\$785,355	\$0
		Review, COVID-19 vaccination management system data governance	\$270,014	\$136,364	\$0
		Support, Health workforce strategy	\$1,140,955	\$570,033	\$570,922
		Support, Implementation & governance plan for the Victorian collaborative centre for mental health	\$238,898	\$238,898	\$0
		Delivery, Mental health workforce personnel survey	\$93,536	\$93,536	\$0
		Support, Outcomes and performance framework	\$463,973	\$295,255	\$168,718
		Review and Support, Medically supervised injecting rooms	\$114,805	\$64,911	\$30,292

Category	Consultant	Purpose of consultancy	Total approved project fee ^(a) excl. GST	Expenditure 2021–22 excl. GST	Future expenditure ^(b) excl. GST
		Support, Roadmap costing project for commissioning and system improvement	\$195,000	\$195,000	\$0
		Delivery, Survey of public sector residential aged care services for COVID-19 preparedness	\$522,395	\$44,748	\$477,647
		Support, Mental health system design and surge system support	\$774,820	\$739,820	\$35,000
		Support, Women's health services demand project	\$53,500	\$53,500	\$0
		Evaluation, Healthy Heart of Victoria	\$93,449	\$93,449	\$0
		Delivery, Community health demand management framework	\$209,836	\$57,228	\$152,608
		Delivery, Toward regional governance, board induction, expression of interest development	\$583,525	\$319,694	\$263,830
		Design, Statewide mental health capability entity	\$181,209	\$65,894	\$115,315
		Support, Tobacco licensing evaluation and impact assessment	\$14,094	\$14,094	\$0
Capital Business Case & Planning	Nous Group Pty Ltd	Planning, Statewide and regional mental health and wellbeing services and capital plans	\$2,682,906	\$1,990,712	\$692,194
	Anne Rochelle Doherty Pty Ltd	Analysis, Royal Commission into Victoria's Mental Health System Report: Implications for Office of the Chief Psychiatrist	\$21,250	\$21,250	\$0
	Cancer Council Victoria	Advice, Potential cancer cluster expert advisory group	\$71,006	\$9,630	\$45,455
	Deloitte Touche Tohmatsu	Support, Regulation Health Protection Emergency Management transition and innovations	\$2,064,512	\$715,136	\$0

Category	Consultant	Purpose of consultancy	Total approved project fee ^(a) excl. GST	Expenditure 2021–22 excl. GST	Future expenditure ^(b) excl. GST
	Donoughmore Pty Ltd ATF R & V Healy Family Trust	Advice, Aligning Victoria's regulatory requirements for food service and food retail business to ministerial policy guidelines	\$220,620	\$189,550	\$31,070
	Due Diligence Consultants Pty Ltd	Reporting, Due diligence reporting	\$169,275	\$39,690	\$5,110
	Institute for Healthcare Improvement	Project Management, Victorian patient safety program	\$12,296,632	\$1,104,215	\$0
	Ken D Lay	Advice, Melbourne medically supervised injecting room consulting process	\$227,091	\$40,793	\$0
	KPMG	Advice, Safer Care Victoria support and resourcing requirements for the consultative councils	\$102,205	\$102,205	\$0
	Nous Group Pty Ltd	Modelling, Primary prevention in local government model	\$249,091	\$190,246	\$0
	Open Advisory	Advice, Engagement and partnership evaluation	\$79,000	\$78,930	\$0
	Solomon Advisory	Modelling, Mental health funding model design and implementation project	\$269,500	\$70,262	\$199,238
	Taylor Fry	Strategy, Analytic strategy development and operating model	\$140,829	\$140,829	\$0
Program Assessment & Evaluation	ACIL Allen Consulting Pty Ltd	Evaluation, Youth residential rehabilitation program	\$168,032	\$28,400	\$139,632
	CRF Consulting Ltd	Review, Silvan disinfection failure incident	\$245,344	\$175,630	\$0
	Deloitte Consulting Pty Ltd	Review, Independent financial review of the Postgraduate Medical Council of Victoria	\$49,467	\$48,972	\$495
	Deloitte Touche Tohmatsu	Evaluation, Latrobe health innovation zone – evaluation phase 2	\$218,172	\$21,817	\$196,355
	Equal Access	Assessment, COVID-19 disability enhanced assessment	\$29,423	\$29,423	\$0

Category	Consultant	Purpose of consultancy	Total approved project fee^(a) excl. GST	Expenditure 2021–22 excl. GST	Future expenditure^(b) excl. GST
	Healthconsult	Review, Locum bank review	\$111,912	\$65,347	\$46,565
		Scoping review, Regional morbidity and mortality committees	\$150,909	\$120,469	\$30,440
	Price Waterhouse Coopers	Analysis, Victorian metropolitan health service emergency department performance	\$223,880	\$112,709	\$0
		Assessment, Due diligence assessment for north and west metropolitan Melbourne system reform project	\$230,000	\$223,812	\$0
	Sax Institute	Evaluation, Place-based suicide prevention trials	\$898,841	\$150,065	\$0
	Taylor Fry	Review, Strategic analytics review and development of an analytics strategy for the Department of Health	\$68,220	\$68,220	\$0
Workforce Support	Allen and Clarke Consulting Pty Ltd	Strategy, Primary prevention strategic workforce approach	\$173,302	\$170,575	\$0
	Christian Rossow – Consulting	Strategy, Supermarket distribution centre vaccination	\$173,302	\$170,575	\$0
	The Creative Works	Strategy, Communication strategy to address workforce supply issues – Hello Open Minds phase 2	\$314,200	\$37,125	\$0

Social procurement framework

The department leverages its buying power to deliver social, economic and environmental outcomes benefiting the Victorian community, the economy and the environment and it does this in ways that go beyond the goods, services and construction works procured.

In this process, the department is guided by the Victorian Government's *Social procurement framework* (SPF). The SPF applies to the procurement of all goods, services and construction undertaken by or on behalf of the department. Its social objectives are to provide for and support the following:

- > opportunities for Victorian Aboriginal people
- > opportunities for Victorians with disability
- > women's equality and safety
- > opportunities for disadvantaged Victorians
- > safe and fair workplaces
- > sustainable Victorian social enterprises and Aboriginal Victorian business sectors
- > sustainable Victorian regions
- > environmentally sustainable outputs
- > environmentally sustainable business practices
- > implementation of climate change policy objectives.

Social procurement initiatives

During 2021–22, the department undertook several activities to support social procurement, including:

- > preparation of social procurement data reporting and case studies for 2021–22 and submission to the Department of Jobs, Precincts and Regions (DJPR)
- > maintenance of up-to-date information about social procurement and Local Jobs First on the department's intranet
- > establishment of partnerships with key social procurement delivery partners
- > a continued relationship with Social Traders Ltd through an established contract, regular meetings and other communications

- > an increase in the social procurement capability of staff through key business areas of the department with procurement responsibilities – Procurement Services and the Victorian Health Building Authority – working together
- > the maintenance of procurement policies, processes, templates and contracts to continue to support the implementation of social procurement and Local Jobs First
- > planning works for the establishment of a social procurement group across the department to foster communication, coordination and capability development, to be launched in 2022–23
- > regular attendance by staff at the Social Procurement Community of Practice meetings convened by the Department of Treasury and Finance, as well as events organised by organisations such as Kinaway
- > training on the new Industry Capability Network's social procurement reporting platform.

Social procurement achievements 2021–22

During 2021–22 the department:

- > engaged 52 social benefit suppliers
- > spent a total of \$6.51 million with certified social enterprises, Aboriginal businesses and traditional owner corporations, disability enterprises, and social outcome companies listed on the Map for Impact
- > engaged 12 suppliers which are not social benefit suppliers but have made social procurement commitments in their procurement contracts with the Victorian Government.

Aboriginal business engagement

During 2021–22 the department:

- > engaged 17 Aboriginal businesses and traditional owner corporations
- > spent a total of \$1.78 million with Aboriginal business and traditional owner corporations
- > Achieved 1.15 per cent direct Aboriginal supplier engagement against the one per cent government target.

Government advertising expenditure

For the 2021–22 reporting period, the department conducted several government advertising campaigns with total media spend of \$100,000 or greater (exclusive of GST). The details of each campaign are outlined below.

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
COVID-19 Testing campaign	Encourage Victorians to get tested for COVID-19 at the first sign of any symptoms.	1 July 2021 – 30 November 2021	\$5,338,110	\$401,406	\$0	\$0	\$0	\$5,739,516
COVID-19 Emergency advertising ^(a)	Support the COVID-19 response by highlighting COVID-19 outbreaks, exposure sites, restrictions in place and roadmap to recovery.	1 July 2021 – 7 November 2021	\$8,558,231	\$1,409,026	\$0	\$0	\$0	\$9,967,257
COVID-19 Vaccine campaigns ^(b)	Encourage Victorians to get vaccinated against COVID-19.	13 August 2021 – 30 June 2022 ^(c)	\$13,102,545	\$2,113,614	\$128,616	\$14,429	\$32,240	\$15,391,444
COVID-19 Worker support payment campaign	Raise awareness of support payments available for those isolating due to COVID-19.	1 July 2021 – 26 February 2022	\$1,000,224	\$7,565	\$0	\$0	\$0	\$1,007,789
Save 000 for emergencies	Raise awareness that there are other health services that can help with minor or non-emergency needs, including COVID-19, whilst saving 000 for emergencies.	20 October 2021 – 30 June 2022 ^(d)	\$5,293,090	\$39,978	\$37,950	\$0	\$0	\$5,371,018

(a) This category includes the following related campaigns: Restrictions, roadmap to recovery, zones, permits, border bubble, exposure sites and roadmap to recovery.

(b) This category includes the following related campaigns: Voices for vaccine, vaccination is your ticket, fabjab, Uncle Jack, 5–11 vaccination and third dose.

(c) The campaigns 5–11 vaccination and third dose continued into the 2022–23 financial year.

(d) This campaign continued into the 2022–23 financial year.

Name of campaign	Campaign summary	Start/end date	Advertising (media) expenditure (excl. GST)	Creative and campaign expenditure (excl. GST)	Research and evaluation expenditure (excl. GST)	Print and collateral expenditure (excl. GST)	Other campaign expenditure (excl. GST)	Total
Managing COVID-19 at home	Ensuring Victorians are aware that they can manage mild COVID-19 symptoms safely at home, that they should monitor symptoms and only call 000 in emergencies.	24 December 2021 – 30 June 2022 ^(a)	\$3,297,834	\$156,756	\$37,950	\$0	\$0	\$3,492,540
Stay well this winter	Raise awareness that Victorians can get both their flu shot and COVID-19 vaccination at the same time.	3 June 2021 – 30 June 2021 ^(a)	\$405,819	\$383,960	\$0	\$0	\$0	\$789,779
Survive the heat	Raise awareness of the risks of extreme heat and provide simple tips on what to do to protect yourself and loved ones.	5 December 2021 – 7 March 2022	\$256,084	\$0	\$30,000	\$0	\$0	\$286,084
Smile Squad	Support the resumption of Smile Squad services by increasing community awareness of the program and driving traffic to the program website for resources and program information.	23 January 2022 – 18 June 2022	\$853,622	\$29,494	\$0	\$0	\$30,919	\$914,035
Supercare pharmacies	Raise awareness that Supercare pharmacies are open 24/7, with a pharmacist always available to provide healthcare advice.	19 December 2021 – 3 March 2022	\$179,318	\$54,665	\$0	\$0	\$0	\$233,983

(a) These campaigns continued into the 2022–23 financial year.

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
Mental health and wellbeing hubs	Raise awareness of new mental health service for the community (COVID-19 pop-up mental health hubs).	5 December 2021 – 31 May 2022	\$1,450,117	\$71,321	\$0	\$12,140	\$0	\$1,533,578
Mental health workforce attraction campaign	Encourage Victorian mental health professionals to consider working in the Victorian public health system.	19–26 December 2021 10 January – 26 February 2022	\$499,993	\$0	\$0	\$0	\$0	\$499,993

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 at [DataVic](http://www.data.vic.gov.au) <<http://www.data.vic.gov.au>>.

Summarised data published by the department is available on numerous pages on the department's website. A significant amount of information is accessible via:

- > the [Victorian Agency for Health Information](https://vahi.vic.gov.au) <<https://vahi.vic.gov.au>>
- > [Department of Health – Reporting, planning and data](https://www.health.vic.gov.au/about/reporting-planning-and-data) <<https://www.health.vic.gov.au/about/reporting-planning-and-data>>
- > [Department of Health – Public health](https://www.health.vic.gov.au/public-health) <<https://www.health.vic.gov.au/public-health>>
- > [Victorian COVID-19 data](https://www.coronavirus.vic.gov.au/victorian-coronavirus-covid-19-data) <<https://www.coronavirus.vic.gov.au/victorian-coronavirus-covid-19-data>>
- > [Department of Health – Publications](https://www.health.vic.gov.au/about/publications) <<https://www.health.vic.gov.au/about/publications>>

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.

As well as summarised data, the department maintains several de-identified datasets that researchers can access. These detailed datasets contain a wealth of information to support better understanding of Victoria's health services. Extracts can be requested through procedures that ensure the data is shared to the maximum extent while protecting the privacy of individuals.

The de-identified datasets include the:

- > Victorian Admitted Episodes Dataset, which contains information about all patients admitted to Victorian hospitals
- > Victorian Emergency Minimum Dataset, which contains information about emergency presentations at Victorian public hospitals

- > Elective Surgery Information System, which contains information about elective surgery waiting lists from the major Victorian metropolitan and rural public hospitals
- > Victorian Perinatal Data Collection, which contains information about mothers and babies born in Victoria
- > Victorian Alcohol and Drug Data Collection, which contains information about the clients and activities 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 Dataset, which contains information about a range of non-admitted services provided by health services, including specialist clinics (outpatients), health independence programs, community palliative care, and others
- > 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 clients, treatments, referrals and waiting lists
- > Notifiable Infectious Diseases Dataset, which contains information on conditions that must be reported to the department under the *Public Health and Wellbeing Act 2008*.

Researchers can request access to data via:

- > the [VAHI Data Request Hub](https://vahi.freshdesk.com/support/home) <<https://vahi.freshdesk.com/support/home>>
- > the [Centre for Victorian Data Linkages](https://www.health.vic.gov.au/reporting-planning-data/for-researchers) (linked data only) <<https://www.health.vic.gov.au/reporting-planning-data/for-researchers>>

Victorian health data is also made available by other agencies, such as:

- > [Cancer Council Victoria](https://www.cancervic.org.au) <<https://www.cancervic.org.au>>
- > [Australian Institute of Health and Welfare](https://www.aihw.gov.au/) <<https://www.aihw.gov.au/>> and
- > [MyHospitals](https://www.aihw.gov.au/reports-data/myhospitals) <<https://www.aihw.gov.au/reports-data/myhospitals>>.

Freedom of information

The *Freedom of Information Act 1982* aims to extend as far as possible the right of the community to access information held by the Victorian Government and other bodies subject to the Act.

The Act allows the department to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include Cabinet documents, some internal working documents, law enforcement documents, documents covered by legal professional privilege, such as legal advice, personal information about other people, and documents relating to trade secrets.

The Act provides a 30-day period for processing requests. This time may be extended where consultation is required and by agreement with the applicant.

If an applicant is not satisfied with a decision made by the department, including a decision regarding whether the application fee is to be waived, the applicant has the right to seek a review by the Office of the Victorian Information Commissioner within 28 days of receiving a decision letter.

Making a request

Access to documents may be obtained through written request to the department's Freedom of Information Unit, pursuant to section 17 of the Act.

In summary, the requirements for making a request are:

- > it must be in writing
- > it should provide such information concerning the document as is reasonably necessary to enable identification of the document
- > it should be accompanied by the application fee of \$30.60 (the fee may be waived in certain circumstances).

Requests for documents in the possession of the department should be addressed to:

Freedom of Information Unit
Department of Health
GPO Box 4057
Melbourne VIC 3001

Requests and payment of the application fee can also be lodged online at the [Victorian Freedom of Information Request Portal](https://online.foi.vic.gov.au/foi/request.doj) <https://online.foi.vic.gov.au/foi/request.doj>

Enquiries can be made by [emailing the Freedom of Information Unit](mailto:foi@health.vic.gov.au) <foi@health.vic.gov.au>, or telephone 1300 020 360.

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

FOI statistics/timeliness

During 2021–22, the department received 554 FOI applications. Of these requests, 43 were from members of parliament, 26 from the media, and the remainder from the general public.

The department made 644 FOI decisions and processed 77 per cent of requests within the statutory time period.

Of the decisions finalised, 52 were subject to a review/complaint by the Office of the Victorian Information Commissioner, and 16 appeals were made to the Victorian Civil and Administrative Tribunal.

Compliance with the Public Interest Disclosures Act 2012

The *Public Interest Disclosures Act 2012* encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and for rectifying action to be taken.

The department does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The department will take all reasonable steps to protect people who make such disclosures from any detrimental action taken in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

Reporting procedures

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

- > the Secretary
- > [public interest disclosure coordinators](mailto:publicinterestdisclosure@health.vic.gov.au) <publicinterestdisclosure@health.vic.gov.au>
- > the manager or supervisor of the discloser
- > the manager or supervisor of the person who is the subject of the disclosure.

Alternatively, disclosures may also be made directly to the Independent Broad-based Anti-corruption Commission:

Level 1, North Tower, 459 Collins Street
Melbourne VIC 3000

Phone: 1300 735 135

Internet: [Independent Broad-based Anti-corruption Commission](https://www.ibac.vic.gov.au) <https://www.ibac.vic.gov.au>
[Email IBAC](mailto:info@ibac.vic.gov.au) <info@ibac.vic.gov.au>.

Further information

The public interest disclosures policy, which outlines the system for reporting disclosures of improper conduct or detrimental action by the department or any of its employees and/or officers, is available:

- > on the department's public interest disclosures web page
- > by [emailing the public interest disclosure coordinators](mailto:publicinterestdisclosure@health.vic.gov.au) <publicinterestdisclosure@health.vic.gov.au>
- > by phoning a department public interest disclosure coordinator on the department's integrity hotline: 1300 024 324.

Disclosures under the <i>Public Interest Disclosures Act 2012</i>	2020–21	2021–22
The number of disclosures made by an individual to the Department of Health and notified to the Independent Broad-based Anti-corruption Commission	0	1

Compliance with the 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* and relevant regulations.

The department continues to liaise with and contribute to the progress and outcomes of Cladding Safety Victoria for department-owned buildings. Relevant buildings owned by the department have been audited against the risk framework originally developed by the Victorian Cladding Taskforce and, where non-compliant cladding has been discovered, assessed against that framework for a risk rating derived from one of the four risk categories. These buildings are now being progressively rectified and/or remediated in accordance with that risk ranking and as resources and funding allow. Rectification works for all targeted buildings are on track and anticipated to be completed on schedule.

Compliance with the Carers Recognition Act 2012

The department has taken all practical measures to comply with its obligations under the *Carers Recognition Act 2012*. These include:

- > promoting the principles of the Act to people in care relationships who receive departmental services and to the wider community
- > ensuring staff have an awareness and understanding of the care relationship principles set out in the Act
- > considering the care relationship principles set out in the Act when setting policies and providing services
- > implementing priority actions in *Recognising and supporting Victoria's carers: Victorian carer strategy 2018–22*.

The Department of Families, Fairness and Housing holds portfolio responsibility for the Act and further information on the above may be found in its annual report.

Compliance with the Disability Act 2006

The *Disability Act 2006* reaffirms and strengthens the rights of people with a disability and recognises that ensuring these rights requires support across the government sector and within the community.

Since the machinery of government changes on 1 February 2021, which established the Department of Health, the department has not developed a disability action plan as required under the Act. However, the department notes that the role of disability action plans is part of the current review into the Act being led by the Department of Families, Fairness and Housing.

The department remains committed to the purposes of the Act, including:

- > reducing barriers to access goods, services and facilities
- > reducing barriers to a person with a disability obtaining and maintaining employment
- > promoting inclusion and participation in the community
- > achieving tangible changes in attitudes and practices that discriminate against people with a disability.

The department is also implementing *Getting to work: Victorian public sector disability employment action plan 2018 – 2025*. Further information on this can be found in the [Workforce inclusion](#) section of this report.

The department also supports the new *Inclusive Victoria: state disability plan (2022–2026)*, which was published in March 2022 and commits all departments to embed six system reforms in their policies, programs and services. These are:

- > co-design with people with disability
- > Aboriginal self-determination
- > intersectional approaches
- > accessible communications and universal design
- > disability-confident and inclusive workforces
- > effective data and outcomes reporting.

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, to 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 the gross earnings from the previous financial year of each Class A cemetery trust. 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	2021–22
Metropolitan trusts	\$5,220,000
Rural trusts	\$446,592
Total amount collected	\$5,666,592

Departmental expenditure (category)	2021–22
Sector reform initiatives	\$0
Governance support	\$1,210,818
Sector grants	\$1,560,042
Sector policy, development and coordination	\$403,606
Insurance premiums and claims	\$2,015,878
Total expenditure	\$5,190,344

Drugs, Poisons and Controlled Substances Act 1981

Section 60S of the *Drugs, Poisons and Controlled Substances Act 1981* states that the Chief Commissioner of Police is to provide the following report on actions under the Act to the Minister for Health, for inclusion in the annual report.

(a) the number of searches without warrant under section 60E conducted during the financial year

Person under 18 years searched	2
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(b) the number of searches without warrant under section 60F conducted during the financial year

Persons searched irrespective of age	2
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(c) information about the number and type of volatile substances and items used to inhale a volatile substance seized as a result of conducting those searches

Graffiti implements (unspecified)	1
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(d) information about the number and type of volatile substances and items used to inhale a volatile substance received by police officers when produced in accordance with a request under section 60H(1)(b)

Nil	0
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(e) information about the number and type of volatile substances and items used to inhale a volatile substance returned to persons under section 60N

Nil	0
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(f) information about the number and type of volatile substances and items used to inhale a volatile substance disposed of or made safe under section 60O

Graffiti implements (unspecified)	1
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(g) information about the number and type of volatile substances and items used to inhale a volatile substance forfeited to the Crown under section 60P

Nil	0
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(h) the number of persons apprehended and detained without warrant under section 60L during the financial year

Persons (under 18 years) apprehended and detained	0
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Persons (irrespective of age) apprehended and detained	0
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Male	0
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Female	0
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Indigenous	0
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Non-Indigenous	0
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Notes: Each contact or occasion may involve multiple items or substances. Figures do not include prescribed or prohibited volatile substances. Incidents may involve persons detained or transported under different legislative provisions resulting from the initial contact.

Public Health and Wellbeing Act 2008

The *Public Health and Wellbeing Act 2008* and the Public Health and Wellbeing Regulations 2009 came into effect on 1 January 2010. The Public Health and Wellbeing Regulations 2019 replaced the Public Health and Wellbeing Regulations 2009 on 14 December 2019.

The Act promotes and protects public health and wellbeing in Victoria.

Under section 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 from infectious diseases. These include orders to compel a person to be examined or tested for an infectious disease 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 the reasons for making them, as outlined in section 143 of the Act:

Orders made by the Chief Health Officer from 1 July 2021 – 30 June 2022

Section	Order type	Number	Reason
113	Examination and testing order	0	
117	Public health order	0	To eliminate or reduce the risk of a person causing a serious risk to public health
118	Extension of public health order	0	To continue 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	

Additional departmental information available on request

In compliance with Financial Reporting Direction 22 issued under the *Financial Management Act 1994*, information on the items listed below has been retained by the department and is available on request, subject to the provisions of the *Freedom of Information Act 1982*.

- > 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 for each engagement.

Requests may be made in writing to:

Chief Communications Officer
GPO Box 4057
Melbourne VIC 3001

[Email DH Communications Enquiries](mailto:dhcommunicationsenquiries@health.vic.gov.au)
<dhcommunicationsenquiries@health.vic.gov.au>

Financial Management Compliance Attestation Statement

I, Euan Wallace, as the Responsible Body, certify that the Department of Health has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Euan Wallace
Secretary
Department of Health

Environmental reporting

Environmental performance and impacts

On 1 February 2021, the Department of Health and Human Services was separated into two new departments: the Department of Health (the department) and the Department of Families, Fairness and Housing (DFFH). The 2021–22 reporting year is the first year that reflects the department's data only.

In 2021–22, the department continued to make good progress in reducing its environmental footprint and managing climate change risks across the sector.

The collection of several environmental datasets and the achievement of environmental targets continued to be impacted by the disruptions to workplace activities and service delivery due to COVID-19. Environmental performance indicators for energy, paper and transportation were also affected by restricted access to office-based workplaces and the department-wide continuation of remote working during the reporting year.

Highlights

Highlights for the reporting period included:

- > reducing annual reported greenhouse gas emissions in the public health sector by six per cent or 51,021 tonnes CO₂-e from last year
- > finalising and releasing the *Health and human services climate change adaptation action plan 2022–2026*, following consultation with the Victorian community and key stakeholders. The plan outlines 14 actions that will be implemented across the key themes of public and stakeholder engagement, infrastructure resilience and sector capability, which will guide adaptation efforts over the next five years.
- > investment of \$2.87 million to install 2,239 kilowatt-peak of solar panels and implement high-efficiency lighting upgrades in public hospitals
- > receiving National Australian Built Environment Energy Rating System (NABERS) energy and water certificates for 140 of the state's public hospitals
- > facilitating the design of the New Melton Hospital to be Victoria's first all-electric hospital powered by 100 per cent renewable electricity
- > contributing to the whole of Victorian Government climate change strategy and emissions reduction pledge, reducing greenhouse gas emissions from office-based sources by 50 per cent from last year (estimate based on per FTE greenhouse gas emissions)
- > reducing the department's annual office-based emissions by an estimated 32 per cent from the 2014–15 baseline (based on per FTE greenhouse gas emissions) over the life of the six-year emissions reduction target

Energy

- > The department is committed to reducing energy consumption across operations and assisting clients to reduce their own energy use. In 2021–22, the department: invested \$2.87 million to install 2,239 kilowatt-peak of solar panels at Albury Wodonga Health, Alfred Health, Boort District Health, Castlemaine Health, Eastern Health, Forensicare, Grampians Health, Hesse Rural Health Services, Inglewood District Health, Mildura Base Hospital, Monash Health, Tallangatta Health Service, West Wimmera Health Service, and Yarrawonga Health, and upgrade lighting to high-efficiency LEDs at Albury Wodonga Health, Barwon Health, Boort District Health, and West Wimmera Health Service. This is expected to avoid the generation of more than 1,300 tonnes of greenhouse gas emissions every year.
- > received certified NABERS energy ratings for 140 of the State's public hospitals for the period 2020–21. The average NABERS rating for the Victorian public hospital portfolio for 2020–21 was 3.8 stars.
- > facilitated the design of the New Melton Hospital to be Victoria's first all-electric hospital powered by 100 per cent renewable electricity. This supports the government's commitment to reduce carbon emissions from its operations and reduce gas use across the State's public health portfolio. The hospital's design will focus on sustainability initiatives, such as maximising on-site solar generation, high-performing facades, efficient plant and equipment, and integration of green spaces within the hospital precinct.

- > generated 8.7 gigawatt hours of electricity from solar arrays on 86 health facilities across 33 health services, noting the department does not yet collect data from all of the 131 solar arrays installed on public hospitals
- > completed lighting upgrades at the Morwell office and solar installation at the Footscray offices, with predicted savings of over 150,000 kWh per annum
- > entered into agreements to upgrade and extend the life of cogeneration assets at the Alfred Hospital, Royal Melbourne Hospital and University Hospital Geelong to ensure these major hospitals have continued energy security of supply to 2026. In addition, the department commenced upgrades to energy infrastructure at Dandenong Hospital and St Vincent's Hospital Melbourne to enable the decommissioning of ageing cogeneration plant while ensuring continued energy security of supply.

Office-based performance

In 2021–22, office-based energy usage reduced to 3,083 megajoules per full-time equivalent (FTE) employee, from 6,107 megajoules per FTE from the previous reporting year. This significant decrease is largely attributed to the continued change in workplace arrangements, where most staff continued to work remotely.

Water

The department continues to seek a better understanding of water consumption across facilities and operations and encourage clients to improve their own water efficiency.

- > In 2021–22, the department received certified NABERS water ratings for 140 of the state's public hospitals for the period 2020–21. The average NABERS rating for the Victorian public hospital portfolio for 2020–21 was 3.6 stars.
- > Public hospital water use reduced by 238 megalitres, or by around 5.5 per cent, based on 2020–21 water use.

Office-based performance

In 2021–22, office-based water use decreased to 1,530 litres per FTE, from 5,551 litres per FTE from the previous reporting year. This decrease is largely attributed to the continued change in workplace arrangements, where most staff continued to work remotely.

Procurement and paper

The department continues to integrate sustainability into procurement activities, while seeking value-for-money outcomes in business operations. It also continues to implement strategies to reduce the environmental impacts of printing and paper consumption. The predominant cause for the significant reduction in paper use in 2021–22 was the working from home arrangements for most of the reporting year.

In 2021–22, the department:

- > ensured that 49 per cent of all office-based paper purchased consisted of 100 per cent recycled content and 51 per cent consisted of 49 per cent recycled content
- > continued to utilise the TRIM electronic record management system and 'follow-me' printing solution to reduce the volume of hardcopy records printed and archived in the workplace
- > reduced office-based paper use by 40 per cent to 590 pages per FTE
- > reduced paper use in public hospitals by four per cent, or 21,650 reams – over 10 million sheets of paper.

Office-based performance

In 2021–22, paper and other purchasing emissions reduced by 69 per cent, largely attributable to COVID-19 and the continued remote working arrangements.

The department will continue to explore ways to achieve positive environmental outcomes and support organisational sustainability goals through procurement.

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 2021–22:

- > public hospital waste generation reduced by some 4,460 tonnes, or around 11 per cent. This was predominantly due to a decline in general waste to landfill. The average public hospital recycling rate reduced from 28 per cent in 2020–21 to 26 per cent in 2021–22. This is a deterioration, but the data does not reveal the cause.

- > the department continued the Simply Cups coffee cup recycling program, diverting a further 4,146 cups from landfill. In total more than 482,000 cups have been collected since 2017.

Office-based performance

In 2021–22, office-based waste generation data was collected via waste audits (and prior year data is not available due to COVID-19 restrictions). The department will continue to explore ways to reduce waste through increased recycling opportunities in departmental offices.

Sustainable transport

The department continues to build a more sustainable fleet and to support initiatives that encourage staff to seek alternative modes of transportation.

In 2021–22, the department:

- > continued to actively participate in the Zero Emission Vehicle (ZEV) rollout across government fleet vehicles, including healthcare vehicles
- > improved its overall fleet efficiency by 34 per cent due to an increased use of electric and hybrid vehicles.

Climate change mitigation and adaptation

The department is committed to driving mitigation and adaptation initiatives and to proactively managing climate change risks for clients, assets and services.

The *Health and human services climate change adaptation action plan 2022–26*, released in early 2022, sets out a clear program of actions over the next five years. These will help ensure the health system is well placed to address the challenges posed by climate change, reduce barriers to adaptation planning and action and lay the foundation for transformational adaptation.

In 2021–22, the department also:

- > reviewed designs for large health capital projects to ensure environmental sustainability and climate resiliency objectives were embedded in the facilities
- > increased the sustainability and climate adaptation requirements for submissions to the 2022–23 Regional Health Infrastructure Fund Program, including implementation of specified

sustainability initiatives and the availability of a sustainability allowance to deliver initiatives above standard practice

- > entered a Memorandum of Understanding with the NSW Department of Treasury for the continued use of the NABERS tool for public hospitals for the period 2022–23 to 2025–26. The agreement governs the annual energy and water NABERS rating of Victoria's public hospitals, ongoing refinement of the energy and water tools and development of a NABERS waste tool for public hospitals.

Communications and behaviour change

The department continues to raise awareness of and support action on climate change and environmental sustainability in order to drive positive environmental and health outcomes.

