



Annual report 2015–16

Victorian Department of Health and Human Services

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Where the term ‘Aboriginal’ is used it refers to both Aboriginal and Torres Strait Islander people. Indigenous is retained when it is part of the title of a report, program or quotation.

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Accountable officer's declaration

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

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

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

Hon. John Eren MP
Minister for Sport

Dear Ministers

In accordance with the *Financial Management Act 1994*, I am pleased to submit to you the Department of Health and Human Services annual report for the period 1 July 2015 to 30 June 2016.

A handwritten signature in black ink, appearing to read 'Kym Peake', with a stylized flourish at the end.

Kym Peake
Secretary
Department of Health and Human Services

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Secretary's foreword

The Department of Health and Human Services works to achieve the best health, wellbeing and safety for all Victorians so that they can lead a life they value.

We know that most people want to be connected to their communities, and experience a good life – their health, safety and wellbeing rely on being able to participate fully in the community and economy and access services. Our purpose is to help them to get there.

Our efforts are guided by our four strategic directions of person-centred services and care, local solutions, earlier and more connected support, and advancing quality, safety and innovation.

To deliver on our strategic directions, during 2015–16 we:

- > set an ambitious, long-term vision for mental health and wellbeing, outlined in *Victoria's 10-year mental health plan*. The plan recognises that nearly half of all Victorians (45 per cent) will experience mental illness in their lifetime, and places a focus on prevention and coordinated efforts to help Victorians achieve better health and wellbeing
- > led efforts to support Victorians with disability to have the same opportunities as everyone else in our community, through the development of Victoria's state disability plan and support for the transition to and roll out of the National Disability Insurance Scheme (NDIS)
- > continued our focus on reforming Victoria's ambulance system, supporting efforts to deliver improved response times and better support for paramedics, as part of *Victoria's ambulance action plan: improving services, saving lives*
- > established a vision for a Victoria free from the avoidable burden of disease and injury as part of the *Victorian public health and wellbeing plan 2015–2019*
- > delivered the new \$1 billion purpose-built Victorian Comprehensive Cancer Centre, bringing together world-class cancer research, treatment, care and education
- > worked with health services to design Healthlinks: Chronic Care, a new funding approach to better integrate support for people with chronic disease in hospital settings
- > supported increased participation and leadership in sport for women, with investments in female-friendly facilities at community sports grounds and the implementation of the recommendations of the Women and Girls in Sport Advisory Panel
- > focused on overcoming the unacceptable health disparity in health outcomes for Aboriginal and Torres Strait Islander Victorians, with an emphasis on self-determination and the social and cultural determinants of health
- > responded to the Hazelwood Mine Fire Inquiry, including establishing the Latrobe Valley Health Zone to focus on improving health outcomes for the local community
- > began the work necessary to implement the 227 recommendations of the Royal Commission into Family Violence and overhaul the family violence system
- > supported women and children at risk of family violence with increased housing options, as part of the government's housing blitz
- > concentrated our efforts on shifting the focus of child protection from crisis response to prevention and early intervention as part of the *Roadmap for reform: strong families and safe children*
- > increased support for children and families in crisis with the creation of an additional 148 child protection practitioner positions and a \$62 million investment in Targeted Care Packages to reduce the need for residential out-of-home care placements
- > began the development and implementation of a new client incident management system which will focus on the most serious incidents and their impact on clients, and strengthen processes, systems and workforce capability to prevent and effectively manage client incidents
- > supported the creation of a legal framework to enable the manufacture, supply and access to safe and high-quality medicinal cannabis products in Victoria to allow patients to legally access medicinal cannabis in exceptional circumstances
- > supported new laws to give Victorians greater powers to set directives about their future medical treatment, including end-of-life preferences and wishes

- > established Better Care Victoria to drive innovation across the Victorian health system
- > strengthened our engagement and partnership with clinical leaders with the appointments of a new Chief Medical Officer, Chief Nursing and Midwifery Officer.

We have also ensured we have the right structures and systems in place to allow us to harness the benefits of bringing health, human services and sport and recreation into the one department. We have been creating a workplace culture based on respect and integrity, including developing our *Action plan to prevent bullying and inappropriate behaviour*.

As we look ahead, during the next year we are moving into co-design and delivery mode to support the government's ongoing reform agenda.

We will continue to respond to the recommendations of the Royal Commission into Family Violence, and advance our quality and safety agenda as we respond to the Review of Hospital Safety and Quality Assurance in Victoria, conducted by Dr Stephen Duckett. We will also support the new regional and metropolitan partnerships established by government to give communities greater say about what matters to them.

In all of this work, we will need to work closely with other government agencies, non-government organisations, advisory and industry groups, communities and clients. Critical to our success will be a service orientation and an open, constructive and collaborative work culture that allow the department and everyone in it to participate, adapt and learn.

I would like to thank our ministers, our departmental staff throughout the state, our community and sector partners for their support. The materials in this annual report serve as evidence of their continued commitment and dedication to our shared purpose – how we respond to the complex and changing needs of Victorians to ensure they have the best health, wellbeing and safety possible.



Kym Peake
Secretary
Department of Health and Human Services

Introduction

The Department of Health and Human Services was established on 1 January 2015, bringing together the functions of health, human services and sport and recreation.

Vision

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

Our values

Over the past 12 months many staff have been involved in elaborating on our values to describe what we stand for at the department; how we want to make decisions; and how we expect each other to behave.

Our values are:

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

Outcomes

The department's focus on outcomes for people who rely on our services and activities, and system-level results we are seeking from health and human services reforms.

The outcomes for people:

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

The service system outcome:

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

Strategic directions

The department has four strategic directions:

Person-centred services and care

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

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

This means:

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

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

Local solutions

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

This means:

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

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

Earlier and more-connected support

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

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

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

Advancing quality, safety and innovation

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

This means:

- > making sure the people who work in health and human services are qualified and have the right mix of skills
- > measuring quality, safety and client/patient experience and outcome data so we can intervene quickly when we identify poor performance
- > seeking improvements and innovations, evaluating what we do, and reducing unacceptable variations in care and outcomes.

This strategic direction affirms the department's commitment to client/patient safety and improving the quality and effectiveness of our interventions.

Leadership Charter

The Leadership Charter outlines the behaviours the staff and stakeholders can expect of the executive leadership group and positions the department as a great place to work. The Charter commits the executive to lead by example and ensure that their behaviours and the way they approach their work embodies the department's values, for example by being accountable for their actions and outcomes, sharing information with staff when it should be shared, and seeking out and valuing other perspectives. The Charter is available at dhhs.vic.gov.au/publications/leadership-charter.

Purpose and functions

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

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

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

Portfolio responsibilities

Health

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

Ambulance services

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

Housing

Having a safe, stable and secure home is essential for long-term health and wellbeing. A range of housing assistance is available to Victorians experiencing disadvantage, including long-term housing assistance in the form of public or community housing, private rental assistance and home ownership and renovation assistance. The department also funds crisis and emergency accommodation for those at risk of, or experiencing, homelessness.

Disability

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

Ageing

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

Mental Health

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

Families and Children

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

Youth

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

Sport and Recreation

Through Sport and Recreation Victoria, the department provides strategic leadership to the Victorian sport and recreation industry. It promotes lifelong participation and increased diversity in sport and recreation, as well as strengthening the pathway for Victorian athletes.

The department manages the state government's major sports facilities, investing into Victoria's state community facilities to maintain Victoria's reputation as the sporting capital of the nation.

Changes to the department

There have been no changes to the department since July 2015.

The department's ministers



The Honourable Jill Hennessy MP

Minister for Health
Minister for Ambulance Services

The Honourable Jill Hennessy MP is the Minister for Health and Minister for Ambulance Services in the Andrews Labor Government, and is currently the Chair of the Council of Australian Governments Health Council.

She entered the Victorian Parliament as the Member for Altona District in 2010, and held a number of Shadow Ministerial roles before Labor was elected to government in 2014, including Public Transport, Anti-Corruption, Corrections, Crime Prevention and Women.

Minister Hennessy holds a Masters of Public and International Law, a Bachelor of Laws and a Bachelor of Arts, and is a former lawyer, board member of Western Health, Western Region Health, and former Chair of the Victorian Working Families Council.

Since her appointment, Minister Hennessy has overseen record investment in the Victorian health system, along with many key reforms including legislating for minimum nurse ratios for Victorian patients, medicinal cannabis, safe access zones, improved vaccination requirements at childcare and kindergartens, a new health complaints regime and has embarked on tobacco reform. Minister Hennessy has a passion for medical research, and is focused on working with health professionals to support their health and wellbeing and positive contribution to the health system.

Minister Hennessy will continue to invest in, and reform our health system, to ensure that every Victorian has access to the very best healthcare, regardless of where they live or their background.



Martin Foley MP

Minister for Housing, Disability and Ageing
Minister for Mental Health

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

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

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

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



Jenny Mikakos MP

Minister for Families and Children Minister for Youth Affairs

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

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

Having previously chaired the Aboriginal Justice forum for five years, Minister Mikakos is passionate about social justice and human rights and is ready to drive systemic reform needed to improve outcomes for the most vulnerable children, young people and families in Victoria.

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

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



The Honourable John Eren MP

Minister for Sport

The Honourable John Eren MP was elected to the Legislative Assembly in 2006. He has been a Member of Parliament since 2002. He has been the Minister for Sport in the Victorian Government since 4 December 2014.

Minister Eren is responsible for:

- > ensuring better access and opportunities for participation in sport and recreation for all Victorians
- > maintaining Victoria's status as the sporting capital, and Australia's leading state for sporting events
- > reinforcing the positive role that sport plays in the lives of Victorians.

Minister Eren is also the Minister for Tourism and Major Events and the Minister for Veterans.

Year in review

Objectives

The strategic directions, which guide the department in achieving its objectives, are published each year in the Victorian Government State Budget.

The budget links the department's objectives to output initiatives for health and human services, and it outlines the indicators that define the desired outcomes for the Victorian community.

The objectives relate to the department's portfolios of health, ambulance services, housing, disability and ageing, mental health, families and children, youth affairs and sport.

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

The department seeks to maximise disease prevention and to fund accessible person-centred health and human services that help people stay healthy.

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

It works with organisations across the state to deliver a place-based approach to creating health promoting environments in the places where Victorians spend their time – including schools and early-years services, workplaces, sporting groups, recreation spaces, communities and more.

It also partners with external agencies to provide services to the most vulnerable people in the community through aged care assessment and support, services for rural areas of Victoria, dental services for low-income people, local community health services, as well as significant public health campaigns.

Health

Public health and wellbeing plan

The *Victorian public health and wellbeing plan 2015–2019* establishes an ambitious vision for the state: a Victoria free from the avoidable burden of disease and injury, so that all Victorians can enjoy the highest attainable standards of health, wellbeing and participation at every age. Reducing inequalities in health and wellbeing is key to achieving this vision.

The plan identifies six health promotion priorities:

- > healthier eating and active living
- > tobacco-free living
- > reducing harmful alcohol and drug use
- > improving mental health
- > preventing violence and injury
- > improving sexual and reproductive health.

Three platforms for change to support population-wide health and wellbeing outcomes are also identified:

- > healthy and sustainable environments
- > place-based approaches
- > people-centred approaches.

Community and dental health

Community health services

There are 86 community health services in Victoria which deliver a range of health and human services. These organisations play an important role in the delivery of population-focused, coordinated and integrated services.

The department funds community health services to deliver the Community Health Program which encompasses activities including allied health, nursing and counselling. In 2015–16, the Community Health Program provided services to around 204,000 Victorians and delivered over 1 million hours of service.

Victorian Dental Health Program

The Victorian Dental Health Program provides dental care for all children up to the age of 12, as well as young people (aged 13–17) and adults with healthcare cards and pensioner concession cards. Specific populations that may experience barriers to accessing health services are also given priority.

In 2015–16, Victorian public dental services benefitted from Commonwealth investment under the *National Partnership Agreement on Adult Public Dental Services* which provided \$38.45 million to Victoria for the provision 45,041 additional dental services.

Drought response

The Victorian Government's Drought Response Package included the delivery of mental health first aid training and funding for community engagement and support to reduce the social impacts of drought in affected communities. These activities were undertaken by Primary Care Partnerships in Victoria's most drought-affected communities.

Whooping cough vaccine

This program, reintroduced in June 2015, has provided over 100,000 doses of vaccine to expectant mothers and partners, and raised the awareness of the program with the extended family of expectant mothers. Monash Health Network has been funded to examine the effectiveness of the different models of program delivery for ongoing support for the program.

Better Health Channel

The Better Health Channel website continues to exceed targets in providing accessible health and wellbeing information to Victorians. The site's social media audience has also grown by more than 33 per cent during the last six months.

Shade in public places

The 2015–16 State Budget provided \$10 million over four years to create shade in public places. In 2015–16, over 391 shade projects were funded in Victorian schools and community organisations to protect the community from the harmful effects of ultraviolet radiation over-exposure.

Rapid HIV testing and the PrEPX research study

PRONTO! is the state's peer-led rapid HIV testing service. From 1 July 2015 to 30 June 2016, the service took 2,934 appointments, comprising 86 per cent of the 3401 available appointments.

For 2015–16, 2,505 HIV rapid tests have been conducted, representing 1,836 individuals tested.

Peer-led sexually transmissible infections testing for syphilis, chlamydia and gonorrhoea was introduced at PRONTO! in February 2016. Between February and June 2016, a total of 656 individuals were tested.

The PrEPX public health research study is a co-designed, co-funded initiative announced in January 2016. The study will scale up pre-exposure prophylaxis or PrEP access to 2,600 people at high risk of HIV transmission in Victoria. The department will provide \$1.4 million to the study through a partnership with Alfred Health and the Victorian AIDS Council.

The study aims to reduce HIV transmissions by up to 30 per cent, and will provide a platform for supporting a broader approach to improving sexual health testing and treatment.

Emergency response training

The department supports health emergency responses and social recovery, and coordinates regional relief recovery.

Across 2015–16 the department supported Victorians affected by a range of incidents and emergencies including 17 major fires, a blue-green algae outbreak, and a significant flooding event.

To underpin this activity, the department conducts a portfolio of exercising and training to ensure a sufficient number of people within the department, health sector and community are trained in emergency management. Over 1,900 participants were involved in exercising and training conducted or coordinated by the department across 2015–16.

Supporting Victoria's medical research institutes

In 2015–16, the department took responsibility for providing operational infrastructure support grants to Victoria's medical research institutes.

Achievement Program

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

It is reaching over 720,000 Victorians (over 384,000 children and 339,000 workers) through 1,442 (55 per cent) of eligible early childhood services, 647 (38 per cent) of primary schools, 150 (27 per cent) of secondary schools and 945 workplaces (as at the end of June 2016).

Healthy Eating Advisory Service

This service helps children's settings, hospitals, workplaces, sport and recreation centres and manufacturers to provide healthier food and drink choices. Over 580 organisations have received menu assessments.

In 2015–16, the service introduced online training modules for retail outlets and early childhood settings. These have supported over 925 people, in addition to the 315 people who attended face-to-face training.

In addition, 22 organisations were engaged in the Mentorship Program which aims to build the capacity of health professionals to support organisational change.

An online vending assessment tool was also developed.

Healthy by Design

During 2015–16, the department, with the support of the Department of Environment, Land, Water and Planning, and through its funding partnership with Heart Foundation Victoria, worked with representatives across government to identify opportunities for enabling healthy and active communities through the delivery of '20-minute neighbourhoods'. This process complemented the public consultations on the refresh of Plan Melbourne. The partnership with Heart Foundation Victoria also enabled a series of local government master classes on planning for healthy and active living at seven locations across metropolitan and regional Victoria, reaching 250 participants and 62 councils.

Victorian Healthy Eating Enterprise

The department is working with over 50 organisations committed to improving the health and wellbeing of Victorians through food. Partner organisations include local government, business, industry, health professionals and communities. Working collaboratively, the Victorian Healthy Eating Enterprise partners are scaling up action to support healthy food choices to be the easier choice in over 5,000 locations, such as schools, hospitals, parks, workplaces and sport and recreation centres.

LiveLighter social marketing campaign

LiveLighter focuses on reducing the consumption of sugary drinks in Victoria. This includes a Rethink Sugary Drinks campaign for Aboriginal Victorians.

The campaign has reached over 75 per cent of the target audience of overweight or obese adults (through television advertising), and attracted more than 41,000 unique visits and 56,500 user sessions to the campaign website.

Life! Helping you prevent diabetes, heart disease and stroke program

This program gives Victorians at high risk of type 2 diabetes or cardiovascular disease the skills and motivation to adopt a healthier lifestyle and reduce the risk of these chronic diseases.

In 2015–16, 5,486 participants joined either the Life! group course or telephone health coaching option. The department is also reviewing diabetes and cardiovascular disease prevention activities in Victoria to ensure a comprehensive approach that addresses modifiable common risk factors for chronic diseases and individual needs.

Koolin Balit

There is a strong focus on addressing chronic disease, prevention and early intervention in the implementation of *Koolin Balit*, Victoria's Aboriginal health strategy.

This includes funding for the Victorian Aboriginal Community Controlled Health Organisation to support the continuing development and delivery of activities specifically related to tobacco control, nutrition and healthy eating.

Victorian Aboriginal Population Health Recruitment Program

This local government program supports the employment and retention of Aboriginal people in health promotion roles in local government through a mix of trainee, graduate and cadetship positions.

In 2015–16 four new positions were appointed, taking the total to seven positions appointed.

Wrap-around healthcare

North Metro and West Metro Health Branches are funding the Victorian Aboriginal Health Service to provide timely, wrap-around, culturally safe healthcare through its paediatric service. Approximately 100 children, half of whom are in statutory out-of-home care, have now received wrap-around psychological, speech and health services. The success of the program means that it is being expanded with the opening of two new Koolin Balit clinics in north and west metropolitan Melbourne.

National Centre for Farmer Health

The 2015–16 Budget provided funding for the National Centre for Farmer Health for local government areas in Victoria, which brings together university research, service delivery and education to provide essential services for farmers across Victoria.

A reference group chaired by Deakin University has started planning activities for the next four years.

BreastScreen Program

The BreastScreen Program provides free breast screening every two years to Victorian women over 40 years of age.

A record 246,006 women were screened by BreastScreen Victoria in 2015–16, and it is expected that this record will be beaten in 2016–17.

Enhancing surveillance of foodborne diseases

The OzFoodNet provides \$1 million to Victoria over four years to support the delivery of a national system of enhanced foodborne disease surveillance.

It provides comprehensive information on foodborne diseases and the capacity to rapidly identify and respond to outbreaks of foodborne disease.

Activities include surveillance and investigation of foodborne disease, overseen by an epidemiologist.

OzFoodNet also undertakes analysis and reporting, collation, management and coordination of the transfer of outbreak information across and within jurisdictions.

Mental health

10-year mental health plan

Victoria's 10-year mental health plan was released in November 2015. It reflects a long-term commitment to improve the mental health and wellbeing of Victorians.

The plan commits to reducing the number of Victorians who die through suicide and supporting and strengthening our skilled mental health workforce. Significant work was undertaken during the first half of 2016 on development of the *Victorian suicide prevention framework 2016–25* and a new *Mental health workforce strategy*.

The Mental Health Expert Taskforce was established in early 2016 to guide implementation of the plan and advise the Minister for Mental Health on reform priorities and effective monitoring of the plan's outcomes.

Four reference groups are also supporting the Taskforce: Aboriginal social and emotional wellbeing and mental health; innovation; lived experience leadership and workforce. The LGBTI Taskforce's Health and Human Services Working Group is providing advice on supporting the social and emotional wellbeing and mental health of lesbian, gay, bisexual, trans, gender diverse and intersex (LGBTI) people.

Drugs services

The government funds a range of programs focussed on harm minimisation and rehabilitation (see page 22).

Alcohol and other drug treatment for offenders

The \$4.7 million in Corrections growth funding for 2015–16 rolled out in October 2015 has helped to meet the increased demand for alcohol and other drug treatment services for offenders on community corrections orders.

This funding includes allocations for intake and assessment, counselling and residential rehabilitation services where they are needed most.

Ageing

Helping people stay at home longer

The Home and Community Care (HACC) program provides funding for services that support frail older people, younger people with disabilities and their carers to remain at home. It has been jointly funded by Commonwealth and Victorian governments.

Victoria is regarded as having the most comprehensive and client centred community care system in Australia.

In September 2015 the Premier and the Prime Minister signed the bilateral agreement on transitioning responsibilities for aged care and disability services. This agreement has transferred responsibility from Victoria to the Commonwealth for the management of services for people aged 65 and over (50 and over for Aboriginal people) from 1 July 2016. The department has worked with both the Commonwealth and stakeholders to achieve a smooth transition with minimal impact on clients and their families.

The department retains full funding and management responsibility for services for people aged under 65 (under 50 for Aboriginal people), subject to the implementation of the National Disability Insurance Scheme.

Objective 1 indicator result

	2013–14	2014–15	2015–16
Prevalence of smoking, obesity and psychological chronic disease risk factors are reduced			
Percentage of Victorian persons aged 18 plus who are current smokers	14.5%	13.1%	Not yet published
<i>Source: Victorian Population Health Survey</i>			
The associated risk factors for obesity, including fruit and vegetable consumption and physical activity, have not improved. The obesity rates for adults and children have increased.			
The withdrawal of Commonwealth funding for health promotion has placed constraints on Victoria's prevention efforts.			
Differences in health and social outcomes for disadvantaged groups are reduced			
Percentage of Victorian persons with low income (< \$20,000) who have assessed their health status as 'fair' or 'poor'	28.6%	33.3%	Not yet published
<i>Source: Victorian Population Health Survey</i>			
	Total population 15.5%	Total population 20.3%	
Immunisation rates for vaccine-preventable illness improve or compare favourably to other jurisdictions			
Percentage of Victorian children aged 60–63 months who are fully vaccinated	90.07%	92.64%	92.85%
<i>Source: Australian Childhood Immunisation Register (ACIR)</i>			
	National 88.02%	National 91.86%	National 92.51%
Fewer people are dying prematurely			
Victorian age standardised mortality rates of potentially avoidable deaths under 75 years	92.3 per 100,000 people	Not yet published	Not yet published
<i>Source: Steering Committee for the Review of Government Service provision 2016. National Agreement Performance Information 2013–14: National Healthcare Agreement, Productivity Commission, Canberra, Table EA45</i>			
	National 106.9 per 100,000 people		

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

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

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

Ambulance services

Victoria's ambulance action plan

The government released *Victoria's ambulance action plan: improving services, saving lives* on 10 December 2015.

The new board of Ambulance Victoria is leading the implementation of the action plan, in consultation with an advisory group with representatives comprising paramedics, Ambulance Employees Australia – Victoria, consumers, health services, primary health networks and the Department of Health and Human Services.

The government funded the \$60 million Response Time Rescue Fund to implement the recommendations set out in the action plan to ensure our ambulance system provides the right care, for the right patient, at the right time.

Removing hospital bypass from metropolitan hospitals

From 7 October 2015, the Victorian Government removed use of the Hospital Early Warning System and hospital bypass in metropolitan hospitals.

The change will improve the flow of ambulances across the system, ensuring hospitals can receive incoming ambulances. It will also free up paramedics to respond sooner to emergencies in the community.

The department will review the effects of the changes to health services.

Health

Aboriginal health

The Victorian Government is committed to improving Aboriginal health and wellbeing, and is determined to overcome the unacceptable health disparity and health outcomes for Aboriginal and Torres Strait Islander Victorians.

The department continues to implement Koolin Balit, the Victorian Government's strategic directions for Aboriginal health 2012–22, with \$15.6 million a year allocated towards this task (\$61.7 million over four years).

The government has also invested \$2.6 million over two years from 2015–16 towards the implementation of five Working Together for Health preventive health projects across the state.

Working Together for Health aims to reduce smoking rates and increase access to cancer screening among Aboriginal communities, and includes a multi-strategy Aboriginal nutrition, physical activity and oral-health promotion package.

Victoria's Improving Care for Aboriginal and Torres Strait Islander Patients program requires the hospital sector to prioritise Aboriginal patients in all services, and is demonstrated through hospital Statement of Priorities and key reporting mechanisms across the sector.

Koolin Balit and its predecessor Closing the Health Gap (2009–13) have prioritised Aboriginal health across the Victorian health system, providing flexible investment models to enable Aboriginal communities to address local needs with local solutions. It has also established a clear evaluation process to track progress to build an evidence base for future investment.

The Victorian Government has committed to develop a new Aboriginal health, wellbeing and safety strategic plan to build on Koolin Balit and the previous *Department of Human Services strategic framework*. The new plan will have a broader focus across the social and cultural determinants of health and supporting self-determination. An expert panel made up of key leaders in Aboriginal health and wellbeing has been established to oversee this work.