In 2021–22, the department:

- > provided regular sustainability updates to the health system, including information on resources prepared by the department, government policies, programs and legislative changes, climate change and sustainability events
- > continued chairing the Australasian Healthcare Infrastructure Alliance Environmentally Sustainable Development sub-group, with sustainability representatives from health jurisdictions around Australia and New Zealand. The discussion focused on the continued application of the NABERS Energy and Water hospital rating tools and the further development of a NABERS Waste tool for hospitals.
- > commenced delivery of a quarterly climate change and public health newsletter for Victorian local government
- > undertook a range of activities on World Health Day, including an all-staff forum for departmental staff and social media in relation to the 2022 theme 'Our Planet Our Health'
- > continued to promote climate change and health and broader resources available through the department's Better Health Channel, to support Victorian communities to stay healthy in a changing climate.

The Victorian Health Building Authority (VHBA) continued the initiative, first adopted in 2018–19, to rate its offices at 35 Collins Street under the WELL Building Standard to provide a workspace that enhances the health and wellbeing of its

employees. In 2021–22 the International WELL Building Institute (IWBI) audited VHBA offices, but the rating was not received before the end of the reporting year.

Environmental data

The following information has been prepared in accordance with Financial Reporting Direction (FRD) 24D 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.

FRD 24D 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 indicators for materials (EN1, EN2), energy (EN3, EN5), water (EN8), emissions (EN15, EN18), waste (EN23), products and services (EN27) and transport (EN30). All departmental cost figures include GST, except where otherwise noted.

In 2021–22, the environmental performance reporting data include property and assets used in the delivery of the department's core functions, including corporate offices, public hospitals and health services. All figures have been forecasted and adjusted to include the most up-to-date information. Where data was not available or estimated in previous years but has since become available, figures have been adjusted to best represent the building portfolio as at 30 June 2022.

At 30 June 2022, the department provided its administered services from 14 office locations across the state.

Public hospital and health services energy and water data represents a summary of data reported by Victoria's public hospitals and health services, including Ambulance Victoria.

On 1 October 2021, the department changed how it procured energy through its cogeneration energy services agreement from procuring the cogeneration outputs (steam and cogenerated electricity) to cogeneration inputs (natural gas). This has resulted in an increase in natural gas and a reduction in the amount of steam and electricity reported.

To continually improve the accuracy of reporting, the department reviews data on an ongoing basis. Changes to previously reported data can therefore occur and can be attributed to changes in the number of facilities reporting, to decommissioning, expansion or new build, and/or to better-quality data received from health services and/or suppliers. Bed days include inpatient occupied bed days (OBD) and public sector residential aged care bed days.

A new FRD 24 *Reporting of environmental data by government entities* is effective from 1 July 2022 and will apply for the 2022–23 reporting period onwards. Some of the changes being implemented through this new FRD 24 include:

- > extending application to all public sector entities (with a tiered approach to reporting requirements)
- > expanding the activities reported on to office and non-office-based activities
- > adding new reporting indicators on climate-related risk management, environmental management systems, buildings and infrastructure, and waste and recycling
- > removing some indicators related to paper usage, waste and procurement
- > introducing some new optional procurement, buildings and infrastructure, and waste indicators
- > making some previously optional indicators mandatory for electricity, transport, and buildings and infrastructure.

Greenhouse gas emissions

Total greenhouse gas emissions (tonnes CO₂-e) associated with:	2021–22 estimate	2020–21 estimate	2019–20 estimate
Public hospital energy use	738,304	757,614	777,238
Office-based energy use	2,486	N/A	N/A
Public hospital nitrous oxide	15,719	15,811	15,708
Vehicle fleet and air travel	460	N/A	N/A
Hospital emergency transport	24,363	24,465	22,994
Public hospital waste production	34,781	38,607	32,161
Health service vehicle fleets	4,701	5,290	5,453
Office-based paper and waste production	28	N/A	N/A
Total	820,842	871,863	897,105

Office-based data and vehicle and air travel data for 2021–22 reflects the department only. Previous years' data, which reflects the combined DFFH and department data, is available in the 2020–21 reports.

Greenhouse gas emissions have been calculated in accordance with the National Greenhouse and Energy Reporting (Measurement) Determination 2008 (Schedule 1), the National Greenhouse Accounts Factors August 2020 revision, and FRD 24D guidelines.

Greenhouse gas emissions from paper procurement have been calculated in accordance with Environmental Protection Authority Victoria's *Greenhouse gas inventory management plan 2012–13*.

Greenhouse gas emissions from air travel are provided by the supplier of travel management services under the state purchase contract.

Figures in previous years have been adjusted to include the most up-to-date data. Figures may differ from those estimated in previous years as a result.

1 gigajoule equates to 1,000 megajoules.

Calculations for nitrous oxide estimates are based on cylinder counts from contract supplier sales reporting, nominal cylinder capacities and volumetric conversions, and an emissions factor (GWP-100) of 310 kg CO₂-e per kg N₂O. These estimates do not include denominational public hospitals.

Health services FTE data contain estimates.

Staff and building reference data

Description	Government-owned buildings	Leased buildings	Total
Office-based FTE (department)	72	3,019	3,091
Statutory Bodies FTE	N/A	N/A	283
Total FTE	N/A	N/A	3,374
Number of office-based sites	0	6	6
Office-based area (m ²)			35,307

FTE (full-time equivalent staff member as of 30 June 2022).

Energy use

Office-based

Description	2021–22 estimate	2021–22 estimate	2020–21 estimate	2020–21 estimate	2019–20 estimate	2019–20 estimate
Total energy usage segmented by primary source	Megajoules	Cost (\$M)	Megajoules	Cost (\$M)	Megajoules	Cost (\$M)
Electricity	7,989,359	\$0.28	N/A	N/A	N/A	N/A
Green power	188,866	N/A ^(a)	N/A	N/A	N/A	N/A
Natural gas	2,414,895	\$0.0013	N/A	N/A	N/A	N/A
Total	10,593,120	\$0.281	N/A	N/A	N/A	N/A

Description	2021–22 estimate	2020–21 estimate	2019–20 estimate
Total greenhouse gas emissions by primary source	Tonnes CO₂-e	Tonnes CO₂-e	Tonnes CO₂-e
Electricity	2,352	N/A	N/A
Natural gas	134	N/A	N/A
Total	2,486	N/A	N/A

Description	2021–22 estimate	2020–21 estimate	2019–20 estimate
Energy used per FTE (megajoules/FTE)	3,083	6,107	8,150
Energy intensity (megajoules/m ²)	226	404	427
Green power purchased	0.00%	0.00%	0.00%

Office-based data for 2021–22 reflects the department only. Previous years' data, which reflects the combined DFFH and department data, is available in the 2020–21 reports.

Office-based electricity and gas data includes estimates from the last quarter for 2021–22 due to some data being unavailable from energy retailers at the time of reporting.

(\$M) Million

Public health services

Description	2021–22 estimate	2021–22 estimate	2020–21 estimate	2020–21 estimate	2019–20 estimate	2019–20 estimate
Total energy usage segmented by primary source	Terajoules	Cost (\$M)	Terajoules	Cost (\$M)	Terajoules	Cost (\$M)
Electricity	2,288	\$117.62	2,333	\$117.70	2,300	\$116.22
Natural gas	3,140	\$34.92	2,213	\$26.00	2,251	\$26.43
Cogeneration steam	135	\$1.93	483	\$6.85	516	\$6.91
LPG	78	\$2.08	88	\$1.78	96	\$2.50
Diesel	9	\$0.02	4	\$0.14	3	\$0.10
Total	5,650	\$156.57	5,121	\$152.47	5,166	\$152.16

(a) The Department of Environment, Land, Water and Planning (DELWP) covers the cost of green power at 2 Lonsdale Street.

Description	2021–22 estimate	2020–21 estimate	2019–20 estimate
Total greenhouse gas emissions	Tonnes CO₂-e	Tonnes CO₂-e	Tonnes CO₂-e
Electricity	564,958	615,159	632,914
Natural gas	161,804	114,016	116,009
Cogeneration steam	6,146	22,840	22,256
LPG	4,731	5,350	5,819
Diesel	665	248	240
Total greenhouse gas emissions	738,304	757,613	777,238

Description	2021–22 estimate	2020–21 estimate	2019–20 estimate
Energy used per separation (gigajoules/separation)	2.69	2.72	3.03
Energy used per bed day (gigajoules/bed day)	0.74	0.75	0.82
Energy used per unit of floor space (gigajoules/m ²)	1.40	1.38	1.54
Greenhouse gas emissions per separation (tonnes CO ₂ -e/separation)	0.43	0.43	0.42
Greenhouse gas emissions per bed day (tonnes CO ₂ -e/bed day)	0.11	0.11	0.11
Greenhouse gas emissions per unit of floor space (tonnes CO ₂ -e/m ²)	0.22	0.22	0.21

Public health services are GST-exempt organisations. Reported cost data for public health services is exclusive of GST. Public health greenhouse gas emission indicators include emissions associated with the use of nitrous oxide in public hospitals.

On October 1, 2021, the department changed how it procured energy through its cogeneration energy services agreement from procuring the cogeneration outputs (steam and cogenerated electricity) to cogeneration inputs (natural gas). This has resulted in an increase in natural gas and a reduction in the amount of steam and electricity reported.

Public health services energy data includes a three and a half per cent estimate in 2021–22 due to some data being unavailable from energy retailers at the time of reporting.

Water use

Office-based

Description	2021–22 estimate	2020–21 estimate	2019–20 estimate
Total water used (kilolitres)	5,163	N/A	N/A
Total water usage and sewage charge (\$ million)	\$0.06	N/A	N/A
Total water used per FTE (litres/FTE)	1,530	5,511	7,566
Water used per unit of office space (litres/m ²)	146	278	461.2

Office-based data for 2021–22 reflects the department only. Previous years' data, which reflects the combined DFFH and department data, is available in the 2020–21 reports.

Office-based water use data includes estimates from the last quarter for 2020–21 due to some data being unavailable from water retailers at the time of reporting.

Public health services

Description	2021–22 estimate	2020–21 estimate	2019–20 estimate
Total water used (megalitres)	4,087	4,325	4,579
Total water usage charge (\$ million)	\$18.40	\$18.68	\$19.05
Water used per separation (kilolitres/separation)	2.13	2.30	2.46
Water used per bed day (kilolitres/bed day)	0.58	0.63	0.66
Water used per unit of floor space (kilolitres/m ²)	1.11	1.17	1.25

Public health services are GST-exempt organisations. Reported cost data for public health services is exclusive of GST.

Public health service water data includes an 11 per cent estimate in 2021–22 due to some data being unavailable from water authorities at the time of reporting.

Waste production

Office-based

Description	2021–22 estimate	2020–21 estimate	2019–20 estimate
Total units of waste disposed of by destination	Kilograms/year	Kilograms/year	Kilograms/year
Landfill	16,421	N/A	N/A
Recycling	17,716	N/A	N/A
Compost	303	N/A	N/A
Total	34,440	N/A	N/A

Description	2021–22 estimate	2020–21 estimate	2019–20 estimate
Total units of waste disposed of per FTE by destination	Kilograms/FTE/year	Kilograms/FTE/year	Kilograms/FTE/year
Landfill	2.39	N/A	N/A
Recycling	2.59	N/A	N/A
Compost	0.04	N/A	N/A
Total	5.02	N/A	N/A

Description	2021–22 estimate	2020–21 estimate	2019–20 estimate
Recycling rate (per cent)	52.3	N/A	N/A
Coffee cups recycled	1,368	N/A	N/A
Greenhouse gas emissions associated with waste to landfill (tonnes of CO ₂ -e)	28	N/A	N/A

Office-based data for 2021–22 reflects the department only. Previous years' data, which reflects the combined DFFH and department data, is available in the 2020–21 reports.

Public health services

Description	2021–22 estimate	2021–22 estimate	2020–21 estimate	2020–21 estimate	2019–20 estimate	2019–20 estimate
Total units of waste disposed of by stream	Tonnes	Cost (\$M)	Tonnes	Cost (\$M)	Tonnes	Cost (\$M)
Clinical and related waste	6,710	\$9.81	6,383	\$9.70	4,772	\$8.22
Landfill	20,610	\$5.56	23,465	\$5.02	22,151	\$4.90
Recycling	7,407	\$1.32	9,255	\$1.77	8,536	\$1.68
Total	34,727	\$16.69	39,103	\$16.49	35,459	\$14.80

Description	2021–22 estimate	2020–21 estimate	2019–20 estimate	
Recycling rate (per cent)		26	28	28
Waste produced per patient treated (kilograms/PPT)		3.21	3.53	3.30
Greenhouse gas emissions associated with waste to landfill (tonnes of CO ₂ -e)		35,328	38,607	32,252

Public health services are GST-exempt organisations. Reported cost data for public health services is exclusive of GST.

Clinical and related wastes include clinical, sharps, cytotoxic, pharmaceutical, chemical and anatomical waste streams.

Recycling includes batteries, cardboard, co-mingled, e-waste, fluorescent tubes, grease traps, mattresses, metals, mobile phones, organics, PVC, packaging films/plastics, paper, polystyrene, sterilization wrap, toner and printer cartridges, and wood.

Data for some recycling streams was unavailable at the time of printing, so figures reported may not represent the full extent of materials recycled.

Waste produced per patient treated is an aggregation of inpatient bed days, aged care bed days, separations and emergency department presentations.

Transportation

Vehicle fleet

Description	Vehicle type					
	Electric	Hybrid	1–3 cylinder unleaded petrol	4-cylinder unleaded petrol	6-cylinder unleaded petrol	Diesel
Commercial	0	0	2	0	0	6
Executive	1	5	0	27	5	4
Passenger bus	0	0	0	0	0	0
Passenger car	0	42	0	12	1	2
Total (107 vehicles)	1	47	2	39	6	12

Description	Operational (per cent)	Executive (per cent)
LPG	0%	0%
Electric	0%	0.93%
Hybrid	39.25%	4.64%
1–3-cylinder unleaded petrol	1.90%	0.0%
4-cylinder unleaded petrol	11.21%	25.40%
6-cylinder unleaded petrol	0.93%	4.60%
Diesel	7.40%	3.74%
Total	60.69%	39.31%

Description	2021–22 estimate	2020–21 estimate	2019–20 estimate
Total energy consumption	Megajoules	Megajoules	Megajoules
LPG	0	N/A	N/A
Electric	0	N/A	N/A
Hybrid	277,982	N/A	N/A
Unleaded petrol	1,754,301	N/A	N/A
Diesel	275,405	N/A	N/A
State government vehicle pool	3,751,398	N/A	N/A
Total	6,059,086	N/A	N/A

Description	2021–22 estimate	2020–21 estimate	2019–20 estimate
Total vehicle travel	Kilometres	Kilometres	Kilometres
LPG	0	N/A	N/A
Electric	17,309	N/A	N/A
Hybrid	242,086	N/A	N/A
Unleaded petrol	610,798	N/A	N/A
Diesel	100,628	N/A	N/A
State government vehicle pool	746,583	N/A	N/A
Total	1,717,404	N/A	N/A

Description	2021–22 estimate	2020–21 estimate	2019–20 estimate
Total greenhouse gas emissions	Tonnes CO₂-e	Tonnes CO₂-e	Tonnes CO₂-e
LPG	0	N/A	N/A
Electric	0	N/A	N/A
Hybrid	20	N/A	N/A
Unleaded petrol	124	N/A	N/A
Diesel	22	N/A	N/A
State government vehicle pool	264	N/A	N/A
Total	430	N/A	N/A

Description	2021–22 estimate	2020–21 estimate	2019–20 estimate
	Tonnes of CO ₂ -e per 1,000 kilometres	Tonnes of CO ₂ -e per 1,000 kilometres	Tonnes of CO ₂ -e per 1,000 kilometres
Greenhouse gas emissions efficiency			
LPG	N/A	N/A	N/A
Electric	0	0.012	N/A
Hybrid	0.008	0.138	0.114
Unleaded petrol	0.020	0.222	0.275
Diesel	0.022	0.25	0.281
State government vehicle pool	0.218	0.172	0.180
Total (Average)	0.054	0.158	0.213

Vehicle fleet data for 2021–22 reflects the department only. Previous years' data, which reflects the combined DFFH and department data, is available in the 2020–21 reports.

This data represents all operational and executive fleet vehicles owned by the department or leased through the state government vehicle pool. Energy use, distance travelled, and greenhouse gas emissions transport data is based on a 1 April to 31 March fringe benefit year. Data for 2021–22 only reflects the department's performance.

Public health services

Hospital emergency transport	2021–22 estimate	2021–22 estimate	2020–21 estimate	2020–21 estimate	2019–20 estimate	2019–20 estimate
Total fuel usage segmented by primary source	Fuel volume (kilolitres)	Emissions (tonnes CO ₂ -e)	Fuel volume (kilolitres)	Emissions (tonnes CO ₂ -e)	Fuel volume (kilolitres)	Emissions (tonnes CO ₂ -e)
Gasoline – road vehicles	672	1,555	665	1,539	530	1,226
Diesel – road vehicles	4,260	11,578	4,113	11,177	4,047	11,015
LPG – road vehicles	0	0	0	0	0	0
Aviation fuel	4,347	11,231	4,547	11,749	4,162	10,753
Total	9,279	24,364	9,325	24,465	8,739	22,994

Data includes road ambulance, air ambulance, emergency support and administrative vehicles and non-emergency patient transport managed by Ambulance Victoria.

Health service vehicle fleet	2021–22 estimate	2021–22 estimate	2020–21 estimate	2020–21 estimate	2019–20 estimate	2019–20 estimate
Total fuel usage segmented by primary source	Fuel volume (kilolitres)	Emissions (tonnes CO ₂ -e)	Fuel volume (kilolitres)	Emissions (tonnes CO ₂ -e)	Fuel volume (kilolitres)	Emissions (tonnes CO ₂ -e)
Gasoline – road vehicles	1,545	3,574	1,704	3,941	1,822	4,214
E10 ethanol blend – road vehicles	21	0	17	0	12	0
Diesel – road vehicles	412	1,121	494	1,342	454	1,236
LPG – road vehicles	4	6	4	7	2	3
Total	1,982	4,701	2,219	5,290	2,290	5,453

Data includes corporate fleet vehicles managed by Mercy Public Hospitals Inc, St Vincent's Hospital Melbourne Pty Ltd, and public hospitals and health services on the VicFleet vehicle fleet contract. Some public hospitals and health services have not transitioned to the VicFleet contract and are excluded from this data.

Air travel

Description	2021–22 actual	2020–21 actual	2019–20 actual
Total distance travelled (kilometres)	172,258	N/A	N/A
Base fare cost (\$ million)	\$0.07	N/A	N/A
Greenhouse gas emissions (tonnes of CO ₂ -e)	31	N/A	N/A

Air travel data for 2021–22 reflects the department only. Previous years' data, which reflects the combined DFFH and department data, is available in the 2020–21 reports.

Air travel data represents all operational and office-based FTE. Base fare cost excludes GST and is not available for 2020–21.

Commuter travel

Percentage of employees regularly using sustainable travel (public transport, cycling, walking, car-pooling or working from home) to commute

	2021–22 estimate	2020–21 estimate	2019–20 estimate
Central business district	N/A	N/A	N/A
Metropolitan	N/A	N/A	N/A
Regional/rural	N/A	N/A	N/A
Total	N/A	N/A	N/A

Sustainable transport data is obtained from the department's annual staff travel survey. Due to the impact of COVID-19, no survey was undertaken in the last three financial years. Previous results exclude responses from surveyed staff who 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 within departmental operations

Percentage of expenditure incorporating environmental considerations	2021–22 actual	2020–21 actual	2019–20 actual
Furniture	1%	43%	38%
Kitchen	24%	13%	20%
Facilities solutions	21%	10%	10%
Office products	24%	23%	11%
Total expenditure	12%	25%	16%

Office products and stationery data is obtained from the department's state purchase contract. Environmental consideration is based on the supplier's 'planet friendly category' criteria for procured products.

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, and writing instruments.

Paper use within departmental operations

Description	2021–22 actual	2020–21 actual	2019–20 actual
Total units of paper used – A4 equivalent (reams)	2465	N/A	N/A
Units of paper used per FTE (reams/FTE)	1.18	1.97	7.9
Greenhouse gas emissions associated with paper use (tonnes of CO ₂ -e)	8	N/A	N/A
Total cost of paper used (\$ million)	\$0.01	N/A	N/A

Percentage recycled content copy paper purchased	2021–22 actual	2020–21 actual	2019–20 actual
75–100 per cent recycled	49%	99%	98%
50–74 per cent recycled	0%	0%	0%
0–49 per cent recycled	51%	1%	2%
Certified fibre sourcing	100%	100%	100%

Office-based data for 2021–22 reflects the department only. Previous years' data, which reflects the combined DFFH and department data, is available in the 2020–21 reports.

Paper usage data provided by whole of Victorian Government supplier COS. Data represents all operational and office-based FTE. Total cost of paper used excludes GST.

Paper use within public health services

Description	2021–22 estimate	2020–21 estimate	2019–20 estimate
Total units of paper used – A4 equivalent (reams)	477,537	499,187	529,169
Units of paper used per FTE (reams/FTE)	4.8	5.4	5.9
Total cost of paper used (\$ million)	\$1.84	\$1.88	\$2.07

Percentage recycled content copy paper purchased	2021–22 estimate	2020–21 estimate	2019–20 estimate
75–100 per cent recycled	4%	2%	5%
50–74 per cent recycled	1%	1%	1%
0–49 per cent recycled	95%	97%	94%
Certified fibre sourcing ^(a)	100%	100%	100%

Public health services are GST-exempt organisations. Reported cost data for public health services is exclusive of GST.

Paper data is sourced from the statewide stationery contract managed by HealthShare Victoria and apportioned by FTE to those health services that do not procure office paper through this contract. FTE is the full-time equivalent staff employed by a public health service as of 30 June for the financial year.

(a) Certified fibre sourcing means that the supplier and/or manufacturer has asserted that the fibre sourced for the paper meets either an international forestry management standard or 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.

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	2021–22 estimate	2020–21 estimate	2019–20 estimate
Total units of national pollutant inventory substances emitted	Emissions (kilograms)	Emissions (kilograms)	Emissions (kilograms)
Carbon monoxide	N/A	61,215	62,875
Oxides of nitrogen	N/A	77,675	76,634
Particulate matter (2.5 µm and 10 µm) ^(a)	N/A	5,615	5,413
Total volatile organic compounds	N/A	4,412	4,387
Sulphur dioxide	N/A	788	766
Other substances ^(b)	N/A	2.7	2.6

2020–21 is the most recent data available from the NPI at the date of this report.

(a) 2.5 µm is included in the 10 µm reported particulate matter (for further information on methodology refer to <<https://www.npi.gov.au/resource/national-pollutant-inventory-guide>>).

(b) Other substances include arsenic and compounds, beryllium and compounds, cadmium and compounds, chromium (III) compounds, cobalt and compounds, copper and compounds, lead and compounds, manganese and compounds, mercury and compounds, nickel and compounds, polycyclic aromatic hydrocarbon (toxic equivalency), polychlorinated dioxins and furans (B[a]P_{eq}), selenium and compounds, sulfur dioxide, total volatile organic compounds, zinc and compounds.

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Declaration in the financial statements

The attached financial statements for the Department of Health (the department) have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer 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, Cash Flow Statement, Statement of Changes in Equity and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2022 and financial position of the department at 30 June 2022.

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

We authorise the attached financial statements for issue on 1 September 2022.



Euan Wallace
Secretary
Department of Health

Melbourne
1 September 2022



Beth Gubbins
Acting Chief Finance Officer
Department of Health

Melbourne
1 September 2022

Independent auditor's report



Independent Auditor's Report

To the Secretary of the Department of Health

Opinion	<p>I have audited the financial report of the Department of Health (the department) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2022 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • declaration in the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the department as at 30 June 2022 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>
Basis for opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards 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 Victoria. 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>
The Secretary's responsibilities for the financial report	<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, disclosing, as applicable, matters related to 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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
7 September 2022



Andrew Greaves
Auditor-General

Comprehensive operating statement for the financial year ended 30 June 2022

	Note	2022 \$M	2021 ⁽ⁱ⁾ \$M
Revenue and income from transactions			
Output appropriations	2.3	15,909.9	21,551.4
Special appropriations	2.3	1,888.9	1,098.9
Interest income	2.4.1	–	2.5
Rental income and income from services	2.4.2	–	477.5
Grants	2.4.3	3,893.0	2,549.2
Fair value of assets and services received free of charge or for nominal consideration	2.4.4	29.7	0.6
Other income	2.4.5	91.5	18.3
Total revenue and income from transactions		21,813.1	25,698.4
Expenses from transactions			
Employee benefits	3.1.1(a)	788.7	1,500.3
Depreciation and amortisation	5.1.1	38.5	345.1
Interest expense	7.1.2	14.4	4.0
Maintenance		0.7	239.6
Grants and other expense transfers	3.1.2	18,031.5	19,720.7
Capital asset charge ⁽ⁱⁱ⁾	3.1.3	–	1,427.7
Fair value of assets and services provided free of charge or for nominal consideration	3.1.4	683.4	297.2
Other operating expenses	3.1.5	1,537.1	1,361.5
Other property management expenses	3.1.6	–	274.6
Total expenses from transactions		21,094.3	25,170.7
Net result from transactions (net operating balance)		718.8	527.7
Other economic flows included in net result			
Net gain/(loss) on non-financial assets ⁽ⁱⁱⁱ⁾	9.2(a)	0.3	(2.9)
Net gain/(loss) on financial instruments ^(iv)	9.2(b)	(0.2)	1.6
Other gains/(losses) from other economic flows	9.2(c)	2.9	(12.3)
Total other economic flows included in net result		3.0	(13.6)
Net result		721.8	513.9
Other economic flows – other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	9.4	85.6	4,439.1
Remeasurement of superannuation defined benefit plans	3.1.1(b)	–	(1.5)
Total other economic flows – other comprehensive income		85.6	4,437.6
Comprehensive result		807.4	4,951.5

The comprehensive operating statement should be read in conjunction with the notes to the financial statements.

This format is aligned to AASB 1049 *Whole of Government and General Sector Financial Reporting*.

Notes:

- (i) 2021 numbers include the transactions for the year ended 30 June 2021 of the Department of Families, Fairness and Housing (DFFH), the Victorian Disability Worker Commission and the Director of Housing. The transactions which relate to these entities are reported in the DFFH's 2021–22 financial statements. Refer to Note 1 for details.
- (ii) Capital asset charge policy was discontinued in 2021–22. Refer to Note 3.1.3.
- (iii) '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.
- (iv) '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.

Balance sheet as at 30 June 2022

	Note	2022 \$M	2021 ⁽ⁱ⁾ \$M
Assets			
Financial assets			
Cash and deposits	7.3	106.3	913.9
Receivables	6.1	4,416.2	4,654.2
Loans	6.2	75.2	118.8
Total financial assets		4,597.7	5,686.9
Non-financial assets			
Inventories	6.6	1,020.2	638.4
Non-financial physical assets classified as held for sale	9.3	0.1	5.0
Property, plant and equipment	5.1	1,758.1	33,764.5
Intangible assets	5.2	35.5	175.9
Other non-financial assets	6.3	143.1	162.9
Total non-financial assets		2,957.0	34,746.7
Total assets		7,554.8	40,433.6
Liabilities			
Financial liabilities			
Payables	6.4	1,895.7	2,130.1
Borrowings	7.1	576.5	370.6
Employee-related provisions	3.1.1(b)	150.2	412.6
Other provisions	6.5	61.1	241.8
Total financial liabilities		2,683.5	3,155.1
Non-financial liabilities			
Other non-financial liabilities	6.7	8.1	2.6
Total non-financial liabilities		8.1	2.6
Total liabilities		2,691.6	3,157.7
Net assets		4,863.2	37,275.9
Equity			
Accumulated surplus/(deficit)		4,269.8	3,714.0
Physical asset revaluation surplus	9.4	497.2	4,877.9
Contributed capital		96.2	28,684.1
Net worth		4,863.2	37,275.9

The balance sheet should be read in conjunction with the notes to the financial statements.

Note:

- (i) 2021 numbers include the 30 June 2021 closing balances of the DFFH, the Victorian Disability Worker Commission and the Director of Housing. The transactions which relate to these entities are reported in the DFFH's 2021–22 financial statements.

Cash flow statement for the financial year ended 30 June 2022

	Note	2022 \$M	2021 ⁽ⁱ⁾ \$M
Cash flows from operating activities			
Receipts			
Output appropriations		16,145.8	21,503.2
Special appropriations		1,888.9	1,098.9
Funds from other authorities		3,124.1	2,673.6
Rent received		–	476.0
User charges received – rental properties		–	4.5
Interest received		–	2.6
Other receipts		93.5	19.2
GST recovered from Australian Taxation Office ⁽ⁱⁱ⁾		599.8	733.3
Total receipts		21,852.1	26,511.4
Payments			
Grants and other expense transfers		(18,303.5)	(20,111.6)
Employee benefits		(727.7)	(1,441.9)
Supplies and services		(2,745.6)	(2,028.0)
Interest and other costs of finance paid		(14.4)	(5.9)
Capital asset charge payments ⁽ⁱⁱⁱ⁾		–	(1,427.7)
Maintenance		(0.8)	(237.4)
Other property management expenses		–	(269.4)
Total payments		(21,792.0)	(25,521.8)
Net cash flows from/(used in) operating activities	7.3.1	60.1	989.6
Cash flows from investing activities			
Proceeds from the sale of non-financial assets		0.6	69.7
Client loans repaid		14.3	317.6
Payment for non-financial assets		(68.1)	(1,153.7)
Client loans granted		(3.4)	(47.1)
Net cash flows from/(used in) investing activities		(56.6)	(813.5)
Cash flows from financing activities			
Net receipts/(payments) for advances		(12.2)	(286.0)
Cash received/(paid) from activities transferred in/(out) – machinery of government changes		–	1.5
Owner contributions by Victorian Government – appropriation for capital expenditure purposes		11.3	427.5
Payments of capital contributions		(11.4)	(10.5)
Repayment of borrowings and principal portion of lease liability ^(iv)		(2.1)	7.7
Net cash flows from/(used in) financing activities		(14.3)	140.2
Net increase/(decrease) in cash and deposits		(10.9)	316.3
Cash and deposits at beginning of financial year		913.9	597.7
Removal of DFFH-related June 2021 closing balance ^(v)		(796.5)	–
Cash and deposits at the end of financial year	7.3	106.3	913.9

The cash flow statement should be read in conjunction with the notes to the financial statements.

Notes:

- (i) 2021 numbers include the 30 June 2021 closing balances of the DFFH, the Victorian Disability Worker Commission and the Director of Housing.
- (ii) Goods and services tax (GST) recovered from the Australian Taxation Office is presented on a net basis.
- (iii) Capital asset charge policy was discontinued in 2021–22. Refer to Note 3.1.3.
- (iv) The department has recognised cash payments for the principal portion of lease payments as financing activities, and cash payments for the interest portion as operating activities consistent with the presentation of interest payments and short-term lease payments for leases and low-value assets as operating activities.
- (v) Removes the 30 June 2021 closing balances of the DFFH, the Victorian Disability Worker Commission and the Director of Housing, which were included in the department's 2020–21 financial statements under s. 53(1)(b) of the *Financial Management Act (FMA)*. The transactions which relate to these entities are reported in the DFFH's 2021–22 financial statements.

Statement of changes in equity for the financial year ended 30 June 2022

	Note	Physical asset revaluation surplus \$M	Accumulated surplus/ (deficit) \$M	Contributed capital \$M	Total \$M
Balance at 1 July 2020		7,377.2	2,145.0	22,415.0	31,937.2
Prior period adjustments ⁽ⁱ⁾	9.4	–	55.7	–	55.7
Restated balance at 1 July 2020		7,377.2	2,200.7	22,415.0	31,992.9
Net result for the year		–	513.9	–	513.9
Remeasurement of superannuation defined benefit plans	3.1.1(b)	–	(1.5)	–	(1.5)
Transfer to contributed capital related to machinery of government	9.4	–	(5,937.6)	5,937.6	–
Transfer to accumulated surplus/(deficit) related to machinery of government	9.4	(6,938.4)	6,938.4	–	–
Changes in physical asset revaluation surplus	9.4	4,439.1	–	–	4,439.1
Administrative restructure – net assets received	4.3	–	–	1,289.3	1,289.3
Administrative restructure – net assets transferred	4.3	–	–	(1,285.2)	(1,285.2)
Capital contributions by Victorian State Government		–	–	427.5	427.5
Capital contributions to agencies		–	–	(9.6)	(9.6)
Capital transferred to administered entity		–	–	(90.4)	(90.4)
Balance at 30 June 2021 ⁽ⁱⁱ⁾		4,877.9	3,714.0	28,684.1	37,275.9
Removal of DFFH-related June 2021 closing balance ⁽ⁱⁱⁱ⁾		(4,466.1)	(106.7)	(28,586.6)	(33,159.0)
Adjusted balance at 1 July 2021		411.8	3,607.3	97.5	4,116.9
Prior period adjustments ⁽ⁱ⁾	9.4	–	(59.3)	–	(59.3)
Restated balance at 1 July 2021		411.8	3,548.0	97.5	4,057.6
Net result for the year		–	721.8	–	721.8
Changes in physical asset revaluation surplus	9.4	85.6	–	–	85.6
Capital contributions by Victorian State Government		–	–	11.3	11.3
Capital contributions to agencies		–	–	(11.3)	(11.3)
Capital transferred to administered entity		–	–	(1.5)	(1.5)
Balance at 30 June 2022		497.2	4,269.8	96.2	4,863.2

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

Notes:

- (i) Includes the intangible assets write off due to a change in policy in relation to the accounting treatment of the upfront configuration and customisation costs incurred in implementing the Software-as-a-Service (SaaS) arrangements by applying the agenda decision issued by the International Financial Reporting Interpretations Committee (IFRIC).
- (ii) 2021 numbers include the 30 June 2021 closing balances of the DFFH, the Victorian Disability Worker Commission and the Director of Housing. The transactions which relate to these entities are reported in the DFFH's 2021–22 financial statements.
- (iii) Removes the 30 June 2021 closing balances of the DFFH, the Victorian Disability Worker Commission and the Director of Housing, which were included in the department's 2020–21 financial statements under s. 53(1)(b) of the FMA. The transactions which relate to these entities are reported in the DFFH's 2021–22 financial statements.

Notes to and forming part of the financial statements for the financial year ended 30 June 2022

1. About this report

The Department of Health (the department) is a government department of the State of Victoria, established pursuant to an order made by the Premier under the *Public Administration Act 2004*. It is an administrative agency acting on behalf of the Crown.

Its principal address is:

Department of Health
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 cover the department as an individual reporting entity and include all controlled activities of the department.

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.

Pursuant to a determination made by the Assistant Treasurer under s. 53(1)(b) of the FMA, the department's 2021–22 financial statements include only the Mental Health Tribunal.

In contrast, the department's 2020–21 financial statements included the financial information of the following entities under s. 53(1)(b) of the FMA. On 30 November 2020, the Victorian Government announced the establishment of two new departments effective from 1 February 2021. The Department of Health and Human Services was renamed the Department of Health. The functions of Child Protection, Prevention of Family Violence, Housing and Disability were transferred to form a new Department of Families, Fairness and Housing (DFFH). These entities are included in the department's 2021–22 financial statements as the 2021 comparatives. The exclusion of these entities (except Mental Health Tribunal) from the department's 2022 numbers has also been reflected in the output deliverables (refer to Note 4).

- Mental Health Tribunal (from 1 July 2014)
- Director of Housing (from 1 July 2006)
- Commission for Children and Young People (from 1 July 2015)
- Disability Worker Registration Board (from 1 June 2020)
- Victorian Disability Worker Commission (from 1 June 2020)
- Department of Families, Fairness and Housing (from 1 February 2021)
- Respect Victoria (from 1 February 2021)
- Victorian Multicultural Commission (from 1 February 2021)
- Victorian Veterans Council (from 1 February 2021).

All entities included in the department's financial statements under s. 53(1)(b) of the FMA are reported in aggregate and are not controlled by the department. In preparing financial statements for the department, all material transactions and balances between the entities are eliminated.

The department's dedicated COVID-19 Response division continued to successfully support the government's response to the pandemic by continuing to deliver a range of services, including policy and strategy advice, COVID-19 testing, wastewater surveillance and pathology, case contact and outbreak management, epidemiology data and intelligence, public engagement, and COVID-19 vaccinations. The state of emergency ended on 15 December 2021 and was not extended to manage the COVID-19 pandemic. The stand-alone COVID-19 Response division ceased on 30 June 2022.

Effective 1 July 2022, a new COVID-19 Program branch was created within the Public Health division to continue operations, coordination, and support functions to retain critical COVID-19 response capabilities, through the new network of Local Public Health Units and continue to support as well as build capacity and capability of the same through transferring most COVID-19 response operations previously provided by the COVID-19 Response division.

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, except for cash flow information, 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 contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Judgements, estimates and assumptions are required to be made about the 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. All relevant judgements are included in the applicable notes.

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 are disclosed in the notes under the heading 'Significant judgement'.

The financial statements have been prepared on a going-concern basis.

All amounts in the financial statements have been rounded to the nearest \$1,000,000 unless otherwise stated.

Where applicable, the comparative figures have been restated to align with the presentation in the current year.

Compliance information

These general purpose financial statements have been prepared in accordance with the FMA 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 on 1 September 2022.

2. Funding delivery of our services

Introduction

The department's overall objective is to develop and deliver policies, programs and services to help Victorians stay healthy and safe and to deliver a world-class healthcare system that leads to better health outcomes for all Victorians. To enable the department to fulfil its objective and provide outputs as described in section 4 'Disaggregated financial information by output', it receives income predominantly from the accrual-based parliamentary appropriations and also from the supply of services.

Structure

- 2.1 Summary of revenue and income that fund the delivery of our services
- 2.2 Appropriations
- 2.3 Summary of compliance with annual parliamentary and special appropriations
- 2.4 Revenue and income from transactions
 - 2.4.1 Interest income
 - 2.4.2 Rental income and income from services
 - 2.4.3 Grants
 - 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

Impact of COVID-19 on revenue and income

The department has received additional funding from the Victorian and Commonwealth Governments to meet COVID-19-related costs and to provide additional funding to the Victorian public health agencies (the health agencies) and other organisations to assist with their COVID-19 response.

2.1 Summary of revenue and income that fund the delivery of our services ⁽ⁱ⁾

	Note	2022 \$M	2021 \$M
Output appropriations ⁽ⁱⁱ⁾	2.2, 2.3	15,909.9	21,551.4
Special appropriations	2.2, 2.3	1,888.9	1,098.9
Interest income ⁽ⁱⁱⁱ⁾	2.4.1	–	2.5
Rental income and income from services ⁽ⁱⁱⁱ⁾	2.4.2	–	477.5
Grants and other income transfers	2.4.3	3,893.0	2,549.2
Fair value of assets and services received free of charge or for nominal consideration	2.4.4	29.7	0.6
Other income	2.4.5	91.5	18.3
Total revenue and income from transactions		21,813.1	25,698.4

Notes:

- (i) Includes COVID-19-related funding from the Victorian and Commonwealth Governments. Refer to Note 2.4.3.
- (ii) Includes the state contribution to the Victorian State Pool Account for the activity-based funding in scope of the National Health Reform Agreement (refer to Note 3.1.2).
- (iii) 2021 numbers relate to the transactions for the year ended 30 June 2021 of the Director of Housing. The transactions which relate to this entity are reported in the DFFH's 2021–22 financial statements.

Revenue and income that fund delivery of the department's services are accounted for consistently with the requirements of the relevant accounting standards in the following notes.

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 ss. 3.6.11, 4.4.11, 4.6.8, 5.4.6, and 6A.4.4(1) of the *Gambling Regulation Act 2003* and s. 114 of the *Casino Control Act 1991*, income related to the Hospitals and Charities Fund is recognised when the amounts appropriated for that purpose are due and payable by the department. The department also receives special appropriations to contribute to mental health services under the *Mental Health Act 2014* and for various purposes approved under s. 10 of the FMA.

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			FMA				Total parliamentary authority	Appropriations applied	Variance
	Annual appropriation	Advance from Treasurer	Section 3(2)	Section 29 (i)	Section 30 (ii)	Section 32	Section 35 advances			
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
2022										
Controlled										
Provision of outputs	11,670.9	4,235.3	–	389.5	51.1	65.8	–	16,412.5	15,909.9	502.6 (iii)
Additions to net assets	155.1	–	–	29.6	(51.1)	–	–	133.6	7.7	125.9 (iv)
Administered										
Payments made on behalf of the state	–	–	–	–	–	–	–	–	–	–
Total	11,826.0	4,235.3	–	419.0	–	65.8	–	16,546.1	15,917.7	628.5
2021										
Controlled										
Provision of outputs	19,377.1	1,606.4	–	979.3	28.8	44.9	–	22,036.5	21,551.4	485.1 (v)
Additions to net assets	613.2	2.0	–	19.8	(28.8)	–	–	606.2	424.6	181.6 (vi)
Administered										
Payments made on behalf of the state	66.8	–	–	–	–	–	–	66.8	66.8	–
Total	20,057.1	1,608.4	–	999.1	–	44.9	–	22,709.5	22,042.8	666.7

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 design and feasibility studies costs which will not be capitalised and result in output appropriation costs to the department.
- (iii) The provision of outputs variance of \$502.6 million comprises \$98.6 million relating to funding for services and projects that will be requested in 2022–23, and \$404.0 million relating to output appropriation authority not applied in 2021–22. The unapplied authority primarily reflects the lower depreciation equivalent as a funding source due to the lower than expected depreciation expense, savings applied and funding re-cashflowed to deliver outputs in 2022–23 and outyears.
- (iv) The additions to net assets variance of \$125.9 million comprises \$21.8 million relating to funding for capital projects that will be requested in 2022–23 and outyears, and \$104.1 million relating to appropriation authority not applied in 2021–22. The unapplied authority reflects utilisation of current year depreciation equivalent as a funding source instead of additions to net assets funding.
- (v) The provision of outputs variance of \$485.1 million comprises \$293.8 million relating to funding for services and projects that were requested in 2021–22 for delivery of these services and projects in that year, and \$191.3 million relating to output appropriation authority not applied in 2020–21. The unapplied authority primarily reflects the change in nature of expenditure from operating to capital that was funded by depreciation equivalent as a funding source and funding re-cashflowed to deliver outputs in 2021–22 and outyears.
- (vi) The additions to net assets variance of \$181.6 million comprises \$117.7 million relating to funding for capital projects that were requested in 2021–22 and outyears for delivery of these capital projects in those years, and \$63.9 million relating to appropriation authority not applied in 2020–21. The unapplied authority reflects utilisation of current year depreciation equivalent as a funding source instead of additions to net assets funding.

The following table discloses the details of compliance with special appropriations:

Authority	Purpose	Appropriation applied	
		2022 \$M	2021 \$M
Section 4.4.11 and 4.6.8 of the <i>Gambling Regulation Act 2003</i>	Contribution to the Hospitals and Charities Fund	175.0	152.2
Section 5.4.6 of the <i>Gambling Regulation Act 2003</i>	Contribution to the Hospitals and Charities Fund ⁽ⁱ⁾	601.9	464.5
Section 114 of the <i>Casino Control Act 1991</i>	Contribution to the Hospitals and Charities Fund	6.1	3.9
Section 3.6.11 of the <i>Gambling Regulation Act 2003</i>	Contribution to the Hospitals and Charities Fund	695.8	463.5
Section 6A.4.4(1) of the <i>Gambling Regulation Act 2003</i>	Contribution to the Hospitals and Charities Fund	4.4	3.2
<i>Mental Health Act 2014</i>	Contribution to mental health services funding	397.5	–
Section 10 of the FMA	Access to various Commonwealth grants – provision of outputs	8.2	11.7
Total special appropriations – Provision of outputs		1,888.9	1,098.9
Section 10 of the FMA	Access to various Commonwealth grants – additions to net assets	3.6	2.9
Total special appropriations – Additions to net assets		3.6	2.9
Total special appropriations		1,892.4	1,101.8

Note:

- (i) 2021 number includes the DFFH contribution to the Mental Health Fund for the year ended 30 June 2021. The transactions which relate to this entity are reported in the DFFH's 2021–22 financial statements.

2.4 Revenue and income from transactions

2.4.1 Interest income

	2022 \$M	2021 \$M
Interest from financial assets ⁽ⁱ⁾		
– Interest on short-term deposits	–	2.1
– Interest from loans	–	0.4
Total interest	–	2.5

Note:

- (i) 2021 numbers relate to the 30 June 2021 closing balances of the Victorian Disability Worker Commission and the Director of Housing. The transactions which relate to these entities are reported in the DFFH's 2021–22 financial statements.

Interest income includes interest received on bank, term deposits and other investments. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

2.4.2 Rental income and income from services

	2022 \$M	2021 \$M
Rental income raised	–	1,013.9
Rental rebates	–	(532.3)
Rental subsidies – welfare organisations	–	(10.6)
Shared Home Ownership Scheme – rent raised	–	1.9
Total net rent receivable	–	472.9
Total user charges – rental properties	–	4.6
Total rental income and income from services ⁽ⁱ⁾	–	477.5

Note:

- (i) 2021 numbers relate to the 30 June 2021 closing balances of the Director of Housing. The transactions which relate to this entity are reported in the DFFH's 2021–22 financial statements.

Rental income arising from tenancy operating agreements was recognised on a straight-line basis over the terms of the ongoing agreements. This was subject to annual review. Rental rebates or subsidies provided to tenants were recognised on a straight-line basis over the term of the agreements. These were subject to bi-annual review.

Operating leases – lessors

The department provided rental accommodation for a range of clients. These were public rental units that were owned and operated by the Director of Housing which had week-to-week tenancy agreements. These agreements were subject to the *Residential Tenancies Act 1997* provisions, which allowed termination of a lease under certain circumstances. Accordingly, the future revenue streams from the lease agreements were not required to be reported under AASB 16.97.

2.4.3 Grants

	2022 \$M	2021 \$M
Income recognised under AASB 1058	3,885.1	2,537.0
Revenue recognised under AASB 15	7.9	12.2
Total grants	3,893.0	2,549.2
Represented by:		
Victorian Government		
Department of Treasury and Finance	15.3	93.0
Department of Education and Training	131.4	141.0
Department of Families, Fairness and Housing	34.1	–
Department of Environment, Land, Water and Planning	14.4	43.7
Department of Justice and Community Safety	17.2	24.5
Department of Jobs, Precincts and Regions	4.9	43.4
Department of Premier and Cabinet	2.0	9.1
Department of Transport	–	(0.1)
Court Services Victoria ⁽ⁱ⁾	(1.6)	2.9
Global Victoria	–	8.5
Other public bodies	3.6	0.2
Commonwealth Government		
Victorian State Pool Account ⁽ⁱⁱ⁾	3,663.5	2,170.6
Other Australian jurisdictions		
Departments and agencies from other Australian jurisdictions	8.1	12.4
Total grants	3,893.0	2,549.2

Notes:

- (i) Negative balance due to credit memos issued in 2021–22 for invoices that were primarily issued in 2020–21.
(ii) Includes funding through the National Partnership on COVID-19 Response of \$2.0 billion in 2022 (2021: \$1.0 billion).

Significant judgement: Grants revenue and income

The department has made judgement on the recognition of grants revenue and income as income of not-for-profit entities where they do not contain sufficiently specific performance obligations. Revenue from grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers is recognised when the department satisfies the performance obligation by providing the relevant services to the agencies. Income from grants to construct the capital assets that are controlled by the department is recognised progressively as the asset is constructed. The progressive percentage costs incurred are used to recognise income because these most closely reflect the progress to completion as costs are incurred as the works are done.

Grants recognised under AASB 1058 *Income of Not-for-Profit Entities*

The department has determined that the grant income included in the table above under AASB 1058 has been earned under arrangements that are either not enforceable and/or linked to sufficiently specific performance obligations.

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

- (a) contributions by owners, in accordance with AASB 1004 *Contributions*
- (b) revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15 *Revenue from Contracts with Customers*
- (c) a lease liability, in accordance with AASB 16 *Leases*
- (d) a financial instrument, in accordance with AASB 9 *Financial Instruments*, or
- (e) a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Grants recognised under AASB 15 *Revenue from Contracts with Customers*

Revenue from grants that are enforceable and with sufficiently specific performance obligations is accounted for as revenue from contracts with customers under AASB 15. Revenue is recognised when the department satisfies the performance obligation by providing the relevant services to the relevant organisations. This is recognised based on the consideration specified in the funding agreement and to the extent that it is highly probable a significant reversal of the revenue will not occur. The funding payments are normally received in advance or shortly after the relevant obligation is satisfied.

2.4.4 Fair value of assets and services received free of charge or for nominal consideration

	2022 \$M	2021 \$M
Plant and equipment received at fair value	0.3	0.3
Other assets received free of charge	1.5	–
Resources received free of charge ⁽ⁱ⁾	27.9	0.3
Total fair value of assets and services received free of charge or for nominal consideration	29.7	0.6

Note:

- (i) Received \$27.9 million for the rapid antigen test (RAT) kits from the Victorian Government as part of COVID-19 State Supply Arrangement.

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.

Voluntary services: 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. The department did not receive any voluntary services and does not use volunteers to deliver its services.

2.4.5 Other income

	2022 \$M	2021 \$M
State trust accounts ⁽ⁱ⁾	93.1	14.5
Other miscellaneous income ⁽ⁱⁱ⁾	(1.5)	3.8
Total other income	91.5	18.3

Notes:

(i) Includes the reimbursement of shared services provided to the DFFH.

(ii) Negative balance relates to the discount interest on loans and advances to health agencies.

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.

2.5 Annotated income agreements

The department is permitted under s. 29 of the FMA to have certain income annotated to the annual appropriation. The income which forms part of a s. 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, s. 29 provides for an equivalent amount to be added to the annual appropriation.

The following is a listing of annotated income agreements under s. 29 of the FMA approved by the Treasurer:

	2022 \$M	2021 \$M
User charges, or sales of goods and services		
Albury Wodonga Health (Capital)	1.6	1.6
Albury Wodonga Health (Output)	122.9	118.0
Community Residential Units Accommodation charges including full Board and Lodging Model (Output) ⁽ⁱ⁾	–	8.5
Department of Veteran Affairs Hospital Services (Output)	65.0	63.5
Health Technology Services (Output)	4.9	7.7
Revenue for Services Provided for the National Disability Insurance Agency (Output) ⁽ⁱ⁾	–	6.4
Seniors Card Directory Advertising (Output) ⁽ⁱ⁾	–	0.3
Transport Accident Commission Agreement (Output)	82.7	174.2
	277.1	380.2
Asset sales		
Proceeds from sale of land and buildings (Capital)	–	1.2
	–	1.2
Commonwealth specific purpose payments		
National Partnership Agreements		
Adult Public Dental Services (Output)	9.9	26.9
COVID-19 Domestic and Family Violence Response (Output) ⁽ⁱ⁾	–	24.3
Community Health and Hospitals Program – Victorian Children’s Colorectal Service (Output)	1.2	2.4
Community Health and Hospitals Program – Geelong Women’s and Children’s Hospital (Capital)	5.0	5.0
Community Health and Hospitals Program – Wodonga Hospital (Capital)	6.0	2.5
Community Health and Hospitals Program – Redevelopment of Rosebud Hospital (Capital)	–	5.0
Community Health and Hospitals Program – Expand Cancer Infrastructure in the West Gippsland Region (Capital)	–	4.5
Community Health and Hospitals Program – Paediatric Emergency Facilities (Capital)	7.0	–
Community Health and Hospitals Program – Aikenhead Centre for Medical Discovery (Output)	10.0	–
Community Health and Hospitals Program – Swan District Hospital (Capital)	10.0	–

	2022 \$M	2021 \$M
Essential Vaccines (Output)	4.0	3.9
Expansion of the BreastScreen Australia Program (Output)	–	3.9
Family Law Information Sharing (Output) ⁽ⁱ⁾	–	0.3
Health Services – National Bowel Cancer Screening Program (Output)	2.2	2.2
Health Services – OzFoodNet (Output)	0.3	0.3
Health Services – Vaccine-Preventable Diseases Surveillance Program (Output)	0.2	0.2
Health Services – Victorian Cytology Service (Output)	–	10.6
National Housing and Homelessness Agreement (Output) ⁽ⁱⁱ⁾	–	413.1
Lymphoedema Compression Garment Scheme (Output)	0.5	1.0
Comprehensive Palliative Care (Output)	5.3	–
Specialist Dementia Care Program (Output)	0.8	0.7
Other		
Aged Care Assessment (Output)	32.4	31.9
Rural Junior Doctor Training Innovation Fund (Output)	0.7	–
National Rural Generalist Pathway (Output)	1.4	0.7
Regional Assessment Services (Output)	35.9	34.8
Human Quarantine Services (Output)	0.1	0.1
Mental Health Professional Online Development	–	0.2
National Reform Agenda for Organ and Tissue Donation (Output)	9.2	7.8
Continuity of Support Services for Clients Over 65 (Output) ⁽ⁱ⁾	–	33.3
Unattached Refugee Children (Output) ⁽ⁱ⁾	–	0.8
Women’s Safety Measures – Keeping Women Safe in Their Homes (Output) ⁽ⁱ⁾	–	0.9
Women’s Safety Measures – Local Support Coordinator (Output) ⁽ⁱ⁾	–	0.2
	141.9	617.7
Total annotated income agreements	419.0	999.1

Notes:

- (i) 2021 numbers relate to the transactions for the year ended 30 June 2021 of the DFFH. The transactions which relate to this entity are reported in the DFFH’s 2021–22 financial statements.
- (ii) 2021 number relate to the transactions for the year ended 30 June 2021 of the Director of Housing. The transactions which relate to this entity are reported in the DFFH’s 2021–22 financial statements.

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 'Funding delivery of our services', the funds that enable the provision of services were disclosed and in this note the costs associated with the provision of services are recorded. Section 4 'Disaggregated financial information by output' 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

Impact of COVID-19 on expenses

The department has provided additional funding to the health agencies and other organisations to assist with the COVID-19 response, allocated additional resources to attend to COVID-19 public queries and contact tracing and also implemented work from home arrangements where appropriate.

3.1 Expenses incurred in the delivery of services

	Note	2022 \$M	2021 \$M
Employee benefits	3.1.1(a)	788.7	1,500.3
Grants and other expense transfers ⁽ⁱ⁾	3.1.2	18,031.5	19,720.7
Capital asset charge ⁽ⁱⁱ⁾	3.1.3	–	1,427.7
Maintenance ⁽ⁱⁱⁱ⁾		0.7	239.6
Fair value of assets and services provided free of charge or for nominal consideration	3.1.4	683.4	297.2
Other operating expenses	3.1.5	1,537.1	1,361.5
Other property management expenses ⁽ⁱⁱⁱ⁾	3.1.6	–	274.6
Total expenses incurred in delivery of services		21,041.4	24,821.6

Notes:

- (i) The department provided additional grants and other expense transfers in 2022 in response to the COVID-19 pandemic. This is partially offset by the reduction in grants and other expense transfers due to the exclusion of DFFH-related numbers following the machinery of government changes in 2020–21.
- (ii) Capital asset charge policy was discontinued in 2021–22. Refer to Note 3.1.3.
- (iii) 2021 numbers relate to the transactions for the year ended 30 June 2021 of the DFFH, the Victorian Disability Worker Commission and the Director of Housing. The transactions which relate to these entities are reported in the DFFH's 2021–22 financial statements.

3.1.1 Employee benefits

3.1.1(a) Employee benefits in the comprehensive operating statement

	2022 \$M	2021 \$M
Defined contribution superannuation expense	51.4	93.0
Defined benefit superannuation expense	1.8	6.5
Termination benefits	22.4	23.7
Salaries and wages, annual leave and long service leave	713.1	1,377.1
Total employee benefits	788.7	1,500.3

Employee benefits include all costs related to employment, including salaries and wages, leave entitlements, fringe benefits tax, termination benefits, payroll tax 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. 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.

3.1.1(b) Employee benefits in the balance sheet

Provision is made for benefits accruing to employees in respect of 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.

	2022 \$M	2021 \$M
Current provisions		
Annual leave		
Unconditional and expected to be settled within 12 months	39.5	84.9
Unconditional and expected to be settled after 12 months	17.8	42.4
Maternity leave		
Unconditional and expected to be settled within 12 months	5.0	11.1
Long service leave		
Unconditional and expected to be settled within 12 months	5.4	16.6
Unconditional and expected to be settled after 12 months	47.8	147.4
Superannuation		
Unconditional and expected to be settled within 12 months	–	2.5
Provisions for on-costs		
Unconditional and expected to be settled within 12 months	7.4	15.7
Unconditional and expected to be settled after 12 months	11.2	30.4
Total current provisions for employee benefits	134.1	351.0
Non-current provisions		
Conditional long service leave entitlements	13.8	28.2
Superannuation	–	28.9
Provisions for on-costs	2.4	4.5
Total non-current provisions for employee benefits	16.2	61.6
Total provisions for employee benefits	150.2	412.6

Reconciliation of movement in on-cost provision

	2022 \$M
Opening balance	50.6
Removal of DFFH-related June 2021 closing balance ⁽ⁱ⁾	(34.0)
Additional provisions recognised	7.5
Reductions arising from payments/other sacrifices of future economic benefits	(2.5)
Unwind of discount and effect of changes in the discount rate	(0.7)
Closing balance	20.9
Current	18.6
Non-current	2.4

Note:

- (i) Removes the 30 June 2021 closing balances of the DFFH, the Victorian Disability Worker Commission and the Director of Housing, which were included in the department's 2020–21 financial statements under s. 53(1)(b) of the FMA. The transactions which relate to these entities are reported in the DFFH's 2021–22 financial statements.

Annual leave and sick leave: Liabilities for annual leave and on-costs are recognised as part of the provisions for employee benefits as ‘current liabilities’ because the department does not have an unconditional right to defer settlements of these liabilities.

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 comprehensive operating statement 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 where the department does not expect to wholly settle within 12 months. The components of current LSL liability are measured at nominal value where the department expects to 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.

Provisions for superannuation – Defined benefit obligation

The 2021 numbers represent the liability reported by the Director of Housing 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 represented the shortfall between the total net assets of the superannuation fund at 30 June 2021 and the total benefits that members had accrued up to that date, determined by an actuarial assessment. Information relating to the fund based on the latest actuarial assessment for 30 June 2021 is set out below. The amount expensed in respect of unfunded superannuation represented the contributions made by the department to the superannuation fund, adjusted by the movement in the liability or asset.

The department had no defined benefit superannuation liability in 2022 following the transfer of Director of Housing to the DFFH as part of the machinery of government changes effective 1 February 2021. Refer to Note 3.1.1(a).

	2022 \$M	2021 \$M
Reconciliation of the superannuation liability in the balance sheet		
Defined benefit obligation	–	31.4
Net liability/(asset)	–	31.4
Total obligation and liability in the balance sheet	–	31.4
Represented by:		
Current liability	–	2.5
Non-current liability	–	28.9
Total liability	–	31.4
Principal actuarial assumptions		
Discount rate	–	2.0%
Expected return on plan assets	–	6.8%
Expected rate of salary increase	–	3.4%
Inflation	–	1.9%

The expected return on assets assumption was 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 were 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 obligation in the current period were as follows:

	2022 \$M	2021 \$M
Opening balance of defined benefit obligation	31.4	32.2
Removal of DFFH-related June 2021 closing balance ⁽ⁱ⁾	(31.4)	–
Interest cost	–	0.3
Actuarial losses/(gains)	–	1.5
Benefits paid	–	(2.6)
Closing balance of defined benefit obligation	–	31.4

Note:

- (i) Removes the 30 June 2021 closing balances of the DFFH, the Victorian Disability Worker Commission and the Director of Housing, which were included in the department's 2020–21 financial statements under s. 53(1)(b) of the FMA. The transactions which relate to these entities are reported in the DFFH's 2021–22 financial statements.

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:

	2022 \$M	2021 \$M
Contributions from the employer	–	2.6
Benefits paid	–	(2.6)
Closing balance of plan assets	–	–

Superannuation expense recognised in the comprehensive operating statement

	2022 \$M	2021 \$M
Interest cost	–	0.3
Actuarial losses/(gains)	–	1.5
Total expense recognised in respect of defined benefit plans	–	1.8

Net actuarial gains or losses reflected the change in superannuation liability that arose 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 was also included. Net actuarial gains or losses were recognised in the period in which they occurred.

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 in Note 3.1.1(a), 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	
	2022 \$M	2021 ⁽ⁱ⁾ \$M	2022 \$M	2021 ⁽ⁱ⁾ \$M
Defined benefit plans				
State superannuation fund	1.8	6.5	–	0.2
Defined contribution plans				
VicSuper	19.6	52.3	5.4	2.9
Other	26.4	37.7	–	–
Total	47.8	96.5	5.4	3.1

Note:

- (i) 2021 numbers include the transactions for the year ended 30 June 2021 of the DFFH, the Victorian Disability Worker Commission and the Director of Housing. The transactions which relate to these entities are reported in the DFFH's 2021–22 financial statements.

3.1.2 Grants and other expense transfers

	2022 \$M	2021 \$M
State contributions to the Victorian State Pool Account ⁽ⁱ⁾	7,628.0	5,628.4
Public health services and hospitals ⁽ⁱⁱ⁾		
Monash Health	935.4	785.7
Melbourne Health	492.9	519.3
Alfred Health	462.2	432.8
Barwon Health	422.4	260.2
Eastern Health	379.9	328.2
Austin Health	355.7	350.8
Western Health	351.7	324.7
Peter MacCallum Cancer Centre	262.4	316.9
Dental Health Services Victoria	254.8	250.7
The Royal Children's Hospital	253.2	281.8
Northern Health	250.1	219.8
Peninsula Health	234.2	214.1
Bendigo Health	225.4	211.8
Albury Wodonga Health	196.1	176.6
Grampians Health	178.7	–
Goulburn Valley Health	121.5	113.7
Latrobe Regional Hospital	121.0	78.4
Bass Coast Health	92.6	41.7
The Royal Women's Hospital	80.4	77.8
South West Healthcare	63.1	49.1
Mildura Base Public Hospital	58.2	37.6
Ballarat Health Services	40.8	143.9
Central Highlands Rural Health	36.9	33.3
NCN Health	34.4	30.6
Other public hospitals with payments totalling less than \$30 million	708.6	745.0
	14,240.7	11,652.9
Denominational hospitals ⁽ⁱⁱⁱ⁾		
St Vincent's Hospital (Melbourne) Limited	241.5	223.8
Mercy Hospitals Victoria Limited	115.0	105.3
Other denominational hospitals with payments totalling less than \$30 million	2.9	3.6
	359.4	332.7
Ambulance services		
Ambulance Victoria	1,162.8	939.6
	1,162.8	939.6
Other state government agencies		
Victorian Institute of Forensic Mental Health	107.7	86.0
Department of Families, Fairness and Housing	57.8	–
Health Purchasing Victoria	45.9	37.3
Victorian Health Promotion Foundation	42.6	41.3
Other state government agencies with payments totalling less than \$30 million	49.2	74.5
	303.2	239.1
Local councils		
Casey City Council	11.0	10.8
Wyndham City Council	8.2	8.2
Hume City Council	6.8	6.5
Whittlesea City Council	6.3	6.3
City of Greater Geelong	6.0	6.9
City of Greater Dandenong	5.7	7.2
Other local councils with payments totalling less than \$5 million	108.5	133.5
	152.4	179.4

	2022 \$M	2021 \$M
Commonwealth Government		
National Blood Authority	98.0	117.0
Other Commonwealth Government with payments totalling less than \$30 million	5.1	(0.7)
	103.1	116.3
Non-government agencies and individuals		
Epworth Healthcare	112.5	106.7
IPC Health	77.3	45.2
Cabrini Health Ltd	63.3	44.6
St John of God Health Care	63.4	25.0
BreastScreen Victoria Inc	56.4	53.4
Healthscope	47.7	13.0
Ramsay Health Care	55.1	32.3
The University of Melbourne	48.5	37.6
Cohealth Ltd	45.4	65.9
Eastern Access Community Health Inc	41.9	42.6
St Vincent's Private Hospital	35.5	41.8
Wesley Mission Victoria	32.3	141.5
Other non-government agencies and individuals with payments totalling less than \$30 million	1,030.5	5,611.1
	1,709.8	6,260.7
Total grants and other expense transfers	18,031.5	19,720.7

Notes:

- (i) Represents the activity-based funding in scope of the National Health Reform Agreement from Victoria to the health agencies through the Victorian State Pool Account.
- (ii) As defined in schedules 1 and 5 of the *Health Services Act 1988*.
- (iii) As defined in schedule 2 of the *Health Services Act 1988*.