Medicinal cannabis

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

The government is on track to enable children with severe epilepsy to access quality-controlled medicinal cannabis products from early 2017.

As per the announcement on 19 April 2016, the cultivation trial by the Department of Economic Development, Jobs, Transport and Resources has begun.

Consultation to date with the medical profession has been constructive and peak organisations are working with government to implement the access scheme.

This includes the establishment of the Independent Medical Advisory Committee and development of clinical guidance to support the medical profession.

The phased approach starting with children with epilepsy allows the government to treat the most urgent conditions first and learn critical lessons to support the medical profession before the scheme expands to include further patient groups.

End-of-life care

A statewide community and stakeholder consultation was undertaken to inform the development of an end-of-life and palliative care framework.

The consultation was led by the Parliamentary Secretary for Carers and Volunteers, Gabrielle Williams MP. Close to 700 individuals, families, carers and service providers participated across 28 public consultation sessions in 18 different locations around the state.

The discussion paper *Greater say for Victorians: improving end-of-life care* formed the basis of this consultation and focused on five outcome areas:

- > enabling genuine choice
- > supporting individuals, families and carers
- > responding to diversity
- > helping people to die well
- > supporting our workforce.

Community feedback was also received through a dedicated website and written submissions to the Department of Health and Human Services.

Throughout the consultation, many Victorians shared their experiences, insights, learnings and aspirations about the support and care of loved ones as they approach death. These stories have helped shape *Victoria's end-of-life and palliative care framework* to be introduced in 2016–17.

Improving the care of older people in hospitals

In February 2016, the department launched a new evidence-based online resource that provides clinicians with information and strategies to minimise the risk of functional decline for older people in hospital.

The resource, *Older people in hospitals*, is closely aligned to the National Safety and Quality Health Service Standards and contributes to the informal learning component of Continuing Professional Development required for ongoing accreditation. It includes supporting information and case studies of innovative ways in which health services are improving care for older patients.

Consumer information is also featured, including a series of audio-visual information clips on strategies patients and their families can use to improve their outcomes during a hospital stay.

Older people in hospital has been developed in close collaboration between the Department of Health and Human Services, the National Ageing Research Institute, the Clinical Leadership Group on care of older people in hospital, Victorian Health Services and other experts in the field.

www.health.vic.gov.au/older-people-in-hospital

www.betterhealth.vic.gov.au/get-well-soon

Public health and wellbeing

The *Public Health and Wellbeing Amendment (Safe Access Zones) Act 2016* (the Act) was introduced on 2 May 2016. The purpose of the Act is to ensure all women, their friends and family, and staff can access health services at which abortions are provided, safely and privately, and without intimidation, harassment or obstruction. The Act will be enforced by Victoria Police.

Mental health

Safewards

A new staff practice model called Safewards has been trialled in Victoria across 18 inpatient units. Safewards helps reduce conflict within mental health inpatient services and improve people's safety in mental health settings.

Safewards was evaluated during 2016 with encouraging results. Staff and consumers felt Safewards had improved safety and decreased levels of conflict within services, and that the initiative showed potential for reducing use of restrictive practices. Opportunities to extend safe practice will be progressed in 2016.

Objective 2 indicator results

	2013–14	2014–15	2015–16
Health service performance outcomes meet or exceed agreed performance benchmarks			
Victorian elective surgery waiting list <i>Source: Elective Surgery Information System, Department of Health and Human Services 2015–16 preliminary result</i>	38,078	40,351	37,004
Victorian Ambulance patient transfers within 40 minutes. <i>Source: Ambulance Victoria Data Set 2015–16</i>	84%	87.8%	85.6%
Rate of community follow-up within first seven days of a psychiatric admission <i>Source: Mental Health Performance Indicators, Department of Health and Human Services.</i> <i>Note: Data for this indicator was previously sourced from National Health Agreement Performance Information 2012–13. The source has been changed for consistency with similar items reported elsewhere in the annual report.</i>	Source changed	85%	86%
More people are treated within out-of-hospital care settings			
Number of separations where at least part of the treatment is in the patient's home <i>Source: Victorian Admitted Episode Dataset, Department of Health and Human Services 2015–16</i>	30,985	30,874	34,401
Patient/consumer experience demonstrates improvement in service-level engagement			
Patient rating of care received while in hospital. <i>Victorian Healthcare Experience Survey, Department of Health and Human Services. Combines survey responses of 'very good' and 'good' for the question 'Overall, how would you rate the care you received while in hospital'. Note: This is a new survey and not comparable with previous Victorian Patient Satisfaction Monitor. Data is for 2014–15</i>	Not comparable	Not comparable	92% positive

Objective 3: The Victorian health system delivers best practice healthcare

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

These activities are underpinned by the work we do in system leadership, policy and governance of the public health system.

This includes responsibility for funding, performance monitoring and accountability, strategic asset management and system planning.

Health

Quality and Safety in hospitals

Victoria has a strong focus on patient safety and currently monitors quality and safety through measures including health services' healthcare associated infection rates, hand hygiene compliance and readmission rates for common procedures. Overall, the vast majority of health services achieve target performance against these measures and continue to explore ways to improve in these areas and avoid unnecessary readmissions.

Having clean hands reduces infection. To improve hand hygiene, all Victorian health services have been provided with an electronic device for collecting and submitting data which greatly decreased the time spent auditing, allowing this time to be used for other safety and quality initiatives.

In response to increased detection of the multi-drug resistant bacteria known as carbapenemase-producing Enterobacteriaceae, the department published and disseminated a comprehensive guideline and has established a team of experts to provide guidance and oversight on the public health response to this superbug.

The *Victorian pricing and funding framework* promotes better-quality and more-efficient public health services, including policies that provide financial incentives associated with best practice.

Health services can receive an incentive payment each quarter they effectively manage the transition of patients from hospital back to the community.

Health services that demonstrate a zero rate of central-line associated bloodstream infections in the intensive care unit may also receive an incentive payment.

Partnering with clinical leaders is critical to driving system improvement. The appointments of a new Chief Medical Officer and Chief Nursing and Midwifery Officer are ensuring that clinical leadership and engagement underpin quality and safety activities.

In 2013 and 2014, seven babies suffered potentially avoidable deaths at Bacchus Marsh Hospital. Subsequent review exposed serious deficiencies in both care and clinical governance at the hospital, with the responsible health service failing to respond appropriately to a number of serious safety breaches and complaints about the hospital.

At the request of the Minister for Health, the Department of Health and Human Services commissioned Dr Stephen Duckett to lead a review to examine ways to strengthen the approach to governance of safety and quality in Victorian hospitals. The review will provide advice about quality and safety systems and, where they are not adequate, how they might be improved to achieve best practice. The review report will be released in late 2016.

The department is committed to improving its stewardship and oversight of quality and safety across Victorian health services and to working with patients, carers, clinicians, managers and boards to strengthen and support our system of devolved governance.

Implementing new approaches to strengthen the quality and safety system and the role of the department has been a high priority following a number of external reviews.

An enhanced patient safety reporting system to provide early notification of critical incidents and ensure patient safety data is used for learning and continuous quality improvement, has been successfully co-designed and tested with health services and leading international experts. The system is being implemented in stages following a pilot across nine health services.

Maternity and newborn services

Following tragic incidents at Bacchus Marsh Hospital in 2013 and 2014, the department has been working with public and private hospitals to implement system-wide improvements to strengthen clinical governance and performance monitoring of maternity and newborn services.

To ensure services can learn from case reviews, a centralised perinatal autopsy service has commenced that provides perinatal autopsies and specialist advice to clinicians for all perinatal deaths after 20 weeks gestation. In addition, all rural hospitals are now part of larger rural committees that undertake multi-disciplinary case reviews of all maternal and perinatal deaths and cases with significant adverse outcomes to identify how to reduce preventable harm and improve outcomes for mothers and babies.

A new capability framework for newborn services (*Defining levels of care for Victorian newborn services, 2015*) has also been implemented to define the minimum requirements for the provision of safe and effective care for each of the six levels of newborn service capability for all public hospitals.

Royal Victorian Eye and Ear Hospital redevelopment

The new emergency department, first stage of a major redevelopment of the Royal Victorian Eye and Ear Hospital, was opened in May 2016.

The redevelopment project will see partial demolition of existing buildings and the construction of a new connecting building with five, fully integrated levels.

It will deliver seven operating rooms and 14 recovery spaces, 37 same-day beds/chairs, 24 overnight beds, a new 13-cubicle emergency department and 42 outpatients consulting rooms. The upper levels will provide space for teaching, training and research.

The project is being delivered in multiple stages to minimise disruption to patient services. However, the discovery of asbestos in the building has resulted in delays to the project. Hazardous asbestos removal at the hospital is being carefully managed to ensure there are no safety risks to workers, patients, visitors and hospital staff, in line with industry best practice.

The government and the hospital have provided additional funding, to increase the total budget of the project to over \$200 million to ensure that the full scope of the project can be delivered by late 2018.

Victorian Comprehensive Cancer Centre

The Victorian Comprehensive Cancer Centre (VCCC) is a \$1 billion purpose-built facility for cancer research, treatment, care and education in Melbourne's Parkville biomedical precinct.

The centre is also the new home for the Peter MacCallum Cancer Centre and features new cancer research and clinical services for Melbourne Health and new cancer research and education facilities for the University of Melbourne.

Peter MacCallum treats thousands of cancer patients each year and provides highly specialised cancer care, diagnosis and treatment.

Jointly funded by the Commonwealth and Victorian governments, the VCCC building will house up to 1,200 researchers and place many of Victoria's best and brightest cancer minds side by side. The new facilities and approach will accelerate advances in cancer research, care and education, for the benefit of people with cancer.

A new 42-bed intensive care unit (ICU) at the Royal Melbourne Hospital was officially opened in May 2016. The unit, which is linked to the VCCC by a bridge across Grattan Street, will provide state-of-the-art ICU facilities for the Royal Women's and the Royal Melbourne Hospitals as well as the VCCC.

Patients from the Peter MacCallum Cancer Centre were transferred to the new VCCC facility in June 2016.

Northern Hospital

The Northern Hospital in Epping is one of Melbourne's major acute treatment centres and the number of patients using the hospital has been increasing significantly each year.

The Northern Hospital's emergency department is one of the busiest in the state, treating around 85,000 patients annually.

A project to expand the hospital, increasing emergency department capacity and creating a new three-storey facility at the Northern Hospital containing a 32-bed inpatient unit, opened in June 2016. The facility encompasses state-of-the-art, brand new medical equipment, a mix of single and double patient rooms, two negative-pressure isolation rooms, two bariatric rooms and a patient lounge.

Echuca Health Service redevelopment

Stage 2 of the \$65 million Echuca Health Services redevelopment was officially opened in December 2015. The redevelopment included a new emergency department, additional hospital beds and pharmacy as well as a new front entrance and expanded medical record storage area. Patients and staff will benefit from the expansion of the emergency department, as well as the co-location of services, which means that the operating theatres, emergency department and imaging/radiology areas are in much closer proximity to each other in the new facility.

Medical research

Healthier lives, stronger economy: Victoria's health and medical Research strategy 2016–20 positions Victoria as a global leader in health and medical research, strengthening the state economy and improving health outcomes of Victorians.

The strategy was jointly developed by the department and the Department of Economic Development, Jobs, Transport and Resources in consultation with the Victorian health and medical research sector. It will embed health and medical research into the Victorian health system and accelerate the translation of research into clinical practice by focusing on six strategic directions:

- > integrating research, education and healthcare
- > developing an advanced convergence science capability
- > enhancing a world-leading clinical trials system
- > optimising big data and informatics
- > developing the next generation workforce
- > stimulating research/industry engagement and innovation.

The Victorian health and medical research sector delivers significant economic benefits to the state and is the driving force behind the nation's knowledge economy. Health and medical research has underpinned growth in medicinal and pharmaceutical exports, which has become Australia's largest manufacturing export category.

The strategy supports good clinical practice through improved timeliness, reliability and efficiency of clinical trial processes and by providing an environment that facilitates career development, gender equality and training in the health and medical research workforce.

Drugs services*Residential drug rehabilitation services*

The government currently funds 240 residential drug rehabilitation beds, with an additional 32 beds funded in 2015 to address increased forensic demand.

Residential rehabilitation involves an extended stay (for example 60–90 days) while people participate in therapeutic programs to address dependency issues and re-establish life skills. It can be an effective treatment for people with long-term entrenched dependency issues.

Victoria has also developed therapeutic day rehabilitation over recent years, which is a new kind of rehabilitation service that can provide an alternative to residential rehabilitation for some people.

It provides intensive, structured intervention via a day program that includes motivational enhancement, cognitive behavioural therapies and individual and group counselling, self-help and peer support.

In 2015, as part of the Ice Action Plan, nine new therapeutic day rehabilitation services enabled people to access a structured rehabilitation program while maintaining links with friends, family and community.

Approximately 500 people a year can currently access therapeutic day rehabilitation services offered across Victoria.

Ambulance services*Non-emergency patient transport*

The Non-Emergency Patient Transport Regulations 2016 were remade on 19 April 2016 and commenced on 20 April 2016. They provide for the safety and quality of care of patients receiving treatment and transport from private non-emergency patient transport operators, and set minimum requirements with the aim of minimising the risk of harm to patients while not imposing onerous or unjustified costs on those being regulated. Overall the department expects that the new regulation will improve outcomes in both the non-emergency and emergency patient transport sectors as it allows more effective and efficient distribution of services.

Objective 3 indicator results

	2013–14	2014–15	2015–16
Victoria derives greater value from its health investments			
Total hospital surplus as at 30 June. <i>Source: Agency Information Management System F1 financial report. Health services are required to submit audited data. All results exclude capital and controlled entities (foundations).</i>	\$30.8 m	\$24.6 m	Not yet available
Victorian total real health expenditure per capita <i>Source: Victorian Budget Paper 3, Chapter 2 and ABS estimated resident population</i>	\$2,480	\$2,540	\$2,644
Victorian government expenditure per capita (acute health expenditure) <i>Source: Victorian Budget Paper 3, Chapter 2 and ABS estimated resident population</i>	\$1,698	\$1,745	\$1,829

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

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

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

The department provides crisis services in the areas of children and family services, family violence, housing and youth justice.

Families and children

Child protection recruitment

The Child Protection program has experienced increases of around 13–15 per cent each year for several years in reports, and workflow from these reports.

The 2015–16 State Budget included significant additional resources for child protection which has resulted in 148 new child protection practitioner positions to improve capacity to meet forecast demand and allocate a practitioner where needed.

A detailed strategy was developed in May 2015, to recruit to these positions and any vacancies occurring by natural attrition. The strategy has a strong focus on partnering with tertiary institutions and recruitment of experienced practitioners from other jurisdictions. At 30 June 2016, 275 external recruits had been employed as child protection practitioners.

Roadmap for reform

The *Roadmap for Reform: strong families, safe children – the first steps* (the roadmap) was released on 13 April 2016.

It sets out how we can create better lives for vulnerable children, young people and families in Victoria, and make the children and family services system more sustainable. Importantly, it seeks to drive better outcomes for vulnerable children and young people.

The roadmap includes changes designed to ensure all Victorian families are as safe as possible and that vulnerable children and families are fully supported and able to access a range of services.

The initiatives it outlines place a greater focus on prevention and earlier intervention, as well as more visible and non-stigmatising entry points to services.

The roadmap seeks to address the risk factors that result in the need for highly interventionist services such as child protection, out-of-home care and family violence.

Permanency changes

Amendments to the *Children, Youth and Families Act 2005* regarding case planning and Children's Court orders for the protection and permanent care of children came into effect on 1 March 2016.

The Act provides a hierarchy of permanency objectives with preference for parental care and clear timelines for making decisions about the children's future care.

The Act now requires a case plan for all substantiated cases and promotes more timely decision making about whether children in out-of-home care can safely return home, or whether alternative permanent care arrangements need to be made.

This will reduce harmful delays for children in need of certainty about their future care.

Aboriginal children and young people

The 2015–16 State Budget included \$1.75 million to improve supports for vulnerable Aboriginal children and their families.

In 2014, Taskforce 1,000 was established as a collaborative project between the Commission for Children and Young People and the department to improve the circumstances of approximately 1,000 Aboriginal children in out-of-home care in Victoria. In the 2015–16 State Budget \$1 million one-off funding was allocated to engage eight full-time equivalent staff to support the implementation of local area actions to address the issues identified in the project.

In June 2015, a metropolitan pilot was completed by the Victorian Aboriginal Child Care Agency in partnership with the department, of s. 18 of the *Children and Youth Families Act 2015* which authorises a principal officer of an Aboriginal agency to perform specified duties conferred by the Secretary in relation to an Aboriginal child subject to a protection order. An evaluation of the pilot completed in October 2015 reported positive outcomes for Aboriginal children and their families. In May 2016 a rural pilot in partnership with the Bendigo and District Aboriginal Cooperative commenced. The department is now working collaboratively with Aboriginal agencies to progress the statewide implementation of s. 18.

Child FIRST and family services

Child and Family Information, Referral and Support Teams (Child FIRST) are community intake services connecting vulnerable children, young people and their families to family services and other relevant supports. Family services assist families with parenting skills and improving parent-child relationships through counselling, group work, in-home support and help link families to universal supports such as maternal and child health and secondary services such as mental health.

The 2015–16 State Budget included significant additional funding for Child FIRST and family services, \$48.11 million over four years to respond to growing demand for services and increasing complexity of issues facing vulnerable families. The funding included \$2.25 million for flexible support packages for the first time. Flexible support packages are used for a variety of activities and goods such as specialist counselling or treatment services and baby safety equipment. In 2015–16 Child FIRST and Integrated Family Services provided 35,215 cases of support to families, including 2,547 cases for Aboriginal families.

Out-of-home care

Demand for out-of-home care placements has increased as a result of a range of factors impacting on child reports and resulting substantiations, including: increased community awareness of child abuse and family violence; increase in the prevalence of risk factors contributing to child protection problems, including parental mental illness or substance abuse, family violence and childhood disability; and population increase.

Targeted care packages

In 2015, a total of \$62 million was invested into Targeted Care Packages to reduce the need for residential out-of-home care placements.

From 1 April 2015 to 30 June 2016 a total of 194 Targeted Care Packages (TCP) were allocated to children and young people to support them into alternative care arrangements that better meet their needs. Of these, 37 have been allocated to Aboriginal children and young people.

Nick was a 10 year old boy in residential care when he was referred for a TCP. Nick has an intellectual disability, Autism and limited language. At the time of referral he required assistance from a carer to undertake basic tasks such as feeding himself, shower and toileting. Nick also had limited relationships with others, especially other children at school, due to often missing school.

Nick received a TCP in October 2015 which included a move to foster care. The package supported the carers with a dedicated key worker for 6 months and assistance with school transport. A therapeutic consultant supported the care team and Nick was partnered with a male mentor / youth mentor. This move also saw Nick placed with other children (foster carers' children). Since this change, Nick has progressed well, and is more settled enabling a change of school closer to his carer's home. His speech has improved and he has become a part of the carers' family. He is progressing really well and meeting his milestones.

Aboriginal Children's Forum

In August 2015 a historic two day summit was held with key Aboriginal leaders, Government and community sector agencies across Victoria to focus on the safety and well-being of Aboriginal children and young people in or at risk of entering out-of-home care. The Summit agreed to establish a quarterly Aboriginal Children's Forum to put a spotlight on policies, strategies and practices that will drive down the over-representation of Aboriginal children and young people in out-of-home care.

The Aboriginal Children’s Forum is co-chaired by the Minister for Families and Children and a Chief Executive Officer from an Aboriginal Community Controlled Organisation. It reflects a strong commitment from Government to working with Victoria’s Aboriginal leaders and communities to support Aboriginal self-determination. With four forums being held in 2015–16, the Aboriginal Children’s Forum has become a pivotal voice in driving innovative, best practice approaches to the design, development, implementation and evaluation of policies and initiatives that have the potential to improve the safety and well-being of Aboriginal children and young people in care and reduce the need for them to enter care.

The forums enable the monitoring and achievement of key outcomes that are striving to reduce the number of Aboriginal children residing in out-of-home care. They also provide opportunities for more Aboriginal children to be supported by Aboriginal community controlled organisations.

Child Safe Standards

The department has led the introduction of compulsory minimum standards for organisations to protect children from abuse. The Child Safe Standards (the Standards) form part of the Victorian Government’s response to the Inquiry into the Handling of Child Abuse by Religious and Other Non-Government Organisations (the Betrayal of Trust Inquiry).

From 1 January 2016, the Standards apply in phases to organisations that provide services for children, including hospitals and other health services, government and non-government schools, out-of-home care providers, religious bodies and sporting groups.

Family violence

Family violence can cause terrible physical and psychological harm, particularly to women and children.

The Royal Commission into Family Violence ran from February 2015 to 29 March 2016. It investigated how to:

- > prevent family violence
- > improve early intervention

- > support victims
- > make perpetrators accountable
- > better coordinate community and government responses
- > evaluate and measure strategies, frameworks, policies, programs and services.

Overall, the report outlines a fragmented and poorly understood system of supports for victims and perpetrators of family violence that is focused on a tertiary crisis response. In particular, all parts of the system are overwhelmed by demand.

The Victorian Government has committed to implementing all 227 recommendations which have implications across the department’s portfolios, including risk assessment and management; information sharing; specialist family violence services; the role of the health system; the child protection system; and family violence and diversity. Work is in progress across government to begin to implement these recommendations.

Flexible packages

Mary applied for a flexible package after being exposed to significant family violence from her two previous partners and three adult male sons spanning over 30 years. Mary and her daughter have always experienced anxiety whenever they are separated. Both are now attending counselling funded by the packages. As a result, they have been able to undertake activities separately. Mary’s daughter has been able to enter into the school grounds by herself and no longer needs Mary to come into the class room.

The funding paid for the locks in her home to be changed. Mary said after the locks were changed “even though this night was a windy night, I felt for the first time safe in my own home”.

Mary says for the first time in over 30 years that she feels free of violence.

Pet welfare

The 2015–16 Budget introduced a service for victims of family violence to access pet foster care or rehoming programs at animal shelters. This program assists families to continue to care for animals during a crisis period.

Personal safety initiative

This 12-month pilot initiative supports up to 65 women and children at high risk as a result of family violence to remain safely in their own homes and communities. In the long-term it is anticipated this will support the financial security and emotional wellbeing of women and children. Funding will purchase home safety modifications, CCTV and personal safety technology (including personal alarms) responses to women and their children at high risk due to family violence. A concurrent evaluation process is being undertaken for this 12 month pilot which will form the foundation for further investment moving forward.

Housing*Reducing waiting-list time*

The department continues its efforts to get people off the waiting list and into social housing.

The vacancy turn-around time is reducing, and people on the waiting list are better managed – for example, through periodic contact with applicants or through diversion to alternative options where possible.

The department is also undertaking active monitoring to ensure applications on the waiting list are correct and up to date in preparation for the introduction of the Victorian Housing Register, which will see all social housing applications across the state consolidated into a single register.

Upgrading public housing

Upgrades to public dwellings have exceeded the original target of 2,003, with 2,044 upgrades delivered by 30 June 2016.

Homelessness

There are over 500 units available for people who are homeless and in need of crisis accommodation in Victoria.

This includes units in congregate crisis accommodation facilities and transitional housing management properties. There are 20 youth refuges and 31 family violence accommodation sites across Victoria.

National partnership agreement on homelessness

The 2015–17 National Partnership Agreement on Homelessness, signed in June 2015, secured two years of funding with the Commonwealth Government for homelessness prevention and services in Victoria. The agreement supports the Victorian Government's policy regarding housing and homelessness.

Youth justice*Youth Support Service*

The Youth Support Service is an early intervention and diversion program that supports young people aged 10–18 years who are at risk of entering the youth justice system.

The service has been operating since May 2011 across the Melbourne metropolitan area and in Ballarat, Bendigo, Geelong, the Latrobe Valley, Shepparton and Mildura.

The Youth Support Service was developed in partnership with Victoria Police, who refer at-risk young people to an effective early intervention service.

In 2015–16 the youth justice service has continued to experience high numbers of young people on remand. While these young people have not had a charge proven, they often present with significant trauma, substance addiction and violent behaviours. The expansion of counselling, drug and alcohol support and other rehabilitation programs has meant that young people on remand are supported to focus on getting their lives back on track.

Bail supervision

The 2015–16 State Budget committed ongoing funding for two community youth justice service workers in southern and western metropolitan Melbourne for bail supervision.

Enhanced health and rehabilitation services for children and young people on remand

There is a strong focus on improving the health and rehabilitation outcomes for children and young people involved with youth justice.

For young people accused of committing a criminal offence who are held on remand, the youth justice service aims to provide integrated services to young people to stabilise their lives and plan for a productive and healthy future.

In 2015–16 the department introduced new rehabilitation programs for children and young people held on remand.