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 health agencies, public and denominational hospitals, other state government agencies, local councils and non-government agencies and individuals and the state contribution to the Victorian State Pool Account. The Victorian State Pool Account in the National Health Funding Pool is an administered trust established to record the activity-based funding contributions for Victoria by the Commonwealth and the state under the National Health Reform Agreement.

The state contributions to the Victorian State Pool Account represent activity-based funding in scope of the National Health Reform Agreement from Victoria to health agencies through the administered trust. The transactions of this administered trust are disclosed in Note 4.2.

Grants paid directly to health agencies and other entities by the department are disclosed in this Note by recipient. These payments include state contributions to the block-funded services under the National Health Reform Agreement and the National Partnership on COVID-19 Response and a range of other grant payments for services that are out of scope of the National Health Reform Agreement and the National Partnership on COVID-19 Response. This includes aged care subsidies, home and community care payments and community-based drug and alcohol services.

3.1.3 Capital asset charge

	2022 \$M	2021 \$M
Capital asset charge	–	1,427.7

A **capital asset charge (CAC)** was a charge levied on the budgeted written-down value of controlled non-current physical assets in a department's balance sheet. In previous years, CAC had been used to demonstrate the opportunity cost of utilising government assets.

It should be noted that the CAC policy was discontinued in 2021–22 and also reflected in the 2021–22 Budget. While the inclusion of CAC was previously reflected in output cost, it did not reflect a net distribution of funds to the department because the department was funded from the budget for its CAC expense, and the department always then immediately paid the same amount back into the consolidated fund.

3.1.4 Fair value of assets and services provided free of charge or for nominal consideration

	2022 \$M	2021 \$M
Land at fair value	–	1.6
Buildings at fair value	0.8	0.4
Resources provided free of charge ⁽ⁱ⁾	681.9	295.2
Other assets provided free of charge	0.7	–
Total fair value of assets and services provided free of charge or for nominal consideration	683.4	297.2

Note:

(i) Figures include transfers of personal protective equipment and rapid antigen test kits to health services, other departments and agencies under the State Supply Arrangement set up in response to the COVID-19 pandemic.

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 provided to 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.

Voluntary services: Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been sold if not donated.

3.1.5 Other operating expenses

	2022 \$M	2021 \$M
Accommodation and property services ⁽ⁱ⁾	126.7	129.5
Administrative costs ⁽ⁱⁱ⁾	1,145.3	843.5
Short-term lease expenses	0.1	13.4
Variable lease expenses	0.4	0.4
Information, communications and technology costs	242.6	298.9
Medicines and drugs / pharmacy supplies	8.0	10.2
Direct care operating costs	14.0	65.5
Total other operating expenses	1,537.1	1,361.5

Notes:

(i) Figures relate to office accommodation-related costs.

(ii) Higher administrative costs in 2022 are primarily due to COVID-19 costs to support vaccine immunisation, pathology, drive-through testing sites, legal and logistics.

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

The following lease payments are recognised on a straight-line basis:

- Short-term leases – leases with a term of 12 months or less
- Low-value leases – leases where the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

Variable lease payments that are not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate and which are not in-substance fixed), such as those based on performance or usage of the underlying asset, are recognised in the comprehensive operating statement (except for payments which have been included in the carrying amount of another asset) in the period in which the event or condition that triggers those payments occurs.

3.1.6 Other property management expenses

	2022 \$M	2021 \$M
Rates to local authorities	–	116.1
Tenant utilities and other expenses	–	158.5
Total other property management expenses	–	274.6

Other property management expenses generally include all costs and incidental expenses associated with the management of Director of Housing properties.

Director of Housing was transferred to the DFFH as part of the machinery of government changes effective 1 February 2021. Its numbers were included in the department's 2020–21 financial statements under s. 53(1)(b) of the FMA.

4. Disaggregated financial information by output

Introduction

The department 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 along with the objectives of those outputs.

This section disaggregates revenue and expenses that enable the delivery of services (described in section 2 'Funding delivery of our services') by output and records the allocation of expenses incurred (described in section 3 'The cost of delivering services') also by output, which form part of controlled balances of the department.

It also provides information on items administered in connection with these outputs.

Judgement is required in allocating income and expenditure to specific outputs. For the period under review there were no amounts unallocated.

The distinction between controlled and administered items is based on whether the department has the ability to deploy the resources in question for its own benefit (controlled items) or whether it does so on behalf of the state (administered). The department remains accountable for transactions involving administered items, but it does not recognise these items in its financial statements. The department has classified transactions and balances of the Victorian State Pool Account in the National Health Funding Pool as administered items because the department transacts these items on behalf of the state under the National Health Reform Agreement between the Commonwealth and the state.

Structure

- 4.1 Departmental outputs
 - 4.1.1 Departmental outputs – Descriptions and objectives
 - 4.1.2 Departmental outputs – Controlled income and expenses
 - 4.1.3 Departmental outputs – Controlled assets and liabilities
- 4.2 Administered items
 - 4.2.1 Administered income and expenses
 - 4.2.2 Administered assets and liabilities
 - 4.2.3 Administered grants and other expense transfers
- 4.3 Restructuring of administrative arrangements

4.1 Departmental outputs

4.1.1(a) Departmental outputs – Descriptions and objectives

Department of Health output (applicable from 2021–22)

Output groups in 2021 have been disaggregated into individual outputs in 2022 to better align with the standard output practice across government. Further details on the objectives of each output can be found in the *2021–22 State Budget Paper No. 3 – Service Delivery*.

Output 1: Admitted Services

Acute and sub-acute patient services (elective and non-elective) provided at Victorian metropolitan and rural public hospitals.

Output 2: Non-Admitted Services

Non-Admitted sub-acute services improve consumer access to services closer to home by providing models of integrated community care, which significantly reduces the demand for hospital beds and supports the transition from hospital to home in a safe and timely manner. The services improve health outcomes, particularly for older people and people with complex care needs.

Output 3: Emergency Services

This output relates to emergency presentations at reporting hospitals with emergency departments. It aims to provide high-quality, accessible health and community services, specifically in improving waiting times for emergency services.

Output 4: Acute Training and Development

Provision of grants to hospitals for the training and accreditation of health workers. These outputs aim to provide career opportunities and contribute towards a stable and accredited workforce in the health sector in Victoria.

Output 5: Residential Aged Care

This output includes delivery of services for older Victorians requiring ongoing care and support in a residential aged care setting.

Output 6: Aged Care Assessment

This output includes delivery of comprehensive assessment of older Victorians' requirements for treatment and residential aged care services.

Output 7: Aged Support Services

This output includes delivery of a range of community services that support older Victorians, such as eye care services, Personal Alert Victoria services, and pension-level Supported Residential Services.

Output 8: Home and Community Care Program for Younger People

This output includes delivery of a range of community-based nursing, allied health and support services enabling younger people to maintain their independence in the community. This includes Home and Community Care program for Younger People services.

Output 9: Ambulance Emergency Services

Emergency road, rotary and fixed air wing patient treatment and transport services provide timely and high-quality emergency ambulance services. Timely and high-quality emergency ambulance services contribute to high-quality, accessible health and community services for all Victorians.

Output 10: Ambulance Non-Emergency Services

Non-emergency road, rotary and fixed air wing patient treatment and transport services provide access to timely, high-quality non-emergency ambulance services. High-quality non-emergency ambulance services contribute to high-quality, accessible health and community services for all Victorians. The output supports departmental priorities through provision of patient transport officers to service non-emergency, pre- and post-hospital patients.

Output 11: Drug Prevention and Control

Encourages all Victorians to minimise the harmful effects of alcohol and other drugs by providing a comprehensive range of strategies which focus on enhanced community and professional education, targeted prevention and early intervention programs, community and residential treatment services, and the use of effective regulation.

Output 12: Drug Treatment and Rehabilitation

Assists the community and individuals to control and reduce the harmful effects of illicit and licit drugs, including alcohol, in Victoria through the provision of community-based non-residential and residential treatment services, education and training, and support services.

Output 13: Mental Health Clinical Care

This output provides a range of inpatient residential and community-based clinical services to people with mental illness and their families, so that those experiencing mental health problems can access timely, high-quality care and support to recover and live successfully in the community.

Output 14: Mental Health Community Support Services

A range of rehabilitation and support services provided to youth and adults with a psychiatric disability, and their families and carers, so that those experiencing mental health problems can access timely, high-quality care and support to recover and reintegrate into the community.

Output 15: Community Health Care

This output includes delivery of a range of community care and support services, including counselling, allied health and nursing, that enable people to continue to live independently in the community.

Output 16: Dental Services

This output includes delivery of a range of dental health services to support health and wellbeing in the community.

Output 17: Maternal and Child Health and Early Parenting Services

This output involves the provision of community-based maternal and child health services available to all families with children.

Output 18: Health Protection

Protects the health of Victorians through a range of prevention programs, including regulation, surveillance and the provision of statutory services.

Output 19: Health Advancement

Improves the general health and wellbeing of Victorians through the provision of community information and the fostering of healthy behaviours.

Output 20: Emergency Management

Training in emergency management preparedness, planning, response, relief and recovery.

Output 21: Small Rural Services – Acute Health

Admitted and non-admitted services delivered by small rural services, including elective and non-elective surgical and medical care, accident and emergency services, and maternity services.

Output 22: Small Rural Services – Aged Care

This output includes delivery of in-home, community-based and residential care services for older people, delivered in small rural towns.

Output 23: Small Rural Services – Home and Community Care Services

This output includes delivery of in-home, community-based care services for older people and younger people with disabilities delivered by small rural services.

Output 24: Small Rural Services – Primary Health

This output includes delivery of in-home, community-based and primary health services delivered by small rural services and designed to promote health and wellbeing and prevent the onset of more serious illness.

Output 25: Shared Services

Shared Services output reflects the range of corporate services that the department provides to other Victorian Government departments.

4.1.1(b) Departmental outputs – Descriptions and objectives**Department of Health output groups (applicable for 2020–21)****Output group 1: Acute Health Services**

The Acute Health Services output group included a range of timely and high-quality acute hospital inpatient, ambulatory, emergency, community-based and specialist services.

Output group 2: Ambulance Services

The Ambulance Services output included emergency and non-emergency ambulance services.

Output group 3: Mental Health

The Mental Health output group included the provision of a range of inpatient, community-based residential and ambulatory services which treated and supported people with a mental illness and their families and carers, identified mental illness early, and sought to reduce its impact through providing timely acute care services and appropriate longer-term accommodation and support for those living with a mental illness.

Output group 4: Ageing, Aged and Home Care

The Ageing, Aged and Home Care output group encompassed leading and coordinating the whole of government policy on issues affecting our ageing community. It included a range of in-home, specialist geriatric, residential care and community-based programs, such as Home and Community Care (HACC), that were targeted to older people, people with a disability, and their carers.

Output group 5: Primary, Community and Dental Health

The Primary, Community and Dental Health output group included a range of in-home, community-based (including maternal and child health services), 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

The Small Rural Services output group included a range of health and aged care services delivered in small rural towns. The funding and service delivery approach focused on achieving a sustainable, flexible service mix that is responsive to local needs. Service providers included small rural hospitals, community health services, bush nursing centres, multipurpose services and public sector residential aged care services.

Output group 7: Public Health

The Public Health output group encompassed services and support, including screening for health conditions and safety inspections that promoted and protected the health and wellbeing of all Victorians.

Output group 8: Drug Services

The Drug Services output group included 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.

Department of Families, Fairness and Housing output groups

Output group 9: Disability Services

The Disability Services output included provision of continuing care and support services for people with disabilities, their carers and their families, and aimed to make a positive difference for Victorians experiencing disadvantage and provide excellent community services to meet clients' needs.

Output group 10: Child Protection and Family Services

The Child Protection and Family Services output funded statutory child protection services, family support and early parenting services, family violence and sexual assault services, 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: Concessions to Pensioners and Beneficiaries

Concessions to Pensioners and Beneficiaries output included the development and coordination of the delivery of concessions and relief grants to eligible consumers and concession card holders.

This output provided reductions in the price of energy, water, and municipal rates to eligible consumers and concession card holders. It also provided trustee services for people on a low income or those who were subject to an order by the Victorian Civil and Administrative Tribunal, and other social and community services, including the provision of emergency relief for individuals or families who were experiencing immediate and personal distress due to a financial or domestic crisis.

Output group 12: Empowering Individuals and Communities

The Empowering Individuals and Communities output group comprised:

- The Community Participation output, which funded programs that supported community participation, including neighbourhood houses, Men's Sheds, community support projects and programs for people with disability.
- The Senior Programs and Participation output, which supported broader community planning processes to facilitate a community planning and response approach aimed at enabling older Victorians to fully participate and engage in the community.
- The Support to Veterans in Victoria output, which provided coordination of veteran-related issues at a state level, especially in relation to commemoration, education programs, grant programs, research and veteran welfare.
- The LGBTIQ+ Equality Policy and Programs output, which provided programs and services to promote equality for LGBTIQ+ Victorians and to support these communities' economic, social and civic participation.
- The Women's Policy output, which provided initiatives that support gender equality and better outcomes for women across all areas of their lives, including economic security, safety, leadership, health and wellbeing.
- The Primary Prevention of Family Violence output, which provided initiatives that support primary prevention of family violence and violence against women.
- The Youth output, which led and coordinated whole of government policy advice and delivered a range of initiatives for young people aged between 12 and 25 years to enable them to gain a range of skills and experience and to actively participate in their local communities.
- The Multicultural Affairs Policy and Program output, which provided policy advice on multicultural affairs and social cohesion in Victoria, including settlement coordination for newly arrived migrants and refugees, and delivered a range of programs to directly support Victoria's multicultural communities.

Output group 13: Family Violence Service Delivery

The Family Violence Service Delivery output group led and coordinated whole of government family violence policy, and implemented and delivered the government's family violence reform agenda. This included establishing and operating Support and Safety Hubs, implementing information-sharing legislation, and delivering risk assessment and management programs.

Output group 14: Housing Assistance

The Housing Assistance output (through 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) aimed to make a positive difference for Victorians experiencing disadvantage by providing excellent housing and community services to meet clients' needs. This output provided:

- housing assistance for low-income families, older people, singles, youth and other households. It responded to the needs of clients through the provision of appropriate accommodation, including short-term and long-term properties that assist in reducing and preventing homelessness, and
- housing support services to people who were homeless or at risk of homelessness, in short-term housing or crisis situations. Support would assist clients in accessing and maintaining tenancies in appropriate accommodation. Services provided would assist in the prevention and overall reduction of homelessness.

Output group 15: Shared Services

Shared Services output reflected a range of corporate services that the department provided to the Department of Education and Training. These costs were included across the outputs of the Department of Education and Training. This output group was shared between the Department of Health and the Department of Families, Fairness and Housing. Further details on the objectives of each output group can be found in the *2020–21 State Budget Paper No. 3 – Service Delivery*.

4.1.2 Departmental outputs – Controlled income and expenses

A. 2022 – Outputs 1–13

Year ended 30 June 2022 Output ⁽ⁱ⁾	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
Revenue and income from transactions													
Output appropriations	7,841.8	954.7	354.1	80.2	108.8	53.8	121.1	213.7	934.1	134.2	41.0	315.6	676.5
Special appropriations	1,207.2	72.5	34.6	0.2	8.6	4.3	7.4	–	41.7	7.8	0.5	6.1	420.0
Interest income	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental income and income from services	–	–	–	–	–	–	–	–	–	–	–	–	–
Grants	2,766.8	96.1	–	237.4	–	–	–	–	–	3.9	–	14.5	469.6
Fair value of assets and services received free of charge or for nominal consideration	1.8	–	–	–	–	–	–	–	–	–	–	–	–
Other income	15.6	–	–	0.2	–	–	1.1	–	–	–	–	–	2.2
Total revenue and income from transactions	11,833.2	1,123.4	388.7	318.0	117.4	58.1	129.6	213.7	975.8	145.9	41.5	336.1	1,568.2
Expenses from transactions													
Employee benefits	222.1	6.7	2.4	7.1	7.8	0.8	5.8	5.3	3.5	1.0	6.4	6.5	55.8
Depreciation and amortisation	16.4	–	–	–	0.7	–	0.2	–	–	–	0.1	3.4	9.1
Interest expense	14.4	–	–	–	–	–	–	–	–	–	–	–	–
Maintenance	0.5	–	–	–	–	–	–	–	–	–	–	–	0.2
Grants and other expense transfers	10,831.6	973.9	350.8	288.8	134.3	46.6	110.3	176.8	906.9	152.8	25.7	291.2	1,629.2
Capital asset charge	–	–	–	–	–	–	–	–	–	–	–	–	–
Fair value of assets and services provided free of charge or for nominal consideration	303.0	–	–	–	–	–	–	–	–	–	–	–	–
Other operating expenses	281.9	43.0	1.3	2.1	2.5	0.4	10.6	2.4	0.6	0.2	1.0	2.8	40.5
Other property management expenses	0.0	–	–	–	–	–	–	–	–	–	–	–	–
Total expenses from transactions	11,670.0	1,023.7	354.4	298.0	145.4	47.9	126.9	184.4	911.0	154.0	33.2	303.9	1,734.7
Net result from transactions (net operating balance)	163.1	99.7	34.3	20.0	(28.0)	10.2	2.7	29.2	64.7	(8.1)	8.4	32.2	(166.5)
Other economic flows included in net result													
Net gain/(loss) on non-financial assets	0.2	–	–	–	–	–	–	–	–	–	–	–	–
Net gain/(loss) on financial instruments	–	–	–	–	–	–	–	–	–	–	–	–	–
Other gains/(losses) from other economic flows	3.5	0.1	–	0.1	(0.2)	–	0.1	0.1	–	–	0.1	–	0.5
Total other economic flows included in net result	3.7	0.1	–	0.1	(0.2)	–	0.1	0.1	–	–	0.1	–	0.5
Net result	166.8	99.8	34.3	20.1	(28.1)	10.2	2.8	29.3	64.7	(8.1)	8.4	32.2	(166.0)

Note:

(i) Refer to Note 4.1.1(a) for output definitions.

B. 2022 (continued) – Outputs 14–25 and total of outputs 1–25

Year ended 30 June 2022 Output ⁽ⁱ⁾	14 \$M	15 \$M	16 \$M	17 \$M	18 \$M	19 \$M	20 \$M	21 \$M	22 \$M	23 \$M	24 \$M	25 \$M	Total \$M
Revenue and income from transactions													
Output appropriations	126.1	529.8	255.4	142.5	2,587.8	87.7	13.6	260.1	56.1	4.5	16.7	–	15,909.9
Special appropriations	13.4	20.7	20.5	0.1	11.3	4.5	0.3	1.3	4.4	–	1.9	–	1,888.9
Interest income	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental income and income from services	–	–	–	–	–	–	–	–	–	–	–	–	–
Grants	12.6	7.3	–	–	141.3	1.3	–	142.3	–	–	–	–	3,893.0
Fair value of assets and services received free of charge or for nominal consideration	–	–	–	–	27.9	–	–	–	–	–	–	–	29.7
Other income	–	–	–	–	5.8	–	2.6	(0.3)	–	–	–	64.4	91.5
Total revenue and income from transactions	152.1	557.7	275.8	142.6	2,774.1	93.5	16.5	403.3	60.5	4.5	18.6	64.4	21,813.1
Expenses from transactions													
Employee benefits	2.2	74.1	5.0	9.2	300.2	13.3	9.3	6.6	–	–	1.1	36.5	788.7
Depreciation and amortisation	–	4.7	–	–	3.7	0.1	–	–	–	–	–	–	38.5
Interest expense	–	–	–	–	–	–	–	–	–	–	–	–	14.4
Maintenance	–	–	–	–	–	–	–	–	–	–	–	–	0.7
Grants and other expense transfers	153.8	337.2	243.6	121.7	724.8	76.0	4.2	384.7	44.6	4.6	17.4	–	18,031.5
Capital asset charge	–	–	–	–	–	–	–	–	–	–	–	–	–
Fair value of assets and services provided free of charge or for nominal consideration	–	–	–	–	380.4	–	–	–	–	–	–	–	683.4
Other operating expenses	2.0	124.7	6.0	14.5	960.8	4.9	2.9	0.7	0.2	–	0.3	30.7	1,537.1
Other property management expenses	–	–	–	–	–	–	–	–	–	–	–	–	–
Total expenses from transactions	158.0	540.8	254.6	145.4	2,370.0	94.3	16.5	391.9	44.8	4.6	18.7	67.2	21,094.3
Net result from transactions (net operating balance)	(5.9)	16.9	21.2	(2.9)	404.1	(0.8)	0.1	11.4	15.7	(0.1)	(0.1)	(2.8)	718.8
Other economic flows included in net result													
Net gain/(loss) on non-financial assets	–	–	–	–	0.1	–	–	–	–	–	–	–	0.3
Net gain/(loss) on financial instruments	–	–	–	–	(0.3)	–	–	–	–	–	–	–	(0.2)
Other gains/(losses) from other economic flows	–	0.8	–	0.1	(2.7)	0.2	0.1	–	–	–	–	–	2.9
Total other economic flows included in net result	–	0.8	–	0.1	(2.8)	0.2	0.1	–	–	–	–	–	3.0
Net result	(5.9)	17.8	21.2	(2.8)	401.3	(0.6)	0.2	11.4	15.7	(0.1)	(0.1)	(2.8)	721.8

Note:

(i) Refer to Note 4.1.1(a) for output definitions.

C. 2021 – Output groups 1–15

Year ended 30 June 2021	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Elimination	Total
Output group ⁽ⁱ⁾	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Revenue and income from transactions																	
Output appropriations	9,622.9	869.0	1,224.9	558.4	709.8	356.1	1,363.6	198.4	2,150.1	1,708.0	820.2	290.2	345.9	1,333.9	–	–	21,551.4
Special appropriations	919.5	33.0	23.8	13.5	27.4	5.0	7.9	4.4	63.9	–	–	0.5	–	–	–	–	1,098.9
Interest income	–	–	–	–	–	–	–	–	–	–	–	–	–	2.5	–	–	2.5
Rental income and income from services	–	–	–	–	–	–	–	–	–	–	–	–	–	477.5	–	–	477.5
Grants	1,707.1	–	453.5	–	4.0	131.4	78.8	103.1	10.4	12.8	–	10.4	1.0	53.8	1.8	(18.9)	2,549.2
Fair value of assets and services received free of charge or for nominal consideration	–	–	–	–	–	–	1.5	–	0.7	–	–	–	–	0.3	–	(2.0)	0.6
Other income	7.7	–	3.5	0.7	–	(0.3)	2.6	–	0.3	–	0.2	0.6	–	3.9	75.5	(76.4)	18.3
Total revenue and income from transactions	12,257.2	902.0	1,705.7	572.6	741.2	492.2	1,454.4	305.9	2,225.4	1,720.8	820.4	301.7	346.9	1,871.9	77.3	(97.3)	25,698.4
Expenses from transactions																	
Employee benefits	179.9	1.6	43.0	21.3	28.6	6.2	285.7	11.3	244.9	430.7	11.1	26.5	40.7	142.6	26.2	–	1,500.3
Depreciation and amortisation	22.0	0.1	12.4	0.9	5.0	–	2.7	0.3	8.4	12.9	0.4	0.4	13.7	265.8	0.1	–	345.1
Interest expense	2.6	–	–	–	–	–	–	–	–	0.5	–	–	–	0.9	–	–	4.0
Maintenance	0.8	–	–	–	–	–	–	–	12.5	5.9	–	0.2	–	220.2	–	–	239.6
Grants and other expense transfers	10,191.6	841.2	1,484.2	429.5	614.6	402.7	550.1	267.3	1,815.0	1,058.8	803.1	256.4	277.7	747.1	0.2	(18.9)	19,720.7
Capital asset charge	1,121.9	27.4	84.8	61.0	29.1	35.8	2.5	6.8	40.3	14.6	–	–	3.5	–	–	–	1,427.7
Fair value of assets and services provided free of charge or for nominal consideration	294.8	–	–	–	–	–	–	–	0.7	1.7	–	–	–	2.0	–	(2.0)	297.2
Other operating expenses	203.9	0.4	40.3	9.0	30.3	0.8	666.4	15.3	97.7	197.7	6.1	15.0	31.6	72.0	51.4	(76.4)	1,361.5
Other property management expenses	–	–	–	–	–	–	0.1	–	0.3	0.2	–	–	–	274.0	–	–	274.6
Total expenses from transactions	12,017.5	870.7	1,664.7	521.7	707.6	445.5	1,507.5	301.0	2,219.8	1,723.0	820.7	298.5	367.2	1,724.6	77.9	(97.3)	25,170.7
Net result from transactions (net operating balance)	239.7	31.3	41.0	50.9	33.6	46.7	(53.1)	4.9	5.6	(2.2)	(0.3)	3.2	(20.3)	147.3	(0.6)	–	527.7
Other economic flows included in net result																	
Net gain/(loss) on non-financial assets	(0.1)	–	–	–	–	–	0.1	–	(0.5)	1.2	–	–	–	(3.6)	–	–	(2.9)
Net gain/(loss) on financial instruments	0.5	–	–	–	–	–	–	–	0.8	0.3	–	–	–	–	–	–	1.6
Other gains/(losses) from other economic flows	(16.3)	0.1	0.7	0.5	0.3	0.2	1.0	0.1	(3.1)	2.6	–	0.3	0.4	0.9	–	–	(12.3)
Total other economic flows included in net result	(15.9)	0.1	0.7	0.5	0.3	0.2	1.1	0.1	(2.8)	4.1	–	0.3	0.4	(2.7)	–	–	(13.6)
Net result	223.8	31.4	41.7	51.4	33.9	46.9	(52.0)	5.0	2.8	1.9	(0.3)	3.5	(19.9)	144.6	(0.6)	–	513.9

Note:

(i) Refer to Note 4.1.1(b) for output group definitions.

4.1.3 Departmental outputs – Controlled assets and liabilities

A. 2022 – Outputs 1–13

Year ended 30 June 2022	1	2	3	4	5	6	7	8	9	10	11	12	13
Output ⁽ⁱ⁾	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Assets													
Financial assets	2,955.2	210.3	152.1	36.6	47.4	0.9	15.4	8.5	220.3	29.2	(0.2)	42.2	286.0
Non-financial assets	1,646.5	0.7	0.3	–	113.4	–	2.6	1.9	1.4	1.3	0.4	78.4	408.5
Total assets	4,601.7	211.0	152.4	36.6	160.8	0.9	18.0	10.4	221.7	30.5	0.2	120.6	694.5
Liabilities													
Financial liabilities	2,127.0	48.8	27.2	10.7	12.6	1.8	18.2	7.8	91.2	7.9	5.6	5.9	87.9
Non-financial liabilities	8.1	–	–	–	–	–	–	–	–	–	–	–	–
Total liabilities	2,135.1	48.8	27.2	10.7	12.6	1.8	18.2	7.8	91.2	7.9	5.6	5.9	87.9
Net assets	2,466.7	162.3	125.2	25.9	148.2	(0.9)	(0.2)	2.6	130.5	22.6	(5.4)	114.7	606.6

B. 2022 (continued) – Outputs 14–25 and total of outputs 1–25

Year ended 30 June 2022	14	15	16	17	18	19	20	21	22	23	24	25	Total
Output ⁽ⁱ⁾	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Assets													
Financial assets	37.5	71.3	36.0	33.7	344.7	11.0	(1.7)	29.9	22.2	4.5	2.3	2.4	4,597.7
Non-financial assets	–	310.4	0.5	3.4	367.0	1.9	0.6	10.3	–	–	6.6	0.8	2,957.0
Total assets	37.5	381.7	36.5	37.1	711.7	12.9	(1.1)	40.2	22.2	4.5	8.9	3.2	7,554.8
Liabilities													
Financial liabilities	2.6	39.6	9.5	2.5	137.2	6.5	5.5	21.8	3.8	1.0	1.0	(0.3)	2,683.5
Non-financial liabilities	–	–	–	–	–	–	–	–	–	–	–	–	8.1
Total liabilities	2.6	39.6	9.5	2.5	137.2	6.5	5.5	21.8	3.8	1.0	1.0	(0.3)	2,691.6
Net assets	34.9	342.2	27.0	34.6	574.4	6.3	(6.6)	18.3	18.4	3.5	7.9	3.5	4,863.2

Note:

(i) Refer to Note 4.1.1(a) for output definitions.

4.2 Administered items

Administered income includes taxes, fees and fines and the proceeds from the sale of administered surplus land and buildings. Administered expenses include 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 the 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.

4.2.1 Administered income and expenses

A. 2022 – Outputs 1–13

Year ended 30 June 2022	1	2	3	4	5	6	7	8	9	10	11	12	13
Output ⁽ⁱ⁾	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Administered revenue and income from transactions													
Commonwealth contribution to the Victorian State Pool Account	3,241.6	402.3	551.8	107.4	–	–	–	–	–	–	–	14.1	785.4
State contribution to the Victorian State Pool Account	6,489.4	619.5	322.2	–	–	–	–	–	–	–	–	–	196.9
State contribution to the National Disability Insurance Agency	–	–	–	–	–	–	–	–	–	–	–	–	–
Commonwealth grants	2,514.9	–	–	2.0	–	32.4	–	35.9	–	–	–	–	–
Sales of goods and services	236.2	7.3	1.7	0.5	–	–	–	0.1	–	–	–	0.7	17.8
Appropriations – payments made on behalf of the state	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest income	–	–	–	–	–	–	–	–	–	–	–	–	–
Fees	–	–	–	–	–	–	–	–	–	–	1.0	–	–
Grants	120.5	–	–	–	–	–	–	–	–	–	–	–	–
Other	8.6	–	–	–	–	–	–	–	–	–	–	–	0.1
Fair value of assets and services received free of charge or for nominal consideration	–	–	–	–	–	–	–	–	–	–	–	–	–
Total administered revenue and income from transactions	12,611.2	1,029.1	875.7	109.9	–	32.4	–	36.0	–	–	1.0	14.8	1,000.2
Administered expenses from transactions													
Grants and other expense transfers	9,622.6	935.0	828.6	–	–	–	–	–	–	–	–	–	495.2
Employee benefits	–	–	–	–	–	–	–	–	–	–	–	–	–
Other operating expenses	0.1	–	–	–	–	–	–	–	–	–	–	–	–
Payments into the consolidated fund	271.3	–	17.4	–	–	32.4	–	36.0	–	–	1.0	0.7	17.9
Payment from the Victorian State Pool Account to the departmental controlled entity	2,737.2	86.8	–	107.4	–	–	–	–	–	–	–	14.1	462.0
Fair value of assets and services provided free of charge or for nominal consideration	0.3	–	–	–	–	–	–	–	–	–	–	–	–
Total administered expenses from transactions	12,631.5	1,021.8	846.0	107.4	–	32.4	–	36.0	–	–	1.0	14.8	975.1
Total administered net result from transactions	(20.3)	7.3	29.7	2.5	–	–	–	–	–	–	–	–	25.1
Administered other economic flows included in net result													
Net gain/(loss) on non-financial assets	–	–	–	–	–	–	–	–	–	–	–	–	–
Other gains/(losses) from other economic flows	8.8	–	–	–	–	–	–	–	–	–	–	–	–
Total administered other economic flows	8.8	–	–	–	–	–	–	–	–	–	–	–	–
Administered net result	(11.5)	7.3	29.7	2.5	–	–	–	–	–	–	–	–	25.1

Notes:

(i) Refer to Note 4.1.1(a) for output definitions.