Objective 4 indicator results

	2013–14	2014–15	2015–16
Stability of out-of-home care placements			
Proportion of children and young people who had two or less placements in the last 12 months.	91.0%	90.3	91.0%
<i>Source: Internal departmental data</i>			
Improved safety of children reported to child protection			
Number of Child FIRST assessments and interventions	12,142	13,580	15,190
<i>Source: Internal departmental data</i>			
Substantiated cases of neglect	5.0%	4.4%	Not available
<i>Source: AIHW Child Protection Australia 2013–14 (Table A11)</i>			
Achievement of independent and sustainable housing on exit from homelessness services			
Homelessness clients who achieved independent housing after support	21,438	26,954	Not available
<i>Source: Report on Government Services 2016 (Table 18A.29)</i>			

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

Capability and resilience are core components for sustaining the wellbeing for individuals, families and young people.

The department funds work, education and community activities to empower people and enhance their lives.

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

Youth

Victoria's youth policy

The government's new *Youth policy: building stronger youth engagement in Victoria* was launched on 29 June 2016.

It provides a platform to better connect young people and the Victorian Government.

The policy strengthens how government engages with young people, including those whose voices often go unheard.

It was developed with the feedback and input of over 2,000 young Victorians, as well as 300 stakeholders in the youth and community sector, parents and carers, local government, business, philanthropy and community leaders.

A new Youth Engagement Charter will guide engagement with young people when developing policy and delivering services and programs.

The Charter's principles include recognising and respecting Aboriginal young people, supporting the role of young people in decision making and promoting inclusivity and celebrating diversity.

Other activities involving young people

The 2016 National Youth Week grant round provided funding to 114 organisations that delivered events and activities engaging young people across Victoria in April 2016.

The YMCA Victoria Youth Parliament was held in June 2016.

Two new youth hubs managed by YACVic in Swan Hill and Warrnambool became operational.

Community-based Koori Youth Justice Program

The Community-based Koori Youth Justice Program is an early intervention and prevention program that supports Aboriginal children, young people and their families to reduce the risk of entering the youth justice system.

The program is delivered by Aboriginal community controlled organisations and works closely with families, community groups, Aboriginal elders, local schools and police to enhance opportunities and outcomes for Aboriginal children and young people.

The program is effective in preventing and diverting Aboriginal children and young people away from youth justice services, through promoting involvement in education, employment and training, sport and recreation and cultural programs.

Culturally diverse youth groups

Scouts Victoria and Girl Guides Victoria have both received funding to support initiatives to increase the engagement and participation of young people from culturally diverse backgrounds and socially and economically vulnerable communities in scouting and guiding activities.

Scouts Victoria has engaged with multicultural communities to establish new scout groups partnered with the Australian International Academy of Education in Coburg to establish the first scout group in Victoria for young Muslim people. The group involves both boys and girls participating in an exciting range of scouting activities and connecting with the broader community.

Community Participation

Men's sheds

Men's sheds provide safe, accessible and inclusive spaces where men can meet, make social connections and actively participate in their local communities. They are especially important places for community participation in rural Victoria. In recognition of this a new funding round supporting the construction or refurbishment of men's sheds was announced in January 2016 and the funding guidelines were changed to focus on rural communities affected by fire, drought or flood and those affected by social and economic disadvantage.

The guidelines were also amended to enable men's sheds that had received previous funding in the last five years to apply for funding where they could demonstrate capacity issues as a result of rapid growth in membership, the need to address health and safety issues or improve disability access to the shed.

Sport and recreation

Improving sport and recreation facilities

Providing universally designed, high-quality community sport and recreation facilities is a vital part of building healthy and active communities for all Victorians.

There is currently a high demand for upgrades to community sporting and active recreation facilities across Victoria, as well as for new multi-use facilities to meet changing needs and population growth.

In response to this, the government is contributing over \$147 million to building and upgrading a range of important community sports and recreation facilities throughout Victoria.

In 2015, *Design for everyone: a guide to sport and recreation settings* was launched. This is the first online guide of its kind, and it provides sport and recreation facility designers, owners and managers practical information on how to use a best practice approach to ensure that facilities can be used by all Victorians, regardless of ability.

In 2016, the Female Friendly Sports Infrastructure Guide was finalised. The guide provides the sector design guidance to make grass roots facilities more welcoming to women and girls.

In 2016 the department started an initiative to install 1,000 defibrillators in Victorian sporting clubs and facilities, with St John Ambulance selected as the provider and 592 community sporting bodies approved to receive defibrillator packages in the initial rounds.

The department also implemented all components of the Active Communities Package, including the new streamlined Sporting Club Grants Program.

The new Community Sports Infrastructure Fund (CSIF) approved funding for 164 community facility projects through the CSIF and related programs. Comprehensive planning was undertaken for the delivery of the Inner City Netball initiative.

Maintaining Victoria's reputation as the sporting capital has been ensured through investment into redevelopment of key state sport facilities.

This includes the delivery of a \$15 million commitment to bring Eureka Stadium in Ballarat up to AFL standards, paving the way for the Western Bulldogs to play in regional Victoria.

The new \$40 million Victorian Cricket and Community Centre will deliver state-of-the-art playing, training and administrative facilities at Junction Oval, St Kilda.

The \$12 million contribution by the government towards Moorabbin Oval will benefit over 15,000 players, providing modern training facilities designed to collocate St Kilda Football Club, South Metro Junior Football Club, Southern Football Netball League, Sandringham Dragons and AFL Victoria's regional staff. This investment will also integrate fully accessible community sport and recreation facilities.

A \$75 million contribution to the Simmonds Stadium Stage 4 redevelopment at Kardinia Park, Geelong will strengthen the region as a sports hub, providing the infrastructure required to attract a range of nationally significant events including AFL, T20 Big Bash, NRL, Super 15 Rugby, A-League soccer and concerts.

The multimillion transformation of Melbourne Park continued in 2015–16, ensuring that it remains the home of the Australian Open for generations to come.

Inspiring Victoria's aspiring athletes through the Significant Events Program

The Significant Events Program provided funding to more than 70 events this year. Events funded through the program are held across the state, including more than half in regional Victoria. These events increase the liveability of regional communities, and provide opportunities for sports to develop their coaches and officials and promote participation to the wider community.

Women and Girls in Sport and Active Recreation Inquiry

The inquiry into Women and Girls in Sport and Active Recreation investigated how to enhance participation by women and girls in sport and active recreation, and identified ways to increase their engagement in leadership and governance roles.

The Advisory Panel delivered their final report in November 2015 and the government is implementing all nine recommendations of the report.

Disability

The department is undertaking significant work to support clients, its own workforce and funded providers prepare for the National Disability Insurance Scheme (NDIS).

The government allocated \$10 million to deliver a NDIS Transition Support Package (TSP) in December 2015. The TSP is being delivered in partnership with the statewide peak associations and consumer groups. It provides information, resources and capacity building to people with a disability and their families and carers, to understand how the NDIS works, to support them in pre-planning and to strengthen their capability as they transition to the NDIS.

The TSP is also preparing service providers through delivery of information and engagement

activities, capacity building and training to support organisations to transition their operations to the NDIS. Based on identified need, effort has been focusing on capacity building for understanding of unit price and developing marketing approaches to attract new clients to their services and building financial sustainability under the NDIS.

A range of forums and information sessions have been held across Victoria, with a particular focus on the early roll-out sites of North East Melbourne and Central Highlands.

These activities include:

- > over 65 readiness information sessions targeted to people with a disability and their families held across Victoria with over 1,500 attendees
- > establishment of service provider networks that have seen the participation of over 100 service providers.

State disability plan

Development of the next *State disability plan 2017–2020* is well underway. The plan will be Victoria's framework for ensuring that Victorians with a disability can participate fully in everyday life. Feedback on a discussion paper for the plan was sought in May through:

- > a dedicated consultation website
- > a public submission process
- > targeted interviews with key stakeholders including peak bodies and statutory bodies
- > consultations conducted by partner organisations with people with a disability including Aboriginal people, Culturally and Linguistically diverse communities, people with an intellectual disability and people with complex communication needs
- > feedback on the discussion paper will inform the final plan which will take effect from 1 January 2017.

Objective 5 indicator results

	2013–14	2014–15	2015–16
People with a disability who participate in social and community activities			
Number of people supported with individualised support funding <i>Source: Internal departmental data</i>	14,593	15,110	15,205
Number of individuals who used disability support services <i>Source: AIHW Disability Services Australia 2013–14 (Table 202)</i> <i>AIHW supplementary data tables, Table S2.14</i>	74,865	74,241	Not yet published
Attendance of young people in detention in accredited education or training			
Percentage of young people in detention of compulsory school age who attended education or training <i>Source: Internal departmental data</i>	100%	100%	100%

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

This objective seeks to ensure that the services the department funds enable all Victorians to enjoy a positive quality of life.

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

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

Families and children

Out-of-home care

In 2015–16, \$16 million was allocated to enable additional overnight staffing support and new mobile and/or on-call response teams, improving the safety and quality of residential care for children and young people. This initiative ensured a 'stand up' staff member was in place overnight in four-bed homes that provide proactive support to vulnerable children and young people who often display complex and/or high risk behaviour as a result of the trauma and abuse they have previously experienced.

Staff providing residential care reported that having additional staff has helped children and young people settle into a night-time routine, respond to issues such as sleeping difficulties, divert children and young people from engaging in risk-taking activities, encouraging them to stay home overnight or to return home safely if needed.

Incident reporting

The department is developing and implementing a new client incident management system that will focus on the most serious incidents and their impact on clients. The new approach to managing client incidents will also strengthen processes, systems and workforce capability to prevent and effectively manage client incidents.

The new client incident management system will include:

- > a better delineation of major and non-major impact client incidents
- > service provider responsibility for investigation and review of major impact incidents
- > more effective data analysis to support improved client safety and well-being.

Fostering Connections

In 2015 the Minister for Families and Children announced \$1.5 million for a new foster carer recruitment campaign Fostering Connections, which was launched on 21 January 2016.

The campaign aims to increase community awareness of foster care and attract a greater number and diversity of carers.

The campaign has been highly successful to date, with over 1,000 enquiries from potential new carers, referred to Victorian foster care providers as of 30 June 2016. This is a 175 per cent increase in referrals compared with June 2015.

Sport and recreation

Providing accessible sport and recreation opportunities

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

The department also requires all projects to build or upgrade sport and recreation facilities to be consistent with universal design principles, to maximise their accessibility to people of all abilities.

Performance in this output has met or exceeded the targets for all ongoing performance measures.

The Access for All Abilities program supports a range of sports, disability sports and community organisations, to help them create and support inclusive sport and recreation opportunities for people with a disability.

The department will continue to support the sport and recreation sector in developing and providing sustainable inclusive opportunities for people with a disability.

The department has also worked with the Hepburn Shire and Daylesford community to deliver the redevelopment of the Victoria Park sporting facility.

Demolition of the facility has been completed and construction commenced for a new multipurpose function room, umpire facilities, unisex change facilities and commercial kitchen and bar.

Athlete pathway travel grants program

This program provides a single entry point to improve Victorian athlete development pathways from community to national representation. It provides grants to help remove the barrier of travel and accommodation costs to Victoria's aspiring athletes, who have come from all parts of the state, and sometimes have to travel long distances to compete or train. In 2015–16 the program allocated 255 grants with a total value of \$527,100.

Sporting club pathway

This program provides grants to:

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

Disability*Support to people with a disability*

Individualised funding packages provide tailored supports to enable people with a disability to develop skills, maintain independence, participate in the community and exercise choice and control of their care.

The provision of community-based respite supports the resilience and wellbeing of families and informal carers. Over one million hours of respite have been provided in 2015–16.

National Disability Insurance Scheme

The National Disability Insurance Scheme (NDIS) has introduced an individualised insurance model, which guarantees lifetime coverage for participants, for the cost of reasonable and necessary disability support to help them achieve their goals.

The department is a party to the operational plan commitment for transition to the NDIS, with the National Disability Insurance Agency (NDIA) and the Commonwealth Government. This operational plan serves as the roadmap for transitioning to the NDIS in Victoria

In Victoria, the NDIS was trialed in the Barwon Area until 30 June 2016, when it transitioned into full scheme. The Barwon trial provided a good understanding of what Victorians can expect from the NDIS and has been valuable in informing Victoria's transition planning.

In North East Melbourne, the department has undertaken a range of readiness activities to ensure the smooth transition of people into the scheme from 1 July 2016. This work, done in partnership with the NDIA, peak bodies and advocacy groups included targeted readiness and information forums for the first cohort of existing participants entering the scheme, as well as a range of broad community-based information sessions about the NDIS. Service providers have also played an important role in providing information to people and supporting them to get ready for the NDIS.

The transformation to the NDIS has meant changes in work practices and ways of thinking for our workforce. North East Melbourne staff were provided with wide ranging support through the transition to the NDIS, including:

- > learning and development activities supporting staff to best meet the needs of clients and to manage through a period of change
- > understanding the NDIS operating model and the shift to operating as an NDIS provider
- > programs to develop leadership and management capability during a period of change.

Housing*Managing housing waiting lists*

The department is consolidating long-term social housing waiting lists in the statewide housing Victorian Housing Register, which will commence in early 2017.

The register will combine public and community housing waiting lists and provide greater transparency on housing outcomes for Victorians in greatest need. This means that applicants will only need to 'tell their story once'.

Housing assistance

Housing Services measure tenant satisfaction with urgent maintenance and repairs work to ensure that services provided are improving the quality of life for tenants. The target for this measure was exceeded this year.

Oakleigh Redevelopment

The Oakleigh Redevelopment is a \$14.1 million partnership with the Oakleigh Centre to close an outdated institutional facility for people with an intellectual disability operated by the centre. The project is constructing new purpose-built homes for residents and creating 30 new supported accommodation places across six locations in the south-eastern suburbs of Melbourne.

Existing residents have been integrally involved in the planning, design and preparation for the eventual moves. They have chosen colour schemes and interior finishes as well as furniture, appliances and assistive technology. They visit the construction sites of the new homes at weekends and check on progress.

An innovative Residents Advisory Group has overseen the project decisions, and met with architects and builders while getting a taste for their new more independent future lifestyles. The advisory group has given residents the opportunity to have a real say in the key project decisions and is a real example of co-design and genuine engagement with service users.

This involvement of residents has not only resulted in better services, purpose-designed by the people who will use them, but is a persuasive lesson in how engagement and empowerment of service users through co-design can result in significant personal development for people well ahead of realising the benefits of moving into their new homes.

Objective 6 indicator results

	2013–14	2014–15	2015–16
New housing allocations to those in greatest need			
Public housing allocations <i>Source: Report on Government Services 2015 (Table 17A.9)</i>	79.4%	82.1%	Not yet published
Community housing allocations <i>Source: Report on Government Services 2015 (Table 17A.11)</i>	86.9%	84.9%	Not yet published
Efficient management of housing stock (including occupancy rate and turn-around time)			
Average turn-around time for vacant stock in public housing <i>Source: Report on Government Services 2015 (Table 17A.28)</i>	32.9 days	29.1 days	Not yet published
Disability clients receiving individualised support to live in the community			
Number of clients provided with individualised support to live in the community <i>Source: Internal departmental data</i>	14,593	15,110	15,205

Performance reporting

Results in the tables below are coded according to:

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

Acute Health Services

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Admitted Services					
Quantity					
Palliative care bed days	number ('000)	92	91	-1.1%	○
<i>Preliminary result.</i>					
Subacute bed days	number ('000)	749	766	2.3%	✓
<i>Preliminary result.</i>					
Total separations – all hospitals	number ('000)	1,695	1,720	1.5%	✓
<i>Preliminary result.</i>					
Weighted Inlier Equivalent Separations (WIES) – all hospitals except small rural health services	number ('000)	1,190	1,244	5.8%	✓
<i>The 2015–16 actual is higher than the 2015–16 target due to the government's priority focus on elective surgery, particularly on long-waiting and complex patients, which saw health services undertake additional WIES funded activity in 2015–16.</i>					
WIES funded emergency separations – all hospitals	number ('000)	546	571	4.6%	✓
<i>Preliminary result.</i>					
WIES funded separations – all hospitals except small rural health services	number ('000)	1,509	1,537	1.9%	✓
<i>Preliminary result.</i>					
Quality					
Eligible newborns screened for hearing deficit before one month of age	per cent	97	98.5	1.5%	✓
Hand hygiene compliance	per cent	80	84	5.0%	✓
<i>Preliminary result.</i>					
Hospitals participating in Victorian Hospital Acquired Infection Surveillance System (VICNISS)	per cent	100	100	0.0%	✓
<i>Preliminary result.</i>					
Intensive Care Unit central line associated blood stream infections (CLABSI) per 1,000 device days	rate	≤ 2.5	0.7	-72.0%	✓
<i>Preliminary result. The result remains favourably below target.</i>					
Major trauma patients transferred to a major trauma service	per cent	75	93.9	25.2%	✓
<i>Preliminary result. The 2015–16 actual is higher than the 2015–16 target due to a higher than anticipated percentage of major trauma patients being transferred to a major trauma service.</i>					

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Perinatal morbidity notices received, processed and reported <i>Preliminary result.</i>	per cent	100	100	0.0%	✓
Public hospitals accredited <i>Preliminary result.</i>	per cent	100	100	0.0%	✓
Public hospitals meeting cleaning standards, as assessed by external audit <i>Preliminary result.</i>	per cent	100	100	0.0%	✓
Staphylococcus aureus bacteraemias (SAB) infections per 10,000 patient days <i>Preliminary result. The result remains favourably below target.</i>	rate	≤ 2	0.6	-70.0%	✓
Unplanned/unexpected readmission for acute myocardial infarction <i>Preliminary result. The result remains well within target.</i>	per cent	3.7	2.47	-33.2%	✓
Unplanned/unexpected readmission for heart failure <i>Preliminary result. The result remains well within target.</i>	per cent	10.3	9.33	-9.4%	✓
Unplanned/unexpected readmission for hip replacement <i>Preliminary result. Health services continue to explore ways to reduce avoidable readmissions.</i>	per cent	2.5	2.9	16.0%	■
Unplanned/unexpected readmission for knee replacement <i>Preliminary result. The result remains well within target.</i>	per cent	6	5.12	-14.7%	✓
Unplanned/unexpected readmission for paediatric tonsillectomy and adenoidectomy <i>Preliminary result. Health services continue to explore ways to reduce avoidable readmissions.</i>	per cent	2.2	2.33	5.9%	■
Timeliness					
Non-urgent (Category 3) elective surgery patients admitted within 365 days <i>Preliminary result.</i>	per cent	94.5	93.7	-0.8%	○
Semi-urgent (Category 2) elective surgery patients admitted within 90 days <i>Preliminary result.</i>	per cent	80	77.2	-3.5%	○
Urgent (Category 1) elective surgery patients admitted within 30 days <i>Preliminary result.</i>	per cent	100	100	0.0%	✓
Cost					
Total output cost <i>The 2015–16 actual outcome primarily reflects target service volumes in the Policy and Funding Guidelines and reconciliation adjustments for prior year services.</i>	\$ million	8,531.9	8,816.9	3.3%	○
Non-Admitted Services					
Quantity					
Completed post acute episodes <i>Preliminary result. Ongoing high demand for early discharge pathways and ambulatory services have resulted in increased post-acute care activity.</i>	number	44,700	46,985	5.1%	✓
Health Independence Program direct contacts <i>Preliminary result. The target was exceeded due to ongoing high demand for ambulatory services and improved efficiencies in the sector.</i>	Number	1,401	1,487	6.1%	✓
Patients treated in specialist outpatient clinics – unweighted <i>Preliminary result.</i>	number ('000)	1,685	1,728	2.6%	✓

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Quality					
Post acute clients not readmitted to acute hospital <i>Preliminary result.</i>	per cent	90	92.8	3.1%	✓
Timeliness					
Health Independence Program clients contacted within three days of referral <i>Preliminary result. This is a positive result and demonstrates service improvement to ensure timely contact with new patients.</i>	per cent	80	90.2	12.8%	✓
Cost					
Total output cost	\$ million	1,491.2	1,542.4	3.4%	○
<i>The 2015–16 actual outcomes is primarily due to an increase in high-cost drugs revenue partially offset by funding model changes within acute health approved through the Policy and Funding Guidelines.</i>					
Emergency Services					
Quantity					
Emergency presentations <i>Preliminary result.</i>	number ('000)	1,653	1,680	1.6%	✓
Quality					
Number of occasions on Hospital Early Warning System (HEWS) <i>HEWS is no longer policy for hospitals.</i>	number	11,388	N/A	N/A	
Operating time on HEWS <i>HEWS is no longer policy for hospitals.</i>	per cent	10	N/A	N/A	
Time on hospital bypass <i>HEWS is no longer policy for hospitals.</i>	per cent	3	N/A	N/A	
Timeliness					
Emergency Category 1 treated immediately <i>Preliminary result.</i>	per cent	100	100	0.0%	✓
Emergency patients treated within time <i>Preliminary result. The 2015–16 actual is lower than the 2015–16 target due to the higher volume and acuity of patients presenting in emergency departments, however performance remained comparable with the previous year. Continuing strategies around models of care and redesign are being implemented to improve patient flow and efficiency in emergency departments as a whole-of-hospital response.</i>	per cent	80	74.3	-7.1%	■
Emergency patients with a length of stay of less than four hours <i>Preliminary result. The 2015–16 actual is lower than the 2015–16 target, however there continues to be a higher volume of patients presenting in emergency departments. The length of stay of less than four hours has improved in comparison with the previous year. Continuing strategies around models of care and redesign are being implemented to improve patient flow and efficiency in emergency departments as a whole-of-hospital response.</i>	per cent	75	71.2	-5.1%	■
Proportion of ambulance patient transfers within 40 minutes <i>Preliminary result.</i>	per cent	90	85.6	-4.9%	○
Cost					
Total output cost	\$ million	637.4	566.9	-11.1%	✓
<i>The 2015–16 actual outcome primarily reflects funding model changes in the Policy and Funding Guidelines.</i>					

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Acute Training and Development					
Quantity					
Clinical placement student days for medicine, nursing and allied health	number	993,960	945,019	-4.9%	○
<i>Actual data is based on confirmed 2014–15 activity which is used to inform 2015–16 health service funding allocations. Activity is less than expected due to changes to the definition of a clinical placement day and lower than expected activity resulting from improved clinical placement planning between health services and education providers.</i>					
Number of filled rural generalist GP procedural positions	number	11	15	36.4%	✓
<i>Preliminary result. The 2015–16 expected outcome is higher than the 2015–16 target due to additional funding committed through reprioritisation of department funding to meet the needs of four more rural generalist GP FTE.</i>					
Percentage of public health services utilising the Best Practice Clinical Learning Environment (BPCLE) tool	per cent	80	98	22.5%	✓
<i>Public health services are now required to utilise the BPCLE tool as an eligibility requirement for the Training and Development Grant.</i>					
Postgraduate nursing places at diploma and certificate level	number	832	832	0.0%	✓
Total FTE (early graduate) allied health positions in public system	number	681	622	-8.7%	■
<i>Preliminary result. The 2015–16 expected outcome is lower than the 2015–16 target due to a higher than anticipated number of health services employing allied health graduates in part-time positions. This has meant that while overall graduate employment is increasing, the actual FTE reported does not reflect headcount.</i>					
Total FTE (early graduate) nursing positions in public system	number	1,455	1,591	9.3%	✓
<i>The 2015–16 expected outcome is higher than the 2015–16 target due to additional funding committed through reprioritisation of department funding to meet the needs of 136 more nursing and midwifery graduate FTE.</i>					
Total FTE (early graduate) medical positions in public system	number	1,427.5	1,475.5	3.4%	✓
Cost					
Total output cost	\$ million	306.5	254.9	-16.8%	✓
<i>The 2015–16 actual outcome primarily reflects funding model changes in the Policy and Funding Guidelines.</i>					

Ambulance Services

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Ambulance Emergency Services					
Quantity					
Statewide emergency road transports	number	401,720	425,032	5.8%	✓
<i>Year-to-date activity shows demand for services is 5.8 per cent greater than target. This rate has been mitigated by Ambulance Victoria's dispatch reforms. From 9 May 2016 dispatch grid changes implemented has resulted in a shift of some emergency workload to non-emergency and alternative service providers.</i>					
Community service obligation emergency road and air transport	number	230,352	238,468	3.5%	✓
<i>Preliminary result.</i>					
Statewide emergency air transports	number	4,189	4,089	-2.4%	○
<i>Preliminary result.</i>					
Treatment without transport	number	86,001	95,780	11.4%	✓
<i>Preliminary result. This is a favourable result, indicating more patients treated at the scene do not require emergency transport.</i>					

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Quality					
Audited cases attended by Community Emergency Response Teams (CERT) meeting clinical practice standards	per cent	90	98.3	9.2%	✓
<i>Preliminary result. A favourable result indicating above target compliance.</i>					
Audited cases statewide meeting clinical practice standards	per cent	95	98.9	4.1%	✓
<i>Preliminary result.</i>					
Proportion of adult patients suspected of having a stroke who were transported to a stroke unit with thrombolysis facilities within 60 minutes	per cent	80	88.9	10.0%	✓
<i>Preliminary result. This is a favourable result showing more patients identified as stroke being transported directly to stroke facilities.</i>					
Percentage of adult VF/VT cardiac arrest patients with vital signs at hospital	per cent	45	51.4	14.22%	✓
<i>Preliminary result. This is a favourable result showing more cardiac arrest patients arriving at hospital with vital signs.</i>					
Proportion of patients experiencing severe cardiac or traumatic pain whose level of pain is reduced significantly	per cent	90	90.8	0.9%	✓
<i>Preliminary result.</i>					
Proportion of patients very satisfied or satisfied with overall services delivered by paramedics	per cent	95	97.0	2.11%	✓
<i>Preliminary result.</i>					
Timeliness					
CERT arrival occurs prior to ambulance	per cent	85	80.9	-4.82%	○
<i>Preliminary result.</i>					
Proportion of emergency (Code 1) incidents responded to within 15 minutes – statewide	per cent	85	75.2	-11.5%	■
<i>Preliminary result. Incremental improvement has continued through 2015–16. The June year-to-date interim result improved by 0.9 per cent compared to the same period last year. From 9 May 2016 dispatch grid changes, implemented by Ambulance Victoria, have resulted in a shift of some emergency workload to non-emergency and alternative service providers and consequently increased availability of emergency ambulance resources.</i>					
Proportion of emergency (Code 1) incidents responded to within 15 minutes in centres with more than 7,500 population	per cent	90	80.5	-10.6%	■
<i>Preliminary result. Incremental improvement has continued through 2015–16. The June year-to-date interim result improved by 0.9 per cent compared to the same period last year. From 9 May 2016 dispatch grid changes, implemented by Ambulance Victoria, have resulted in a shift of some emergency workload to non-emergency and alternative service providers and consequently increased availability of emergency ambulance resources.</i>					
Cost					
Total output cost	\$ million	623.6	706.8	13.3%	■
<i>The 2015–16 actual outcome primarily reflects: (i) realignment of corporate costs; and (ii) a transfer from Ambulance non-emergency output relating to the revised fee structure in the Policy and Funding Guidelines.</i>					
Ambulance Non-Emergency Services					
Quantity					
Statewide non-emergency road transports	number	261,428	225,176	-13.9%	■
<i>Preliminary result. Year-to-date activity shows decrease in planned non-emergency patient transports as a result of implementation of Ambulance Victoria's funding model and changes to non-emergency charging guidelines.</i>					
Community service obligation non-emergency road and air transports	number	178,790	162,737	-9.0%	■
<i>Year-to-date activity shows decrease in planned non-emergency patient transports as a result of implementation of Ambulance Victoria's funding model and changes to non-emergency charging guidelines.</i>					

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Statewide non-emergency air transports <i>Preliminary result. Reduced activity is a result of lower demand. The department is monitoring this.</i>	number	2,959	2,397	-19.0%	■
Quality					
Audited cases statewide meeting clinical practice standards <i>Preliminary result.</i>	per cent	95	97.1	2.21%	✓
Cost					
Total output cost <i>The 2015–16 actual outcome primarily reflects a transfer to Ambulance Emergency outputs relating to the revised fee structure in the Policy and Funding Guidelines.</i>	\$ million	113.0	92.2	-18.4%	✓

Mental Health

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Clinical Care					
Quantity					
Clinical inpatient separations <i>The final result shows high-level demand for acute inpatient treatment with high acuity patients (requiring admission) presenting directly to emergency departments. The above target separations also indicate high levels of throughput in acute inpatient settings.</i>	number	21,260	24,540	15.4%	✓
Community service hours <i>Results for Community Service Hours have been consistently below target across health services. Work on building awareness of targets and business rules with health services, as well as amendments to the Policy and Funding Guidelines 2016, have occurred to improve performance. From 2016–17 recall applies for underperformance, as part of prior year adjustments.</i>	hours ('000)	1,080	959	-11.2%	■
New case index	per cent	50	50	0.0%	✓
Registered community clients	number	64,000	66,029	3.2%	✓
Residential bed days <i>Lower than target results are consistent with an emerging trend of reduced demand for public sector aged care residential mental health service beds, as more contemporary residential and community-based care options expand.</i>	number	181,730	168,824	-7.1%	■
Subacute bed days <i>The opening of prevention and recovery care facilities in Quarter 3 took longer than expected to become fully operational, resulting in the final target not being met.</i>	number	171,412	162,134	-5.4%	■
Quality					
Clients readmitted (unplanned) within 28 days	per cent	14	14	0.0%	✓
New client index	per cent	45	45	0.0%	✓
Number of area mental health services achieving or maintaining accreditation under the National Standards for Mental Health Services	number	21	21	0.0%	✓
Post-discharge community care <i>Services are consistently delivering on target and the above target variance demonstrates concerted effort to maintain community clinical contacts.</i>	per cent	75	84	12.0%	✓
Pre-admission community care <i>The result has dropped marginally below target. Actions with specific services will occur regarding performance.</i>	per cent	60	57	-5.0%	○
Seclusions per 1,000 occupied bed days <i>Preliminary result. The correct target for this measure is 15 episodes of seclusion per 1,000 occupied bed days. Given the correct target, this is a favourable result.</i>	Number	43	9	-79.1	✓

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Timeliness					
Emergency patients admitted to a mental health bed within eight hours	per cent	80	64	-20.0%	■
<i>The majority of rural services meet the 80 per cent target. Five metropolitan services face challenges due to population growth and high levels of demand for inpatient services.</i>					
Cost					
Total output cost	\$ million	1,182.7	1,141.9	-3.4%	✓
<i>The 2015–16 actual outcome primarily reflects a realignment of corporate costs and funding model changes in the Policy and Funding Guidelines.</i>					
Mental Health Community Support Services (MHCSS)					
Quantity					
Bed days	number	87,000	78,456	-9.8%	■
<i>Youth Residential Rehabilitation and Supported Accommodation services are performing within acceptable limits. The issue is related to adult residential rehabilitation where performance is low due to a recording issue in one facility. The department is addressing this issue with the organisation.</i>					
Client Support Units	number	783,100	790,213	0.9%	✓
Clients receiving community mental health support services	number	12,600	12,354	-2.0%	○
Quality					
Proportion of major agencies accredited	per cent	100	100	0.0%	✓
Cost					
Total output cost	\$ million	126.3	128.1	1.4%	○
<i>The 2015–16 actual outcome primarily reflects realignment of costs within the Mental Health Services output group.</i>					

Ageing Aged and Home Care

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Seniors Programs and Participation					
Quantity					
New University of the Third Age (U3A) programs funded	number	45–60	60	0.0%	✓
Number of hits on Seniors Online cost savings information pages	number	40,000	27,626	-30.9%	■
<i>This performance measure, introduced in 2013–14, has been removed from 2016–17 budget papers as the majority of seniors interested in the cost savings offers would have utilised them.</i>					
Seniors funded activities and programs: number approved	number	140–160	157	0.0%	✓
Quality					
Eligible seniors in the seniors card program	per cent	95	95	0.0%	✓
Senior satisfaction with Victorian Seniors Festival events	per cent	90	90	0.0%	✓
Cost					
Total output cost	\$ million	9.0	9.4	4.5%	○
<i>The 2015–16 actual outcome primarily reflects: (i) revised trust funds revenue estimates; (ii) the difference between 2014–15 estimated and actual carry-over; and (iii) movements within the output group.</i>					

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Residential Aged Care					
Quantity					
Available bed days	number	1,193,995	1,191,484	-0.2%	○
Standard Equivalent Value Units	number	717,168	704,281	-1.8%	○
Quality					
Residential care services certified and accredited	per cent	100	100	0.0%	✓
Cost					
Total output cost	\$ million	333.2	348.5	4.6%	○
<i>The 2015–16 actual outcome primarily reflects: (i) movements within the output group (discontinuation of the previous government policy); (ii) the difference between estimated and actual third-party revenue; and (iii) funding requested to be carried over into 2016–17.</i>					
Aged Care Assessment					
Quantity					
Aged Care Assessments	number	59,000	53,972	-8.5%	■
<i>Preliminary result. The number of referrals for assessment has decreased since the My Aged Care Contact Centre and portal became the primary channel for referrals for people living in the community and the associated system problems.</i>					
Timeliness					
Percentage of priority 1, 2 and 3 clients assessed within the appropriate time – community-based assessment	per cent	85	87	2.4%	✓
<i>Preliminary estimate.</i>					
Percentage of priority 1, 2 and 3 clients assessed within the appropriate time – hospital-based assessment	per cent	85	99.6	17.2%	✓
<i>Preliminary result. Aged Care Assessment Services see a higher than target proportion of people on time in hospitals. This maintains patient flow and avoids unnecessary length of stay in hospitals.</i>					
Cost					
Total output cost	\$ million	60.4	60.0	-0.7%	✓
<i>The 2015–16 actual outcome primarily reflects: (i) a reduction in hospital depreciation; and (ii) funding requested to be carried over into 2016–17.</i>					
Aged Support Services					
Quantity					
Individuals provided with respite and support services	number	8,254	8,643	4.7%	✓
<i>Preliminary result.</i>					
Number of hours of respite and support services	hours	161,250	187,876	16.5%	✓
<i>Preliminary result. This may reflect carer preferences in 2015–16 for more respite and support services than for goods and equipment, both provided in the Support for Carers Program.</i>					
Pension-level supported residential services residents provided with service coordination and support/brokerage services	number	775	775	0.0%	✓
Pension-level beds available in assisted supported residential services facilities	number	1,876	1,876	0.0%	✓
Personal alert units allocated	number	27,370	27,371	0.0%	✓
Victorian EyeCare Service (occasions of service)	number	75,800	72,111	-4.9%	○
<i>Rural performance is low. Changes to Medicare has had an impact on participation by private practitioners. The department is working with the agency to determine and address other factors for the slight decline in performance.</i>					
Quality					
Funded research and service development projects for which satisfactory reports have been received	per cent	100	100	0.0%	✓

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Cost					
Total output cost	\$ million	111.2	98.0	-11.9%	✓
<i>The 2015–16 actual outcome primarily reflects movement within the output group.</i>					
HACC Primary Health, Community Care and Support					
Quantity					
Clients receiving Home and Community Care services	number	317,600	305,123	-3.9%	○
<i>Preliminary result.</i>					
Home and Community Care service delivery hours	number ('000)	10,729	10,907	1.7%	✓
<i>Preliminary result.</i>					
Standard Equivalent Value Units	number ('000)	6,249	6,348	1.6%	✓
<i>Preliminary result.</i>					
Quality					
Eligible population receiving Home and Community Care services	per cent	30	31.4	4.7%	✓
<i>Preliminary result.</i>					
Cost					
Total output cost	\$ million	774.9	733.1	-5.4%	✓
<i>The 2015–16 actual outcome primarily reflects: (i) lower than estimated Commonwealth revenue; (ii) movements within the output group; (iii) the difference between 2014–15 estimated and actual carry-over; and (iv) funding requested to be carried over into 2016–17.</i>					

Primary, Community and Dental Health

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Community Healthcare					
Quantity					
Better Health Channel visits	number ('000)	40,000	47,426	18.6%	✓
<i>The Better Health Channel continues to exceed targets. This can be attributed to the quality of its content and the continuing application of 'search engine optimisation' strategies to both the content and technical aspects of the site. The Better Health Channel has grown its social audience by more than 33 per cent.</i>					
Number of referrals made using secure electronic referral systems	number	250,000	250,000	0.0%	✓
<i>Preliminary result.</i>					
Primary Care Partnerships with reviewed and updated strategic plans	per cent	100	100	0.0%	✓
<i>Preliminary result.</i>					
Rate of admissions for ambulatory care sensitive chronic conditions for Aboriginal Victorians	rate	30.9	13.9	-55.0%	✓
<i>The 2014–15 data reflects changes to the measure resulting from national coding changes which took effect in that year, and the Australian Bureau of Statistics recalculation of the estimated Aboriginal population. The target does not reflect these changes. It is not appropriate to set a new target until there is more than one year of data under the new coding. The 2014–15 data is not comparable to previous years' data. This data can only be provided annually, and the 2014–15 data is the most recent available.</i>					
Service delivery hours in community healthcare	number ('000)	988	1,062	7.5%	✓
<i>Preliminary result. The higher than expected number of Standard Equivalent Value Units provided in community health care is a positive result.</i>					

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Standard Equivalent Value Units	number ('000)	1,061	1,140	7.4%	✓
<i>Preliminary result. The higher than expected number of Standard Equivalent Value Units provided in community health care is a positive result.</i>					
Quality					
Agencies with an Integrated Health Promotion plan that meets the stipulated planning requirements	per cent	95	100	5.3%	✓
<i>Preliminary result. One hundred per cent of funded agencies have the required Health Promotion Plans.</i>					
Cost					
Total output cost	\$ million	244.5	240.4	-1.7%	✓
<i>The 2015–16 actual outcome primarily reflects: (i) the difference between 2014–15 estimated and actual carry-over; (ii) a reduction in hospital depreciation; and (iii) movements in Commonwealth revenue.</i>					
Dental Services					
Quantity					
Persons treated	number	332,150	387,730	16.7%	✓
<i>The 2015–16 actual reflects additional activity delivered to meet requirements of the National Partnership Agreement on Adult Public Dental Services.</i>					
Standard Equivalent Value Units	number ('000)	1,413	1,650	16.8%	✓
<i>The 2015–16 actual reflects additional activity delivered to meet requirements of the National Partnership Agreement on Adult Public Dental Services.</i>					
Quality					
Ratio of emergency to general courses of dental care	ratio	40:60	40:60	0.0%	✓
Timeliness					
Waiting time for dentures	months	22	14	-36.4%	✓
<i>This is a positive result. The 2015–16 actual is lower than the target due to the impact of additional activity delivered to meet requirements of the National Partnership Agreement on Adult Public Dental Services.</i>					
Waiting time for restorative dental care	months	23	15	-34.8%	✓
<i>This is a positive result. The 2015–16 actual is lower than the target due to the impact of additional activity delivered to meet requirements of the National Partnership Agreement on Adult Public Dental Services.</i>					
Cost					
Total output cost	\$ million	207.8	223.6	7.6%	■
<i>The 2015–16 actual outcome primarily reflects: (i) increased Commonwealth revenue; (ii) increased third-party revenue; and (iii) the difference between 2014–15 estimated and actual carry-overs.</i>					

Small Rural Services

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Small Rural Services – Acute Health					
Quantity					
Separations	number ('000)	41.6	37	-11.1%	■
<i>Preliminary result. The outcome is lower than the target due to permissible use of Small Rural Acute output funding to provide admitted care, home care, primary health and other services to meet local needs.</i>					
Standard Equivalent Value Units	number ('000)	1,298	1,276	-1.7%	○
<i>Preliminary result.</i>					

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Weighted Inlier Equivalent Separations (WIES)	number ('000)	25.7	25	-2.7%	○
<i>Preliminary result.</i>					
Quality					
Beds accredited	per cent	100	100	0.0%	✓
<i>Preliminary result.</i>					
Cost					
Total output cost	\$ million	334.5	309.9	-7.4%	✓
<i>The 2015–16 actual outcome reflects: (i) a decrease in third-party revenue; (ii) revised attribution of Commonwealth funding.</i>					
Small Rural Services – Aged Care					
Quantity					
Small Rural Available Bed Days	number	706,200	706,200	0.0%	✓
Standard Equivalent Value Units	number	354,033	343,003	-3.1%	○
Quality					
Residential care services certified and accredited	per cent	100	100	0.0%	✓
Cost					
Total output cost	\$ million	189.4	174.0	-8.1%	✓
<i>The 2015–16 actual outcome reflects a decrease in third-party revenue.</i>					
Small Rural Services – Home and Community Care Services					
Quantity					
Home and Community Care service delivery hours	number	698,000	746,343	6.9%	✓
<i>Preliminary result. Performance is on track and above target.</i>					
Standard Equivalent Value Units	number	347,000	363,353	4.7%	✓
<i>Preliminary result. Performance is on track to meet target.</i>					
Cost					
Total output cost	\$ million	33.8	32.7	-3.3%	✓
<i>The 2015–16 actual outcome reflects a decrease due to Home and Community Care indexation and transition adjustment.</i>					
Small Rural Services – Primary Health					
Quantity					
Service delivery hours in community health care	number	99,000	103,460	4.5%	✓
<i>Preliminary result.</i>					
Standard Equivalent Value Units	number	104,000	108,685	4.5%	✓
<i>Preliminary result.</i>					
Cost					
Total output cost	\$ million	21.0	18.3	-12.7%	✓
<i>The 2015–16 actual outcome reflects a difference between 2014–15 estimated and actual carry-over.</i>					

Public Health

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Health Protection					
Quantity					
Calls to food safety hotlines <i>The higher actual is due to a number of food safety incidents which received media coverage and increased calls.</i>	number	4,500	5,292	17.6%	✓
Inspections of cooling towers <i>The actual reflects efforts to identify the source of specific Legionnaires' disease cases and to monitor regulatory compliance.</i>	number	1,250	1,345	7.6%	✓
Inspections of radiation safety management licences <i>Inspection number were slightly down due to the need to allocate resources to the relocation of the Victorian Government Interim Storage Facility, enforcement of illegal commercial tanning operations and the Iluka Resources mineral sands processing planning permit application.</i>	number	480	447	-6.9%	■
Number of available HIV rapid test trial appointments used <i>Further services introduced at PRONTO! Increased the number of available test appointments used.</i>	number	2,688	2,989	11.2%	✓
Number of built, demountable and natural shade projects funded under the Shade Grants Program <i>The actual significantly exceeded the target due to additional funding from the 2015–16 Budget and a change in the implementation approach. The new program provides a high volume of low value grants (ranging from \$1,000 to \$50,000) to a range of community organisations and schools.</i>	number	60	391	551.7%	✓
Persons screened for prevention and early detection of health conditions – breast cancer screening	number	243,000	246,006	1.2%	✓
Persons screened for prevention and early detection of health conditions – cervical cancer screening <i>Preliminary result.</i>	number	570,000	571,000	0.2%	✓
Persons screened for prevention and early detection of health conditions – newborn and maternal serum screening	number	80,000	80,835	1.0%	✓
Persons screened for prevention and early detection of health conditions – pulmonary tuberculosis screening <i>The number of persons screened is influenced by several factors, including the number of infectious tuberculosis cases notified each year and the number of large scale screenings required.</i>	number	2,000	1,562	-21.9%	■
Quality					
Calls to food safety hotlines that are answered	per cent	97	99	2.1%	✓
Immunisation coverage: adolescent (Year 10) students fully immunised for DTPa (diphtheria, tetanus and pertussis)	per cent	80	77.4	-3.3%	○
Immunisation coverage: at 65+ years of age (influenza)	per cent	80	82	2.5%	✓
Immunisation coverage: at school entry	per cent	95	93	-2.1%	○
Immunisation coverage: at two years of age	per cent	95	91	-4.2%	○
Public Health emergency response calls dealt with within designated plans and procedure timelines	per cent	100	100	0.0%	✓
Timeliness					
Average time taken from notification of a food complaint to commencement of appropriate action	hours	24	24	0.0%	✓
Infectious disease outbreaks responded to within 24 hours	per cent	100	100	0.0%	✓
Target population screened within specified timeframe for breast cancer	per cent	54	52.2	-3.3%	○

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Target population screened within specified timeframe for cervical cancer	per cent	62	59.9	-3.4%	○
Cost					
Total output cost	\$ million	235.8	207.8	-11.9%	✓
<i>The 2015–16 actual outcome primarily reflects: (i) movements within the output group; and (ii) funding requested to be carried over into 2016–17.</i>					
Health Advancement					
Quantity					
Persons completing the Life! – Diabetes and Cardiovascular Disease Prevention program	number	5,616	5,486	-2.3%	○
Workplaces and pubs and clubs complying with smoke free environment laws	per cent	99	99	0.0%	✓
<i>Preliminary result.</i>					
Quality					
Local Government Authorities with Municipal Public Health and Wellbeing Plans	per cent	100	100	0.0%	✓
Cost					
Total output cost	\$ million	68.4	67.4	-1.5%	✓
<i>The 2015–16 actual outcome primarily reflects: funding requested to be carried over in 2016–17.</i>					
Public Health Development, Research and Support					
Quantity					
Number of people trained in emergency response	number	2,000	2,028	1.4%	✓
Operational infrastructure support grants under management	number	11	10	-9.3%	■
<i>The lower than expected result reflects the merger of two medical research institutes that received grants in 2015–16.</i>					
Cost					
Total output cost	\$ million	35.1	44.6	27.1%	■
<i>The 2015–16 actual outcome primarily reflects: (i) movement within the output group; and (ii) new funding provided during 2015–16.</i>					

Drugs Services

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Drug Prevention and Control					
Quantity					
Contacts through Family Drug Help	number	5,000	6,047	20.9%	✓
<i>The continued over target result indicates a good uptake of helpline services.</i>					
Licences and permits issued to health services or businesses for the manufacture, use or supply of drugs and poisons	number	1,425	1,456	2.2%	✓
Needles and syringes provided through the Needle and Syringe Program	number ('000)	8,800	10,419	18.0%	✓
<i>The results continued to increase throughout the year, showing growth in distribution of needles and syringes.</i>					

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Number of telephone, email, website contacts and in person responses to queries and requests for information on alcohol and drug issues (through the Australian Drug Foundation)	number	950,000	1,941,036	104.3%	✓
<i>The continued over target result indicates increased awareness of the DrugInfo phone number and website.</i>					
Treatment permits issued to medical practitioners or nurse practitioners to prescribe Schedule 8 drugs, including pharmacotherapy	number	48,000	40,617	-15.4%	■
<i>The 2015–16 result is below target due to system implementation causing temporary suspension of issuing permits.</i>					
Quality					
Pharmacotherapy permits processed within designated timeframe	per cent	100	98	-2.0%	○
Cost					
Total output cost	\$ million	33.8	29.0	-14.2%	✓
<i>The 2015–16 actual outcome primarily reflects: (i) movements within the output group; and (ii) the difference between 2014–15 estimated and actual carry-over.</i>					
Drug Treatment and Rehabilitation					
Quantity					
Clients on the pharmacotherapy program	number	14,000	14,122	0.9%	✓
<i>Preliminary result.</i>					
Commenced courses of treatment: community-based drug treatment services	number	6,755	8,392	24.2%	✓
<i>The result includes activity from additional growth funding for youth services provided in March 2016 for which the 2015–16 target was not adjusted due to timing of allocations.</i>					
Commenced courses of treatment: residential-based drug treatment services	number	6,062	6,050	-0.2%	○
Number of Drug Treatment Activity Units (DTAUs)	number	67,394	73,006	8.3%	✓
<i>The positive result demonstrates significant improvement in adult non-residential service activity levels over the past year.</i>					
Number of new residential withdrawal clients	number	2,200	1,862	-15.4%	■
<i>The below target trend relates to lower throughput of clients due to multiple courses of treatment required for some clients.</i>					
Residential bed days	number	107,310	108,494	1.1%	✓
Quality					
Percentage of new clients to existing clients	per cent	50	37	-26.0%	■
<i>The result reflects a significant volume of clients requiring multiple courses and types of treatment over the year.</i>					
Percentage of residential rehabilitation courses of treatment greater than 65 days	per cent	50	40.6	-18.8%	■
<i>The result reflects shorter average lengths of stay at a number of services. The indicator is being reviewed to ensure it aligns with contemporary clinical practice.</i>					
Successful courses of treatment (episodes of care): community-based drug treatment services	number	5,868	7,594	29.4%	✓
<i>The increased number of commenced courses of treatment has resulted in a concurrent increase of successful courses of treatment. The result includes activity from additional growth funding for youth services.</i>					
Successful courses of treatment (episodes of care): residential-based drug treatment services	number	5,636	5,411	-4.0%	○
Trained alcohol and drug workers	per cent	85	68	-20%	■
<i>The figure reported here is from the 2013 Alcohol and Drug Workforce Survey.</i>					

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Timeliness					
Average working days between screening of client and commencement of community-based drug treatment	days	3	0	0.0%	✓
Average working days between screening of client and commencement of residential-based drug treatment	days	6	8	33.3%	■
<i>This measure is not a true reflection of wait times as client information is generally only recorded once accepted into treatment rather than when initially screened. Current redevelopment of data collection will address this issue.</i>					
Cost					
Total output cost	\$ million	147.5	153.2	3.9%	○
<i>The 2015–16 actual outcome primarily reflects: (i) the difference between 2014–15 estimated and actual carry-over, (ii) movements in trust funds; and (iii) movements within the output group.</i>					