(ii) Output 25 Shared Services is not applicable for administered entity.

B. 2022 (continued) – Outputs 14–25 and total of outputs 1–25

Year ended 30 June 2022	14	15	16	17	18	19	20	21	22	23	24	25	Total
Output ⁽ⁱ⁾	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Administered revenue and income from transactions													
Commonwealth contribution to the Victorian State Pool Account	–	0.3	–	–	123.3	–	–	132.4	–	–	–	–	5,358.7
State contribution to the Victorian State Pool Account	–	–	–	–	–	–	–	–	–	–	–	–	7,628.0
State contribution to the National Disability Insurance Agency	–	–	–	–	–	–	–	–	–	–	–	–	–
Commonwealth grants	–	–	–	–	0.1	–	–	–	–	–	–	–	2,585.3
Sales of goods and services	1.3	4.5	–	–	2.6	0.1	–	3.6	–	–	–	–	276.4
Appropriations – payments made on behalf of the state	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest income	–	–	–	–	–	–	–	–	–	–	–	–	–
Fees	–	–	–	–	11.0	–	–	–	–	–	–	–	12.0
Grants	–	–	–	–	–	–	–	–	–	–	–	–	120.5
Other	–	–	–	–	–	0.1	–	–	–	–	–	–	8.8
Fair value of assets and services received free of charge or for nominal consideration	–	–	–	–	–	–	–	–	–	–	–	–	–
Total administered revenue and income from transactions	1.3	4.8	–	–	137.0	0.2	–	136.0	–	–	–	–	15,989.7
Administered expenses from transactions													
Grants and other expense transfers	–	–	–	–	–	–	–	–	–	–	–	–	11,881.4
Employee benefits	–	–	–	–	–	–	–	–	–	–	–	–	–
Other operating expenses	–	–	–	–	–	–	–	–	–	–	–	–	0.1
Payments into the consolidated fund	1.3	4.5	–	–	13.8	0.2	–	3.6	–	–	–	–	400.1
Payment from the Victorian State Pool Account to the departmental controlled entity	–	0.3	–	–	123.3	–	–	132.4	–	–	–	–	3,663.5
Fair value of assets and services provided free of charge or for nominal consideration	–	–	–	–	–	–	–	–	–	–	–	–	0.3
Total administered expenses from transactions	1.3	4.8	–	–	137.1	0.2	–	136.0	–	–	–	–	15,945.4
Total administered net result from transactions	–	–	–	–	(0.1)	–	–	–	–	–	–	–	44.3
Administered other economic flows included in net result													
Net gain/(loss) on non-financial assets	–	–	–	–	–	–	–	–	–	–	–	–	–
Other gains/(losses) from other economic flows	–	–	–	–	–	–	–	–	–	–	–	–	8.8
Total administered other economic flows	–	–	–	–	–	–	–	–	–	–	–	–	8.8
Administered net result	–	–	–	–	(0.1)	–	–	–	–	–	–	–	53.1

Notes:

(i) Refer to Note 4.1.1(a) for output definitions.

(ii) Output 25 Shared Services is not applicable for administered entity.

C. 2021 – Output groups 1–15

Year ended 30 June 2021	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total
Output group ⁽ⁱ⁾⁽ⁱⁱ⁾	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Administered revenue and income from transactions																
Commonwealth contribution to the Victorian State Pool Account	4,750.2	–	690.0	–	0.3	131.4	115.6	13.5	–	–	–	–	–	–	–	5,701.0
State contribution to the Victorian State Pool Account	5,450.2	–	178.2	–	–	–	–	–	–	–	–	–	–	–	–	5,628.4
State contribution to the National Disability Insurance Agency	–	–	–	–	–	–	–	–	1,260.3	–	–	–	–	–	–	1,260.3
Commonwealth grants	1,047.6	–	0.2	66.7	–	–	5.1	–	35.6	0.8	–	–	1.1	–	–	1,157.1
Sales of goods and services	344.9	–	12.5	–	3.8	2.5	–	0.6	14.9	0.3	–	0.1	–	–	–	379.6
Appropriations – payments made on behalf of the state	–	–	–	50.1	–	–	–	–	16.7	–	–	–	–	–	–	66.8
Interest income	0.1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.1
Fees	–	–	–	–	–	–	10.5	0.8	–	–	–	–	–	–	–	11.3
Grants	137.4	–	–	–	–	–	–	–	611.0	7.1	0.3	–	–	–	–	755.8
Other	8.4	8.7	–	–	0.4	–	0.1	–	0.1	15.1	–	–	4.0	–	–	36.8
Fair value of assets and services received free of charge or for nominal consideration	–	–	–	–	–	–	–	–	3.2	–	–	0.1	–	–	–	3.3
Total administered revenue and income from transactions	11,738.8	8.7	880.9	116.8	4.5	133.9	131.3	14.9	1,941.8	23.3	0.3	0.2	5.1	–	–	15,000.5
Administered expenses from transactions																
Grants and other expense transfers	9,885.9	–	449.5	50.1	–	–	–	–	2,032.9	7.1	0.9	–	–	–	–	12,426.4
Employee benefits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other operating expenses	0.1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.1
Payments into the consolidated fund	409.9	9.4	9.1	30.6	2.8	2.2	2.7	0.8	51.3	15.7	–	0.1	5.1	–	–	539.7
Payment from the Victorian State Pool Account to the departmental controlled entity	1,486.1	–	418.7	–	0.3	131.4	120.7	13.5	–	–	–	–	–	–	–	2,170.7
Fair value of assets and services provided free of charge or for nominal consideration	–	–	–	–	–	–	–	–	3.3	0.1	–	–	–	–	–	3.4
Total administered expenses from transactions	11,782.0	9.4	877.3	80.7	3.1	133.6	123.4	14.3	2,087.5	22.9	0.9	0.1	5.1	–	–	15,140.3
Total administered net result from transactions	(43.2)	(0.7)	3.6	36.1	1.4	0.3	7.9	0.6	(145.7)	0.4	(0.6)	0.1	–	–	–	(139.8)
Administered other economic flows included in net result																
Net gain/(loss) on non-financial assets	0.1	0.1	–	–	–	–	–	–	–	(0.1)	–	–	0.3	–	–	0.4
Other gains/(losses) from other economic flows	(9.3)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(9.3)
Total administered other economic flows	(9.2)	0.1	–	–	–	–	–	–	–	(0.1)	–	–	0.3	–	–	(8.9)
Administered net result	(52.4)	(0.6)	3.6	36.1	1.4	0.3	7.9	0.6	(145.7)	0.3	(0.6)	0.1	0.3	–	–	(148.7)

Notes:

(i) Refer to Note 4.1.1(b) for output group definitions.

(ii) Output group 14 Housing Assistance and output group 15 Shared Services are not applicable for administered entity.

4.2.2 Administered assets and liabilities

	2022 \$M	2021 \$M
Administered assets		
Financial assets		
Trust funds	–	3.4
Receivables ⁽ⁱ⁾	1,056.6	713.9
Total administered assets	1,056.6	717.3
Administered liabilities		
Financial liabilities		
Amounts payable to the consolidated fund	59.8	203.1
Payables ⁽ⁱⁱ⁾	996.8	510.8
Other	–	3.4
Total administered liabilities	1,056.6	717.3
Total administered net assets	–	–

Notes:

- (i) The increase in receivables is primarily due to the Commonwealth contribution to the Victorian State Pool Account for the National Partnership on COVID-19 Response earned but not yet received.
- (ii) The increase in payables primarily relates to the funding payable by the Victorian State Pool Account to the state for services relating to the COVID-19 response.

4.2.3 Administered grants and other expense transfers

	2022 \$M	2021 \$M
Public health services, public and denominational hospitals ⁽ⁱ⁾⁽ⁱⁱ⁾		
Monash Health	1,579.7	1,398.1
Eastern Health	877.2	780.3
Melbourne Health	832.3	715.4
Alfred Health	829.1	723.7
Western Health	871.6	661.5
Austin Health	766.9	647.7
Northern Health	565.3	487.4
Barwon Health	552.8	467.9
Peninsula Health	536.0	472.1
St Vincent's Hospital (Melbourne) Limited	535.6	458.4
The Royal Children's Hospital	525.0	458.2
Mercy Hospitals Victoria Limited	401.7	353.3
Grampians Health	399.6	–
Bendigo Health	335.0	297.8
Goulburn Valley Health	237.5	194.0
The Royal Women's Hospital	237.1	223.2
Latrobe Regional Hospital	211.6	195.6
Peter MacCallum Cancer Centre	172.8	149.5
Albury Wodonga Health	154.2	136.7
South West Healthcare	150.8	140.0
Northeast Health Wangaratta	137.7	110.5
Mildura Base Public Hospital	120.6	86.6
The Royal Victorian Eye and Ear Hospital	104.7	99.6
West Gippsland Health Care Group	93.7	82.3
Bairnsdale Regional Health Service	79.7	65.9

	2022 \$M	2021 \$M
Echuca Regional Health	70.0	61.4
Central Gippsland Health Service	67.2	62.3
Bass Coast Health	66.1	52.9
Western District Health Service	49.4	45.1
Swan Hill District Health	46.8	41.4
Colac Area Health	33.0	28.3
Ballarat Health Services	–	268.6
Djerriwarrh Health Services	–	45.7
Other public health services, public and denominational hospitals with payments totalling less than \$30 million	190.0	272.1
	11,830.8	10,283.3
Commonwealth Government		
National Disability Insurance Agency	–	2,083.0
Other		
Cross Border with other jurisdictions	48.7	52.1
Other organisations with payments totalling less than \$10 million	1.8	8.0
Total grants and other expense transfers	11,881.4	12,426.4

Notes:

- (i) As defined in schedules 1, 2 and 5 of the *Health Services Act 1988*.
- (ii) Represents the activity-based funding in scope of the National Health Reform Agreement contributed by the Commonwealth and the state via the Victorian State Pool Account (administered trust).

4.3 Restructuring of administrative arrangements

The Victorian Government issued an administrative order on 27 January 2021 restructuring some of its activities via machinery of government change. As part of the machinery of government restructure:

The Department of Health (as transferor) transferred a group of staff to the Department of Families, Fairness and Housing (as transferee) effective from 1 October 2021 as part of s. 28(1) of the *Public Administration Act 2004*. The net assets transferred by the department are at the carrying amount of those assets in the department's balance sheet immediately before the transfer:

Function	Transferor	Transferee	\$M
s. 28(1) staff transfer	Department of Health	Department of Families, Fairness and Housing	–

The net asset transfer was treated as a contribution of capital by the state.

	2022 Transfer in \$M	2022 Transfer out \$M	2022 Net transfer \$M
Assets			
Receivables	–	(1.7)	(1.7)
Liabilities			
Employee-related provisions	–	1.7	1.7
Net assets recognised/(transferred)	–	–	–
Net capital contribution from the Crown			–

The net asset transfer was treated as a contribution of capital by the state.

5. Key assets available to support output delivery

Introduction

The department 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 its outputs.

Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 8.3 in connection with how those fair values were determined.

Structure

- 5.1 Total property, plant and equipment
 - 5.1(a) Total right-of-use assets
 - 5.1(b) Total service concession assets
 - 5.1.1 Depreciation and amortisation
 - 5.1.2 Reconciliation of movements in carrying values of property, plant and equipment
- 5.2 Intangible assets

5.1 Total property, plant and equipment ⁽ⁱ⁾

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2022 \$M	2021 \$M	2022 \$M	2021 \$M	2022 \$M	2021 \$M
Land at fair value	660.8	23,080.8	–	(1.6)	660.8	23,079.2
Buildings at fair value	604.1	9,952.9	(94.9)	(206.4)	509.2	9,746.5
Plant, equipment and vehicles at fair value	37.0	39.2	(32.8)	(32.9)	4.2	6.3
Motor vehicles at fair value	3.3	28.2	(1.5)	(1.7)	1.8	26.5
Assets under construction at cost	582.1	906.0	–	–	582.1	906.0
Net carrying amount	1,887.3	34,007.1	(129.2)	(242.6)	1,758.1	33,764.5

Note:

- (i) 2021 numbers include the 30 June 2021 closing balances of the DFFH, the Victorian Disability Worker Commission and the Director of Housing. Refer to Note 5.1.2. The transactions which relate to these entities are reported in the DFFH's 2021–22 financial statements.

5.1(a) Total right-of-use assets ⁽ⁱ⁾

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2022 \$M	2021 \$M	2022 \$M	2021 \$M	2022 \$M	2021 \$M
Land at fair value	–	10.6	–	(1.6)	–	9.0
Buildings at fair value	12.5	97.4	(4.8)	(37.9)	7.7	59.5
Plant and equipment at fair value	8.8	8.2	(6.0)	(5.0)	2.8	3.2
Motor vehicles at fair value	3.3	28.2	(1.5)	(1.7)	1.8	26.5
Net carrying amount	24.6	144.4	(12.3)	(46.2)	12.3	98.2

Note:

- (i) 2021 numbers include the 30 June 2021 closing balances of the DFFH, the Victorian Disability Worker Commission and the Director of Housing. The transactions which relate to these entities are reported in the DFFH's 2021–22 financial statements.

	Land \$M	Buildings \$M	Plant and equipment \$M	Motor vehicles \$M	Total \$M
Opening balance – 1 July 2021	9.0	59.5	3.2	26.5	98.2
Removal of DFFH-related June 2021 closing balance ⁽ⁱ⁾	(9.0)	(49.8)	–	(24.5)	(83.3)
Adjusted balance at 1 July 2021	–	9.6	3.2	1.9	14.7
Additions	–	–	–	0.7	0.7
Lease modifications	–	(0.2)	0.6	–	0.5
Disposals	–	–	–	(0.3)	(0.3)
Depreciation	–	(1.7)	(0.9)	(0.6)	(3.2)
Closing balance – 30 June 2022	–	7.7	2.8	1.8	12.3
Opening balance – 1 July 2020	10.8	44.6	3.5	30.2	89.1
Additions	–	8.9	–	5.7	14.6
Transfers	–	–	–	0.4	0.4
Lease modifications	(1.0)	29.0	2.2	–	30.1
Disposals	–	(0.8)	–	(3.4)	(4.3)
Depreciation	(0.8)	(22.1)	(2.5)	(6.4)	(31.8)
Closing balance – 30 June 2021	9.0	59.5	3.2	26.5	98.2

Note:

- (i) Removes the 30 June 2021 closing balances of the DFFH, the Victorian Disability Worker Commission and the Director of Housing, which were included in the department's 2020–21 financial statements under s. 53(1)(b) of the FMA. The transactions which relate to these entities are reported in the DFFH's 2021–22 financial statements.

5.1(b) Total service concession assets

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2022 \$M	2021 \$M	2022 \$M	2021 \$M	2022 \$M	2021 \$M
Land at fair value	487.7	429.1	–	–	487.7	429.1
Buildings at fair value	571.7	570.0	(71.9)	(47.3)	499.8	522.7
Net carrying amount	1,059.4	999.1	(71.9)	(47.3)	987.5	951.8

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 leasehold improvements is capitalised and depreciated over the shorter of the remaining term of the leases or their estimated useful lives.

Right-of-use asset acquired by lessees – Initial measurement

The department recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date, plus
- any initial direct costs incurred, and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Service concession assets (under AASB 1059 *Service Concession Arrangements: Grantors*) – Initial measurement

The department initially recognises service concession assets and service concession assets under construction, including land, buildings, equipment and intangible assets, at current replacement cost in accordance with the cost approach to fair value in AASB 13 *Fair Value Measurement*. Where existing assets and assets under construction, including land, buildings, equipment and intangible assets, meet the definition of service concession assets under AASB 1059, the department reclassifies the existing assets as service concession assets and measures the assets at current replacement cost in accordance with the cost approach to fair value in AASB 13 as at the date of reclassification.

Subsequent measurement

Property, plant and equipment as well as right-of-use assets under leases and service concession assets 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.

Right-of-use asset – Subsequent measurement

The department depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Service concession assets – Subsequent measurement

Service concession assets are subject to revaluation as required by Financial Reporting Direction (FRD) 103 *Non-financial physical assets*. The FRD requires a managerial revaluation to be performed in the non-scheduled revaluation years, where the cumulative movement in indexed valuations is material (greater than 10% but not greater than 40%). Where the cumulative movement is greater than 40% and exceptionally material, an interim valuation would be required. As at 30 June 2022, the cumulative movement based on the assessment performed with the Valuer-General Victoria (VGV)-issued indices, the department's land asset class, which includes service concession land assets, increased by 12.37% since the last scheduled revaluation, and was, therefore subject to a managerial revaluation.

When revalued, the fair value of service concession assets will be determined as follows:

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 current replacement cost method is used, adjusting for the associated depreciation.

Vehicles are valued using the current 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 the relevant depreciation rates during use to reflect the utilisation of the vehicles.

Fair value for **plant and equipment** is determined using the current replacement cost method.

Refer to Note 8.3.2 for additional information on fair value determination of property, plant and equipment.

Impairment of property, plant and equipment

The recoverable amount of primarily non-cash generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 *Impairment of Assets* does not apply to such assets that are regularly revalued.

5.1.1 Depreciation and amortisation

Charge for the period

	2022 \$M	2021 \$M
Buildings	0.6	243.6
Health and Welfare	0.6	15.2
Housing	–	228.4
Plant, equipment and vehicles	1.6	2.3
Health and Welfare	1.6	2.3
Intangible assets	8.4	44.3
Health and Welfare	8.4	25.8
Housing	–	18.5
Right-of-use assets	3.2	31.8
Land	–	0.8
Buildings	1.7	22.1
Plant and equipment	0.9	2.5
Motor vehicles	0.6	6.4
Service concession assets	24.6	25.5
Buildings	24.6	25.2
Plant and equipment	–	0.2
Intangible assets	–	0.1
Aggregate depreciation and amortisation allocated	38.5	347.5
Less depreciation and amortisation capitalised to carrying amount of other assets during the year	–	(2.4)
Total depreciation and amortisation	38.5	345.1

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 assets held for sale and land.

Depreciation is calculated on a straight-line basis at rates that allocate the asset value over its estimated useful life.

Typical estimated useful lives for the different asset classes for the current and prior year are included in the table below:

Asset class	2022	2021
Buildings	5 to 55 years	5 to 85 years
Plant, equipment and vehicles	3 to 10 years	3 to 15 years
Intangible assets	3 to 20 years	3 to 20 years

The estimated useful lives, residual value and depreciation method are reviewed at the end of each annual reporting period. Estimated useful lives for buildings, and plant, equipment and vehicles have changed since June 2021 as a result of the removal of assets related to the DFFH, the Victorian Disability Worker Commission and the Director of Housing.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life or the lease term. Where the department obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

Leasehold improvements are depreciated over the shorter of the lease term or their useful lives.

5.1.2 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	Motor vehicles at fair value \$M	Assets under construc- tion at cost \$M	Total \$M
Balance at 1 July 2021	23,079.2	9,746.5	6.3	26.5	906.0	33,764.5
Removal of DFFH-related June 2021 closing balance ⁽ⁱ⁾	(22,505.5)	(9,211.3)	(0.5)	(24.5)	(685.0)	(32,426.6)
Adjusted balance at 1 July 2021	573.7	535.2	5.8	2.0	221.0	1,337.9
Additions	15.5	0.3	0.7	0.7	348.7	365.9
Disposals	–	–	–	(0.3)	–	(0.3)
Net revaluation increments/(decrements)	71.5	–	–	–	14.0	85.5
Depreciation and amortisation	–	(27.0)	(2.5)	(0.6)	–	(30.1)
Fair value of assets received free of charge or for nominal consideration	–	–	–	0.1	–	0.1
Fair value of assets provided free of charge or for nominal consideration	–	(0.8)	(0.3)	–	–	(1.1)
Transfers in/(out) of assets under construction	–	1.6	–	–	(1.6)	–
Other changes	–	(0.2)	0.6	(0.1)	–	0.3
Balance at 30 June 2022	660.8	509.2	4.2	1.8	582.1	1,758.1
Balance at 1 July 2020	18,524.3	9,650.3	11.6	30.2	576.2	28,792.6
Machinery of government transfer in/(out)	–	–	–	0.2	1.2	1.4
Additions	94.7	28.7	0.7	5.7	828.8	958.6
Administrative instrument transfers	(1.3)	(78.4)	(3.1)	–	(3.5)	(86.3)
Disposals	(32.5)	(26.4)	–	(3.4)	–	(62.3)
Net revaluation increments/(decrements)	4,467.4	(30.8)	–	–	2.4	4,439.1
Depreciation and amortisation	(0.8)	(290.9)	(5.0)	(6.4)	–	(303.1)
Fair value of assets received free of charge or for nominal consideration	–	–	–	0.2	–	0.2
Fair value of assets provided free of charge or for nominal consideration	(1.6)	(0.4)	–	–	(0.1)	(2.1)
Transfers in/(out) of assets under construction	29.7	469.8	–	–	(499.5)	–
Transfers between classes	–	–	–	(0.5)	–	(0.5)
Transfers to provision for equity reduction	(0.2)	(0.1)	–	–	–	(0.2)
Transfers (to)/from assets held for sale	0.5	(4.4)	–	0.5	–	(3.3)
Other changes	(1.1)	29.0	2.1	–	0.5	30.5
Balance at 30 June 2021	23,079.2	9,746.5	6.3	26.5	906.0	33,764.5

Note:

- (i) Removes the 30 June 2021 closing balances of the DFFH, the Victorian Disability Worker Commission and the Director of Housing, which were included in the department's 2020–21 financial statements under s. 53(1)(b) of the FMA. The transactions which relate to these entities are reported in the DFFH's 2021–22 financial statements. Majority of these balances relate to social housing in the Director of Housing.

5.2 Intangible assets

	2022 \$M	2021 \$M
Gross carrying amount		
Opening balance	351.1	265.2
Removal of DFFH-related June 2021 closing balance ⁽ⁱ⁾	(181.1)	–
Write off ⁽ⁱⁱ⁾	(72.9)	–
Adjusted balance at 1 July 2021	97.1	265.2
Administrative instrument transfers	–	(2.2)
Additions from internal development	17.4	88.1
Disposals or classified as held for sale	(1.2)	–
Closing balance	113.3	351.1
Accumulated amortisation and impairment		
Opening balance	(175.2)	(130.8)
Removal of DFFH-related June 2021 closing balance ⁽ⁱ⁾	93.6	–
Write off ⁽ⁱⁱ⁾	12.3	–
Adjusted balance at 1 July 2021	(69.3)	–
Amortisation of intangible produced assets	(8.4)	(44.4)
Closing balance	(77.8)	(175.2)
Net book value at end of financial year	35.5	175.9

Notes:

- (i) Removes the 30 June 2021 closing balances of the DFFH, the Victorian Disability Worker Commission and the Director of Housing, which were included in the department's 2020–21 financial statements under s. 53(1)(b) of the FMA. These balances are reported in the DFFH's 2021–22 financial statements. The transactions which relate to these entities are reported in the DFFH's 2021–22 financial statements.
- (ii) During 2021–22, the department revised its accounting policy in relation to the treatment of upfront configuration and customisation costs incurred in implementing Software-as-a-Service (SaaS) arrangements in response to the International Financial Reporting Interpretations Committee (IFRIC) agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements. As a result, a net amount of \$60.5 million was written off, comprising the total gross carrying amount of \$72.9 million and the total accumulated amortisation of \$12.3 million.

Initial recognition

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:

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

Service concession intangible asset

The service concession intangible asset has an indefinite useful life because its value does not diminish with use and it can be used multiple times over an extended period of time with no foreseeable limit. As a result, a finite life cannot be determined.

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. Produced intangible assets have useful lives of between 3 and 20 years.

Service concession intangible assets recognised by applying AASB 1059 *Service Concession Arrangements: Grantors* are subsequently measured at fair value (current replacement cost).

Impairment of intangible assets

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

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
- 6.2 Loans
 - 6.2.1 Ageing analysis of contractual loans
- 6.3 Other non-financial assets
- 6.4 Payables
 - 6.4.1 Maturity analysis of contractual payables
- 6.5 Other provisions
 - 6.5.1 Reconciliation of movements in other provisions
- 6.6 Inventories
- 6.7 Other non-financial liabilities

6.1 Receivables

	2022 \$M	2021 \$M
Current receivables		
<i>Contractual</i>		
Tenants in arrears	–	12.3
Other receivables ⁽ⁱ⁾	1,147.5	357.3
<i>Less allowance for impairment losses of contractual receivables</i>	(20.1)	(27.7)
	1,127.4	341.9
<i>Statutory</i>		
Amounts owing from Victorian Government	823.2	1,634.4
GST input tax credit recoverable	26.7	50.4
	849.9	1,684.8
Total current receivables	1,977.3	2,026.7
Non-current receivables		
<i>Statutory</i>		
Amounts owing from Victorian Government	2,438.9	2,627.5
	2,438.9	2,627.5
Total non-current receivables	2,438.9	2,627.5
Total receivables	4,416.2	4,654.2

Note:

- (i) The increase in 2022 is due to the funding receivable from the Victorian State Pool Account to the state for services relating to the COVID-19 response, reimbursement of shared service costs from the DFFH, recall of mental health service payments, and payments for personal protective equipment and rapid antigen test kits for distribution by Monash Health.

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The department holds the contractual receivables with the objective to collect the contractual cash flows and therefore 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 for disclosure purposes. The department applies AASB 9 *Financial Instruments* for initial measurement of the statutory receivables and, as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction costs. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the consolidated fund as the commitments fall due.

Details about the department's impairment policies, the department's exposure to credit risks and the calculation of the loss allowance are set out in Note 8.1.3.

6.2 Loans

	2022 \$M	2021 \$M
Current loans		
<i>Contractual</i>		
Fixed interest home loans	–	0.6
Indexed interest home loans	–	8.0
Other loans	11.8	13.5
Total current loans	11.8	22.1
Non-current loans		
<i>Contractual</i>		
Fixed interest home loans	–	1.0
Indexed interest home loans	–	1.8
Community housing loans	–	20.2
Other loans	63.4	74.1
Total non-current loans	63.4	97.1
Less allowance for impairment losses of contractual loans		
Fixed interest home loans	–	(0.1)
Indexed interest home loans	–	(0.3)
Total allowance for impairment losses of contractual loans	–	(0.4)
Total loan	75.2	118.8

The department has loans and advances to health agencies. 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.

The housing-related loans disclosed in 2020–21 related to loan programs that had ceased. The majority of housing loans were secured by a registered mortgage. However, there were a small number of loans that were on terms in contracts of sale. The title remained 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 was paid in full. Some mortgage relief and home renovation loans were subject to an unregistered mortgage with a caveat on the title noting the Director of Housing as having an interest in the property. The Home Renovation Service loan program did not require security for loans of \$10,000 or less.

The Director of Housing was transferred to the DFFH as part of the machinery of government changes effective 1 February 2021. Its numbers were included in the department's 2020–21 financial statements under s. 53(1)(b) of the FMA.

Defaults and breaches: The department has had no defaults or breaches on any of its loans during 2021–22.

6.2.1 Ageing analysis of contractual loans

	Carrying amount \$M	Not past due \$M	Past due			
			Less than 1 month \$M	1–3 months \$M	3 months – 1 year \$M	1–5 years \$M
2022						
Loans	75.2	75.2	–	–	–	–
Total	75.2	75.2	–	–	–	–
2021						
Loans	118.8	118.8	–	–	–	–
Total	118.8	118.8	–	–	–	–

6.3 Other non-financial assets

	2022 \$M	2021 \$M
Prepayments	143.1	162.9
Total other non-financial assets	143.1	162.9

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

	2022 \$M	2021 \$M
Current payables		
<i>Contractual</i>		
Employee benefits payable	27.7	59.0
Supplies and services	122.2	287.8
Amounts payable to government agencies	647.0	681.2
Concession payments to pensioners ⁽ⁱ⁾	–	111.4
Tenants in advance ⁽ⁱ⁾	–	26.7
Capital works	0.9	4.2
Other	19.6	(3.9)
Total current payables	817.5	1,166.4
Non-current payables		
<i>Contractual</i>		
Amounts payable to government agencies	1,078.2	962.9
Other	–	0.8
Total non-current payables	1,078.2	963.7
Total payables	1,895.7	2,130.1

Note:

(i) 2021 numbers relate to the 30 June 2021 closing balances of the DFFH, the Victorian Disability Worker Commission and the Director of Housing. The transactions which relate to these entities are reported in the DFFH's 2021–22 financial statements.

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 ⁽ⁱ⁾

	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
2022							
Payables	1,895.7	1,895.7	254.6	150.7	412.2	–	1,078.2
Total	1,895.7	1,895.7	254.6	150.7	412.2	–	1,078.2
2021							
Payables	2,130.1	2,130.1	767.8	103.4	295.2	0.9	962.8
Total	2,130.1	2,130.1	767.8	103.4	295.2	0.9	962.8

Note:

(i) Maturity analysis is presented using the contractual undiscounted cash flows.

6.5 Other provisions

	2022 \$M	2021 \$M
Current provisions		
Make-good provision	1.2	1.2
Insurance claims	11.7	46.6
NDIS service providers' leave	–	79.3
Early retirement package	18.9	–
Total current provisions	31.8	127.1
Non-current provisions		
Make-good provision	2.0	6.4
Insurance claims	27.2	75.2
NDIS service providers' leave	–	33.1
Total non-current provisions	29.2	114.7
Total other provisions	61.1	241.8

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 2022 \$M	Insurance claims 2022 \$M	NDIS providers' leave 2022 \$M	Early retirement package 2022 \$M	Total 2022 \$M
Opening balance ⁽ⁱ⁾	7.6	121.8	112.4	–	241.8
Removal of DFFH-related June 2021 closing balance ⁽ⁱ⁾	(4.2)	(82.4)	(112.4)	–	(199.0)
Adjusted balance at 1 July 2021	3.4	39.5	–	–	42.9
Additional/(reduced) provisions recognised	(0.2)	–	–	18.9	18.7
Reductions arising from payments/claims handling expenses/other sacrifices of future economic benefits	–	(9.2)	–	–	(9.2)
Actuarial revaluations of insurance claims liability inclusive of risk margin	–	8.6	–	–	8.6
Unwind of discount and effect of changes in the discount rate	–	0.1	–	–	0.1
Closing balance	3.2	38.9	–	18.9	61.1

Note:

- (i) Removes the 30 June 2021 closing balances of the DFFH, the Victorian Disability Worker Commission and the Director of Housing, which were included in the department's 2020–21 financial statements under s. 53(1)(b) of the FMA. The transactions which relate to these entities are reported in the DFFH's 2021–22 financial statements.

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.

The **NDIS service providers' leave provision** was a recognition of the outstanding amount of employee leave benefits owed to the five non-government NDIS service providers from the direct employment transfer of former departmental staff to these providers as part of the transfer of government disability services. The department's obligation and schedule to pay the new non-government NDIS service providers for transferred employee leave benefit balances was agreed in the transfer commercial contracts signed with these providers. The direct employment transfer of the former departmental disability staff occurred on 31 December 2020. The NDIS function was transferred to the DFFH effective 1 February 2021. Its numbers were included in the department's 2020–21 financial statements under s. 53(1)(b) of the FMA.

In April 2022, the department offered an expression of interest to staff who wished to nominate for an Early Retirement Package (ERP) as part of the Early Retirement Scheme. The **early retirement package provision** recognises the estimated payout to the staff who have accepted the ERP offers as of June 2022.

6.6 Inventories

	2022 \$M	2021 \$M
Inventories held for distribution:		
Opening balance – at cost	638.4	411.8
Additions	1,093.0	521.2
Distributed as resources given free of charge	(705.5)	(294.6)
Loss of service potential	(5.7)	–
Total inventories	1,020.2	638.4

Inventories held for distribution to public health agencies, other State Government departments and not-for-profit organisations include personal protective equipment and rapid antigen test kits to assist in response to the COVID-19 pandemic.