Disability Services

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Quantity					
Clients accessing aids and equipment	number	30,307	29,289	-3.4%	○
Clients in residential institutions	number	88	89	1.1%	✓
Clients receiving case management services	number	5,300	5,374	1.4%	✓
Clients receiving individualised support	number	16,192	15,205	-6.1%	■
<i>The 2015–16 target was not adjusted to reflect client's transition to NDIS. The lower result reflects transition of clients to NDIS.</i>					
Hours of community-based respite	number	1,000,000	1,198,186	19.8%	✓
<i>The result is above target but is lower than the 2014–15 result due to a gradual transition of clients to NDIS.</i>					
Number of respite days	number	101,475	102,742	1.2%	✓
Number of supported accommodation beds	number	5,141	5,114	-0.5%	○
Quality					
Clients satisfied with the aids and equipment services system	per cent	85.0	88.0	3.5%	✓
Clients who have had a comprehensive health status review	per cent	90.0	98.3	9.2%	✓
<i>The result reflects the active monitoring of health status reviews. This is a positive result.</i>					
Organisations that have successfully completed a quality review (accommodation supports)	per cent	95.0	100	5.3%	✓
<i>The result reflects all organisations either achieving or maintaining certification/accreditation against the Human Services Standards. This is a positive result.</i>					
Organisations that have successfully completed a quality review (client services and capacity)	per cent	95.0	100	5.3%	✓
<i>The result reflects all organisations either achieving or maintaining certification/accreditation against the Human Services Standards. This is a positive result.</i>					
Organisations that have successfully completed a quality review (individualised supports)	per cent	95.0	100	5.3%	✓
<i>The result reflects all organisations either achieving or maintaining certification/accreditation against the Human Services Standards. This is a positive result.</i>					

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Support plans reviewed at least once during each period of three years commencing from when the support plan was first prepared (accommodation supports)	per cent	100	97.8	-2.2%	○
Support plans reviewed at least once during each period of three years commencing from when the support plan was first prepared (individualised supports)	per cent	100	81.8	-18.2%	■
<i>The result reflects the effort being directed to people with complex needs who require more frequent review and to people requesting a review prior to their three-year scheduled review. A more positive result is expected in 2016–17.</i>					
Support plans reviewed every 12 months for persons residing in residential institutions	per cent	100	96.6	-3.4%	○
Timeliness					
Applications for aids and equipment acknowledged in writing within 10 working days	per cent	90.0	98.6	9.6%	✓
<i>The result is reflective of a timely and responsive service.</i>					
Proportion of clients whose support is commenced within departmental timelines	per cent	85.0	93.3	9.8%	✓
<i>The result reflects the timely development of a person's support plan and funding proposals.</i>					
Support plans prepared within 60 days of the person commencing to regularly access the disability services (accommodation supports)	per cent	100	99.7	0.3%	○
Support plans prepared within 60 days of the person commencing to regularly access the disability services (individualised supports)	per cent	100	90.9	-9.1%	■
<i>The result reflects planning with individuals with a disability with complex support needs taking longer than 60 days.</i>					
Supported accommodation occupancy rate	per cent	95.0	96.6	1.7%	✓
Cost					
Total output cost	\$ million	1,780.0	1,761.5	-1.0%	✓
<i>The 2015–16 actual outcome primarily reflects the carry-over of funding to support the transition to the National Disability Insurance Scheme, in conjunction with lower than anticipated revenue received for the provision of board and lodging services.</i>					

Child Protection and Family Services

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Quantity					
Daily average number of children in out-of-home care placements	number	7,500	8,752	16.7%	✓
<i>The result reflects the demand for out-of-home care placements.</i>					
Number of Child FIRST assessments and interventions	number	11,681	15,190	30.0%	✓
<i>The result reflects continuing high demand for Child FIRST services.</i>					
Number of children in kinship care whose placements are managed by community service organisations	number	750	752	0.3%	✓
Number of children receiving an intensive support service	number	1,400	1,400	0.0%	✓
<i>This is a preliminary result.</i>					
Number of family services cases provided to Aboriginal families	number	2,547	2,342	-8.0%	■
<i>The number of families provided with family services is consistent with the previous year. The target increased in line with additional funding. There was a lag effect with the delivery of increased targets.</i>					

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Reports to child protection services about the wellbeing and safety of children <i>The number of reports made to child protection is driven by social factors and increasing community awareness of the impact of abuse and neglect on children.</i>	number	100,200	106,909	6.7%	✓
Total number of family services cases provided	number	35,215	35,448	0.7%	✓
Quality					
Children and young people in out-of-home care who have had two or less placements in the past 12 months (not including placements at home) <i>The result reflects more children and young people remaining in stable placements. This is a positive result.</i>	per cent	86	91	5.8%	✓
Children and young people who were the subject of a substantiated report within 12 months of the closure of a previous substantiated report <i>The result is likely to be the impact of demand increasing more than expected. This reflects the chronic and complex issues most families face which result in re-reporting and re-substantiation and is an improvement on previous performance.</i>	per cent	15	16.5	10.0%	■
Children and young people who were the subject of an investigation which led to a decision not to substantiate, who were subsequently the subject of a substantiation within three months of case closure <i>The result reflects an increase in performance suggesting good quality risk assessment and decision making in relation to the closure of unsubstantiated reports. This is a positive result.</i>	per cent	5	2.5	-50.0%	✓
Organisations that have successfully completed a quality review (family and community services) <i>The result reflects all organisations either achieving or maintaining certification/accreditation against the Human Services Standards. This is a positive result.</i>	per cent	95	100	5.3%	✓
Organisations that have successfully completed a quality review (specialist support and placement services) <i>The result reflects all organisations either achieving or maintaining certification/accreditation against the Human Services Standards. This is a positive result.</i>	per cent	95	100	5.3%	✓
Proportion of Aboriginal children placed with relatives/kin, other Aboriginal carers or in Aboriginal residential care <i>The higher than expected result continues as a result of increased focus on the Aboriginal Child Placement Principle. This is a positive result.</i>	per cent	60	72	20.0%	✓
Proportion of placements that are home-based care <i>The result reflects more children and young people being placed in home-based, rather than residential care. The availability of Targeted Care Packages has significantly contributed to this positive result.</i>	per cent	90	94.8	5.3%	✓
Timeliness					
Percentage of child protection investigations assessed as urgent, that were visited, or where attempts were made to visit, within two days of receipt of the report	per cent	97	96.2	-0.8%	○
Sexual assault support services clients receiving an initial response within five working days of referral	per cent	95	97.5	2.6%	✓
Cost					
Total output cost	\$ million	990.8	1,006.7	1.6%	○

Youth Services and Youth Justice

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Community-based Services					
Quantity					
Average daily number of clients under community-based supervision	number	1,625	923	-43.2%	✓
<i>The result reflects the continued success of diversionary responses. This measure is also impacted by the decrease in the number of young people found guilty in the Children's Court, and the increase in the number of young people involved with youth justice on pre-plea and pre-sentence detention. This is a positive result.</i>					
Proportion of youth justice clients under community-based supervision	per cent	88.5	84.9	-4.1%	○
<i>The reduction in the proportion of clients under community supervision, results from an overall decrease in the number of sentences supervised by the youth justice service, alongside an increase in the number of children and young people remanded and those sentenced to detention by the Children's Court.</i>					
Quality					
Community-based orders completed successfully	per cent	85	90.4	6.4%	✓
<i>This result indicates the high proportion of children and young people who successfully completed their sentence and a larger than expected proportion of young people that have not breached their orders before the expiry of their order. This is a positive result.</i>					
Timeliness					
Young people on supervised orders who have a client assessment and plan completed within six weeks of the commencement of the order	per cent	95	97.1	2.2%	✓
Cost					
Total output cost	\$ million	69.9	67.4	-3.6%	✓
<i>The 2015–16 actual outcome primarily reflects the decrease in demand for support within the Refugee Minor Program in 2015–16.</i>					
Youth Justice Custodial Services					
Quantity					
Annual daily average number of young people in custody: male (under 15 years) and female	number	15–25	17.9	-28.4%	✓
<i>This is a positive result indicating a lower than expected number of young people detained in youth justice centres.</i>					
Annual daily average number of young people in custody: males (15 years plus)	number	140–190	146.5	-22.9%	✓
<i>This is a positive result indicating a lower than expected number of young people detained in youth justice centres.</i>					
Average daily custodial centre utilisation rate: males (15 years plus)	per cent	90–95	64.3	-32.3%	✓
<i>This is a positive result indicating a lower than expected number of young people detained in youth justice centres.</i>					
Average daily custodial centre utilisation rate: males (under 15 years) and female	per cent	40–65	59.7	-8.2%	✓
<i>This is a positive result indicating a lower than expected number of young people detained in youth justice centres.</i>					
Quality					
Clients participating in community re-integration activities	per cent	65	58.7	-9.7%	■
<i>The result reflects the high number of young people on remand and their ineligibility to access the temporary leave program.</i>					
Timeliness					
Young people on custodial orders who have a client assessment and plan completed within six weeks of the commencement of the order	per cent	95	97.6	2.7%	✓
Cost					
Total output cost	\$ million	85.8	85.7	-0.2%	✓
<i>Minor variance due to rounding.</i>					

Concessions to Pensioners and Beneficiaries

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Quantity					
Households receiving mains electricity concessions <i>This is a preliminary result. Eligibility for this concession has not changed.</i>	number	918,300	910,866	-0.8%	○
Households receiving mains gas concessions	number	614,200	643,957	4.8%	✓
Households receiving non-mains energy concessions <i>This is a preliminary result. Eligibility for this concession has not changed.</i>	number	22,800	22,739	-0.3%	○
Households receiving pensioner concessions for municipal rates and charges	number	435,400	437,031	0.4%	✓
Households receiving water and sewerage concessions <i>This is a preliminary result. Eligibility for this concession has not changed.</i>	number	690,700	688,159	-0.4%	○
Number of clients receiving trustee services <i>The fall in the number of clients was caused by a reduction in the number of VCAT Administration, VCAT Examinations and Awards Management clients. There was no change in eligibility criteria. The number of clients receiving services is primarily determined by tribunal decisions.</i>	number	14,600	13,092	-10.3%	■
Quality					
Percentage of Community Service Agreement performance targets that have been achieved by State Trustees	per cent	90	93.8	4.2%	✓
Percentage of customers satisfied with State Trustee Limited services	per cent	75	76.8	2.4%	✓
Timeliness					
Percentage of customer requests answered by State Trustees within the timelines set in the Community Service Agreement	per cent	90	91.6	1.8%	✓
Cost					
Total output cost	\$ million	563.9	557.5	-1.1%	✓
<i>The 2015–16 actual outcome primarily reflects a lower than anticipated demand for utility concessions.</i>					

Housing Assistance

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Quantity					
Bond loans provided during year	number	12,000	11,761	-2.0%	○
Households assisted with housing establishment assistance during year <i>This is a preliminary result. The department is working to develop an improved reporting methodology for inclusion in the 2016–17 Budget Papers.</i>	number	40,000	40,000	0.0%	✓
Number of clients assisted to address and prevent homelessness <i>This is a preliminary result. The department is working to develop an improved reporting methodology for inclusion in the 2016–17 Budget Papers.</i>	number	100,000	100,000	0.0%	✓
Number of households assisted with crisis/transitional accommodation	number	9,000	8,989	-0.1%	○
Number of households assisted with long-term social housing (public, Aboriginal and community long-term tenancies at end of year) <i>This is a preliminary result.</i>	number	77,343	77,343	0.0%	✓

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Number of new households assisted to maintain or enter home ownership (including home renovation inspections as well as loans)	number	4,300	4,372	1.7%	✓
Number of public housing dwellings upgraded during year	number	2,003	2,044	2.0%	✓
Total number of social housing dwellings	number	85,195	86,266	1.3%	✓
Total social housing dwellings acquired during the year	number	371	1,362	267.1%	✓
<i>The result is above target reflecting all acquisitions by the community housing sector including properties independently leased by an agency or properties under the National Rental Affordability Scheme. This is a positive result.</i>					
Quality					
Percentage of clients with case plans in homelessness support programs with some, most or all of their case plan goals achieved	per cent	90	90	0.0%	✓
<i>This is a preliminary result. The department is working to develop an improved reporting methodology for inclusion in the 2016–17 Budget Papers.</i>					
Social housing tenants satisfied with completed urgent maintenance works	per cent	85	87.7	3.2%	✓
Timeliness					
Average waiting time for public rental housing for those clients who have received early housing allocation	months	10.5	10	-4.8%	✓
Proportion of clients where support to sustain housing tenure was unable to be provided or referred	per cent	18	18	0.0%	✓
<i>This is a preliminary result. The department is working to develop an improved reporting methodology for inclusion in the 2016–17 Budget Papers.</i>					
Cost					
Total output cost	\$ million	420.8	460.4	9.4%	■
<i>The 2015–16 actual outcome primarily reflects additional funding received for the Rapid Housing Assistance initiative and additional Commonwealth funding for the National Partnership Agreement on Homelessness.</i>					

Empowering Individuals and Communities

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Community Participation					
Quantity					
Hours of coordination funding provided to Neighbourhood Houses	('000) hours	480	480	0.0%	✓
Strategy implementation actions within agreed performance targets: Community Organisations	per cent	100	100	0.0%	✓
Quality					
Strategy implementation actions within agreed performance targets: volunteering	per cent	100	100	0.0%	✓
Timeliness					
Grants acquitted within the timeframe specified in the terms and conditions of the funding agreement	per cent	> 90	100	11.1%	✓
<i>The result reflects 100 per cent of the Men's Sheds grants being acquitted following project completion.</i>					
Cost					
Total output cost	\$ million	39.8	42.1	5.8%	■
<i>The 2015–16 actual outcome primarily reflects: (i) the difference between 2014–15 estimated and actual carry-over; and (ii) movements within the output group.</i>					

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Office for Disability					
Quantity					
Number of Disability Advocacy clients	number	1,700	1,771	4.2%	✓
Timeliness					
Client satisfaction with advice provided	per cent	100	100	0.0%	✓
Office for Disability Projects delivered within agreed timeframes	per cent	90	100	11.1%	✓
<i>The result reflects the successful delivery of the Victorian State Disability Plan, which is the key deliverable for the Office for Disability. All timeframes have been met.</i>					
Cost					
Total output cost	\$ million	5.2	4.8	-8.4%	✓
<i>The 2015–16 actual outcome primarily reflects funding requested to be carried over into 2016–17.</i>					
Youth Affairs					
Quantity					
Participation by young people in programs that provide opportunities to be involved in social and economic life in their communities	number	200,000	200,000	0.0%	✓
<i>This is a preliminary result.</i>					
Participation by young people in programs that support young people to be involved in decision making in their community	number	1,775	1,775	0.0%	✓
<i>This is a preliminary result.</i>					
Quality					
Participants reporting development of transferrable skills that support education, training and vocational opportunities	per cent	75	96	28.0%	✓
<i>The result is due to participation results being higher than schools predicted originally.</i>					
Timeliness					
Percentage of programs delivered within agreed timeframes	per cent	90	90	0.0%	✓
<i>This is a preliminary result.</i>					
Cost					
Total output cost	\$ million	16.1	16.0	-0.6%	✓
<i>The 2015–16 actual outcome primarily reflects: (i) the difference between 2014–15 estimated and actual carry-over; (ii) movements within the output group; and (iii) funding requested to be carried over into 2016–17.</i>					
Sport and Recreation					
Quantity					
Combat sports licences, registrations and permits issued	Number	> 600	641	6.8%	✓
<i>The above target result is due to a higher than expected demand from the professional boxing and combat sports industry.</i>					
Community Facility Grants: number approved	Number	> 130	165	26.9%	✓
<i>The above target result is due to a higher than expected number of project approvals across the relevant programs.</i>					
Events facilitated: Sport and Recreation	Number	> 50	75	50.0%	✓
<i>The above target result is due to higher than expected demand for funding from a large number of eligible events.</i>					
Number of projects in progress that relate to the planning and development of state level facilities	Number	> 7	8	14.3%	✓
<i>The above target result is due to government investment in additional projects.</i>					

Performance measures	Unit of measure	2015–16 target	2015–16 actual	Variation (%)	Result
Number of sports with athletes on Victorian Institute of Sport (VIS) scholarships <i>The above target result is due to the large number of sports which have athletes who are eligible for individual scholarships.</i>	Number	>20	37	85.0%	✓
Sport and recreation organisations undertaking programs or activities to enhance participation <i>The above target result is due to the provision of support to additional organisations.</i>	Number	> 85	105	23.5%	✓
Sporting uniform grants: number approved <i>The below target result is due to the Sporting Uniform Grants Program being replaced by a broader Sporting Club Grants Program. The new program provides clubs with grants for essential equipment as well as for uniforms. In addition to the 473 grants for sporting uniforms, there were 306 grants for essential equipment, making a total of 779 grants.</i>	Number	> 600	473	-21.2%	✓
Victorian Institute of Sports scholarship holders on national teams/squads <i>The above target result is due to the strong performance of the Victorian Institute of Sport in developing athletes for selection in national teams or squads.</i>	per cent	> 55	70	27.3%	✓
Quality					
Contract management of outdoor recreation camps meets agreed key performance indicators	per cent	> 90	94	4.4%	✓
Timeliness					
Annual Community Sport and Recreation Awards held	date	Jun 16	Nov 15	N/A	✓
Cost					
Total output cost	\$ million	76.4	172.5	125.7%	■
<i>The 2015–16 actual outcome primarily reflects: (i) the difference between 2014–15 estimated and actual carry-over; (ii) an adjustment to the treatment of NGO capital payments; (iii) Community Support Fund budgets excluded from the 2015–16 target; and (iv) funding requested to be carried over into 2016–17.</i>					

Additional service delivery data

Number of clients on the Disability Support Register

Applications for ongoing support are registered on the Disability Support Register, which is used to help determine who receives ongoing supports and to record current needs.

Support is prioritised to people who have the most urgent/critical need.

Statewide	June 2016
Support to live in the community	3,631
Supported accommodation	1,671

Housing waiting list

A waiting list applicant is a person who has made a valid application for public housing, but has not yet been housed, including early housing and wait-turn applicants. This excludes applicants who are in public housing and wish to transfer to another property. At 30 June 2016, there were 32,250 waiting list applications. In addition there were 7,445 transfer applications. 2015–16 is the last year for which the public housing waiting list will be reported; in 2016–17 the Victorian Housing Register will consolidate public housing and the various community housing waiting lists into a single waiting list.

Demand indicators for child protection

Child protection receives, assesses and investigates reports where children may be at risk of significant harm from abuse or neglect within their family, and ensures that appropriate services are provided to protect children from harm.

- > A report is a report to child protection about a child's wellbeing or safety. Reports can also be made about the anticipated wellbeing and safety of unborn children after their birth.
- > An investigation is a comprehensive assessment of allegations made and other concerns about the reported child's safety and wellbeing, including direct assessment of the child and discussion of concerns, and how to address them, with the child, the child's parents or the child's carers.

The number of reports received in 2015–16 was 16.7 per cent higher than the number in the previous year, while investigations increased by 13.8 per cent. Substantiations showed a 4.1 per cent increase from the previous year. Of the 15,295 substantiated cases 2,526 (16.5 per cent) involved children who had been part of a previously substantiated case that had been closed in the previous 12 months.

The number of reports received on unborn children in 2015–16 was 21 per cent higher than the number in the previous year.

Child protection demand (quarterly data)	Total for 2015–16	September 2015	December 2015	March 2016	June 2016
Reports on unborn children	2,026	477	520	512	517
Reports on children	106,909	25,069	27,022	26,057	28,761
Investigations	28,525	6,900	7,438	6,591	7,596
Substantiations	15,295	3,897	3,777	3,679	3,942
Re-substantiations within 12 months	2,526				

Child protection and out-of-home care data 2015–16

The following table shows further performance data on child protection and out-of-home care for the Department of Health and Human Services for 2015–16.

Child protection	Percentage
Child protection practitioners receiving regular supervision for 2015–16 (percentage)	86.1

Average rates of unallocated clients 2015–16 (percentage)	North	South	East	West	State
September 2015	12.2	20.3	21.8	12.7	16.6
December 2015	14.5	20.2	19.9	17.4	18.1
March 2016	17.9	23.9	24.8	15.6	20.4
June 2016	21.5	21.1	25.0	17.0	20.7
Annual	16.5	21.4	22.9	15.7	18.9

Out-of-home care

The percentage of children in out-of-home care, who are less than 12 years of age, and placed in residential care, as at 30 June 2016	0.75
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Children aged 12 years and under in residential care may be in specialised arrangements to accommodate sibling groups or to care for children with high and complex needs. There were 4,195 admissions to Out-of-home care during 2015–16.

Quality-of-care concerns

The Department of Health and Human Services encourages reporting of concerns to ensure that the safety and best interests of the child are paramount at all times, and that children and young people in out-of-home care reside in safe, stable and high-quality placements. Quality-of-care concerns can range from minor quality issues through to possible physical or sexual abuse. All reports are treated seriously at the outset of the process and the best interests of the child or young person are considered paramount.

Investigations often take some time to complete, particularly as the department and agencies have increased emphasis on reporting to the police. All cases under investigation are carefully monitored to ensure the safety of children. This may involve removing the child from placement, negotiating the removal of the alleged perpetrator or, where the alleged perpetrator does not live in the placement, making arrangements for the child to have no further contact with them.

Number of completed quality-of-care cases that had an outcome of substantiated abuse during 2015–16	163
Number of new quality-of-care cases investigated in relation to quality-of-care concerns during 2015–16	941
Number of quality-of-care cases that were completed within the period of 2015–16	656

All quality of care matters are screened for appropriate response via an investigation planning group. A potential outcome of the screening meeting is an investigation. The number of new cases investigated refers to cases that were reported to the Department within the 2015–16 financial year, where the screening meeting outcome was Investigation. The number of completed cases refers to cases that were reported, investigated and completed within the 2015–16 financial year. Cases with an outcome of substantiated abuse encompass completed investigations where abuse is substantiated and action is taken in response.

Human Services Standards annual report 2015–16

On 1 July 2012, the Department of Human Services Standards were implemented. Since the formation of the Department of Health and Human Services on 1 January 2015, the Standards were re-gazetted as the Department of Health and Human Services Standards (Standards). Given these Standards apply to the direct client contact human services activities (children, youth and families, disability services, homelessness services, family violence and sexual assault services), they are known as the Human Services Standards.

Compliance with the Standards is an obligation of the service agreement with the department, as well as a requirement of registration for organisations registered under the *Children, Youth and Families Act 2005* or the *Disability Act 2006*, or both.

The implementation of the Standards includes a range of assurance activities including self-assessment, independent review and external accreditation/certification.

To assure compliance with the Standards, service providers need to:

- > demonstrate compliance with the Standards and the governance and management standards of an approved independent review body
- > be independently reviewed by a department-endorsed independent review body once in every three-year service agreement period
- > gain and maintain their accreditation/certification with their independent review body.

The determination of which assurance activity will be required to assess service provider compliance with the Standards, includes provision for the department to approve a self-assessment process be undertaken instead of an independent review, with consideration to whether the benefits of the review process outweigh the costs of the review.

Number of service providers

Type	Number
Organisations exempt from independent review and self-assessment due to funding	29
Organisations required to complete a self-assessment	46
Organisations required to undertake an independent review	449

Includes organisations registered for National Disability Insurance Agency purposes.

Reviews completed 2015–16

Type	Number
Number of independent reviews successfully completed	213
Number of independent reviews not successfully completed or certification withdrawn	1

Registered DSP and CSOs

Registration under the *Disability Act 2006* and the *Children, Youth and Families Act 2005* is managed by the department's Standards and Regulation Unit which acts as an independent regulator within the department.

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

Register of disability service providers

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

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

Register of community services

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

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

The register can be found on the department's website at <www.dhs.vic.gov.au> (see For Service Providers > Children, Youth and Families > Community Service Organisations > Registration requirements for community services).

Registration activity

During 2015–16, the department did not refuse to register any organisations on the grounds that they were unable to demonstrate their capacity to meet the Human Services Standards. The following registration activities occurred:

Registration type	New registrations processed 2015–16	Renewals processed 2015–16	Registrations lapsed/revoked 2015–16	Total number registered at 30 June 2016
Registration under the <i>Children, Youth and Families Act 2005</i>	8	109	3	137
Registration under the <i>Disability Act 2006</i>	24	212	12	320

* Includes organisations registered for National Disability Insurance Agency purposes.

Finance and budgetary performance

Departmental five-year financial summary

Five-year financial summary (\$ millions)	2016	2015	2014	2013	2012
Income from government	14,370.1	11,300.5	9,391.6	9,796.1	11,910.8
Total income from transactions	15,939.8	12,215.5	10,045.5	10,560.5	12,019.6
Total expenses from transactions	(15,317.8)	(12,180.5)	(9,922.5)	(10,315.3)	(11,652.0)
Net result from transactions	622.1	35.0	123.0	245.2	367.6
Net result for the period	601.5	3.0	137.1	261.2	310.3
Net cash flow from operating activities	255.3	74.8	120.3	25.4	54.0
Total assets	28,163.2	25,138.2	2,118.6	1,979.8	1,666.1
Total liabilities	1,542.3	1,602.1	447.0	462.3	409.8

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

Following machinery of government changes announced on 4 December 2014, and as a result of the *Administrative Arrangements* No. 460 (issued under *Administrative Arrangements Act 1983*) on 24 December 2014, the Victorian Government renamed the former Department of Health to the Department of Health and Human Services, and integrated health and social care policies, programs and services to improve the wellbeing of all Victorians. The renamed department includes the existing outputs relating to the former Department of Health, outputs relating to the former Department of Human Services, and the outputs relating to Sports and Recreation Victoria (from the former Department of Transport, Planning and Local Infrastructure). The Department of Human Services ceased at 31 December 2014, and (along with the

Director of Housing which is a public non-financial corporation operating within the departments business structure) joined the Department of Health to form the Department of Health and Human Services.

As a result, the department's 2015–16 financial statements include 12 months of operations of the Department of Health, the former Department of Human Services (including the Director of Housing), and Sport and Recreation Victoria.

By comparison, the department's 2014–15 financial statements include 12 months of operations of the Department of Health and only six months of operations of the former Department of Human Services (including the Director of Housing), and Sport and Recreation Victoria, from 1 January 2015 to 30 June 2015, as well as the transfer of all assets and liabilities from 31 December 2014. All prior year results outlined above for; 2014, 2013 and 2012 report on the former Department of Health only.

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

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

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

As a public non-financial corporation the majority of income for the Director of Housing entity is derived from business operations primarily in the form of public housing rental, along with revenue provided by government through annual appropriation processes.

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

Financial performance and business review

The details below relate to the departments consolidated financial statements including the entities outlined above.

The major variations between the department's 2015–16 financial results and those from previous years are attributed to the machinery of government changes outlined above.

In 2015–16, the department recorded a net result from transactions of \$622.1 million. This surplus is primarily related to two main drivers:

- > The funding mechanism for the capital program in health services. The department is required to book revenue to fully cover the depreciation expense related to assets that reside with health services. During the 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 booked as a receivable from the Victorian Government for application towards future capital program expenditure.
- > One-off revenue resulting from the extinguishment of the loan between the Director of Housing and the Government. The Director of Housing had an existing loan with the government which was provided to grow public housing and homeownership. For administrative simplicity, the government has forgiven the outstanding balance of the loan and the Director of Housing will no longer be required to make repayments. Rather, grant revenue provided to the Director of Housing will be reduced by an amount equal to the annual repayment.

Financial position – balance sheet

Total assets have increased by \$3.03 billion in 2015–16 compared to prior year, mostly attributed to a \$2.55 billion managerial land revaluation within Property, Plant and Equipment.

Cash flows

The overall cash position at the end of the 2015–16 financial year is \$577.6 million surplus, which is an increase of \$86.5 million compared to the beginning of the year. The cash increase is mainly due to lower than expected expenditures in capital programs such as acquisition and improvement.

Governance

The department's senior executives at 30 June 2016

Kym Peake

Secretary

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

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

Chris Asquini

Deputy Secretary – Operations

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

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

Chris was previously the Deputy Secretary, East division. She has led major social policy and service delivery reform initiatives, including the design and implementation of the Child Protection Operating Model. Chris has held executive positions in a number of portfolios, including roles as the Executive Director, Children, Youth and Families, and Director, Community and Individual Support in Disability Services.

Amanda Cattermole

Deputy Secretary – Community Services Programs and Design

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

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

David Clements

Deputy Secretary – Organisational Redesign

The Organisational Redesign Team has been established to drive the changes necessary for the department to successfully transition to and beyond the National Disability Insurance Scheme and effectively implement the recommendations of Royal Commissions and other major reviews.

Annette Lancy

Deputy Secretary – Portfolio, Strategy and Reform

Annette Lancy heads the Portfolio Strategy and Reform division of the Department of Health and Human Services. The division is responsible for leading major service reform projects and for developing new approaches to service delivery in health, social and community services.

Portfolio Strategy and Reform provides whole-of-department leadership in the areas of social policy development, workforce planning, system intelligence and data analytics as well as longer-term strategy development.

Annette has a background in economics and law and has previously worked in other Victorian government departments as well as with the Commonwealth Government.

Terry Symonds

Deputy Secretary, Health Service Performance and Programs

Terry Symonds heads the Health Service Performance and Programs division of the Department of Health and Human Services, Victoria, which is responsible for the department's stewardship role of the Victorian healthcare system. The division has lead responsibility for the funding, planning, governance and oversight of health services to ensure that they meet the needs of all Victorians. The division holds policy and program responsibilities related to quality and safety, rural health, mental health and cancer care, as well as clinical networks and councils.

The division works closely with other parts of government and key providers in aged care, community health and primary care to improve access and outcomes for the Victorian community.

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

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

Anne Congleton

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

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

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

Melissa Skilbeck

Deputy Secretary – Regulation, Health Protection and Emergency Management

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

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

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

Nick Foa

Deputy Secretary – Sport and Recreation, Infrastructure, International Engagement and Director of Housing

The Sport and Recreation, Infrastructure, International Engagement and Director of Housing division is responsible for department-wide expertise and management of infrastructure across health, human services, and sport and recreation including asset management, planning, design, procurement and budgeting.

Nick Foa joined the department in December 2014 from Local Government Victoria, following a number of years in local government, as CEO of Brimbank and Director at Maribyrnong and Maroondah Councils. Nick has extensive experience in infrastructure delivery and asset management, and a strong commitment to community engagement and consensus building.

He holds a Master of Business Administration from Swinburne University of Technology.

Elizabeth Langdon

Deputy Secretary – People, Capability and Oversight

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

Elizabeth Langdon has more than 10 years' experience in the Victorian public service. Before joining the department in 2013, she held various executive roles in the Victorian Department of Premier and Cabinet.

Elizabeth has also held leadership positions internationally, including at Harvard University School of Public Health and at the United Nations in Geneva and New York. She was also Head of Protocol at the Sydney 2000 Olympic Games.

Lance Wallace

Deputy Secretary – Corporate Services

Corporate Services provides strategic advice and services to drive performance and improve the financial sustainability of the department and portfolio agencies. The division delivers critical corporate functions including finance, business technology and information management services. It also provides expert support on health technology, industrial relations, procurement and contract management, risk identification and management, budget strategy and corporate planning.

Lance Wallace is responsible for providing an integrated approach to corporate services for the department, generating benefits in terms of effectiveness and scale. This drives significant improvements in departmental support processes and internal practices. The division Lance leads provides a coordinated corporate and performance planning process.

Organisation structure

As at July 2016



People

Public administration and employment principles

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

Employment and conduct principles

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

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

Our people

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

The integration of these complementary functions in 2014 brought together the broad range of skills and capabilities of each workforce.

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

Recognising our employees

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

Fellow employees nominated 174 teams and individual employees across the corporate, policy and service delivery functions of the department, of which seven individuals and four teams received awards in recognition of the difference their work made and their values-based behaviours.

Building capabilities for the future

Throughout 2015–16, the department invested in employee learning and development that strengthened and enabled the workforce to support and enhance the wellbeing of all Victorians. This includes:

Supporting our new employees

More than 400 new starters completed modules within the department's online orientation package which is available on their desktop. Over 250 new employees also learned about their new organisation and its culture through a face-to-face induction sessions during 2015–16.

Almost 270 new employees were guided through the Beginning Practice in Child Protection program to become front line child protection workers. This is an intensive induction course for new child protection practitioners to introduce them to Victoria's legislation, policy and practice model.

New starters in a variety of direct client service roles completed first aid and cardiopulmonary resuscitation, and fire safety courses as part of their work induction.

Supporting our direct client service workforce

A broad calendar of learning and development offerings were provided to support staff to meet the needs of clients in a holistic and integrated way, covering areas such as person directed planning, specific health management, sexual abuse, family violence, alcohol and other drug misuse and motivational interviewing.

Over two-thirds of the direct client service employees participated in learning and development opportunities during the year, including almost 5,600 employees who undertook new or refresher training in first aid and cardiopulmonary resuscitation.

Areas of particular focus for our client service workforce during 2015–16 included the Permanency for Children learning program which was delivered to all child protection staff and managers to support the changes required to implement the amendments to the *Children, Youth and Families Act 2005* from 1 March 2016. The program covered child protection case planning and cultural support planning, timely decision making by child protection officers and the court, and addressing barriers to achieving permanency for children.

In response to the recommendations of the Royal Commission into Family Violence, the department developed and implemented the Recognise and Respond to Family Violence learning program. Since its commencement in 2016, 265 employees have completed this program.

To prepare and support the workforce to meet the impact of organisational change resulting from the implementation of the National Disability Insurance Scheme in Victoria, the department is providing information, workshops and seminars including resilience, leadership and career transition to all affected staff.

Building leadership and management capability

In recognition of the importance of effective leadership and good management, the department invests in new and existing managers.

Over 1,500 participants attended customised management development courses in 2015–16 in areas such as transitioning to management, creating a safe workplace, managing performance and feedback, managing change and managing conflict.

The department also continued to build leadership capability, with dedicated leadership programs delivered to over 350 new and existing managers in the disability accommodation services and child protection workforces.

Over 400 managers are undertaking the Leadership Development program, a self-directed program with a primary focus on learning in the workplace through new and challenging experiences, including conversations and interactions with others.

The department focused on equipping its future leaders with the right capabilities to lead through complex situations through the Leadership Edge program. This year's program provided 15 high-potential VPS 6 and equivalent employees with the opportunity to build and develop their leadership capability using the Adaptive Leadership model, which focuses on the practice of mobilising people to deal with challenging situations.

Workforce Inclusion Policy

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

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

To ensure the department is well equipped to support the development of well informed and culturally appropriate policy and services, a range of training initiatives were launched including the revision of the established Building Aboriginal Cultural Competency program and the introduction of Unconscious Bias training. The department also launched its LGBTI Awareness workshops and Allies for Change program supporting LGBTI employees.

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

The department is currently reviewing its Flexible Work Arrangements Policy, recognising the positive relationship between workplace flexibility, and employee health, wellbeing, satisfaction and engagement.

Youth Employment Scheme

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

The department engaged a total of 98 young people through the scheme during 2015–16, which included 28 placements in public hospitals as well as seven in the Melbourne Sports and Aquatic Centre (Sport and Recreation portfolio).

Graduate recruitment

In 2015–16 the department engaged a total of 10 graduates from diverse academic backgrounds through the Victorian public sector (VPS) Graduate Recruitment and Development Scheme.

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

Student placement program

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

In 2015–16, 329 tertiary student placements were completed across Child Protection, Youth Justice Community, Disability Accommodation Services, Client Outcomes and Service Improvement, Disability Client Services, Housing, Corporate Services and Secure Welfare Services. The majority of placements were completed in Child Protection (230 placements).

Internships for people living with disability

The department aims to provide meaningful and satisfying careers for people with a disability. The department has launched an internship program for people living with disability, providing university students with valuable work experience, confidence and to bridge the gap between university and graduate opportunities.

Aboriginal Employment Strategy

The department launched its *Aboriginal employment strategy 2016–21* during reconciliation week in June. The strategy is the departments renewed commitment to Aboriginal recruitment, retention and development for the next five years. The strategy builds on our previous work and guides the department over the long term, towards three critical outcomes by 2021:

- > a two percent workforce target
- > a significant increase in Aboriginal staff in senior roles
- > progress our commitment to be a diverse, inclusive and culturally safe employer of choice for Aboriginal people.

Aboriginal Staff Support Network

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

Increased cultural safety awareness

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

Pride Network

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

Comparative workforce data

Full-time equivalent (FTE) staffing trends from 2012 to 2016 (ongoing and fixed term)

June 2012	June 2013	June 2014	June 2015	June 2016
11,540	10,958	11,013	11,185	11,448

2012–2015 figures represent the sum of Department of Health and the Department of Human Services figures. FTE: full-time equivalent

Summary of employment levels in June of 2015 and 2016

	Ongoing employees			Fixed-term and casual employees	
	Employees (headcount)	Full-time (headcount)	Part-time (headcount)	FTE	FTE
June 2015	10,476	6,958	3,518	9,599	1,586
June 2016	10,633	7,030	3,603	9,730	1,718

2015 figures represent the sum of Department of Health and the Department of Human Services figures. FTE: full-time equivalent

	2015			2016		
	Ongoing	Ongoing	Fixed-term and casual employees	Ongoing	Ongoing	Fixed-term and casual employees
	Employees (head count)	FTE	FTE	Employees (head count)	FTE	FTE
Gender						
Female	7,233.0	6,489.0	1,031.1	7343	6573.3	1133.4
Male	3,243.0	3,109.8	555.3	3290	3156.5	584.8
Total	10,476.0	9,598.8	1,586.4	10,633	9,729.8	1,718.2
Age						
0–24	174.0	164.0	130.0	185	174.4	150.8
25–34	1,690.0	1,580.8	429.1	1762	1645.7	438.8
35–44	2,595.0	2,284.7	383.1	2512	2220.4	414.6
45–54	3,217.0	2,982.0	372.9	3217	2974.8	411.4
55–64	2,398.0	2,226.8	224.1	2510	2320.1	248
64+	402.0	360.4	47.2	447	398.4	54.7
Total	10,476.0	9,598.8	1,586.4	10,633	9,729.8	1,718.2
Classification						
VPS-1	10.0	7.4	0.7	10	7.2	1.5
VPS-2	329.0	293.9	44.3	326	291	57.8
VPS-3	521.0	493.1	34.2	526	498.2	70.1
VPS-4	749.0	699.8	42.0	762	711	55.8
VPS-5	1,277.0	1,187.6	87.2	1285	1193.9	127.9
VPS-6	783.0	755.4	64.3	763	736.9	90.5
Senior technical specialist	17.0	16.0	1.0	15	14.4	4
Allied health	247.0	223.8	17.7	231	208.7	30.3
Child protection	1,626.0	1,521.0	242.5	1744	1626.1	244.3

	2015			2016		
	Ongoing	Ongoing	Fixed-term and casual employees	Ongoing	Ongoing	Fixed-term and casual employees
	Employees (head count)	FTE	FTE	Employees (head count)	FTE	FTE
Disability development and support	3,907.0	3,447.0	885.5	3960	3483	865.4
Executives	124.0	123.7	0	120	119.9	0
Housing services	448.0	404.6	53.2	458	417.6	48.6
Youth justice	291.0	288.4	81.7	291	288.8	76.3
Other	147.0	137.0	32.0	142	132.9	45.7
Total	10,476.0	9,598.8	1,586.4	10,633	9,729.8	1,718.2

June 2015

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

The 'child protection' June 2015 FTE level for the child protection practitioner classification was 1403 FTE.

June 2016

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

The 'child protection' June 2016 FTE level for the child protection practitioner classification was 1510 FTE

Executive data

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.

The remuneration of executives note to the financial statements lists the actual number and remuneration paid to executive officers over the course of the reporting period. The note to the financial statements does not distinguish between executive levels, nor does it disclose separations, vacant positions, executives whose remuneration is below \$100,000, nor does it include the Accountable Officer. Separations are those executives who have left the department during the financial year.

Disclosures in the report of operations contain information on:

- > executive classifications
- > gender composition of the classifications
- > variances between the current and previous reporting period.

The reconciliation of executive numbers between the report of operations and note 19 remuneration of executives to the financial statements is to improve the transparency and completeness of the information that is disclosed.

For executive numbers across the Victorian public service, the department has included executive numbers for all portfolio entities.

Executive Officers definition

For a department, an executive officer (EO) is a person employed as an executive under Part 3, Division 5 of the *Public Administration Act 2004*.

Additionally, the total group of executives must be classified into two distinct categories based on the following definitions:

'ongoing' executives are executives who are responsible for functions or outputs that are expected to be ongoing at the reporting date

'special projects' executives are executives who are employed for a specific project. These projects are generally for a fixed period of time and relate to a specific government priority.

For portfolio entities an executive officer is a person employed as an executive officer at an annual remuneration rate not less than an executive officer employed by a department.

The definition of an executive officer does not include Governor-in-Council appointments as statutory office holders.

Portfolio entities definition

A portfolio entity is defined as a public entity under the *Public Administration Act 2004*.

The following tables disclose the executive officers of the department and its portfolio entities for 30 June 2016:

- > the number of executive positions (EO) in the categories of 'ongoing' and 'special projects' and the total numbers of EO positions for the department
- > a breakdown of EO positions according to gender of male and female for the categories of 'ongoing' and 'special projects'
- > a reconciliation of executive numbers between the report of operations and note 19 remuneration of executive to the financial statements
- > the total executive numbers for the department's portfolio entities.

Executive Remuneration Committee

The committee is responsible for ensuring a consistent and rigorous approach in the management of key elements of remuneration setting for executive level staff. In the context of government executive remuneration and employment policy, the committee determines departmental executive level remuneration policy and considers individual remuneration adjustment requests.

The committee comprises:

- > Secretary, Department of Health and Human Services (Chair)
- > Deputy Secretary, Corporate Services
- > Deputy Secretary, People, Capability and Oversight
- > Director, People and Culture
- > Independent external member (for specific issues as needed).

Number of executive officer positions classified into 'ongoing' and 'special projects'

Class	All		Ongoing		Special projects	
	No.	Var.	No.	Var.	No.	Var.
Secretary	1	0	1	0	0	0
EO-1	5	0	5	0	0	0
EO-2	55	-5	54	-4	1	-1
EO-3	70	-3	70	-3	0	0
Total	131	-8	130	-7	1	-1

(i) *Special projects role created as Director, Royal Commission Response – Band 2.*

Breakdown of active executive officers by gender for 'ongoing' and 'special projects'

Class	Ongoing					Special projects				
	Male		Female		Vacancies	Male		Female		Vacancies
No.	Var.	No.	Var.	No.	No.	Var.	No.	Var.	No.	
Secretary	0	-1	1	+1	0	0	0	0	0	0
EO-1	1	-1	2	-1	2	0	0	0	0	0
EO-2	26	+4	25	-5	3	1	-1	0	0	0
EO-3	22	-4	42	+3	6	0	0	0	0	0
Total	49	-2	70	-2	11	1	-1	0	0	0

Reconciliation of executive officer numbers

		2015	2016
Executives with total remuneration over \$100,000 (Financial Statement Note 19a)		68	118
Add	Vacancies (refer above)	14	11
	Executives employed with total remuneration below \$100,000 (Financial Statement Note 19(a))	63	27
	Accountable Officers (Secretary)	1	1
	Accountable Officer (Director of Housing)	1	1
	Chief Executive Officer, Commission for Children and Young People	1	1
Less	Separations	-9	-21
	Inactive executives (ii)	0	-7
Total executive numbers at 30 June		139	131

(i) The number of executives in the report of operations is based on the number of executive positions that were occupied at the end of the financial year. Note 19 in the 'Department of Health and Human Services financial statements' lists the actual number of and amount of remuneration paid to executive officers over the course of the reporting period. The financial statements note does not distinguish between executive levels, nor does it disclose separations, vacant positions, nor does it include the accountable officers.

(ii) Seven executive officers who were remunerated during the financial year were either seconded out to other departments, on maternity leave or long-term leave as at 30 June 2016 and have been recorded as inactive.

Number of executive officers for the department's portfolio agencies

Organisation	2015			2016			Change		
	Female	Male	Active	Female	Male	Active	Female	Male	Active
Albury Wodonga Health	4	4	8	4	4	8	0	0	0
Alexandra District Hospital	2	0	2	1	0	1	-1	0	-1
Alfred Health	3	5	8	4	3	7	1	-2	-1
Alpine Health	0	1	1	0	1	1	0	0	0
Ambulance Victoria	3	4	7	3	8	11	0	4	4
Austin Health	3	5	8	3	3	6	0	-2	-2
Bairnsdale Regional Health Service	2	2	4	3	2	5	1	0	1
Ballarat General Cemeteries Trust	0	1	1	1	0	1	1	-1	0
Ballarat Health Services	5	5	10	4	3	7	-1	-2	-3
Barwon Health	4	4	8	4	5	9	0	1	1
Bass Coast Regional Health	2	2	4	1	0	1	-1	-2	-3
Beaufort and Skipton Health Service	0	1	1	0	1	1	0	0	0
Beechworth Health Service	0	1	1	0	1	1	0	0	0
Benalla Health	1	1	2	1	0	1	0	-1	-1
Bendigo Health Care Group	3	4	7	4	4	8	1	0	1
Boort District Hospital	1	0	1	1	0	1	0	0	0
Breast Screen Victoria	5	1	6	4	2	6	-1	1	0
Casterton Memorial Hospital	0	1	1	0	1	1	0	0	0
Castlemaine Health	2	2	4	1	1	2	-1	-1	-2

Organisation	2015			2016			Change		
	Female	Male	Active	Female	Male	Active	Female	Male	Active
Central Gippsland Health Service	2	2	4	2	2	4	0	0	0
Cobram District Hospital	0	1	1	0	0	0	0	-1	-1
Cohuna District Hospital	0	1	1	1	0	1	1	-1	0
Colac Area Health	0	1	1	0	1	1	0	0	0
Dental Health Services Victoria	4	2	6	3	2	5	-1	0	-1
Djerriwarrh Health Services	3	3	6	2	3	5	-1	0	-1
Dunmunkle Health Services	0	1	1	0	1	1	0	0	0
East Grampians Health Service	0	1	1	0	1	1	0	0	0
East Wimmera Health Service	1	0	1	1	0	1	0	0	0
Eastern Health	2	7	9	2	7	9	0	0	0
Echuca Regional Health	1	2	3	3	1	4	2	-1	1
Edenhope and District Memorial Hospital	0	1	1	0	1	1	0	0	0
Geelong Cemeteries Trust	0	1	1	0	1	1	0	0	0
Gippsland Southern Health Service	0	3	3	0	2	2	0	-1	-1
Goulburn Valley Health Services	4	2	6	4	2	6	0	0	0
Greater Metropolitan Cemetery Trust	2	2	4	2	2	4	0	0	0
Health Purchasing Victoria	4	3	7	3	2	5	-1	-1	-2
Heathcote Health	0	1	1	0	1	1	0	0	0
Hepburn Health Service	4	2	6	0	1	1	-4	-1	-5
Hesse Rural Health Service	0	1	1	0	1	1	0	0	0
Heywood Rural Health	1	0	1	1	0	1	0	0	0
Inglewood and Districts Health Service	0	1	1	0	1	1	0	0	0
Kardinia Park Stadium Trust	0	0	0	0	1	1	0	1	1
Kerang District Health	0	1	1	1	1	2	1	0	1
Kilmore and District Hospital	0	1	1	2	0	2	2	-1	1
Kooweerup Regional Health Service	1	0	1	1	0	1	0	0	0
Kyabram and District Health Services	0	1	1	0	1	1	0	0	0
Kyneton District Health Service	1	0	1	1	0	1	0	0	0
Latrobe Regional Hospital	2	2	4	2	2	4	0	0	0
Lorne Community Hospital	1	0	1	1	0	1	0	0	0
Mallee Track Health and Community Service	0	1	1	0	1	1	0	0	0

Organisation	2015			2016			Change		
	Female	Male	Active	Female	Male	Active	Female	Male	Active
Mansfield District Hospital	1	0	1	1	0	1	0	0	0
Maryborough District Health Service	0	1	1	0	1	1	0	0	0
Melbourne Health	4	2	6	4	2	6	0	0	0
Monash Health	5	9	14	2	6	8	-3	-3	-6
Moyne Health Services	0	1	1	0	1	1	0	0	0
Northeast Health Wangaratta	2	2	4	2	2	4	0	0	0
Northern Health	5	2	7	7	3	10	2	1	3
Numurkah District Health Service	1	0	1	1	0	1	0	0	0
Omeo District Health	0	1	1	0	0	0	0	-1	-1
Orbost Regional Health	1	0	1	1	0	1	0	0	0
Otway Health and Community Services	1	0	1	1	0	1	0	0	0
Peninsula Health	3	4	7	3	5	8	0	1	1
Peter MacCallum Cancer Centre	6	4	10	6	2	8	0	-2	-2
Portland District Health	1	0	1	2	0	2	1	0	1
Remembrance Park Central Victoria	0	1	1	0	1	1	0	0	0
Robinvale District Health Services	1	0	1	0	0	0	-1	0	-1
Rochester and Elmore District Health Service	1	1	2	1	0	1	0	-1	-1
Rural Northwest Health	1	0	1	1	0	1	0	0	0
Seymour Health	0	1	1	0	1	1	0	0	0
South Gippsland Hospital	0	1	1	0	1	1	0	0	0
South West Healthcare	2	5	7	1	5	6	-1	0	-1
Southern Metropolitan Cemeteries Trust	3	2	5	4	2	6	1	0	1
State Sport Centres Trust	0	3	3	0	4	4	0	1	1
Stawell Regional Health	1	0	1	1	0	1	0	0	0
Swan Hill District Health	1	3	4	1	3	4	0	0	0
Tallangatta Health Service	1	0	1	1	0	1	0	0	0
Terang and Mortlake Health Service	1	0	1	1	0	1	0	0	0
The Queen Elizabeth Centre	1	0	1	1	0	1	0	0	0
The Royal Children's Hospital	5	4	9	6	2	8	1	-2	-1
The Royal Victorian Eye and Ear Hospital	5	1	6	2	3	5	-3	2	-1
The Royal Women's Hospital	5	2	7	5	2	7	0	0	0

Organisation	2015			2016			Change		
	Female	Male	Active	Female	Male	Active	Female	Male	Active
Timboon and District Health Care Service	0	1	1	0	1	1	0	0	0
Tweedle Child and Family Health Service	1	1	2	1	0	1	0	-1	-1
Upper Murray Health and Community Service	1	0	1	1	0	1	0	0	0
Victorian Assisted Reproductive Treatment Authority	1	0	1	1	0	1	0	0	0
Victorian Health Promotion Foundation	1	3	4	4	2	6	3	-1	2
Victorian Institute of Forensic Mental Health (Forensicare)	0	4	4	0	5	5	0	1	1
Victorian Institute of Sport	1	0	1	1	0	1	0	0	0
West Gippsland Healthcare Group	3	2	5	2	3	5	-1	1	0
West Wimmera Health Service	2	2	4	3	3	6	1	1	2
Western District Health Service	0	3	3	0	2	2	0	-1	-1
Western Health	17	10	27	14	10	24	-3	0	-3
Wimmera Health Care Group	1	4	5	1	4	5	0	0	0
Yarram and District Health Service	1	0	1	1	0	1	0	0	0
Yarrawonga Health	1	0	1	1	0	1	0	0	0
	161	168	329	156	153	309	-5	-15	-20

Occupational health and safety

The commitment and basis for ensuring staff health, safety and wellbeing is reflected in the departments' Health, Safety and Wellbeing policy and accountabilities. The policy and accountabilities articulate specific actions for the Secretary and all other levels of management and staff to support this.