The inventories are initially recognised at purchase cost, distributed as resources given free of charge using the weighted average cost formula, and adjusted for any loss of service potential due to expired stock.

6.7 Other non-financial liabilities

	2022 \$M	2021 \$M
PPP-related non-financial liabilities	8.1	2.6
Total other non-financial liabilities	8.1	2.6

The non-financial liabilities relate to the New Footscray Hospital Project.

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).

Notes 8.1 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 Leases
- 7.3 Cash flow information and balances
 - 7.3.1 Reconciliation of net result for the period to net cash flow from operating activities
- 7.4 Trust account
 - 7.4.1 Trust account balances
 - 7.4.2 Trust account – Legislative references and nature
- 7.5 Commitments for expenditure
 - 7.5.1 Total commitments payable
 - 7.5.2 Public private partnership commitments
 - 7.5.3 AASB 1059 *Service Concession Arrangements: Grantors*

7.1 Borrowings

	2022 \$M	2021 \$M
Current borrowings		
Advances from Victorian Government	68.2	46.9
Lease liabilities	3.3	38.4
Total current borrowings	71.5	85.3
Non-current borrowings		
Advances from Victorian Government	9.1	57.1
PPP-related financial liabilities	490.1	175.4
Lease liabilities	5.8	52.8
Total non-current borrowings	505.0	285.3
Total borrowings	576.5	370.6

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.

Lease liabilities are secured by the assets leased. Leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

PPP-related financial liabilities arise on uncommissioned PPPs where either a service concession asset or an item of property, plant and equipment is in construction.

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
2022							
Advances from Victorian Government	77.2	77.2	24.3	–	43.9	9.1	–
PPP-related financial liabilities	490.1	824.5	–	–	–	271.6	552.8
Lease liabilities	9.1	9.6	0.7	0.6	3.0	5.3	–
Total	576.5	911.3	25.0	0.6	46.9	286.0	552.8
2021							
Advances from Victorian Government	104.0	104.0	41.2	–	5.7	57.1	–
PPP-related financial liabilities	175.4	322.6	0.3	–	–	0.4	321.9
Lease liabilities	91.2	96.3	8.8	5.6	25.3	48.9	7.7
Total	370.6	522.9	50.3	5.6	31.0	106.4	329.6

7.1.2 Interest expense

	2022 \$M	2021 \$M
Interest on lease liabilities	0.2	1.5
Interest on PPP-related financial liabilities	14.2	2.5
Total interest expense	14.4	4.0

'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 components of finance lease 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 Leases

Information about leases for which the department is a lessee is presented below.

The department's leasing activities

The department leases various IT data centres, equipment and motor vehicles. The lease contracts are typically made for fixed periods of 1 to 5 years. The department leases some office accommodation which are short-term leases of 12 months or less. The department has elected not to recognise right-of-use assets and lease liabilities for these leases.

The department entered into various printing contracts. The payments are based on consumption. The department considers these printing payments as variable lease payments.

Leasing activities in 2021 included the Director of Housing lease of various properties for the social housing program. These lease contracts were typically made for a fixed period of 2 to 5 years. The Director of Housing was transferred to the DFFH in 2020–21 as part of the machinery of government changes.

Leases at significantly below-market terms and conditions

The Director of Housing entered into a number of land leases with lease terms ranging from 5 years to indefinite. These lease contracts specified lease payments of \$1 per annum. In accordance with FRD 103 *Non-financial physical assets*, the below-market leases were recognised at cost.

7.2.1(a) Right-of-use assets

Right-of-use assets are presented in Note 5.1(a).

7.2.1(b) Amounts recognised in the comprehensive operating statement

The following amounts relating to leases are recognised in the comprehensive operating statement:

	2022 \$M	2021 \$M
Amounts recognised in the comprehensive operating statement		
Interest expense on lease liabilities	0.2	1.5
Expenses relating to short-term leases	0.1	13.4
Variable lease payments, not included in the measurement of lease liabilities	0.4	0.4
Total amount recognised in the comprehensive operating statement	0.7	15.3

7.2.1(c) Amounts recognised in the cash flow statement

The following amounts relating to leases are recognised in the cash flow statement:

	2022 \$M	2021 \$M
Total cash outflow for leases	3.9	49.9

For any new contracts entered into, the department considers whether a contract is or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the department assesses whether the contract meets three key evaluations:

- whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the department and for which the supplier does not have substantive substitution rights
- whether the department has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract, and the department has the right to direct the use of the identified asset throughout the period of use, and
- whether the department has the right to make decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Recognition and measurement of leases as a lessee

Lease liability – initial measurement

Lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the department's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments)
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee, and
- payments arising from purchase and termination options reasonably certain to be exercised.

Lease liability – subsequent measurement

Subsequent to initial measurement, the lease liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short-term leases and leases of low-value assets

The department has elected to account for short-term leases and leases of low-value assets using practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these types of leases are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term.

Below-market/peppercorn leases

Right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable the department to further its objectives, are initially and subsequently measured at cost. These right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful lives of the assets.

Presentation of right-of-use assets and lease liabilities

The department presents right-of-use assets as 'property, plant and equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

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.

	2022 \$M	2021 \$M
Total cash and deposits disclosed in the balance sheet		
Short-term deposits ⁽ⁱ⁾	–	705.7
Cash at bank ⁽ⁱ⁾⁽ⁱⁱ⁾	14.2	38.4
Funds held in trust ⁽ⁱⁱⁱ⁾	92.1	169.7
Cash advances	–	0.1
Balance as per cash flow statement	106.3	913.9

Notes:

- (i) Cash and short-term deposits in 2021 included funds that were held by the Director of Housing in the Central Banking System as well as funds that had been committed to a number of significant housing projects and were expected to be expensed in 2021–22 (as disclosed in Note 7.5). The Director of Housing was transferred to the DFFH in 2020–21 as part of the machinery of government changes.
- (ii) Cash balance in 2022 includes the Casey Hospital escrow bank accounts used to facilitate State Government funding and payments to the project company for the Casey Hospital Project and Expansion Project, and the timing of payments.
- (iii) Refer to Note 7.4.1 for the trust account balances.

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 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 flow from operating activities

	2022 \$M	2021 \$M
Net result for the period	721.8	513.9
Non-cash movements		
(Gain)/loss on sale of non-financial assets	(0.3)	3.0
Depreciation and amortisation	38.5	345.1
Change in net market values of VMIA liability	(0.7)	47.4
Other income from investing activities	1.5	–
Net gain/(loss) on financial instruments	0.2	(1.6)
Other gains or losses from other economic flows	(2.9)	12.4
Resources (received)/provided free of charge	653.7	296.6
Movements in assets and liabilities		
(Increase)/decrease in receivables	(475.1)	(440.0)
(Increase)/decrease in prepayments	(12.1)	122.8
Increase/(decrease) in payables	126.1	325.3
Increase/(decrease) in provisions	44.8	(8.8)
(Increase)/decrease in inventories	(1,035.5)	(226.6)
Net cash flows from/(used in) operating activities	60.1	989.6

7.4 Trust account

7.4.1 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. No trust accounts were closed during 2021–22.

	2022							2021						
	Opening balance as at 1 July 2021 \$M	Removal of DFFH-related June 2021 closing balance (i) \$M	Machinery of government transfer in/(out) \$M	Total receipts \$M	Total payments \$M	Non-cash movement \$M	Closing balance as at 30 June 2022 \$M	Opening balance as at 1 July 2020 \$M	Machinery of government transfer in/(out) \$M	Total receipts \$M	Total payments \$M	Non-cash movement \$M	Closing balance as at 30 June 2021 \$M	
Controlled trusts														
Casey Hospital Escrow Account	5.3	–	–	–	–	(1.3)	4.0	6.8	–	–	–	(1.5)	5.3	
Health State Managed Fund	2.2	–	–	2,077.3	2,077.3	–	2.2	2.2	–	1,908.5	1,908.5	–	2.2	
Hospitals and Charities Fund	1.8	–	–	1,602.0	1,597.9	5.2	11.0	–	–	1,481.3	1,465.0	(14.5)	1.8	
Intellectually Handicapped Children's Amenities Fund	0.1	(0.1)	–	–	–	–	–	0.1	–	–	–	–	0.1	
Mental Health Fund	2.1	(2.1)	–	–	–	–	–	2.1	–	63.9	63.9	–	2.1	
Public Health Fund	63.1	–	–	5,173.8	4,351.8	(884.9)	0.2	0.2	–	2,698.1	2,511.8	(123.4)	63.1	
Treasury Trust	86.6	(21.9)	–	62.3	44.2	(16.8)	66.0	64.4	0.6	65.1	42.8	(0.7)	86.6	
Inter-Departmental Transfer Trust	(0.3)	(37.1)	–	260.4	267.2	55.8	11.6	65.8	(2.0)	360.2	349.7	(74.6)	(0.3)	
Vehicle Lease Trust Account	11.7	(10.6)	–	0.3	0.3	–	1.0	10.3	–	1.5	0.1	–	11.7	
Victorian Health Promotion Fund	–	–	–	42.1	42.1	–	–	–	–	41.3	41.3	–	–	
Departmental Suspense Account	1.6	(1.6)	–	–	–	–	–	–	2.4	(0.4)	0.4	–	1.6	
Victorian Veterans Fund	0.4	(0.4)	–	–	–	–	–	–	0.5	–	0.1	–	0.4	
Anzac Day Proceeds Fund	0.3	(0.3)	–	–	–	–	–	–	–	0.5	0.2	–	0.3	
Total controlled trusts	174.9	(74.1)	–	9,218.2	8,380.8	(842.0)	96.1	151.9	1.5	6,620.0	6,383.8	(214.8)	174.9	

	2022							2021						
	Opening balance as at 1 July 2021 \$M	Removal of DFFH-related June 2021 closing balance ⁽ⁱ⁾	Machinery of government transfer in/(out) \$M	Total receipts \$M	Total payments \$M	Non-cash movement \$M	Closing balance as at 30 June 2022 \$M	Opening balance as at 1 July 2020 \$M	Machinery of government transfer in/(out) \$M	Total receipts \$M	Total payments \$M	Non-cash movement \$M	Closing balance as at 30 June 2021 \$M	
Administered trusts														
National Disability Insurance Scheme Trust Account	–	–	–	–	–	–	–	–	–	1,871.2	2,016.2	145.0	–	
National Health Funding Pool – Victorian State Pool Account	–	–	–	15,611.1	15,544.9	(66.3)	–	–	–	12,506.0	12,506.1	0.1	–	
Public Service Commuter Club	(0.1)	0.1	–	0.1	0.1	–	(0.1)	(0.7)	–	0.7	0.1	–	(0.1)	
Revenue Suspense Account	4.0	–	–	0.2	–	0.1	4.2	3.8	–	0.2	–	–	4.0	
Victorian Natural Disasters Relief Fund	(0.6)	0.6	–	–	–	–	–	–	–	7.4	8.0	–	(0.6)	
Total administered trusts	3.3	0.7	–	15,611.4	15,545.0	(66.2)	4.1	3.1	–	14,385.5	14,530.4	145.1	3.3	

Note:

- (i) Removes the 30 June 2021 closing balances of the DFFH, the Victorian Disability Worker Commission and the Director of Housing, which were included in the department's 2020–21 financial statements under s. 53(1)(b) of the FMA. The transactions which relate to these entities are reported in the DFFH's 2021–22 financial statements.

7.4.2 Trust account – Legislative references and nature

Controlled trusts

Casey Hospital Escrow Account

Established to manage and control payments to the contractor for the completion of the Casey Hospital refurbishment.

Health State Managed Fund

Established under the *Health (Commonwealth State Funding Arrangements) Act 2012* for the purpose of receiving funding for block grants, teaching, training and research.

Hospitals and Charities Fund

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 2003*, *Casino Control Act 1991* and s. 10 of the FMA.

Intellectually Handicapped Children's Amenities Fund

Established under the *Intellectually Disabled Persons Act 1986* which was then repealed by the *Disability Act 2006*. The trust was established to meet the cost of the provision of amenities for children under the age of 16 years in the care of the department. This trust was transferred to the Department of Families, Fairness and Housing as part of the machinery of government changes in 2020–21.

Mental Health Fund

Established under the *Gaming Regulation Act 2003* for the establishment and maintenance of mental health services and residential institutions and facilities, for the administration of the *Mental Health Act 1986* and for the administration of the *Disability Act 2006*. This trust was transferred to the Department of Families, Fairness and Housing as part of the machinery of government changes in 2020–21.

Public Health Fund

Established by the Assistant Treasurer 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 Victorian State Pool Account and apply the funding to deliver public health activities managed by the state.

Treasury Trust

Established to record the receipt and disbursement of unclaimed monies and other funds held in trust. Utilisation of the trust balance or any material variations to budgeted expenditure in subsequent years requires formal approval from the relevant Cabinet committee or the Treasurer.

Inter-Departmental Transfer Trust

Established under s. 19 of the FMA by the Assistant Treasurer to record inter-departmental transfers when no other trust arrangement exists. Utilisation of the trust balance or any material variations to budgeted expenditure in subsequent years requires formal approval from the relevant Cabinet committee or the Treasurer.

Vehicle Lease Trust Account

Established to record transactions relating to the government's vehicle pool and fleet management business.

Victorian Health Promotion Fund

Established under s. 32 of the *Tobacco Act 1987*, 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 s. 32(3a).

Departmental Suspense Account

Short-term clearing account pending correct identification of payments.

Victorian Veterans Fund

Established under s. 20 of the *Veterans Act 2005* to educate Victorians about Victoria's involvement in Australia's war and service history, to honour or commemorate the service or sacrifice of veterans, to assist the education of veterans' dependants and any other purpose agreed in writing by the Minister for Veterans. The Victorian Veterans Council may invest any part of the Victorian Veterans Fund not immediately required for the purposes of the Victorian Veterans Fund in any manner approved by the Treasurer. This trust was transferred to the Department of Families, Fairness and Housing as part of the machinery of government changes in 2020–21.

Anzac Day Proceeds Fund

Established under s. 4A of the *ANZAC Day Act 1958* to receive funds as required to be paid by the *ANZAC Day Act 1958* and the *Racing Act 1958* and to be credited to the Victorian Veterans Fund. This trust was transferred to the Department of Families, Fairness and Housing as part of the machinery of government changes in 2020–21.

Administered trusts

National Disability Insurance Scheme Trust Account

Established in accordance with a memorandum of understanding between the then Department of Health and Human Services, Department of Education and Training, Taxi Services Commission, and Department of Treasury and Finance. The trust is used solely to manage the state's payments to the National Disability Insurance Agency, as required under the bilateral agreement between the Commonwealth and Victoria that outlines the transition to the National Disability Insurance Scheme. This trust was transferred to the Department of Families, Fairness and Housing as part of the machinery of government changes in 2020–21.

National Health Funding Pool – Victorian State Pool Account

Established under the *Health (Commonwealth State Funding Arrangements) Act 2012* to record funding made available by the Commonwealth and the state under the National Health Reform Agreement.

Public Service Commuter Club

Established to record the receipt of amounts associated with the Public Service Commuter Club Scheme and deductions from club members' salaries as well as to record payment to the Public Transport Corporation.

Revenue Suspense Account

Short-term clearing account pending correct identification of receipts.

Victorian Natural Disasters Relief Fund

Established for the purpose of granting assistance to persons who suffer losses as a result of flood, bushfires and other natural disasters. This trust was transferred to the Department of Families, Fairness and Housing as part of the machinery of government changes in 2020–21.

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. The following commitments have not been recognised as liabilities in the financial statements.

7.5.1 Total commitments payable ⁽ⁱ⁾

	2022 \$M	2021 \$M
(a) Capital expenditure commitments ⁽ⁱⁱ⁾		
Less than 1 year	1,043.6	837.3
Longer than 1 year and not longer than 5 years	846.1	214.8
Longer than 5 years	57.6	–
Total capital commitments	1,947.3	1,052.1
(b) Accommodation expenses payable ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾		
Less than 1 year	46.3	32.5
Longer than 1 year and not longer than 5 years	–	–
Longer than 5 years	–	–
Total accommodation expenses payable	46.3	32.5
(c) Other expenditure commitments ⁽ⁱⁱ⁾		
Less than 1 year	466.5	570.8
Longer than 1 year and not longer than 5 years	169.5	198.8
Longer than 5 years	38.4	11.2
Total other expenditure commitments	674.3	780.8
Total commitments other than PPP	2,668.0	1,865.4

	2022 \$M	2021 \$M
(d) Commissioned PPP funding commitments		
1. The Royal Women's Hospital		
Less than 1 year	49.4	50.4
Longer than 1 year and not longer than 5 years	227.3	211.0
Longer than 5 years	342.9	397.3
Total The Royal Women's Hospital commitments	619.5	658.7
2. Monash Health		
Less than 1 year	25.9	24.7
Longer than 1 year and not longer than 5 years	137.3	128.4
Longer than 5 years	77.7	106.5
Total Monash Health commitments	240.9	259.6
3. The Royal Children's Hospital		
Less than 1 year	164.2	165.0
Longer than 1 year and not longer than 5 years	676.0	650.7
Longer than 5 years	1,934.1	2,088.3
Total The Royal Children's Hospital commitments	2,774.3	2,904.0
4. Peter MacCallum Cancer Centre		
Less than 1 year	152.4	136.4
Longer than 1 year and not longer than 5 years	687.0	604.0
Longer than 5 years	1,429.8	1,537.9
Total Peter MacCallum Cancer Centre commitments	2,269.2	2,278.3
5. Bendigo Health		
Less than 1 year	82.0	68.4
Longer than 1 year and not longer than 5 years	373.4	306.3
Longer than 5 years	1,593.6	1,452.2
Total Bendigo Health commitments	2,049.0	1,826.9
Total commissioned PPP funding commitments	7,952.8	7,927.5
(e) Uncommissioned PPP commitments		
1. New Footscray Hospital		
Less than 1 year	–	–
Longer than 1 year and not longer than 5 years	694.2	639.3
Longer than 5 years	5,014.9	5,733.2
Total New Footscray Hospital commitments	5,709.1	6,372.5
2. Frankston Hospital Redevelopment		
Less than 1 year	–	–
Longer than 1 year and not longer than 5 years	102.4	–
Longer than 5 years	4,565.4	–
Total Frankston Hospital Redevelopment commitments	4,667.8	–
3. New social, affordable, specialist disability and private housing in Flemington, Brighton and Prahran ^(iv)		
Less than 1 year	–	13.5
Longer than 1 year and not longer than 5 years	–	73.7
Longer than 5 years	–	665.0
Total New social, affordable, specialist disability and private housing in Flemington, Brighton and Prahran commitments	–	752.2
Total uncommissioned PPP commitments	10,376.9	7,124.7
Total commitments for expenditure (inclusive of GST)	20,997.7	16,917.6
Less GST recoverable from the ATO	1,722.2	1,364.9
Total commitments for expenditure (exclusive of GST)	19,275.5	15,552.7

Notes:

- (i) For future finance lease and non-cancellable operating lease payments that are recognised on the balance sheet, refer to Note 7.2.
- (ii) GST is not included in some of the above commitments as they relate to either input taxed or exempt goods and services.

- (iii) The department has an occupancy agreement (ending in June 2023) with the Department of Treasury and Finance Shared Service Provider for office accommodation at various locations across Victoria and other related services, including management fee, repairs and maintenance, cleaning, security, utilities, etc. A significant judgement was made that the occupancy agreement is a service contract (rather than a 'lease' as defined in AASB 16 Leases). The cost for the accommodation and other related services is expensed (refer to Note 3.1.5) based on the agreed payments as per the occupancy agreement.
- (iv) No disclosure in 2021–22 as the PPP is part of the Director of Housing, which was included in the department's 2020–21 financial statements under s. 53(1)(b) of the FMA.

Commissioned public private partnership funding commitments

The Minister for Health entered into six long-term contracts with various private sector consortiums for the design, construction, maintenance and financing of hospital infrastructure assets, one for the Royal Women's Hospital, the Royal Children's Hospital, the Victorian Comprehensive Cancer Centre (Peter MacCallum Cancer Centre), and Bendigo Hospital (Bendigo Health), and two for Casey Hospital (Monash Health). These arrangements are referred to as public private partnerships (PPPs).

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 reports.

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 Public private partnership commitments

The department sometimes enters into arrangements with private sector participants to design and construct or upgrade assets used to provide public services. These arrangements usually include the provision of operational and maintenance services for a specified period of time. These arrangements are often referred to as public private partnerships (PPP).

A PPP usually takes one of two main forms. In the more common form, the department pays the operator over the arrangement period, subject to specified performance criteria being met. At the date of commitment to the principal provisions of the arrangement, these estimated periodic payments are allocated between a component related to the design and construction or upgrading of the asset and components related to the ongoing operation and maintenance of the asset. The former component is accounted for as either a lease, a service concession arrangement or construction of an item of property, plant and equipment. The remaining components are accounted for as commitments for operating costs, which are expensed in the comprehensive operating statement as they are incurred. The other, less common form of PPP is one in which the department grants to an operator, for a specified period of time, the right to collect fees from users of the PPP asset, in return for which the operator constructs the asset and has the obligation to supply agreed-upon services, including maintenance of the asset for the period of the concession. These private sector entities typically lease land, and sometimes state works, from the department and construct infrastructure. At the end of the concession period, the land and state works, together with the constructed facilities, will be returned to the department.

AASB 1059 *Service Concession Arrangements: Grantors* applies to arrangements where an operator provides public services, using a service concession asset, on behalf of the state and importantly, the operator manages at least some of the public service at its own discretion. The state must also control the asset for AASB 1059 to apply. This means that certain PPP arrangements will not be within the scope of AASB 1059 and will continue to be accounted for as either leases or assets being constructed by the state and conversely, certain arrangements that are not PPP (such as certain external service arrangements) could be captured within the scope of AASB 1059. The department has determined which arrangements should be accounted for under AASB 1059 and details of these are included in Note 7.5.3 below.

PPP commitments ⁽ⁱ⁾

	2022				2021			
	Liability	Capital contribution	Other commitments	Total commitments	Liability	Capital contribution	Other commitments	Total commitments
	Discounted value	Nominal value	Present value	Nominal value	Discounted value	Nominal value	Present value	Nominal value
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Uncommissioned PPPs ^{(ii)(iii)(iv)}								
New Footscray Hospital ^{(v)(vi)}	1,343.1	573.0	1,055.6	5,709.1	1,646.1	573.0	1,335.0	6,372.5
Frankston Hospital Redevelopment ^(vii)	1,125.2	–	937.3	4,667.8	–	–	–	–
New social, affordable, specialist disability and private housing in Flemington, Brighton and Prahran ^(viii)	–	–	–	–	223.3	50.0	38.0	752.2
Subtotal	2,468.2	573.0	1,992.9	10,376.9	1,869.4	623.0	1,373.0	7,124.7
Total commitments for PPPs	2,468.2	573.0	1,992.9	10,376.9	1,869.4	623.0	1,373.0	7,124.7

Notes:

- (i) The discounted values of the minimum lease payments for uncommissioned PPPs have been discounted to the projects' expected dates of commissioning, and the present values of other commitments have been discounted to 30 June of the respective financial years. After adjusting for GST, the discounted values of minimum lease payments reflect the expected impact on the balance sheet when the PPPs are commissioned.
- (ii) The discounted values of the minimum lease payments have not been totalled for the uncommissioned PPPs due to individual PPPs having different expected dates of commissioning.
- (iii) The total commitments will not equal the sum of the PPP-related liabilities and other commitments because they are discounted, whereas total commitments are at nominal value.
- (iv) For uncommissioned PPPs relating to service concessions or recognised as assets under construction under AASB 116 *Property, Plant and Equipment*, the asset and liability are recognised progressively during the construction term and therefore not recognised in the table above.
- (v) On 10 March 2021, the State Government of Victoria entered into a PPP contract with Plenary Health to deliver the New Footscray Hospital Project. The contract expires on 9 September 2050. The department will be reimbursed by Victoria University for the state contribution relating to the construction of the Victoria University project components. It has been determined that this arrangement represents the construction of an item of property, plant and equipment in the scope of AASB 116.
- (vi) The liability discounted value for the year ending 30 June 2022 is the total discounted capital commitments in relation to hospital assets, less amounts recorded in the balance sheet as liability as at 30 June 2022.
- (vii) On 13 April 2022, the State Government of Victoria entered into a PPP contract with Exemplar Health to deliver the Frankston Hospital Redevelopment Project. The contract expires on 16 January 2051. It has been determined that this arrangement represents the construction of an item of property, plant and equipment in the scope of AASB 116.
- (viii) On 18 May 2021, the Director of Housing entered into an arrangement with Building Communities (Vic) Limited to deliver new social, affordable, specialist disability accommodation and private housing at sites in Flemington, Brighton and Prahran through a Ground Lease Model. The term of the arrangement was 40 years. The project was procured and will be delivered as a PPP under the Partnerships Victoria Framework. Under this model, Building Communities (Vic) Limited is responsible for the design, construction, financing and management of social, affordable and private dwellings at each site. No disclosure in 2021–22 is required as the PPP is part of the Director of Housing, which was included in the department's 2020–21 financial statements under s. 53(1)(b) of the FMA. This PPP is reported in the DFFH's 2021–22 financial statements.

7.5.3 AASB 1059 Service Concession Arrangements: Grantors

For arrangements within the scope of AASB 1059, at initial recognition the department records a service concession asset (SCA) at current replacement cost in accordance with the cost approach to fair value under AASB 13 *Fair Value Measurement*, with a related liability, which could be a financial liability, an accrued revenue liability (referred to as the 'Grant of a Right to the Operator' or GORTO liability) or a combination of both.

The nature of the liability and subsequent accounting depends on the consideration exchanged in the arrangement between the department and the operator.

The department initially recognised the liability at the same amount as the SCA, adjusted by the amount of any consideration from the department to the operator, or from the operator to the department.

Exception to this occurs when the department reclassifies an existing asset to an SCA. When this occurs, no liability is recognised unless additional consideration is provided to the operator. Instead, the department recognises an SCA and a corresponding liability for the amounts spent on the upgrade/expansion work.

A **financial liability** is recognised where the department has a contractual obligation to pay the operator for providing the SCA. It is measured in accordance with AASB 9 *Financial Instruments* and is recognised as a borrowing (Note 7.1). The liability is increased by interest charges (Note 7.1.2), based on the interest rate implicit in the arrangement. Where the interest rate is not specified in the arrangement, the prevailing market rate of interest for a similar instrument with similar credit ratings is used. The liability is reduced by any payments made by the department to the operator as required by the contract.

The department has arrangements in place with two private hospitals and other non-public entities, where the private hospitals and non-public entities operate the department-owned assets, including land, buildings and equipment, to deliver health services to the general public. The department maintains the ownership and control of the assets throughout the arrangements and does not incur any related liability.

8. Risks, contingencies and valuation judgements

Introduction

The department 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
 - 8.1.1 Financial instruments: Categorisation
 - 8.1.2 Financial instruments: Net holding gain/(loss) on financial instruments by category
 - 8.1.3 Financial risk management objectives and policies
- 8.2 Contingent assets and contingent liabilities
- 8.3 Fair value determination
 - 8.3.1 Fair value determination of financial assets and liabilities
 - 8.3.2 Fair value determination of non-financial physical assets

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 assets

Financial assets at amortised costs are recognised if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the department to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently 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
- loan receivables.

Categories of financial liabilities

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 initially 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)
- borrowings (including lease liabilities).

Offsetting financial instruments: Financial instrument assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the department has a legal right to offset the amounts and intends 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:
 - has transferred substantially all the risks and rewards of the asset, or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the 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.

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

2022	Cash and deposits \$M	Financial assets at amortised cost \$M	Financial liabilities at amortised cost \$M	Total \$M
Contractual financial assets				
Cash and deposits	106.3	–	–	106.3
Receivables ⁽ⁱ⁾	–	1,127.3	–	1,127.3
Loans	–	75.2	–	75.2
Total contractual financial assets	106.3	1,202.5	–	1,308.8
Contractual financial liabilities				
Payables ⁽ⁱ⁾	–	–	1,895.7	1,895.7
Borrowings ⁽ⁱ⁾	–	–	552.2	552.2
Total contractual financial liabilities	–	–	2,447.9	2,447.9

2021	Cash and deposits \$M	Financial assets at amortised cost \$M	Financial liabilities at amortised cost \$M	Total \$M
Contractual financial assets				
Cash and deposits	913.9	–	–	913.9
Receivables ⁽ⁱ⁾	–	341.9	–	341.9
Loans	–	118.8	–	118.8
Total contractual financial assets	913.9	460.7	–	1,374.6
Contractual financial liabilities				
Payables ⁽ⁱ⁾	–	–	2,130.1	2,130.1
Borrowings ⁽ⁱ⁾	–	–	329.4	329.4
Total contractual financial liabilities	–	–	2,459.5	2,459.5

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, Note 6.4 for the breakdown of contractual and statutory payables, and Note 7.1 for the breakdown of borrowings.

8.1.2 Financial instruments: Net holding gain/(loss) on financial instruments by category

	Total interest income/ (expense) \$M	Total \$M
2022		
Contractual financial assets		
Cash and deposits	–	–
Receivables ⁽ⁱ⁾	–	–
Loans	–	–
Short-term investments – term deposits	–	–
Total contractual financial assets	–	–
Contractual financial liabilities		
Payables ⁽ⁱ⁾	–	–
Borrowings	(14.4)	(14.4)
Total contractual financial liabilities	(14.4)	(14.4)
2021		
Contractual financial assets		
Cash and deposits	–	–
Receivables ⁽ⁱ⁾	–	–
Loans	0.4	0.4
Short-term investments – term deposits	2.1	2.1
Total contractual financial assets	2.5	2.5
Contractual financial liabilities		
Payables ⁽ⁱ⁾	–	–
Borrowings	(4.0)	(4.0)
Total contractual financial liabilities	(4.0)	(4.0)

Note:

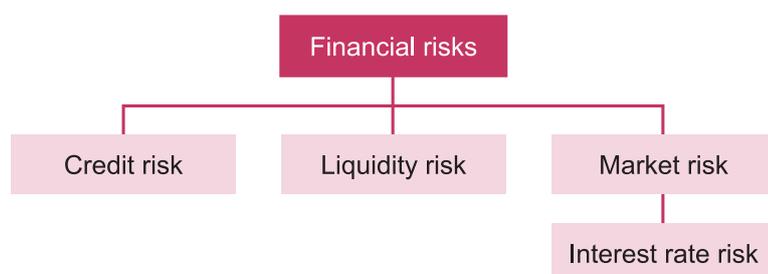
- (i) The total amounts disclosed here exclude statutory amounts, for example, amounts owing to/from Victorian Government and GST input tax credit recoverable and taxes payable.

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 8.3.1.

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. Primary responsibility for the identification and management of financial risks rests with the accountable officer of the department.

8.1.3.1 Financial instruments: credit risk

Credit risk refers to the possibility that a borrower will default on their 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, 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 of impairment for financial assets is calculated based on past experience and current and expected changes in client credit ratings, or based on the assumptions about risk of default and expected credit loss rates.

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

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 2021–22.

Credit quality of contractual financial assets

	Financial institutions double-A credit rating Total \$M	Government agencies double-A credit rating Total \$M	Credit ratings not disclosed \$M	Total \$M
2022				
Cash and deposits (not assessed for impairment due to materiality)	14.2	92.1	–	106.3
Contractual receivables applying the simplified approach for impairment ⁽ⁱ⁾⁽ⁱⁱ⁾	–	1,116.8	10.6	1,127.4
Loans	–	75.2	–	75.2
Statutory receivables (with no impairment loss recognised)	26.7	3,262.2	–	3,288.9
Total financial assets	40.9	4,546.3	10.6	4,597.8
2021				
Cash and deposits (not assessed for impairment due to materiality)	743.0	170.9	–	913.9
Contractual receivables applying the simplified approach for impairment ⁽ⁱ⁾⁽ⁱⁱ⁾	–	251.8	90.1	341.9
Loans ⁽ⁱⁱ⁾	–	87.5	31.3	118.8
Statutory receivables (with no impairment loss recognised)	50.4	4,261.9	–	4,312.3
Total financial assets	793.4	4,772.1	121.4	5,686.9

Notes:

- (i) The total amounts disclosed here exclude statutory amounts, for example, amounts owing from Victorian Government, GST input tax credit recoverable and other taxes payable.
- (ii) The carrying amounts consisted of the Director of Housing-related amounts due from numerous counter parties for which no credit ratings had been disclosed due to impracticability.