Improvement initiatives

During 2015–16, the following initiatives were implemented to support the department's ongoing efforts to ensure and improve the health, safety and wellbeing of our staff:

- > participation in the whole-of-government occupational health and safety (OHS) committees established in partnership with unions and WorkSafe to lead and improve OHS performance in the public sector, with an initial focus on mental health and wellbeing and occupational violence
- > establishment of a Wellbeing Committee to lead proactive and preventive activity to protect and improve the mental and physical wellbeing of staff
- > collaboration with People and Culture partners and unions to identify and implement strategies to reduce the incidence of bullying or inappropriate behaviour in our workplaces
- > provision of change management, resilience and career counselling support for staff impacted by the transition to the National Disability Insurance Scheme
- > improved support and training for disability accommodation services staff in applying manual handling risk management tools, including new tools for general manual handling tasks and client physical support needs assessment
- > promotion and delivery of Managing Safe Workplaces training for managers and supervisors
- > promotion and delivery of the Planning for Your Safety training program for frontline staff to prevent and manage occupational violence risks
- > department-wide workshops to assist staff in identifying and responding to vicarious trauma in themselves and others
- > a comprehensive program of activities for staff during the annual Health and Safety month with the theme of championing wellbeing and including an annual health and safety representative forum
- > continued promotion and availability of the Employee Assistance Program for staff experiencing difficulties at work or elsewhere including updating of service information to ensure it is reflective of Aboriginal and Torres Strait Islander and LGBTI staff needs
- > continued promotion and availability of the Critical Incident Response Management service for staff exposed to trauma at work
- > Participation of over 1,000 staff in Stepathlon, a global 10,000 step per day program, resulting in significant improvements in participants physical and mental wellbeing and the department winning the Globally Most Active award in the government category.

The department's results in 2015–16 have included:

- > a reduction in the overall number and rate of reported incidents
- > a decrease in the overall number and rate of WorkCover claims
- > fewer claims arising from work-related stress and manual handling
- > an increase in the total and average cost of WorkCover claims
- > a reduction in the number of staff absent from work for more than 13 weeks as result of injury
- > an overall increase in the use of the Employee Assistance Program including increases in the proactive use of the dietician, legal, financial and career planning services.

To reverse the increase in claims costs, the department has developed and implemented a new *Return to work guide* to support the earlier and more sustainable return to work of injured staff.

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

Measure	KPI	2013–14	2014–15	2015–16
Incidents and hazards	No. of incidents ¹	7,991	8,089	6,966
	Rate per 100 FTE	72.56	72.32	60.83
Claims	No. of standard claims ²	460	410	341
	Rate per 100 FTE	4.176	3.665	2.977
	No. of lost time claims	221	199	185
	Rate per 100 FTE	2.006	1.779	1.615
	No. of claims exceeding 13 weeks ³	133	100	79
	Rate per 100 FTE	1.208	0.894	0.690
Fatalities	No. of fatalities	1	0	0
Claims costs ⁴	Average cost per standard claim ⁵	\$46,918	\$59,873	\$62,463
Return to work index	Percentage of claims (with 10 days or more off work) where worker has returned to work within six months of when the claim was lodged with Victorian WorkCover Authority agent	82.59	84.19	79.31

2013–14 and 2014–15 figures represent the sum of Department of Health and the Department of Human Services figures.

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

1. Figures for 2013–14 and 2014–15 are recorded incidents as at June 2016.
2. Includes accepted, pending and rejected claims that met the standard claims threshold.
3. Data extracted with a six-month lag to allow for claims to reach 13 weeks compensation.
4. Includes payments and estimated future costs.
5. Data extracted with a three-month lag to allow for the claims estimate to develop to give an accurate picture of associated costs. Figures for 2013–14 and 2014–15 are calculated as at June 2016.

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

Measure	KPI	Performance
Consultation and participation	Designated work group structures and issue resolution procedures	<p>The department has in place a comprehensive cascading OHS consultation structure comprising committees at the area, divisional and statewide level. Committee meetings follow a coordinated schedule to ensure timely escalation and resolution of any identified OHS issues.</p> <p>In consultation with employees, the department has developed an OHSMS consultation and communication procedure.</p> <p>The department has reviewed and enhanced the incident reporting and investigation procedure to support a timely and effective response to OHS incidents in our workplaces. Implementation has commenced.</p> <p>The department continues to maintain an extensive network of 465 designated work groups with 471 health and safety representatives and 138 designated management representatives.</p>
Risk management	Regular internal audits conducted and issues identified and actioned	<p>Department mechanisms for identifying and controlling OHS hazards to prevent or reduce the likelihood of harm include disease, injury, near miss and accident (DINMA) reports, specific risk management tools and workplace inspections.</p> <p>Specific interventions to reduce the likelihood or impact of injuries from occupational violence and manual handling resulted in decreased claims and incidents in both of these accident types. There is ongoing activity to improve the management of occupational violence risks in uncontrolled environments.</p> <p>WorkSafe made 211 visits to the department's worksites and issued 32 WorkSafe notices.</p> <p>There were 234 Critical Incident Response Management (CIRM) service debriefing activations in response to incidents in our workplaces.</p> <p>An internal audit resulted in the department's <i>Return to work guide</i> being comprehensively revised.</p> <p>Over 1,000 staff were supported to participate in the Stepathlon program with evaluation results showing significant improvements in physical and mental wellbeing of participants.</p>
Training	Managers, health and safety representatives and other staff trained	<p>The department's Managing Safe Workplaces training program was delivered 23 times with 273 managers participating.</p> <p>All health and safety representatives elected in 2015–16 were encouraged and supported by the department to undertake the five-day health and safety representative training program.</p> <p>The department conducts an annual health and safety representative forum each October as a key activity during Health and Safety Month. There were approximately 180 participants in the 2015 forum.</p> <p>The department has 109 Critical Incident Response Management (CIRM) volunteers comprising coordinators, de-briefers and support workers. During the year, a five-day training program for de-briefers, a three-day training program for support workers, and quarterly professional development programs open to all CIRM volunteers, were conducted.</p> <p>Regular vicarious trauma workshops were conducted centrally and in operational divisions to support managers and staff to minimise the impact of trauma on their wellbeing.</p> <p>Quarterly forums were conducted for internal OHS and workers compensation professional staff including OHS Advisors, Injury Management Coordinators and Claims Administrators.</p>

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

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

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

Disclosures

Audit and risk management

Audit committee membership and roles

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

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

- > Jo-Anne Stephenson, Chair (independent appointee)
- > Peter Lewinsky, Deputy Chair (independent appointee)
- > Jan West AM (independent appointee) (retired as at 31 July 2016)
- > Pam White (independent appointee)
- > Anne Congleton (Deputy Secretary, Community Participation, Health and Wellbeing)
- > Elizabeth Langdon (Deputy Secretary, People, Capability and Oversight)
- > Finn Romanes (Senior Medical Advisor).

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.

During the year the department contracted with KPMG and RSM to undertake internal audit services in a co-sourced arrangement with the department's internal audit unit.

Risk management context

During 2015–16, the department faced a number of significant risks in its operating environment including:

- > progressing transition to the National Disability Insurance Scheme
- > continuing to deliver high-quality and safe services for Victorians in a climate of unprecedented growth for key services
- > ongoing health system funding arrangements related to the Commonwealth–State National Health Reform Agreement
- > organisational structure adjustments.

The department's 2015–16 attestation is supported by:

- > a risk management policy and framework that aligns with the requirements set out in the Victorian Government Risk Management Framework and Financial Management Act Standing Direction 4.5.5
- > a top-down risk management approach consisting of four strategic risks and 18 corporate risks managed using the AS/NZS ISO 31000 risk management process
- > a progressively improving risk management framework and processes
- > a risk management role and risk management processes that are being progressively embedded within strategic planning and decision-making processes
- > the department's commitment to risk management and its continual improvement, supported by a Risk Management Implementation Plan that has set a pathway to target risk management maturity levels
- > an audit and assurance program aligned with the department's risk profile
- > progressive development of processes for high-level oversight of interagency risks in collaboration with other departments and agencies.

Insurance

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

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

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

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

Risk attestation

I, Kym Peake, certify that the Department of Health and Human Services is progressively improving risk management processes, practices and culture to meet the requirements of the Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes within the context set out above.

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

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



Kym Peake
Secretary
Department of Health and Human Services

Department of Health and Human Services compliance with DataVic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, the information included in this annual report will be available at <www.data.vic.gov.au> in machine-readable format.

At the end of 2015–16 the department had approximately 1,400 datasets available on the Victorian Government Data Directory, some of which are new, and others which have been amended during the year.

Summarised data published by the department is available at <www.health.vic.gov.au/data> (for health) and <www.dhs.vic.gov.au/about-the-department/documents-and-resources/research-data-and-statistics> (for human services). This includes information about:

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

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

They include the:

- > Victorian Admitted Episodes Dataset which contains information about all patients admitted to Victorian hospitals
- > Victorian Emergency Minimum Dataset (VEMD) which contains information about emergency presentations at Victorian public hospitals
- > Elective Surgery Information System (ESIS) which contains information about elective surgery waiting list information from the major Victorian metropolitan and rural public hospitals
- > Perinatal Data Collection which contains information about mothers and babies born in Victoria

- > Victorian Integrated Non-Admitted Health dataset which contains information about the Family Choice Program, Hospital Admission Risk Program, Hospital-Based Palliative Care Consultancy Team, Palliative Care, Post Acute Care, Residential In-Reach, Specialist Clinics (Outpatients), Subacute Ambulatory Care Services, Transition Care Program, Victorian HIV Service and the Victorian Respiratory Support Service
- > Notifiable Infectious Diseases Data on conditions that must be reported to the department under the *Public Health and Wellbeing Act 2008*.

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

- > MyHospitals <www.myhospitals.gov.au>
- > Australian Institute of Health and Welfare <www.aihw.gov.au/data>
- > National Health Performance Authority <www.nhpa.gov.au/internet/nhpa/publishing.nsf/Content/Our-reports>.

Business Technology and Information Management Committee

The Business Technology and Information Management Committee is responsible for ensuring a coordinated and outcome-focused approach to strategy and policy, prioritisation and assurance in business technology and information management across the department and the sector, in the following categories:

- > strategy and policy
- > prioritisation
- > assurance.

The committee comprises 10 members:

- > Deputy Secretary, Corporate Services (Chair)
- > Deputy Secretary, People, Capability and Oversight
- > Deputy Secretary, Sport and Recreation, Infrastructure, International Engagement, and Director of Housing
- > Deputy Secretary, South Division, Operations
- > Chief Information Officer, Corporate Services

- > Health Chief Information Officer, Corporate Services
- > Director, Corporate Services, East Division, Operations
- > Director, Health Information and Reporting
- > Director, Performance and Reporting, Operations
- > Director, Service Implementation and Support, Operations.

Implementation of the Victorian Industry Participation Policy

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

During 2015–16, the department commenced 19 VIPP applicable procurements totalling \$392.54 million. Of those projects, seven were located in regional Victoria, one statewide and 11 in metropolitan Melbourne.

The outcomes expected from the implementation of the VIPP to these projects where information was provided are as follows:

- > an average of 89 per cent of local content commitment was made
- > a total of 1,066 jobs (AEE) were committed, including the creation of 134 new jobs and the retention of 932 existing jobs (AEE)
- > a total of 149 positions for apprentices/trainees were committed, including the creation of 34 new apprenticeships/traineeships, and the retention of the remaining 115 existing apprenticeships/traineeships.

The commitments to the Victorian economy in terms of skills and technology transfer include ongoing commitment to training and skills development.

The department also commenced 22 contracts with a commitment to an estimated 99 per cent of 'local content', to which a VIPP Plan was not required as the procurement activity was local by nature.

During 2015–16, the department completed 15 VIPP applicable projects, collectively valued at about \$1.43 billion. The outcomes reported from the implementation of the VIPP where information was provided, were as follows:

- > an average of 93 per cent of local content outcome was recorded
- > a total of 2,233 (AEE) positions were created and 4,823 existing jobs retained
- > 216 new apprenticeships/traineeships were created and 211 existing apprenticeships/traineeships retained.

The benefits to the Victorian economy in terms of retention of skills from the completed projects included the use of local construction workers and increased skills and knowledge through training.

During 2015–16, 61 small- to medium-sized businesses prepared a VIPP Plan, with the remaining prepared by large businesses.

During 2015–16, six interaction reference numbers were undertaken with the Industry Capability Network for grants provided and design contracts by the department.

Details of consultancies

In 2015–16, there were 207 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2015–16 in relation to these consultancies was \$17.53 million (excluding GST). Details of individual consultancies are outlined in the table on the following page.

Details of consultancies under \$10,000

In 2015–16, there were 29 consultancies during the year where the total fees payable to the individual consultant was less than \$10,000. The total expenditure incurred during 2015–16 in relation to these consultancies was \$159,013 (excluding GST).

Disclosure of major contracts

The department has disclosed, in accordance with the requirements of government policy and accompanying guidelines, all contracts greater than \$10 million in value which it entered into during the year ended 30 June 2016. Details of contracts that have been disclosed in the Victorian Government contracts publishing system can be viewed online at: <www.contracts.vic.gov.au>.

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

Consultant	Purpose of consultancy	Total approved project fee excl. GST	Expenditure 2015–2016 excl. GST	Future expenditure excl. GST
BIRUU Pty Ltd	Service plan for Werribee Mercy Hospital	\$26,325	\$26,325	\$0
Peoplestreme Pty Ltd	Performance Management System	\$197,000	\$45,000	\$0
Deloitte Access Economics Pty Ltd	Evaluation, mental health hospital admission program	\$679,345	\$156,172	\$21,582
KPMG	Evaluation, mental health homelessness and housing support initiatives	\$626,209	\$209,554	\$8,699
Sitecore Australia Pty Ltd	Review, technical documentation for web transformation project	\$134,887	\$10,000	\$31,913
Health Outcomes International Pty Ltd	Methodology, mental health and workforce competency frameworks	\$303,800	\$107,999	\$0
Australian Healthcare Associates Pty Ltd	Integrity audit, admitted patient, elective surgery and emergency department data	\$2,667,145	\$828,159	\$615,736
Oakton Services Pty Ltd	Delivery services, seniors card project	\$802,471	\$379,366	\$0
BAE Systems	Audit, IT Hosting and Application Security	\$63,750	\$21,250	\$42,500
Price Waterhouse Coopers	Evaluation, advanced musculoskeletal physiotherapy implementation program	\$149,034	\$23,788	\$611
LKA Group	Loss adjustor service, public housing	\$90,909	\$22,072	\$40,906
Index Consultants	Project delivery, mental health applications	\$1,120,909	\$248,536	\$35,131
Susan Baidawi	Evaluation, systemic inquiry into sexual abuse & exploitation in residential care	\$16,545	\$18,200	\$0
The King's Fund	Governance model, public health service	\$216,454	\$78,785	\$0
PDF Management Services Pty Ltd	Content analysis, municipal public health and wellbeing priorities	\$118,000	\$11,000	\$1,487
Accuteque Global Pty Ltd	Review, common funding agreement	\$356,070	\$112,854	\$0
ACIL Allen Consulting Pty Ltd	Evaluation, health and education initiatives in out-of-home care	\$239,874	\$42,181	\$12,388
Psych Health Australia Pty Ltd	Program services, multi-diagnosis disability learning	\$273,219	\$42,170	\$202,587
KPMG	Develop contained therapeutic model of care, out-of-home care	\$187,525	\$119,044	\$11,698
AIFS	Evaluation, child protection co-location project	\$105,500	\$33,416	\$0
UOM Commercial Ltd	Evaluation, Victorian Safewards trial	\$181,246	\$72,499	\$0
Protiviti Pty Ltd	Data integrity audit, elective surgery information system	\$289,473	\$94,273	\$99,818
The Viewpoint Organisation Pty Ltd	Survey of children and young people in out-of-home care in Victoria	\$122,727	\$35,000	\$9,983
Aspex Consulting Pty Ltd	Urgent Care and Small Rural Emergency Department Workforce Project	\$132,008	\$27,158	\$0
KPMG	Data Integrity Audit, Victorian emergency minimum dataset	\$391,498	\$124,296	\$131,354
Deloitte Access Economics Pty Ltd	Evaluation, integrated hepatitis B and C services	\$117,867	\$36,693	\$2,987

Consultant	Purpose of consultancy	Total approved project fee excl. GST	Expenditure 2015–2016 excl. GST	Future expenditure excl. GST
Pam White	Review, department response to sexual exploitation	\$56,000	\$10,000	\$0
Dr Julie Caldecott	Review, department response to sexual exploitation	\$56,437	\$10,437	\$0
Price Waterhouse Coopers	Review, financial delegation principles	\$45,130	\$20,650	\$0
KPMG	Service Review, Yooralla funded organisation	\$263,304	\$18,048	\$0
Aspex Consulting Pty Ltd	Review, psychiatric assessment and planning unit services in acute hospitals	\$50,500	\$48,250	\$0
Rod Glover Consulting	Strategic advice, emerging projects and initiatives	\$90,764	\$22,691	\$0
Deloitte Touche Tohmatsu	Advisory services, National Disability Insurance Scheme budget and investment	\$498,610	\$343,773	\$19,569
Deloitte Touche Tohmatsu	Architectural consulting services, technology roadmap	\$135,559	\$33,602	\$3
Behavioural Insights Team Limited	Support to implement 'nudges' to change client behaviour	\$90,000	\$37,419	\$45,175
Cube Group Management Consulting	Project management (National Disability Insurance Scheme)	\$300,400	\$228,373	\$0
Crondar Pty Ltd	Services, epidemiological and knowledge translation	\$81,369	\$41,300	\$0
KPMG	Governance review, Bellarine Community Health	\$118,462	\$63,669	\$2,700
Talbot Shaw Pty Ltd	Implementation plan, Victorian Health and Wellbeing System Data framework	\$149,743	\$49,078	\$92,092
Southern Cross Computer Systems	Full penetration testing for EMITS	\$24,545	\$11,876	\$12,669
Campbell Research & Consulting	Evaluation, Victorian nurse practitioner program	\$94,250	\$54,545	\$3,341
Bkwraight Consulting	Identify and scope regulatory and governance models, etc. for allied health roles	\$44,545	\$15,000	\$6
Midnightsky	Communications plan and workshops, allied health science practitioners	\$28,500	\$28,500	\$0
Deloitte Touche Tohmatsu	Review, Kardinia Park operations	\$256,735	\$254,713	\$2,022
KPMG	Management, governance principles and costing for Victorian cancer registry	\$93,236	\$66,225	\$0
ACIL Allen Consulting Pty Ltd	Impact assessment, Child Safe Standards	\$70,885	\$26,000	\$1,485
Australian Catholic University	Evaluation, variance reporting, mental health seclusion and restraint	\$80,134	\$57,610	\$0
Clear Horizon Consulting Pty Ltd	Evaluation, healthy food connect	\$44,298	\$16,225	\$2,037
Lisa Delaney Consulting	Expanded Settings Innovative Workforce Development Model	\$68,291	\$29,491	\$0
Nous Group Pty Ltd	Implementation plan, workforce development	\$128,745	\$105,473	\$0

Consultant	Purpose of consultancy	Total approved project fee excl. GST	Expenditure 2015–2016 excl. GST	Future expenditure excl. GST
GQI Consulting	Market analysis, tech savvy seniors bundle	\$10,980	\$10,980	\$0
FBG Group	Review and talent development strategy, Secure services workforce	\$75,852	\$75,131	\$721
Victoria University	Analysis, Victorian sport integrity capability	\$60,553	\$12,111	\$0
Pacific Environment Operations Pty Ltd	Expert review, carbon monoxide and health protection protocol (PM2.5)	\$18,182	\$15,010	\$3,172
Australian Centre For Posttraumatic Mental Health	Enhancing specialist mental health – trauma informed responses	\$45,444	\$45,444	\$0
Eastern Health	Education, family and community ice training	\$1,354,223	\$200,218	\$1,154,005
Aspex Consulting Pty Ltd	Review, new arrangements for the delivery of mental health and drug treatment services	\$130,986	\$130,986	\$0
Williamson Solution Pty Ltd	Cultural review, Mental Health Tribunal	\$10,000	\$10,000	\$0
Ernst & Young	Housing advice (National Disability Insurance Scheme)	\$123,370	\$123,370	\$0
Nous Group Pty Ltd	Review, complaint management processes	\$22,727	\$21,278	\$1,450
Clayton Utz	Business case, responsive maintenance	\$109,091	\$120,000	\$0
Aspex Consulting Pty Ltd	Strategic services plan, West Gippsland Healthcare Group	\$206,545	\$206,545	\$0
Deloitte Touche Tohmatsu	Review, public hospital linen services	\$118,182	\$118,182	\$0
ACIL Allen Consulting Pty Ltd	Review, North and West Metropolitan Aboriginal Health Promotion and Chronic Care Partnerships Program (AHPACC)	\$32,607	\$32,298	\$309
Deloitte Touche Tohmatsu	Roadmap to Systemic Reform (review early intervention services)	\$814,668	\$772,593	\$42,075
Alison Amos	Outcomes and evaluation framework, Victorian cancer survivorship program	\$24,727	\$24,724	\$4
DW Bowe & Associates Pty Ltd	Review, supported residential services program (incident investigation)	\$19,788	\$19,788	\$0
The University of Melbourne	Documentation, achievements of Gathering Places and Community Controlled Health Organisations in Victoria	\$88,767	\$46,802	\$41,965
Effective Change Pty Ltd	Evaluation, Aboriginal healthcare coordination and case management models	\$208,455	\$133,778	\$74,676
Pinnacle Group Australia	Aboriginal Health and Wellbeing Branch establishment	\$50,384	\$38,556	\$11,827
Kiandra IT	Technical audit, tribunals case management system	\$11,760	\$11,760	\$0
Wunan Foundation Inc	Evaluation, strategies for improving cultural responsiveness of mainstream health services	\$159,091	\$114,091	\$45,000
Australian Healthcare Associates Pty Ltd	Evaluation, Victoria's Aboriginal workforce development strategies	\$132,309	\$23,000	\$109,309
Australian Social & Recreation Research Pty Ltd	Service review, Dame Pattie Menzies Centre Inc	\$21,120	\$21,870	\$0