Impairment of financial assets under AASB 9 *Financial Instruments*

The department records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9, impairment assessment includes the department's contractual receivables and statutory receivables.

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

Contractual receivables at amortised cost

The department applies the AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. The department has grouped contractual receivables on shared credit risk characteristics and days past due and selected the expected credit loss rate based on the department's past history, existing market conditions, as well as forward-looking estimates at the end of financial year.

On this basis, the department determines the loss allowance at the end of the financial year as follows:

	Gross amount \$M	Not past due and not impaired ⁽ⁱ⁾ \$M	Past due			Total \$M
			Less than 1 month \$M	1–3 months \$M	3 months – 1 year \$M	
2022						
Expected loss rate		0%	0%	0%	5%	91%
Gross carrying amount of contractual receivables	1,147.5	1,095.6	1.3	1.2	28.9	20.5
Loss allowance		–	–	–	1.5	18.6
2021						
Expected loss rate		0%	19%	34%	52%	76%
Gross carrying amount of contractual receivables	369.6	299.1	26.1	18.3	14.1	12.0
Loss allowance		–	5.0	6.3	7.3	9.1

Note:

(i) The amounts disclosed here include repayments of borrowings that are not scheduled to be repaid in the next 12 months.

The average credit period for receivables is 30 days.

Reconciliation of movement in the loss allowance for contractual receivables is shown as follows:

	2022 \$M	2021 \$M
Balance at beginning of the year	(27.7)	(10.8)
Increase in provision recognised in the net result	7.6	(20.3)
Reversal of provision of receivables written off during the year as uncollectible	–	3.4
Balance at the end of the year	(20.1)	(27.7)

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

Statutory receivables at amortised cost

The department's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

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

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's fair payments policy of settling financial obligations within 30 days and, in the event of a dispute, of making 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
- a high credit rating for the State of Victoria (Moody's Investor Services, Standard & Poor's double-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 exposure 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 +1% and -1% (2021: +0.5% and -0.5%) in market interest rates (AUD) from year-end cash deposits.

The loan programs in 2021 included the Director of Housing-related loans with interest rates linked to movement in the consumer price index (CPI). The Director of Housing was transferred to the DFFH in 2020–21 as part of the machinery of government changes. The loan balance in 2022 is loans and advances provided to the health services. These loans are not subject to CPI, therefore, CPI sensitivity analysis is not required.

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
2022					
Financial assets					
Cash and deposits	0.3%	106.3	–	4.0	102.3
Receivables ⁽ⁱ⁾		1,127.3	–	–	1,127.3
Loans	0.0%	75.2	–	–	75.2
Total financial assets		1,308.8	–	4.0	1,304.8
Financial liabilities					
Payables ⁽ⁱ⁾		1,895.7	–	–	1,895.7
Borrowings ⁽ⁱ⁾	3.0%	552.2	428.9	70.3	53.0
Total financial liabilities		2,447.9	428.9	70.3	1,948.7
2021					
Financial assets					
Cash and deposits	0.1%	913.9	–	775.0	138.9
Receivables ⁽ⁱ⁾		341.9	–	–	341.9
Loans	3.8%	118.8	1.7	9.4	107.7
Total financial assets		1,374.6	1.7	784.4	588.5
Financial liabilities					
Payables ⁽ⁱ⁾		2,130.1	–	–	2,130.1
Borrowings ⁽ⁱ⁾	2.3%	329.4	266.4	–	63.0
Total financial liabilities		2,459.5	266.4	–	2,193.1

Note:

- (i) The carrying amounts disclosed here exclude statutory amounts, for example, amounts owing to/from Victorian Government and GST input tax credit recoverable and taxes payable.

Interest rate risk sensitivity analysis

	Carrying amount \$M	Interest rate risk	
		-1% Net result \$M	+1% Net result \$M
2022			
Contractual financial assets			
Cash and deposits ⁽ⁱ⁾⁽ⁱⁱ⁾	106.3	–	–
Receivables ^{(iii)(iv)}	1,127.3	–	–
Loans ^{(iv)(v)}	75.2	–	–
Total impact	1,308.8	–	–
Contractual financial liabilities			
Payables ^(iv)	1,895.7	–	–
Borrowings ^(vi)	552.2	(0.7)	0.7
Total impact	2,447.9	(0.7)	0.7

	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
2021					
Contractual financial assets					
Cash and deposits ⁽ⁱ⁾⁽ⁱⁱ⁾	913.9	(3.9)	3.9	–	–
Receivables ^{(iii)(iv)}	341.9	–	–	–	–
Loans ^{(iv)(v)}	118.8	–	–	–	0.1
Total impact	1,374.6	(3.9)	3.9	–	0.1
Contractual financial liabilities					
Payables ^(iv)	2,130.1	–	–	–	–
Borrowings ^(vi)	329.4	–	–	–	–
Total impact	2,459.5	–	–	–	–

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) Majority of cash and deposits are funds held in trust, which are not subject to the interest rate risk.
- (iii) The carrying amount is denominated in Australian dollars and is non-interest bearing. This item is not subject to the identified risk sensitivities.
- (iv) The total amounts disclosed here exclude statutory amounts, for example, amounts owing to/from Victorian Government and GST input tax credit recoverable and taxes payable.
- (v) The loans in 2022 relate to the loans and advances provided to the health services. These loans are not subject to CPI. The loans in 2021 include the loans and advances provided to the health services (not subject to CPI) and the Director of Housing-related loans (subject to CPI). The Director of Housing was transferred to the DFFH in 2020–21 as part of the machinery of government changes.
- (vi) Borrowings are denominated in Australian dollars. \$9.2 million (2021: \$91.4 million) relates to lease liabilities and \$490.2 million (2021: \$175.4 million) relates to PPP financial liabilities.

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.

	2022 \$M	2021 \$M
Quantifiable contingent assets ⁽ⁱ⁾		
Bank guarantee held for building contracts	–	22.5
Reimbursement claim for the work undertaken by the landlord to Orange Door site	–	1.0
Total	–	23.5

Note:

(i) 2021 numbers belong to the DFFH and the Director of Housing.

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.

	2022 \$M	2021 \$M
Quantifiable contingent liabilities		
The department 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.	61.5	43.6
Total	61.5	43.6

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 in the 2022–23 financial year, 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
- commit to achieve the agreed budget targets, and all other requirements of their service agreements or statement of priorities in 2022–23.

The department has other potential obligations which arise from legal actions and that are non-quantifiable at this time.

8.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of the department.

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’
- 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
- 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. The department, in conjunction with VGV, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

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
- 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
 - 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 to Note 8.3.1) and non-financial physical assets (refer to 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
- 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 2021–22 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 hierarchy

2022	Carrying amount \$M	Fair value measurement at the end of reporting period using:		
		Level 1 ⁽ⁱ⁾ \$M	Level 2 ⁽ⁱ⁾ \$M	Level 3 ⁽ⁱ⁾ \$M
Land at fair value				
Non-specialised land	19.4	–	19.4	–
Specialised land	641.4	–	90.6	550.7
Total land at fair value	660.8	–	110.0	550.7
Buildings at fair value				
Non-specialised buildings	15.6	–	7.9	7.7
Specialised buildings	492.0	–	0.9	491.1
Total buildings at fair value	507.6	–	8.8	498.9
Plant, equipment and vehicles at fair value				
Plant and equipment	4.2	–	–	4.2
Total plant, equipment and vehicles at fair value	4.2	–	–	4.2

2021	Carrying amount \$M	Fair value measurement at the end of reporting period using:		
		Level 1 ⁽ⁱ⁾ \$M	Level 2 ⁽ⁱ⁾ \$M	Level 3 ⁽ⁱ⁾ \$M
Land at fair value				
Non-specialised land	22,346.5	–	22,346.5	–
Specialised land	723.7	–	77.2	646.5
Total land at fair value	23,070.2	–	22,423.7	646.5
Buildings at fair value				
Non-specialised buildings	8,995.5	–	8,995.5	–
Specialised buildings	645.1	–	0.9	644.2
Total buildings at fair value	9,640.6	–	8,996.4	644.2
Plant, equipment and vehicles at fair value				
Plant and equipment	2.7	–	–	2.7
Motor vehicles	0.3	–	–	0.3
Total plant, equipment and vehicles at fair value	3.1	–	–	3.1

Note:

- (i) Classified in accordance with the fair value hierarchy. The department, in conjunction with the VGV, monitors the changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

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 this 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 primarily be classified as Level 3 assets.

For the majority of the department's specialised buildings, the current replacement cost method is used, adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are primarily classified as Level 3 fair value measurements.

A managerial revaluation of the department's property asset class was undertaken in 2021–22 in accordance with FRD103 *Non-financial physical assets*, 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% but not greater than 40%)'. The cumulative movement for the department's land asset class since the last scheduled revaluation was an increase of 12.37%. The revaluation was performed using the VGV-issued indices. The effective date of the valuation was 30 June 2022. The cumulative movement in the department's building asset class was under 10%, therefore a managerial revaluation was not required.

Vehicles are valued using the current 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 current replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2022.

For all assets measured at fair value, the current use is considered the highest and best use.

Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant unobservable inputs
Non-specialised land	Market approach	Not applicable
Specialised land	Market approach	Community Service Obligation (CSO) adjustment (rate 10–40%)
Non-specialised buildings	Market approach	Not applicable
Specialised buildings	Current replacement cost	Direct cost per square metre Useful life of specialised buildings
Plant and equipment	Current replacement cost	Useful life of equipment
Vehicles	Current replacement cost	Useful life of vehicles

Significant unobservable inputs have remained unchanged since June 2021.

Non-financial physical assets classified as held for sale

The following table provides the fair value measurement hierarchy of the department's non-financial physical assets held for sale.

	Carrying amount \$M	Fair value measurement at the end of reporting period using:		
		Level 1 ⁽ⁱ⁾ \$M	Level 2 ⁽ⁱ⁾ \$M	Level 3 ⁽ⁱ⁾ \$M
2022				
Land held for sale				
Specialised land	–	–	–	–
Total land held for sale	–	–	–	–
Buildings held for sale				
Specialised buildings	–	–	–	–
Total buildings held for sale	–	–	–	–

	Carrying amount \$M	Fair value measurement at the end of reporting period using:		
		Level 1 ⁽ⁱ⁾ \$M	Level 2 ⁽ⁱ⁾ \$M	Level 3 ⁽ⁱ⁾ \$M
2021				
Land held for sale				
Specialised land	1.5	–	1.5	–
Total land held for sale	1.5	–	1.5	–
Buildings held for sale				
Specialised buildings	3.1	–	3.1	–
Total buildings held for sale	3.1	–	3.1	–

Note:

(i) Classified in accordance with the fair value hierarchy.

There were no transfers between levels during 2021–22.

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-financial assets held for sale
- 9.4 Reserves
- 9.5 Entities consolidated pursuant to s. 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

Ex-gratia expenses are the voluntary payments of money or other non-monetary benefit (for example 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 of or claim against the entity.

There were no ex-gratia expense items greater than or equal to \$5,000 in the current and previous year.

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
- bad debt expenses.

	2022 \$M	2021 \$M
(a) Net gain/(loss) on non-financial assets		
Revenue from disposal of non-financial physical assets		
Land	–	38.3
Buildings	–	22.4
Shared home ownership scheme	–	1.7
Motor vehicles	0.6	4.9
Total revenue from disposal of non-financial physical assets	0.6	67.3
Costs on disposal of non-financial physical assets		
Land	–	40.0
Buildings	–	24.3
Shared home ownership scheme	–	1.7
Community services properties	–	0.5
Motor vehicles	0.3	3.7
Total costs on disposal of non-financial physical assets	0.3	70.2
Net gain/(loss) on non-financial assets	0.3	(2.9)
(b) Net gain/(loss) on financial instruments		
Net gain/(loss) on financial instruments and statutory receivables/payables	(0.2)	1.6
Total net gain/(loss) on financial instruments	(0.2)	1.6
(c) Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	11.4	8.0
Revaluation and adjustments of insurance claims	(9.6)	(0.5)
Net (increase)/decrease in provision for doubtful debts and bad debts	1.2	(19.8)
Total other gains/(losses) from other economic flows	2.9	(12.3)

9.3 Non-financial physical assets held for sale

In addition to the assets and liabilities disclosed above, the following non-financial physical assets held for sale exist at the reporting date:

	2022 \$M	2021 \$M
Non-financial physical assets classified as held for sale		
Buildings held for sale	–	3.1
Land held for sale	–	1.5
Plant, equipment and vehicles	0.1	0.4
Total non-financial physical assets classified as held for sale	0.1	5.0

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 sale in the current condition
- 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

	2022 \$M	2021 \$M
(a) Accumulated surplus/(deficit)		
Balance at beginning of financial year	3,714.0	2,145.0
Removal of DFFH-related June 2021 closing balance ⁽ⁱ⁾	(106.7)	–
Adjusted balance at 1 July 2021	3,607.3	2,145.0
Prior period adjustments ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	(59.3)	55.7
Restated balance at beginning of financial year	3,548.0	2,200.7
Net result for the year	721.8	513.9
Remeasurement of superannuation defined benefit plans	–	(1.5)
Transfer to contributed capital related to machinery of government	–	(5,937.6)
Transfer from physical asset revaluation surplus related to machinery of government	–	6,938.4
Balance at the end of financial year	4,269.8	3,714.0
(b) Physical asset revaluation surplus		
Balance at beginning of financial year	4,877.9	7,377.2
Removal of DFFH-related June 2021 closing balance ⁽ⁱ⁾	(4,466.3)	–
Adjusted balance at 1 July 2021	411.6	7,377.2
Revaluation increments/(decrements) of land and buildings ^(iv)	85.6	4,439.1
Transfer to accumulated surplus/(deficit) related to machinery of government	–	(6,938.4)
Balance at the end of financial year	497.2	4,877.9
(c) Contributed capital		
Balance at beginning of financial year	28,684.1	22,415.0
Removal of DFFH-related June 2021 closing balance ⁽ⁱ⁾	(28,586.4)	–
Adjusted balance at 1 July 2021	97.7	22,415.0
Machinery of government transfer in/out	–	4.1
Transfer from accumulated surplus/(deficit) related to machinery of government	–	5,937.6
Capital contributions to health agencies	(11.3)	(9.6)
Capital contributions by Victorian State Government	11.3	427.5
Capital transferred to administered entity	(1.5)	(90.4)
Balance at the end of financial year	96.2	28,684.1
Total equity	4,863.2	37,275.9
Physical asset revaluation surplus – represented by:		
– Land	266.7	4,283.8
– Buildings	230.7	594.2
Total physical assets revaluation surplus	497.2	4,877.9

Notes:

- (i) Removes the 30 June 2021 closing balances of the DFFH, the Victorian Disability Worker Commission and the Director of Housing, which were included in the department's 2020–21 financial statements under s. 53(1)(b) of the FMA. The transactions which relate to these entities are reported in the DFFH's 2021–22 financial statements.
- (ii) The prior period adjustments in 2022 relate to:
- the intangible assets write off of \$60.5 million, due to change in policy in relation to the accounting treatment on the upfront configuration and customisation costs incurred in implementing the Software-as-a-Service (SaaS) arrangements by applying the agenda decision issued by the International Financial Reporting Interpretations Committee (IFRIC)
 - the capitalisation of land purchases that had been previously expensed, which results in an increase to land of \$1.2 million.
- (iii) The prior period adjustments in 2021 relate to:
- the capitalisation of land amounting to \$54.3 million which was purchased for the New Footscray Hospital Project and had been incorrectly expensed as capital grants
 - the capitalisation of payments that had been previously expensed less capitalised items that should have been expensed, which results in a net increase to intangible assets of \$3.07 million.
- (iv) Movements in the physical asset revaluation reserve arise from the revaluation of land and buildings and the impairment of land and buildings that were previously revalued.

9.5 Entities consolidated pursuant to section 53(1)(b) of the FMA

The financial information of the following entity has been consolidated into the department's 2021–22 financial statements pursuant to a determination made by the Assistant Treasurer under s. 53(1)(b) of the FMA:

- Mental Health Tribunal.

The financial effects of this entity were trivial to the financial statements. Therefore, the entity is reported in aggregate, together with the Department of Health, in the table below.

The financial information of the following entities was included in the department's 2020–21 financial statements pursuant to a determination made by the Assistant Treasurer under s. 53(1)(b) of the FMA. The financial effects of each of those entities, except the DFFH and the Director of Housing, were trivial to the financial statements, both individually and in aggregate. Therefore, those entities were reported in aggregate, together with the Department of Health, in the table below.

- Mental Health Tribunal (from 1 July 2014)
- Director of Housing (from 1 July 2006)
- Commission for Children and Young People (from 1 July 2015)
- Disability Worker Registration Board (from 1 June 2020)
- Victorian Disability Worker Commission (from 1 June 2020)
- Department of Families, Fairness and Housing (from 1 February 2021)
- Respect Victoria (from 1 February 2021)
- Victorian Multicultural Commission (from 1 February 2021)
- Victorian Veterans Council (from 1 February 2021).

	Department of Health and other s. 53(1)(b) entities		Department of Families, Fairness and Housing		Director of Housing		Eliminations and adjustments		Total	
	2022 \$M	2021 \$M	2022 \$M	2021 \$M	2022 \$M	2021 \$M	2022 \$M	2021 \$M	2022 \$M	2021 \$M
Total revenue and income from transactions	21,813.1	21,918.4	–	2,005.4	–	1,871.9	–	(97.3)	21,813.1	25,698.4
Total expenses from transactions	21,094.3	21,550.8	–	1,992.5	–	1,724.6	–	(97.3)	21,094.3	25,170.7
Net result from transactions	718.8	367.6	–	12.9	–	147.3	–	–	718.8	527.7
Total assets	7,554.8	6,336.8	–	2,354.6	–	31,889.9	–	(147.7)	7,554.8	40,433.6
Total liabilities	2,691.6	2,220.1	–	861.7	–	223.5	–	(147.7)	2,691.6	3,157.7

9.6 Responsible persons

In accordance with the Directions of the Assistant Treasurer under the FMA, the following disclosures are made for the responsible persons for the reporting period.

Names

The persons who held the positions of ministers and accountable officers in the department were as follows:

Relevant office	Minister or accountable officer	From	To
Minister for Health	The Hon Martin Foley MP	1 Jul 2021	27 Jun 2022
	The Hon Mary-Anne Thomas MP	27 Jun 2022	30 Jun 2022
Minister for Ambulance Services	The Hon Martin Foley MP	1 Jul 2021	27 Jun 2022
	The Hon Mary-Anne Thomas MP	27 Jun 2022	30 Jun 2022
Minister for Mental Health	The Hon James Merlino MP	1 Jul 2021	27 Jun 2022
	The Hon Gabrielle Williams MP	27 Jun 2022	30 Jun 2022
Minister for Disability, Ageing and Carers	The Hon Luke Donnellan MP	1 Jul 2021	11 Oct 2021
	The Hon James Merlino MP	11 Oct 2021	6 Dec 2021
	The Hon Anthony Carbines MP	6 Dec 2021	27 Jun 2022
	The Hon Colin Brooks MP	27 Jun 2022	30 Jun 2022
Secretary, Department of Health	Euan Wallace	1 Jul 2021	30 Jun 2022

The persons who acted in the positions of ministers and of accountable officers in the department were as follows:

Relevant office	Acting minister or accountable officer	From	To
Minister for Ambulance Services	The Hon Luke Donnellan MP	13 Jul 2021	16 Jul 2021
	The Hon James Merlino MP	11 Jan 2022	23 Jan 2022
	The Hon James Merlino MP	26 Apr 2022	1 May 2022
Minister for Health	The Hon Luke Donnellan MP	13 Jul 2021	16 Jul 2021
	The Hon James Merlino MP	11 Jan 2022	23 Jan 2022
	The Hon James Merlino MP	26 Apr 2022	1 May 2022
Minister for Mental Health	The Hon Martin Foley MP	3 Jul 2021	11 Jul 2021
	The Hon Martin Foley MP	26 Dec 2021	10 Jan 2022
	The Hon Martin Foley MP	14 Apr 2022	24 Apr 2022
Minister for Disability, Ageing and Carers	The Hon Gabrielle Williams MP	1 Jul 2021	4 Jul 2021
	The Hon Martin Foley MP	23 Sep 2021	26 Sep 2021
Secretary, Department of Health	Jacinda de Witts	29 Dec 2021	9 Jan 2022
	Jacinda de Witts	20 Jun 2022	30 Jun 2022

Remuneration

Remuneration received or receivable by the accountable officers in connection with the management of the department during the reporting period was in the range:

Income band	Department of Health 30 June 2022	Department of Health ⁽ⁱ⁾⁽ⁱⁱ⁾ 30 June 2021	Department of Families, Fairness and Housing ⁽ⁱⁱ⁾ 30 June 2021
\$200,000 – \$209,999	–	–	1
\$220,000 – \$229,999	–	–	1
\$280,000 – \$289,999	–	1	–
\$390,000 – \$399,999	–	1	–
\$640,000 – \$649,999	1	–	–
\$700,000 – \$709,999	–	1	–
Total	1	3	2

Notes:

(i) The figures include the Department of Health and the former Department of Health and Human Services.

(ii) The remuneration of the Director of Housing was disclosed in the Department of Health (including the former Department of Health and Human Services) for the period 1 July 2020 – 31 January 2021 and in the Department of Families, Fairness and Housing for the period 1 February 2021 – 30 June 2021.

9.7 Remuneration of executives

The numbers of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalent provides a measure of full-time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided 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		
	Department of Health ⁽ⁱ⁾ 2022 \$M	Department of Health ⁽ⁱ⁾⁽ⁱⁱ⁾ 2021 \$M	Department of Families, Fairness and Housing 2021 \$M
Short-term employee benefits	44.8	56.0	15.4
Post-employment benefits	4.2	5.0	1.2
Other long-term benefits	1.1	1.4	0.4
Termination benefits	0.7	0.5	0.2
Total remuneration ⁽ⁱⁱⁱ⁾	50.8	62.9	17.1
Total number of executives ⁽ⁱⁱⁱ⁾	285	376	190
Total annualised employee equivalent ^{(iii)(iv)}	197.3	247.2	173.1

Notes:

(i) Remuneration of KMPs seconded from other departments is not included.

(ii) The figures include the Department of Health and the former Department of Health and Human Services.

(iii) Total figures include the remuneration of the Chief Finance Officer (CFO), who delivered services as an executive officer to the department but is employed by the Department of Treasury and Finance.

(iv) 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 Administrative Office has been consolidated into the department's financial statements under s. 45(4) of the FMA:

- Safer Care Victoria.

The following entity has been consolidated into the department's financial statements pursuant to the determination made by the Assistant Treasurer under s. 53(1)(b) of the FMA:

- Mental Health Tribunal.

Related parties of the department and the abovementioned administrative office and entity 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
- 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 \$17,798.8 million (2021: \$22,650.5 million) and \$400.1 million (2021: \$539.7 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 Mary-Anne Thomas MP, The Hon Gabrielle Williams, The Hon Colin Brooks MP, The Hon Martin Foley MP, The Hon James Merlino MP, The Hon Luke Donnellan MP, and The Hon Anthony Carbines MP; the Secretary, Euan Wallace; and members of the senior executive team, which includes:

Entity	Key management personnel	Position title	From	To
Department of Health	Jodie Geissler	Deputy Secretary, Commissioning and System Improvement	1 Jul 2021	30 Jun 2022
Department of Health	Katherine Whetton	Deputy Secretary, Mental Health	1 Jul 2021	30 Jun 2022
Department of Health	Zoe Wainer	Deputy Secretary, Public Health	1 Jul 2021	30 Jun 2022
Department of Health	Jeroen Weimar	Deputy Secretary, COVID-19 Response ⁽ⁱ⁾	1 Jul 2021	30 Apr 2022
Department of Health	Emma Catford	Deputy Secretary, COVID-19 Response ⁽ⁱⁱ⁾	16 Jul 2021	31 Oct 2021
Department of Health	Chris Hotham	Deputy Secretary, Health Infrastructure	1 Jul 2021	30 Jun 2022
Department of Health	Peter Breadon	Deputy Secretary, Reform and Planning	1 Jul 2021	11 Mar 2022
Department of Health	John King	Interim Deputy Secretary, Reform and Planning	13 Mar 2022	20 Mar 2022
Department of Health	Nicole Brady	Deputy Secretary, Reform and Planning	21 Mar 2022	30 Jun 2022
Department of Health	Greg Stenton	Deputy Secretary, Corporate Services	1 Jul 2021	30 Jun 2022
Department of Health	Beth Gubbins	Acting Deputy Secretary, Corporate Services	18 Apr 2022	30 Jun 2022
Department of Health	Jacinda de Witts	Deputy Secretary, Regulatory, Risk, Integrity and Legal ⁽ⁱⁱ⁾	1 Jul 2021	30 Jun 2022
Department of Health	Olivia Goodman	Deputy Secretary, Regulatory, Risk, Integrity and Legal ⁽ⁱⁱ⁾	10 Oct 2021	30 Jun 2022
Department of Health	Lance Emerson	Chief Executive Officer, Victorian Agency for Health Information	1 Jul 2021	30 Jun 2022
Department of Health	Nicole McCartney	Chief Aboriginal Health Adviser	1 Jul 2021	30 Jun 2022
Department of Health	Simone Williams	Chief Communications Officer	1 Jul 2021	30 Jun 2022
Department of Health	Jenny Zahara	Chief Finance Officer	1 Jul 2021	3 Dec 2021
Department of Health	Andrew Gay	Chief Finance Officer	31 Jan 2022	13 May 2022
Department of Health	Beth Gubbins	Acting Chief Finance Officer	16 May 2022	30 Jun 2022
Department of Health	Beth Gubbins	Deputy Chief Finance Officer	1 Jul 2021	30 Jun 2022
Department of Health	Scott O'Keeffe	Acting Deputy Chief Finance Officer	16 May 2022	30 Jun 2022

Notes:

(i) COVID-19 Response division was incorporated as a COVID-19 branch into the Public Health division from 1 May 2022.

(ii) The deputy secretary roles were shared by multiple people.

Key management personnel of the Administrative Office consolidated pursuant to s. 45(4) of the FMA into the department's financial statements include:

Entity	Key management personnel	Position title	From	To
Safer Care Victoria	Michael Roberts	Chief Executive Officer	31 Aug 2021	30 Jun 2022
Safer Care Victoria	Robyn Hudson	Acting Chief Executive Officer	1 Jul 2021	3 Sep 2021

Key management personnel of the entity consolidated pursuant to s. 53(1)(b) of the FMA into the department's financial statements include:

Entity	Key management personnel	Position title	From	To
Mental Health Tribunal	Matthew Carroll	President	1 Jul 2021	30 Jun 2022

Remuneration of key management personnel

The compensation detailed below excludes the salaries and benefits the Portfolio Ministers received. The Ministers' remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and are reported in the State's Annual Financial Report.

Compensation of KMPs	Department of Health ⁽ⁱ⁾⁽ⁱⁱ⁾		Department of Families, Fairness and Housing		Administrative Offices ⁽ⁱⁱⁱ⁾		Other section 53 ^(iv)	
	2022 \$M	2021 \$M	2022 \$M	2021 \$M	2022 \$M	2021 \$M	2022 \$M	2021 \$M
Short-term employee benefits	5.5	5.2	–	1.5	0.4	1.1	0.3	1.2
Post-employment benefits	0.4	0.3	–	0.1	–	0.1	–	0.1
Other long-term benefits	0.1	0.2	–	–	–	–	–	–
Termination benefits	–	0.5	–	–	–	–	–	0.1
Total ^{(v)(vi)}	6.0	6.2	–	1.6	0.4	1.2	0.3	1.4

Notes:

- (i) The 2021 figures include the Department of Health and the former Department of Health and Human Services.
- (ii) Remuneration of KMPs seconded from other departments is not included.
- (iii) The 2021 figures include remuneration of KMPs for Victorian Agency for Health Information, Safer Care Victoria, Family Safety Victoria and Mental Health Reform Victoria.
- (iv) The 2021 figures include remuneration of KMPs for Mental Health Tribunal, Commission for Children and Young People, Victorian Multicultural Commission, Respect Victoria, Victorian Veterans Council, Disability Worker Registration Board, and Victorian Disability Worker Commission. The 2021 remuneration of the Director of Housing was disclosed in the Department of Health (including the former Department of Health and Human Services) for the period 1 July 2020 – 31 January 2021 and in the Department of Families, Fairness and Housing numbers for the period 1 February 2021 – 30 June 2021.
- (v) Total figures include the remuneration of the CFO, who delivered services as an executive officer to the department but is employed by the Department of Treasury and Finance.
- (vi) Note that KMPs are also reported in the disclosure of remuneration of accountable officers (refer to Note 9.6) and in the disclosure of remuneration of executive officers (refer to Note 9.7).

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, for example in paying stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occurs on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the 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 with the department, the Administrative Office or its s. 53(1)(b) entity.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

9.9 Remuneration of auditors

	2022 \$	2021 ⁽ⁱ⁾ \$
Victorian Auditor-General's Office – audit of the financial report	440,000	633,500

Note:

- (i) 2021 number relates to the audit fees for both the Department of Health and the Department of Families, Fairness and Housing (including the Director of Housing).

9.10 Subsequent events

No matters or circumstances have arisen since 30 June 2022 that significantly affect the information disclosed in the 2021–22 financial statements.

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 and revised accounting standards have been issued but are not effective for the 2021–22 reporting period. These accounting standards have not been applied to the financial statements. The state is reviewing its existing policies and assessing the potential implications of these accounting standards.

- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*

This standard amends AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date* to defer the application by one year to periods beginning on or after 1 January 2023. The department will not adopt the standard early.

The department is in the process of analysing the impacts of this standard. However, it is not anticipated to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on the department's reporting:

- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments*
- AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates*
- AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- AASB 2021-6 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*
- AASB 2021-7 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*.

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:

- experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred)
- 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.

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.

Ex-gratia expenses mean the voluntary payment of money or other non-monetary benefit (for example 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.

Finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

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 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 liability is any liability that is:

- (a) a contractual or statutory obligation:
 - to deliver cash or another financial asset to another entity, or
 - 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:
 - 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
 - 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*
- (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 (for example a state general government entity) to be passed on to another institutional sector (for example 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 borrowings. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of lease repayments, service concession financial liabilities 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.

Leases are rights conveyed in a contract, or part of a contract, to use an asset (the underlying asset) for a period of time in exchange for consideration.

Net acquisition of non-financial assets (from transactions) is the purchase (and other acquisition) 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. It 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 are 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 (for example 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 to '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 the cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the department.

Payables include 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 do not include the start-up costs associated with capital projects).

Public financial corporations 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 (for example by taking deposits, issuing securities or providing insurance services). Estimates are not published for the public financial corporation sector.

Public non-financial corporation 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 (for example 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.

Service Concession Arrangement is a contract effective during the reporting period between a grantor and an operator in which:

- (a) the operator has the right of access to the service concession asset (or assets) to provide public services on behalf of the grantor for a specified period of time
- (b) the operator is responsible for at least some of the management of the public services provided through the asset and does not act merely as an agent on behalf of the grantor, and
- (c) the operator is compensated for its services over the period of the service concession arrangement.

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

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 2021–22 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.

Appendices

Appendix 1: COVID-19 in Victoria 2021–22 timeline

Date Event

July 2021

1	State of Emergency extended. QR code check-ins mandatory for businesses.
6	Australian Grand Prix cancelled. The race had previously been postponed to 21 November 2021.
8	Restrictions ^(a) in metropolitan Melbourne ease further to align with those in regional Victoria.
11	Victoria closes its border to NSW and ACT for the second time.
14	Face masks mandatory indoors (except in your own home) and outdoors if it is not possible to stay 1.5 metres away from other people.
15	Lockdown 5 starts. Five reasons to leave home reinstated.
16	Freight drivers required to get PCR tests every three days.
20	Issuing of Red Zone Permits paused for two weeks.
23	All of NSW designated an Extreme Risk Zone. Declaration backdated to 9 July 2021. Three million COVID-19 vaccine doses administered by public health services and primary care providers since vaccination began. 50 open-access vaccination centres now open across Victoria.
27	Lockdown 5 ends. Strict restrictions remain. Four NSW local government areas (LGAs) no longer included in the cross-border bubble. People travelling to Victoria's alpine ski resorts must provide evidence of a negative PCR test result received within 72 hours of their departure.

August 2021

2	Pfizer COVID-19 vaccine interval extended to 6 weeks at state vaccination centres to allow more people to get their first dose.
5	Lockdown 6 starts, Victoria wide.
9	Lockdown 6 lifts for regional Victoria only.
13	Campaign to administer one million doses of COVID-19 vaccinations in five weeks begins.
16	People aged 18 to 39 years become eligible for the AstraZeneca COVID-19 vaccine. Restrictions strengthened and extended in metropolitan Melbourne. Curfew introduced. Playgrounds closed.
18	Launch of <i>Only a test can tell</i> community awareness campaign.
19	Melbourne marks 200 days of lockdown since the start of the pandemic.
21	Lockdown restrictions re-extended to regional Victoria. Restrictions align with those in Melbourne, with no curfew.
25	Vaccine eligibility expands to anyone aged 16 years and over.

(a) Restrictions throughout this section refers to the detailed rules imposed to limit the spread of COVID-19 in the community. These mainly related to: international and state border closures, quarantine and isolation, intrastate travel, curfews, allowable reasons for leaving home during lockdown, public events and facilities, visits to high-risk settings, venue density quotients, verification of vaccination status, use of personal protection equipment, and testing requirements.

Date Event**September 2021**

1	Announcement that current lockdown restrictions will remain in place until 70 per cent of eligible Victorians have had at least one dose of a COVID-19 vaccine.
2	Six Victorian LGAs and two NSW LGAs no longer defined as cross-border communities. Tighter restrictions on cross-border travel between NSW and Victoria.
3	Playgrounds reopen with strict rules to keep everyone safe. Specified Workers List shortened. Increased testing obligations introduced for workers entering Victoria under a Specified Worker Permit. AstraZeneca COVID-19 vaccine interval reduced to 6 weeks, down from 12 weeks.
7	Vaccination blitz of VCE students begins.
9	Lockdown restrictions lift in regional Victoria, except for Greater Shepparton. 10 million PCR tests processed since the pandemic began. Entry permits available to Victorians who have been residing in a NSW local government border area for at least 14 days.
12	Launch of pop-up vaccination program targeting 100 postcodes throughout Victoria. 70 schools to host pop-up vaccination clinics over six weeks.
13	Vaccine eligibility expands to include young people aged 12 to 15 years.
15	State vaccination centres deliver one million doses in less than five weeks. Lockdown restrictions introduced in Ballarat. Lockdown restrictions lift in Greater Shepparton.
16	Construction workers restricted from travelling between metropolitan Melbourne and regional Victoria for work, due to cases seeding from Melbourne.
17	70 per cent of Victorians aged 16 years and over vaccinated with one dose. Modest easing of restrictions in Melbourne and Ballarat. Broader easing elsewhere in regional Victoria. Mandatory vaccination policy announced for construction workers.
19	Announcement of Victoria's Roadmap: Delivering the National Plan, a pathway to re-opening. Lockdown restrictions introduced in Greater Geelong, Mitchell Shire and Surf Coast Shire.
20	Construction industry shut down in Melbourne and selected regional LGAs due to case numbers, transmission risk and reduced compliance.
22	Lockdown restrictions lift in Ballarat. Remaining restrictions align with those in place in regional Victoria. Moderna COVID-19 vaccine available to people aged 12 to 59 years. Mandatory vaccination policy announced for the education workforce.
23	Freight and healthcare workers entering Victoria under a Specified Worker (Multiple Entry) Permit required to have had at least one dose of a COVID-19 vaccine.
26	Lockdown restrictions lift in Greater Geelong and Surf Coast Shire. Remaining restrictions align with those in place in regional Victoria.
28	80 per cent of Victorians aged 16 years and over vaccinated with one dose. Roadmap Phase A commences. Restrictions ease across Victoria. Travel limit extended to 15 kilometres. Lockdown restrictions introduced in Latrobe Shire.
29	Travel permits available to fully vaccinated Victorians (with two doses) in Extreme Risk Zones.

Date Event**October 2021**

1	<p>Roadmap Phase A – Schools reopen. Tighter restrictions on the construction industry.</p> <p>Lockdown restrictions introduced in Greater Shepparton and Moorabool Shire.</p> <p>Pfizer and Moderna COVID-19 vaccines made available to people aged 60 years and over at GPs and pharmacies.</p> <p>Deadline by which residential aged care workers need to have their first COVID-19 vaccine to be eligible to continue working.</p>
2	<p>Deadline by which construction workers need to have their first COVID-19 vaccine to be eligible to continue working.</p> <p>Students living in high-risk postcodes strongly recommended to get a PCR test before sitting the General Achievement Test.</p> <p>People who receive a negative result from their Day 13 PCR test able to leave quarantine immediately.</p>
4	<p>Melbourne marks 245 days of lockdowns and becomes the city with the longest cumulative time in lockdown in the world.</p> <p>Pfizer COVID-19 vaccine interval reduced to three weeks at state vaccination centres.</p> <p>Restrictions on the construction industry ease, with vaccination requirements and caps on workers in place.</p>
5	<p>Lockdown restrictions lift in Latrobe Shire. Remaining restrictions align with those in place in regional Victoria.</p>
6	<p>Victorian Government purchases almost 2.2 million rapid antigen test kits for healthcare workers.</p>
7	<p>Ten dedicated disability pop-up vaccination clinics open.</p>
8	<p>Lockdown restrictions introduced in Mildura.</p> <p>Lockdown restrictions lift in Greater Shepparton and Moorabool Shire. Remaining restrictions align with those in place in regional Victoria.</p> <p>NSW–Victoria cross-border community expands to include several LGAs on either side of the border.</p>
9	<p>Casual or secondary close contacts no longer identified, contacted or managed by the department. Quarantine requirements lifted for this group.</p> <p>Tier 2 and Tier 3 exposure sites no longer published online.</p>
11	<p>Pfizer and Moderna COVID-19 vaccines available to anyone aged 12 years and over at all providers.</p> <p>Third-dose rollout begins for immuno-compromised people aged 12 years and over.</p> <p>Vaccinated economy^(a) trials begin in regional Victoria.</p>
13	<p>Lockdown restrictions lift in Mitchell Shire. Remaining restrictions align with those in place in regional Victoria.</p> <p>Neighbourhood vaccination pop-ups begin.</p>
15	<p>Deadline by which Authorised Workers need to have their first COVID-19 vaccine to be eligible to continue working.</p>
18	<p>School children in Grade 3 and above required to wear masks indoors at school. Masks strongly recommended for children in Prep to Grade 2.</p>
19	<p>Testing and isolation requirements ease for travel permit holders.</p> <p>Travellers from NSW vaccinated with two doses no longer need to quarantine for 14 days.</p> <p>20 new GP respiratory clinics funded for COVID-19 testing and respiratory assessments. Extended operating hours at existing clinics.</p>
20	<p>90 per cent of Victorians aged 16 years and over vaccinated with one dose.</p>

(a) 'Vaccinated economy' refers to the opening of, and rules associated with, venues and patrons as Victoria exits lockdowns. The government's policy was that people who were fully vaccinated or had a valid medical exemption, and children aged under 12 years and two months, would be subject to less onerous restrictions than unvaccinated people. These rules mainly related to public events, venue density quotients, verification of vaccination status, use of face masks and applicability to eligible industries.

Date Event

21	70 per cent of Victorians aged 16 years and over vaccinated with two doses. Lockdown 6 ends. Roadmap Phase B commences. Restrictions on leaving home removed. Curfew lifted. Lockdown restrictions lift in Mildura. Isolation period reduced to seven days (from 14 days) for non-household primary close contacts vaccinated with two doses.
25	Deadline by which healthcare workers need to have their first COVID-19 vaccine to be eligible to continue working.
29	80 per cent of Victorians aged 16 years and over vaccinated with two doses. Roadmap Phase C commences. Restrictions ease and align into one system with no metropolitan–regional divide. Travel allowed between Melbourne and regional areas. Deadline by which education workers need to have their first COVID-19 vaccine to be eligible to continue working.
30	Live music returns: Play on Victoria concert at the Sidney Myer Music Bowl. First vaccinated economy trial event: Derby Day.
November 2021	
1	Quarantine requirements removed for fully vaccinated international travellers (with two doses).
4	All LGAs in Australia become 'green' zones for the purposes of entering Victoria. NSW–Victoria border reopens.
7	More than 580 undergraduate and postgraduate university students join the vaccination workforce.
8	Third-dose rollout expands to everyone 18 years and over who had their second dose six or more months previously. RATs distributed to schools affected by COVID-19 outbreaks.
13	Deadline by which construction workers need to have their second COVID-19 vaccine to be eligible to continue working.
15	Deadline by which residential aged care workers need to have their second COVID-19 vaccine to be eligible to continue working. Private hospitals in Melbourne and Geelong resume 50 per cent of normal elective surgery lists.
18	Roadmap Phase D commences. Masks no longer required indoors (except for high-risk settings). Vaccinated economy remains in place.
25	90 per cent of Victorians aged 16 years and over vaccinated with two doses. Domestic travel permit system ends.
26	Deadline by which Authorised Workers need to have their second COVID-19 vaccine to be eligible to continue working.
28	Enhanced quarantine requirements for international travellers from countries linked to the Omicron COVID-19 variant.
29	Deadline by which education workers need to have their second COVID-19 vaccine to be eligible to continue working.

Date Event**December 2021**

2	Parliament passes the <i>Public Health and Wellbeing Amendment (Pandemic Management) Act 2021</i> .
8	First case of Omicron detected in Victoria. Demand for PCR testing intensifies ahead of the holiday period due to interstate travel requirements. Long queues and extended turnaround times continue into January.
12	Australian Technical Advisory Group on Immunisation (ATAGI) reduces third-dose interval from six to five months.
14	Demand for PCR testing varies between 71,000 and 88,000 tests a day for six days.
15	First ministerial pandemic orders issued under new legislation. Public health restrictions updated. Deadline by which healthcare workers need to have their second COVID-19 vaccine to be eligible to continue working.
17	Capacity increased at state-run vaccination clinics for pre-Christmas booster blitz.
21	Daily PCR testing peak of 92,262 tests. Public information campaign launched to help manage the testing experience. Testing requirements ease for fully vaccinated international travellers and flight crew, who only need to isolate until they receive a negative PCR test result.
23	Masks required indoors for everyone aged 8 years and over.
24	ATAGI reduces third-dose interval from five to four months due to prevalence of Omicron.
29	Victorian Government announces order of 34 million RAT kits to be delivered in January 2022.
30	'Close contact' redefined as someone who has spent four or more hours in a household setting with a confirmed case. Long queues at testing sites further compounded by heatwave conditions, with many sites forced to suspend operations until 2 January 2022.
31	Isolation requirements for positive cases reduced from 10 to seven days.

January 2022

5	Distribution of free RAT kits begins at four testing centres under a pilot program.
6	Changes to reduce PCR testing queues and ease pressure on pathology labs. Anyone who returns a positive RAT result is considered a 'probable case' with the same obligations as someone who returns a positive PCR test. Non-urgent elective surgery temporarily reduced.
7	Victoria introduces mandatory reporting of positive RAT results – the first state or territory to do so.
10	COVID-19 vaccine rollout begins for children aged 5 to 11 years. Family-friendly 'Enchanted Forest of Protection' theme at selected state vaccination centres.
12	Some priority workforces (e.g. healthcare and aged care) required to have a third COVID-19 vaccine under new pandemic orders. Indoor dance floors close again. Pandemic declaration extended for three months.
13	Isolation exemption for food and beverage manufacturing and distribution workforces, including retail supermarket workers.
17	Two medi-hotels open to ease pressure on hospitals, taking recovering COVID-19 patients. Key workforces begin receiving free RATs from an order of 44 million test kits.

Date Event

18	System-wide Code Brown announced to support the public hospital system, with medical staff redeployed to work in areas of highest clinical priority. Isolation exemption for key supply chain workforces, e.g. emergency services, education, transport and freight.
19	ATAGI reduces the third-dose interval to three months.
20	Victorian Government announces an order of 166 million extra RAT kits to help reduce pressure on the PCR testing system.
23	30 primary school pop-up vaccination clinics launch progressively during Term 1.
25	Launch of the Get the Right Help for Your Recovery campaign to help Victorians manage their recovery from COVID-19 at home.
31	School students and staff begin twice-weekly rapid antigen testing. Face masks required for students in Grade 3 and above when indoors.

February 2022

3	ATAGI approves a third dose for 16- and 17-year-olds.
4	Victorian Government announces \$1.4 billion to support the healthcare system with its Omicron response, including \$161 million for boosting PPE stock.
7	Day surgery resumes at up to 50 per cent of normal levels at private hospitals.
8	More than 1.6 million RAT kits delivered to early childhood settings for families to conduct voluntary twice-weekly testing.
11	ATAGI redefines 'fully vaccinated' as 'up to date' based on age and health status. ATAGI also recommends a third dose for people aged 16 years and over.
12	'K-pops' open at popular children's venues across Melbourne for vulnerable children and those with a disability.
14	Code Brown lifted – elective surgery resumes at various levels across the state.
17	School surveillance testing program extended until the end of Term 1. 24 million extra RATs distributed to schools and early childhood services.
18	Removal of restrictions, including mandatory check-ins and indoor density limits.
21	Novavax COVID-19 vaccine available to people aged 18 years and over. International borders open to travellers vaccinated with two or more doses. Victorian Quarantine Hub opens. Category 2 elective surgery resumes in Melbourne.
22	First anniversary of the COVID-19 vaccination program. More than 14.1 million doses delivered across the state, including more than 5.9 million doses at state-run centres.
25	Face masks no longer mandatory indoors, except for certain locations, such as public transport and healthcare settings. Third doses available through the in-home vaccination program to Victorians aged 70 years and over.
26	More than 10,000 Victorians with a disability or special needs vaccinated through the Disability Liaison Officer program. All state vaccination sites accept walk-ups.
28	All restrictions on elective surgery removed.

Date Event**March 2022**

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|----|--|
| 1 | Test Isolation Payment scheme ends after 20 months. |
| 3 | Launch of a statewide survey of parent and guardian attitudes on COVID-19 vaccination for children aged 5 to 11 years. |
| 12 | Deadline by which residential aged-care workers and some specified workers need to have their third COVID-19 vaccine to be eligible to continue working. |
| 23 | Scale-down of the state vaccination program begins with the closure of the Royal Exhibition Building vaccination hub. |
| 25 | ATAGI recommends a winter booster dose (fourth dose) for selected high-risk groups.
Deadline by which education workers need to have their third COVID-19 vaccine to be eligible to continue working. |
| 29 | Deadline by which healthcare workers need to have their third COVID-19 vaccine to be eligible to continue working. |
| 30 | 20 million PCR tests processed since the start of the pandemic. |

April 2022

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|----|---|
| 5 | Department modelling estimates voluntary surveillance testing prevented 113,500 COVID-19 infections in Term 1.
Free RAT kits provided to schools and early childhood settings for Term 2. |
| 7 | People with disability able to access up to 20 free RAT kits per visit to a testing centre. |
| 12 | Victoria's pandemic declaration extended until 12 July 2022.
Public health protocols introduced for cruise ships.
Border entry requirements for fully vaccinated (with two doses) or exempt non-cruise maritime crew align with requirements for air crew. |
| 22 | Most pandemic restrictions removed. Isolation requirements for positive cases, workforce vaccination mandates, use of face masks in certain settings, and visitor restrictions in care facilities remain in place.
Many rules shift from mandatory to recommended, with masks strongly recommended when physical distancing is not possible.
Close contacts no longer need to quarantine, provided they wear a mask indoors and return at least five negative RATs over seven consecutive days.
Two-thirds of Victorians aged 16 years and over vaccinated with three doses. |

May 2022

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|------|---|
| 1–31 | Targeted engagement and in-reach vaccination provided across all 57 public high-rise towers for both COVID-19 and flu |
| 25 | ATAGI expands eligibility for the winter booster (fourth dose) to people aged 16 to 64 years with a medical condition that increases the risk of severe COVID-19, and to people with disability with significant or complex health needs. |

Date Event**June 2022**

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|----|---|
| 9 | ATAGI recommends a first booster dose (third dose) may be given to 12 to 15-year-olds who are severely immuno-compromised, have a disability or complex health needs. |
| 14 | Australian Health Protection Principal Committee (AHPPC) recommends that face covering requirements in airports should be removed. |
| 24 | Removal of face covering requirements in airports and of visitor caps at care facilities.
Amendments for isolating individuals, who are now allowed to leave home to transport household members to education facilities. |
| 30 | Most state-run vaccination clinics close.
Dedicated COVID-19 food relief programs end and shift to a sustainable approach that connects people to local food providers.
Final day of the COVID-19 Response division before its transition into the Public Health division.
1300 COVID-19 hotline ends, however the 1800 675 398 number still operates. |
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Appendix 2: Budget portfolio outcomes

The budget portfolio outcomes provide comparisons between the actual financial statements of all general government sector entities in the portfolio and the forecast financial information (initial budget estimates) published in *Budget Paper No. 5 – Statement of Finances 2022–23* (BP5).

The budget portfolio outcomes comprise the comprehensive operating statement, balance sheet, statement of cash flows, statement of changes in equity, and administered items statement for the financial year 2021–22.

The budget portfolio outcomes have been prepared on a consolidated basis and include all general government sector entities within the portfolio. Financial transactions and balances are classified into either controlled or administered categories consistent with the published statements in BP5.

The budget portfolio outcomes statements are not subject to audit by the Victorian Auditor-General's Office and are not prepared on the same basis as the department's financial statements as they include the consolidated financial information of the following entities:

- > the Department of Health
- > public hospitals and public health services
- > multipurpose services
- > Ambulance Victoria
- > Health Purchasing Victoria
- > Victorian Assisted Reproductive Treatment Authority
- > Victorian Institute of Forensic Mental Health
- > Mental Health Tribunal
- > Tweddle Child and Family Health Service
- > The Queen Elizabeth Centre
- > Victorian Health Promotion Foundation.

The budget portfolio 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 funding for the National Health Reform Agreement and the National Partnership on COVID-19 Response, which are reported in the department's administered accounts.

Funding arrangements under the National Health Reform Agreement

The 2021–22 administered items statement reflects the funding contributions from the state and Commonwealth through the Victorian State Pool Account under the arrangements of the National Health Reform Agreement (NHRA).

NHRA arrangements provide Victorian and Commonwealth activity-based funding directly to health services from the Victorian State Pool Account, which is overseen by the Administrator of the National Health Funding Pool. This is reported in the department's administered accounts.

The administered accounts include the state and Commonwealth contributions to activity-based funding, cross-border contributions, and payment to the department's controlled entity of Commonwealth contributions for block-funded health agencies, as well as NHRA public health funding.

Funding arrangements under the National Partnership on COVID-19 Response

The National Partnership on COVID-19 Response (NPCR) utilises funding mechanisms of the National Health Reform Agreement to provide Commonwealth contributions for the response to the COVID-19 pandemic. The NPCR provides for Commonwealth funding to be paid through the Victorian State Pool Account and overseen by the Administrator of the National Health Funding Pool. This is reported in the department's administered accounts.

Funding under the NPCR includes Hospital Services Payments, State Public Health Payments, Vaccine Dose Delivery Payments, Vaccine Roll-out Support Payments, Aged Care Response Payments, and Private Hospital Financial Viability Payments.

All Commonwealth contributions for NPCR funding are included in the administered accounts and are paid from the National Health Funding Pool to the department's controlled entity.

Financial performance – operating statement

In 2021–22, the portfolio recorded an actual net result from transactions of \$1,417 million surplus compared with a 2021–22 published budgeted deficit of \$149 million.

The variance between the budgeted and actual surplus is mainly due to differences in the timing for expensing consumables, such as personal protective equipment and rapid antigen tests in response to the COVID-19 pandemic. The published budget assumes that all such items would be purchased and consumed in the same year, however a significant amount was still held as inventory at 30 June 2022.

In addition, contributing to the variance is the timing of grant income recognised by health agencies due to delays in implementation and delivery of planned activities in response to the COVID-19 pandemic.

Financial position – balance sheet

Total assets are \$2,036 million higher than the published budget. This is mostly attributed to cash and deposits held by health agencies and inventories on hand at 30 June 2022 which relate to consumables such as personal protective equipment purchased in response to the COVID-19 pandemic.

Total liabilities are \$19 million higher than the published budget. This is primarily due to increases in employee leave provisions.

Cash flows

The overall cash position at the end of the 2021–22 financial year is \$3,614 million, which is \$751 million greater than the published budget for 2021–22.

The variance is mainly driven by cash held in portfolio health agencies as at 30 June 2022.

Detailed financial results for the 2021–22 portfolio budget and actual results are included in the following pages.

Comprehensive operating statement for the financial year ended 30 June 2022

	2021–22 Actual \$M	2021–22 Revised budget \$M	2021–22 Published budget \$M	Variation to published budget %	Notes
Net result from continuing operations					
Income from transactions					
Output appropriations	15,910	15,051	12,095	31.6	(a)
Special appropriations	1,889	1,836	1,990	(5.5)	
Interest	19	17	47	(60.9)	
Sales of goods and services	1,790	1,743	1,924	(7.0)	
Grants	9,926	9,391	8,181	21.3	(b)
Fair value of assets and services received free of charge or for nominal consideration	38	–	–	–	
Other income	874	807	775	12.8	(c)
Total income from transactions	30,446	28,845	25,012	21.7	
Expenses from transactions					
Employee benefits	15,856	16,473	15,347	3.3	
Depreciation and amortisation	1,315	1,400	1,365	(3.7)	
Interest expense	161	162	213	(24.6)	
Grants and other transfers	1,604	1,422	1,043	53.7	(d)
Capital asset charge	–	–	–	–	
Other operating expenses	10,092	9,630	7,193	40.3	(e)
Total expenses from transactions	29,028	29,087	25,162	15.4	
Net result from transactions (net operating balance)	1,417	(242)	(149)	(1,049.9)	
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	18	1	1	3,040.9	
Net gain/(loss) on financial instruments and statutory receivables/payables	(75)	(26)	(26)	192.4	
Other gains/(losses) from other economic flows	86	(8)	(8)	(1,213.1)	
Share of net profits/(losses) of associates and joint venture entities, excluding dividends	–	–	–	–	
Total other economic flows included in net result	30	(33)	(33)	(189.9)	
Net result	1,447	(275)	(182)	(894.7)	
Other economic flows – other comprehensive income					
Adjustment to accumulated surplus/(deficit) due to a change in accounting policy	(48)	–	–	–	
Changes in non-financial asset revaluation surplus	455	14	33	1,279.6	(f)
Financial assets available-for-sale reserve	(1)	–	–	–	
Other	212	–	–	–	
Total other economic flows – other comprehensive income	618	14	33	1,772.2	
Comprehensive result	2,065	(261)	(149)	(1,484.7)	

(a) The actual output appropriation increase from the published budget reflects funding released from central contingency and additional funding for new policy initiatives approved by government, including funding related to the COVID-19 response.

- (b) The actual grant income was higher than the published budget mainly due to additional National Partnership on COVID-19 Response funding from the Commonwealth Government.
- (c) Other income was higher than the published budget due to additional research revenue, donations and commercial revenue recognised by hospitals and public health services.
- (d) The actual grants and other transfers were higher than the published budget mainly reflecting the additional state COVID-19 contribution to the Victorian State Pool Account.
- (e) Other operating expenses were higher than the published budget due to additional costs for consumables such as personal protective equipment and rapid antigen tests being expensed in hospitals and public health services in response to the COVID-19 pandemic.
- (f) The changes in revaluation surplus were higher than the published budget due to the revaluation of land and building assets across the portfolio in accordance with Financial Reporting Direction *FRD103 Non-Financial Physical Assets*.

Balance sheet as at 30 June 2022

	2021–22 Actual \$M	2021–22 Revised budget \$M	2021–22 Published budget \$M	Variation to published budget %	Notes
Assets					
Financial assets					
Cash and deposits	3,614	2,685	2,863	26.2	(a)
Receivables	4,504	4,643	4,051	11.2	(b)
Other financial assets	443	470	470	(5.8)	
Investments accounted for using equity method	1	1	1	(26.6)	
Total financial assets	8,562	7,799	7,385	15.9	
Non-financial assets					
Inventories	1,159	454	454	155.4	(c)
Property, plant and equipment	21,362	20,906	21,221	0.7	
Investment properties	151	141	141	7.2	
Intangible assets	384	390	396	(3.0)	
Other	301	286	286	5.3	
Total non-financial assets	23,357	22,177	22,498	3.8	
Total assets	31,919	29,976	29,883	6.8	
Liabilities					
Payables	2,907	2,833	2,883	0.9	
Borrowings	3,390	3,568	3,602	(5.9)	
Provisions	4,250	4,044	4,044	5.1	
Total liabilities	10,547	10,444	10,528	0.2	
Net assets	21,372	19,531	19,355	10.4	
Equity					
Accumulated surplus/(deficit)	5,166	3,569	3,662	41.1	
Reserves	11,136	10,521	10,540	5.7	
Contributed capital	5,070	5,442	5,154	(1.6)	
Total equity	21,372	19,532	19,355	10.4	

- (a) Cash and deposits are higher than budget mainly due to capital funding received in advance with lower than expected capital expenditure during the year, as well as additional COVID-19 funding.
- (b) Receivables mainly reflects expected revenue from the Commonwealth, via the National Health Funding Pool, and reimbursement of shared service costs from the Department of Families, Fairness and Housing.
- (c) Inventories on hand as at 30 June 2022 relate to consumables such as personal protective equipment and rapid antigen test kits purchased in response to the COVID-19 pandemic and not yet consumed.

Statement of cash flows for the financial year ended 30 June 2022

	2021–22 Actual \$M	2021–22 Revised budget \$M	2021–22 Published budget \$M	Variation to published budget %
Cash flows from operating activities				
Receipts				
Receipts from government	19,508	17,909	15,599	25.1
Receipts from other entities	10,140	9,607	8,668	17.0
Goods and Services Tax recovered from the ATO	3	(6)	(6)	(155.0)
Interest received	19	16	47	(60.1)
Dividends received	7	8	9	(21.8)
Other receipts	517	858	833	(37.9)
Total receipts	30,194	28,391	25,150	20.1
Payments				
Payments of grants and other transfers	(1,602)	(1,422)	(1,043)	53.5
Payments to suppliers and employees	(25,987)	(25,747)	(22,108)	17.5
Goods and Services Tax paid to the ATO	3	1	1	559.1
Capital asset charge	–	–	–	–
Interest and other costs of finance	(159)	(162)	(213)	(25.5)
Other payments	(5)	–	–	–
Total payments	(27,750)	(27,331)	(23,364)	18.8
Net cash flows from/(used in) operating activities	2,444	1,060	1,786	36.8
Cash flows from investing activities				
Net investment	124	6	6	1,987.9
Payments for non-financial assets	(1,274)	(1,438)	(1,688)	(24.5)
Proceeds from sale of non-financial assets	12	3	3	310.9
Net loans to other parties	(0)	–	–	–
Net (purchase)/disposal of investments – policy purposes	–	–	–	–
Net cash flows from/(used in) investing activities	(1,138)	(1,429)	(1,679)	(32.2)
Cash flows from financing activities				
Owner contributions by state government	(37)	495	207	(117.7)
Repayment of finance leases	–	–	–	–
Repayment of right-of-use leases	(284)	(219)	(216)	31.6
Net borrowings	(135)	16	2	(5,824.7)
Net cash flows from/(used in) financing activities	(456)	291	(7)	6,342.4
Net increase (decrease) in cash and cash equivalents	851	(78)	100	748.7
Cash and cash equivalents at the beginning of the financial year	2,763	2,763	2,763	–
Cash and cash equivalents at the end of the financial year	3,614	2,685	2,863	26.2

Statement of changes in equity for the financial year ended 30 June 2022

	2021–22 Actual \$M	2021–22 Revised budget ^(a) \$M	2021–22 Published budget \$M	Variation to published budget %
Accumulated funds	3,844	3,844	3,844	–
Adjustment due to change in accounting policy	(155)	–	–	–
Transactions with owners in their capacity as owners	31	–	–	–
Comprehensive result	1,447	(275)	(182)	(894.7)
Accumulated surplus/(deficit)	5,166	3,569	3,662	41.1
Net contributions by owners	4,947	4,947	4,947	–
Transactions with owners in their capacity as owners	123	495	207	(40.7)
Contributions by owners	5,070	5,442	5,154	(1.6)
Physical asset revaluation reserve	10,026	10,026	10,026	–
Transactions with owners in their capacity as owners	455	14	33	1,279.6
Comprehensive result	–	–	–	–
Physical asset revaluation reserve	10,481	10,040	10,059	4.2
Financial assets available-for-sale reserve	481	481	481	–
Other reserves	174	–	–	–
Other reserves	655	481	481	36.1
Changes in equity	21,372	19,532	19,355	10.4

Administered items statement for the financial year ended 30 June 2022

	2020–21 Actual \$M	2020–21 Revised budget ^(a) \$M	2020–21 Published budget \$M	Variation to published budget %	Notes
Administered income					
Appropriations – Payments made on behalf of the state	–	–	–	–	
Interest	–	3	3	(100.0)	
Sales of goods and services	288	294	295	(2.3)	
Grants	15,692	13,891	12,730	23.3	(a)
Other income	9	11	33	(72.6)	
Total administered income	15,990	14,199	13,060	22.4	
Administered expenses					
Grants and other transfers	14,584	12,766	11,851	23.1	(b)
Payments into consolidated fund	400	391	413	(3.2)	
Expenses on behalf of the state	961	1,044	798	20.5	
Total administered expenses	15,945	14,201	13,062	22.1	
Income less expenses	44	(2)	(2)	(3,056.9)	
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	–	2	2	(100.0)	
Net gain/(loss) on financial instruments and statutory receivables/payables	9	–	–	–	
Total other economic flows included in net result	9	2	2	486.5	
Net result	53	–	–	–	
Comprehensive result	53	–	–	–	
Administered assets					
Cash and deposits	4	4	4	7.2	
Receivables	1,050	450	513	104.6	(c)
Other financial assets	–	–	–	–	
Total administered assets	1,054	454	517	103.9	
Administered liabilities					
Payables	994	448	511	94.7	(d)
Provisions	–	–	–	–	
Total administered liabilities	994	448	511	94.7	
Net assets	60	6	6	843.9	

(a) Administered grants income was higher than budget due to additional funding from the Commonwealth and the state government under the National Health Reform Agreement and National Partnership on COVID-19 Response.

(b) Administered grants expenses were higher than budget due to additional grants to health agencies and the state from the Victorian State Pool Account for health services delivered under the National Health Reform Agreement and National Partnership on COVID-19 Response.

(c) Administered receivables were higher than budget mainly due to the accrued Commonwealth contribution to the Victorian State Pool Account for the National Partnership on COVID-19 response

(d) Administered payables were higher than budget due to the funding payable by the Victorian State Pool Account to the state for services relating to the COVID-19 response.

Appendix 3: Disclosure index

This annual report is prepared in accordance with all relevant Victorian legislation and pronouncements. This index facilitates identification of the department's compliance with statutory disclosure requirements.

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