Consultant	Purpose of consultancy	Total approved project fee excl. GST	Expenditure 2015–2016 excl. GST	Future expenditure excl. GST
Siggins Miller Consultants	Literature review, patient safety learning systems	\$96,064	\$96,064	\$0
KPMG	Review, services provided to Forgotten Australians	\$134,100	\$134,101	\$0
Aspex Consulting Pty Ltd	Evaluation, effectiveness of rural infection control consultant models	\$127,174	\$127,174	\$0
Highview Partners	Review, future options for Dunmunkle Health Service	\$24,545	\$24,545	\$0
John Allen & Associates	Talent management services and advice	\$48,000	\$10,500	\$37,500
BIRUU Pty Ltd	Barwon Catchment clinical mental health service plan	\$90,100	\$69,100	\$21,000
KPMG	Service Review, Wimmera Uniting Care	\$131,745	\$133,978	\$0
KPMG	Scope options, expansion of intensive placement prevention and family reunification service	\$254,970	\$190,478	\$64,492
KPMG	Evaluation, streamlining clinical trial research	\$38,750	\$38,750	\$0
Sal Consulting Pty Ltd	Review, disability forensic assessment treatment service	\$52,500	\$23,210	\$29,290
Price Waterhouse Coopers Indigenous Consulting	Aboriginal recruitment and retention strategy	\$82,827	\$59,107	\$23,721
KPMG	Evaluation, kinship care services	\$205,711	\$205,711	\$0
Swinburne University of Technology	Impact assessment, specific food ingestion on random drug testing protocols	\$118,182	\$67,273	\$50,909
Sacs Consulting Pty Ltd	Development of appropriate workplace behaviours framework	\$14,843	\$14,570	\$273
The Kinetica Group Pty Ltd	Review, Significant Sporting Events Program (SSEP)	\$33,375	\$32,000	\$1,375
IPSOS Public Affairs Pty Ltd	Evaluation, clinical placement planning for 2015	\$87,030	\$39,370	\$47,660
Aspex Consulting Pty Ltd	Advice, Victorian super pharmacy project	\$135,455	\$134,545	\$909
Price Waterhouse Coopers	Review, preventive health investment funding	\$400,050	\$378,049	\$22,001
Rix Stewart	Tender services, Royal Women's Hospital reviewable services	\$22,631	\$22,300	\$331
DLA Piper Australia	Rapid review, service model responses and interventions, public intoxication	\$55,000	\$55,000	\$0
Deloitte Touche Tohmatsu	Strategic workforce action plan for real-time prescription monitoring	\$135,580	\$134,852	\$728
Ernst & Young	Implementation planning study, real-time prescription monitoring in Victoria	\$168,649	\$168,180	\$469
KPMG	Governance review, executive board and subcommittee arrangements	\$73,874	\$27,731	\$46,142
Ernst & Young	Housing reform (National Disability Insurance Scheme)	\$69,983	\$69,983	\$0
Australian Patient Safety Foundation Inc	Review, Victorian Health Incident Management System Dataset	\$124,905	\$59,550	\$65,355

Consultant	Purpose of consultancy	Total approved project fee excl. GST	Expenditure 2015–2016 excl. GST	Future expenditure excl. GST
Nous Group Pty Ltd	Stakeholder consultation, review of the Tobacco Act 1987	\$135,455	\$135,455	\$0
KPMG	Develop and implement, client incident management system	\$856,747	\$760,398	\$96,349
Deloitte Touche Tohmatsu	Design and develop, transition operational model (National Disability Insurance Scheme)	\$362,995	\$362,980	\$15
Gough Medical Pty Ltd	Review, surgical services at Djerriwarrh Health	\$15,636	\$13,806	\$1,830
Leisure Planners	Research project, non-council clubs	\$25,000	\$12,500	\$12,500
Aspex Consulting Pty Ltd	Review, nursing and midwifery graduate transition to practice programs in Victoria 2015	\$131,199	\$22,950	\$108,249
Nucleus Consulting Group Pty Ltd	Service Review, Mansfield autism statewide service	\$40,332	\$40,835	\$0
KPMG	Better client information initiative	\$45,144	\$45,144	\$0
ACIL Allen Consulting Pty Ltd	Evaluation, improving safety in residential care initiative	\$133,764	\$100,279	\$33,485
Qualityworks	Review, clinical governance	\$42,955	\$36,815	\$6,139
BIRUU Pty Ltd	Business case, Kardinia Park Trust	\$30,720	\$30,720	\$0
Battiston Consulting Pty Ltd	Development of Business Technology and Information Management operational model	\$40,000	\$40,960	\$0
Ernst & Young	Advice, public sector residential aged care services	\$136,250	\$136,250	\$0
Gemba Group Pty Ltd	Review of Vicsport	\$55,818	\$27,000	\$28,818
Regulatory Impact Solutions Pty Ltd	Legislative impact assessment	\$32,727	\$32,727	\$0
KPMG	Review and revise, organisational structure and performance metrics reporting	\$219,885	\$220,476	\$0
SGS Economics & Planning Pty Ltd	Evaluation, strategic sporting infrastructure program and community sports facility program	\$50,000	\$50,000	\$0
Nucleus Consulting Group Pty Ltd	Service review, funded services by Marillac	\$43,845	\$44,396	\$0
Melbourne East General Practice Network Ltd	Project management services, Victorian eReferral program	\$444,000	\$132,000	\$312,000
Centre For Excellence In Child And Family Welfare Inc	Child protection flexible responses initiative	\$36,000	\$25,338	\$10,662
Aspex Consulting Pty Ltd	Review, The Dax Centre	\$45,046	\$45,046	\$0
T.C Cheng & C.J Shih	Modelling Impact of PHI rebate changes on public hospital expenditure	\$18,182	\$10,000	\$8,182
KPMG	System planning, statewide service and infrastructure plan	\$115,500	\$83,072	\$32,428
Ludus Group	Project management, value of Sport and Recreation in Victoria study	\$89,700	\$83,200	\$6,500

Consultant	Purpose of consultancy	Total approved project fee excl. GST	Expenditure 2015–2016 excl. GST	Future expenditure excl. GST
KPMG	Department of Health and Human Services Governance Review	\$41,597	\$41,597	\$0
KPMG	Governance Review, Ballarat Health Service	\$83,721	\$83,721	\$0
Workwell Consulting Pty Ltd	Services transfer and client and family engagement (National Disability Insurance Scheme)	\$72,727	\$64,000	\$8,727
KPMG	Service review, Able Australia	\$103,765	\$106,125	\$0
Verso Consulting Pty Ltd	Placement prevention and reunification for Aboriginal children	\$277,850	\$208,388	\$69,462
KPMG	Outcomes, focused performance framework, community and social care system	\$225,249	\$137,202	\$88,047
Aspex Consulting Pty Ltd	Assessment, service delivery funding models and capability	\$256,720	\$164,935	\$91,785
Casemix Consulting Pty Ltd	Review, hospital safety and quality assurance	\$167,455	\$167,455	\$0
Courtheath Consulting	Process Review, Hazelwood mine fire procurement	\$64,200	\$64,376	\$0
Leejenn Health Consultants	Evaluation, Aboriginal alcohol and other drug metropolitan pilot program	\$131,825	\$95,461	\$36,364
Price Waterhouse Coopers	Options, assessment and recommendations, Victorian statewide telehealth platform	\$299,910	\$324,433	\$0
KPMG	Statewide report, Taskforce 1000, to identify themes for future action	\$44,027	\$44,027	\$0
Deloitte Touche Tohmatsu	Research and advice, institutional design of funding and regulation of human services	\$199,071	\$201,285	\$0
KPMG	Evaluation, government investment in the pension-level supported residential services sector	\$176,520	\$70,608	\$105,912
KPMG	Advice on options, financial modelling social housing fund	\$65,909	\$71,482	\$0
Dr Douglas George Travis	Advice, establishment of Better Care Victoria	\$255,545	\$83,667	\$171,879
Nucleus Consulting Group Pty Ltd	Service review, Nepean Centre for Handicapped Children Inc	\$22,132	\$22,410	\$0
KPMG	Business Case, better client outcomes	\$124,565	\$87,125	\$37,440
Cube Group Management Consulting	Advice and facilitation, amalgamation of branch structure	\$64,200	\$64,200	\$0
Synergistiq Pty Ltd	Evaluation, personal safety	\$67,950	\$20,385	\$47,565
ACIL Allen Consulting Pty Ltd	Evaluation, governance and training for cemetery trusts program	\$90,816	\$90,816	\$0
ACIL Allen Consulting Pty Ltd	Designing a concept model, revised life program	\$121,816	\$121,816	\$0
KPMG	Review, role and function of the Chief Health Officer	\$79,283	\$79,283	\$0
Protiviti Pty Ltd	Health data integrity audits, specialist clinics data	\$229,091	\$105,818	\$123,273

Consultant	Purpose of consultancy	Total approved project fee excl. GST	Expenditure 2015–2016 excl. GST	Future expenditure excl. GST
Ernst & Young	Review, Melbourne health operational effectiveness and sustainability	\$204,490	\$196,711	\$7,779
Studio Thick	Process mapping and user experience, Adoption Act	\$33,120	\$33,627	\$0
Jaguar Consulting Pty Ltd	Legislative impact assessment, Kilojoule Labelling	\$37,050	\$28,275	\$8,775
KPMG	Targeted consultation, reportable conduct scheme	\$58,143	\$35,253	\$22,890
Ernst & Young	Evaluation, Victorian Healthy Eating Enterprise (VHEE)	\$59,300	\$59,300	\$0
Deloitte Touche Tohmatsu	Asset Transfer and Treatment, Kardinia Park Stadium Trust	\$136,175	\$68,088	\$68,087
Nous Group Pty Ltd	Victorian identification system for children and young people	\$138,500	\$129,707	\$8,793
KPMG	Mapping, reportable conduct schemes	\$190,598	\$192,357	\$0
Ernst & Young	Review, health scenario modelling	\$27,871	\$27,871	\$0
Deloitte Touche Tohmatsu	Costing, future operating model (family violence)	\$135,970	\$101,500	\$34,470
Deloitte Touche Tohmatsu	Analysis, disability accommodation lifecycle costs	\$83,715	\$83,715	\$0
Regina Hill Effective Consulting	Evaluation, children and youth area partnerships	\$263,891	\$121,093	\$142,797
Australian Healthcare Associates Pty Ltd	Health data integrity audits, admitted subacute data	\$95,247	\$39,625	\$55,622
Nucleus Consulting Group Pty Ltd	Service Review, Berry Street	\$54,376	\$54,376	\$0
Christopher William Brook	Advisory services, health system improvement	\$80,127	\$15,255	\$64,872
Battiston Consulting Pty Ltd	Review, department finance function	\$44,000	\$44,025	\$0
KPMG	Governance review, Omeo District Health	\$28,555	\$28,555	\$0
Ernst & Young	Health data integrity audit, Victorian cost data collection	\$185,900	\$56,550	\$129,350
Murdoch Childrens Research Institute	Development of a menu of evidence-based projects	\$90,500	\$92,955	\$0
Cube Group Management Consulting	Operational Planning and Implementation (National Disability Insurance Scheme)	\$714,827	\$226,508	\$488,319
LKA Group	Service review, Emma House Domestic Violence Services Inc	\$21,040	\$19,849	\$1,191
Risk Management Partners Pty Ltd	Risk management framework	\$27,000	\$26,400	\$600
Cube Group Management Consulting	Establish, Transformation Office (Community Services Programs and Design)	\$42,000	\$33,561	\$8,439
ACIL Allen Consulting Pty Ltd	Evaluation, replication of workforce model back pain assessment management service (phase 2)	\$238,580	\$152,002	\$86,578

Consultant	Purpose of consultancy	Total approved project fee excl. GST	Expenditure 2015–2016 excl. GST	Future expenditure excl. GST
Heather Michaels And Associates	Cultural audit, disability accommodation services	\$25,200	\$25,200	\$0
Inayatullah Milojevic Investment Trust	Strategic planning, future workforce demand and supply analysis (workforce planning)	\$71,388	\$68,874	\$2,514
Monash University	Evaluation, Family Violence Risk Assessment and Management Framework	\$228,257	\$202,929	\$25,328
Australian Patient Safety Foundation Inc	Review, sentinel events in Victorian health services, 2010–2015	\$181,325	\$16,825	\$164,499
Deloitte Access Economics Pty Ltd	Review, scope of long-term study into potential health effects from Hazelwood coal mine fire	\$225,020	\$67,273	\$157,747
ACIL Allen Consulting Pty Ltd	Identification of opportunities to improve outcomes through extending choice and enhancing productivity in Health and Human Services	\$160,515	\$32,962	\$127,554
Deloitte Touche Tohmatsu	Mental Health and Drugs Workforce Evaluation and Monitoring Framework	\$169,685	\$17,388	\$152,297
Stuart John Mcquire	Waste audits	\$16,370	\$16,690	\$0
The University of Melbourne	Review, working with the suicidal person: Clinical practice guideline for emergency departments and mental health services	\$48,940	\$22,181	\$26,759
KPMG	Review, guidelines for responding to quality-of-care concerns in out-of-home care	\$226,582	\$45,316	\$181,265
Aspex Consulting Pty Ltd	Financial review, BreastScreen Australia program support services in Victoria	\$77,959	\$11,545	\$66,414
PwC	Review, grant methodology and business process (Sport and Recreation Victoria)	\$50,453	\$12,613	\$37,840
KPMG	Review, Health Ministerial Advisory Committees	\$136,255	\$34,186	\$102,069
Peter Muir Consulting Pty Ltd	Review, critical incidents at Parkville Youth Justice Centre	\$22,327	\$22,327	\$0
RU Enterprises Pty Ltd	Technical support, Personal Alert Victoria tender	\$126,938	\$11,179	\$115,760
Workwell Consulting Pty Ltd	Review, Victorian disability advocacy program	\$36,500	\$29,200	\$7,300
Pitcher Partners Consulting Pty Ltd	Evaluation, nursing & midwifery undergraduate pilot	\$119,818	\$22,150	\$97,668
Nous Group Pty Ltd	Advisory Services, branch transition	\$83,407	\$40,912	\$42,495
Victoria University	Sport integrity tool pilot project	\$45,091	\$45,977	\$0
G R Smith & Associates	Conciliation for the industrial relations (National Disability Insurance Scheme)	\$45,273	\$16,500	\$28,773
Deloitte Access Economics Pty Ltd	Client database (National Disability Insurance Scheme)	\$17,334	\$17,334	\$1
Working Three Pty Ltd	Development of department digital strategy	\$168,773	\$151,895	\$16,877
Institute of Universal Design and Access Training Australia	Evaluation, universal design across Victoria 2010–15	\$20,000	\$18,182	\$1,818
PWC	Internal audit services	\$3,636,364	\$22,502	\$3,613,861

Consultant	Purpose of consultancy	Total approved project fee excl. GST	Expenditure 2015–2016 excl. GST	Future expenditure excl. GST
Monash University	Enhanced Pharmacist Roles Project	\$100,255	\$31,818	\$68,436
LTA People Pty Ltd	Organisational review, People and Culture	\$71,873	\$34,341	\$37,532
YSAS Pty Ltd	Funding arrangements for youth alcohol and drug funding	\$318,182	\$40,000	\$278,182
Royal Australasian College of Medical Administrators	Specialist training, rural and regional medical directors	\$46,500	\$18,600	\$27,900
Ernst & Young	2016 Housing Asset Strategy	\$136,235	\$149,858	\$0
Deloitte Private Pty Ltd	Review, planning and preparation for transfer of housing stock to Aboriginal Housing Victoria	\$27,450	\$27,450	\$0
Summit Consulting Solutions	Report, hospital data consolidation and external reporting process	\$37,500	\$37,500	\$0
University of South Australia	Review, public health messages for smoke	\$22,907	\$11,454	\$11,454
Nous Group Pty Ltd	Statewide abuse prevention strategy, people with a disability	\$98,200	\$25,200	\$73,000
Jackie Moden Consulting	Review, out-of-home care for children with a disability in Barwon	\$33,600	\$33,600	\$0
Marsden Jacob Associates	Active recreation economic impact study, strategy and action plan	\$73,400	\$17,350	\$56,050
KPMG	Establish a program management office (Community Services Programs and Design)	\$1,474,830	\$87,683	\$1,387,147

Note:

The department applied the updated definition of 'consultancy' effective from 1 July 2015 in accordance with Financial Reporting Direction 22G Standard Disclosures in the Report of Operations. Consequently, disclosures on 2015–16 consultancy expenditure cannot be compared with previous year disclosures.

Details of government advertising expenditure for 2014–15 (campaigns with a media spend of \$150,000 or greater)

Name of campaign	Campaign summary	Start/end date	Advertising (media) expenditure (excl. GST)	Creative and campaign development expenditure (excl. GST)	Research and evaluation expenditure (excl. GST)	Print and collateral expenditure (excl. GST)	Other campaign expenditure (excl. GST)	Total
Heat Health 2015–16	Ensure the community understands the risks of extreme heat to their health and how to manage these risks appropriately	18 Dec 2015 to 31 March 2016	\$309,148	\$40,000	\$41,090	\$35,000	\$59,846	\$485,084

Details of Information and Communication Technology (ICT) expenditure

For the 2015–16 reporting period, the department had a total ICT expenditure of \$218,064,609.23, with the details shown below.

Business as usual expenditure (total) \$'000	Non-business as usual ICT expenditure		
	Total = Operational expenditure and Capital expenditure \$'000	Operational expenditure \$'000	Capital expenditure \$'000
185,176	32,888	18,087	14,800

Freedom of information

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

In 2015–16, the department received 1,597 freedom of information requests. Of these requests, 87 were from Members of Parliament, 54 were from the media and the remainder from the general public. Of the requests received by the department, the majority were granted in part.

In 2015–16, 45 decisions were reviewed by the Freedom of Information Commissioner and eight appeals were made to the Victorian Civil and Administrative Tribunal.

Making a request

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

In summary the requirements for making a request are:

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

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

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

Requests and payment of the application fee can also be lodged online at <www.foi.vic.gov.au>.

Telephone enquiries can be made by calling 03 9096 8449.

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

Further information regarding Freedom of Information can be found at <www.foi.vic.gov.au>.

Compliance

In 2015–16, the department processed 91 per cent of requests within statutory requirements, 8.25 per cent of requests within 46 to 90 days and 0.75 per cent of requests in over 90 days. The average time taken to finalise requests was 35 days which is within the 45 day statutory time limit.

Protected Disclosure Act 2012

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

The department does not tolerate improper conduct by employees, or the taking of reprisals against those who disclose improper conduct. The department will support officers who disclose conduct involving the dishonest performance of public functions, knowingly or recklessly breaching public trust, misusing information obtained in an official capacity, substantially mismanaging public resources, or substantially risking public health, safety or the environment.

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

Disclosures under the <i>Protected Disclosure Act 2012</i>	2014–15 number	2015–16 number
The number of disclosures notified to the Independent Broad-based Anti-corruption Commission	1	6

Reporting procedures

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

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

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

Independent Broad-based Anti-corruption Commission
Level 1, 459 Collins Street (North Tower)
Melbourne Victoria 3000

Telephone: 03 9613 6222

Toll free: 1300 735 135

Internet: www.ibac.vic.gov.au

Email: submit@ibac.vic.gov.au

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

Building Act 1993

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

National Competition Policy

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

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

The department continues to comply with the requirements of the National Competition Policy.

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

The department is working to ensure that Victoria fulfils its requirements on competitive neutrality reporting for technological based businesses against the enhanced principles as required under the national reform agenda.

Carers Recognition Act 2012

The *Carers Recognition Act 2012* formally acknowledges people in care relationships and recognises the contribution that carers make to the social and economic fabric of the Victorian community.

During 2015–16 in line with its obligations under the Act, the department has continued to promote the principles in the Act through:

- > including information on employment conditions such as flexible work options and carers leave in orientation available for new staff
- > ensuring the department's employment policies include flexible working and leave arrangements that comply with the statement of principles in the Act
- > developing information for carers on Better Health Channel and for providers of carer support and services on the department's website
- > supporting implementation of the *Mental Health Act 2014* including identifying and involving family, carers and nominated people
- > implementing commitments in *Victoria's 10-year mental health plan* to involve family and carers in treatment and care, and support and promote wellbeing and recovery through meaningful care relationships
- > developing, revising and implementing new and existing policy guidelines and initiatives such as Safe Wards Project

- > implementing the *Financial support guide for home-based carers* and ongoing support to peak foster and kinship carer bodies, the Foster Carers Association of Victoria and Kinship Carers Victoria
- > implementing a new care allowance structure for home-based carers delivering an immediate increase to the care allowance paid at the level one rate for over 7,000 children supported by some 5,000 carers
- > providing training and professional development opportunities to kinship and foster carers and relevant community service organisation staff
- > acknowledging and celebrating carers in the *Seniors Card Magazine 2015*
- > using interactive external web sites such as the Healthy Ageing Network (HANet) to promote support of people in care relationships.

The department has continued to reflect the care relationship principles in support and services for those in care relationships including:

- > supporting carers and families to prepare for the NDIS with access to information, resources and peer support activities, through the early stages of transition
- > implementing the Carer Support Fund which provides targeted brokerage to mental health carers to assist them in their care role
- > introducing carer peer support workers in mental health services to offer post-discharge support to reduce readmission into acute care
- > broadening our dialogue with mental health carers to connect with those from diverse and rural communities through the Mental Health Carer Partnership Dialogues to inform strategy directions and program development in *Victoria's 10-year mental health plan*
- > implementing Fostering Connections to recruit foster carers for children subject to child protection involvement
- > embedding into practice amendments of the *Children, Youth and Families Act 2005* so that carers are authorised to make decisions on specified issues about the children in their care
- > providing access to flexible funding for new and established permanent care parents to meet the needs of children in their care

- > developing four videos for the Better Health Channel of simple evidence-based strategies for older people in hospital and their carers, to avoid functional decline in hospital. The Get Well Soon campaign followed consultation with older people on issues they experienced in hospital
- > involving close to 700 individuals including consumers and carers in developing the Victorian end-of-life and palliative care framework through 28 community consultations. Their experiences helped shape the framework and its vision, goals, principles, priority areas and aims
- > developing a suite of carer outcomes measures to measure the impact on carers of the active service model approach in the joint Commonwealth–state funded Home and Community Care service provision
- > evaluating the service provider annual reports, Support for Carers Program, on carer satisfaction with program services and support, improvements to reporting and referral practice, and increasing opportunities to share good practice.

Drugs, Poisons and Controlled Substances (Volatile Substances) Act 2003

Section 60S of the *Drugs, Poisons and Controlled Substances (Volatile Substances) Act 2003* states that the Chief Commissioner must report on actions under this division, and must provide a report for inclusion in the annual report of operations under Part 7 of the *Financial Management Act 1994* a report for the financial year containing the following items:

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

Persons under 18 years searched	2
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(b) Number of searches of persons irrespective of age without warrant under s. 60F conducted

Persons searched irrespective of age	4
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(c) Number and type of volatile substances and items used to inhale a volatile substance seized as a result of conducting those searches

Aerosol	1
Solvent (glue)	0
Plastic bag	0
Paper bag	0
Gases	1
Other	1

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

None	2
Some	0
All	0
Unknown	1

(e) Number and type of volatile substances and items used to inhale a volatile substance returned to persons under s. 60N

None	0
Some	0
All	0
Unknown	4

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

None	2
Some	0
All	0
Unknown	1

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

None	0
Some	0
All	0
Unknown	4

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

Persons (under 18 years) apprehended and detained	2
Persons (irrespective of age) apprehended and detained	4
Total persons apprehended and detained	4
Male	3
Female	1
Indigenous	1
Non-indigenous	3

Note: Does not include persons suspected of graffiti.

Cemeteries and Crematoria Act 2003

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

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

Collection of levy	2015–16
Metropolitan trusts	\$3,946,348
Rural trusts	\$309,915
Total amount collected	\$4,256,263

Departmental expenditure (category)	2015–16
Sector reform initiatives	\$0
Governance support	\$1,176,359
Sector grants	\$1,339,787
Sector policy, development and coordination	\$488,572
Insurance premiums and claims	\$1,257,759
Total expenditure	\$4,262,477

Public Health and Wellbeing Act 2008

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

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

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

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

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

The limited circumstances in which these orders may be made are clearly set out in the legislation and there are extensive human rights protections including rights to internal and external review.

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

Orders made by the Chief Health Officer from 1 July 2015 – 30 June 2016

Section	Order type	Number	Reason
113	Examination and testing order	0	
117	Public health order	1	To eliminate or reduce the risk of a person causing a serious risk to public health.

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

Ministerial Statement of Expectations

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

2016–17 Ministerial Statements of Expectations have been issued to regulatory business units within the department and to statutory authorities, and have been published online. Ministerial Statements were previously issued for the periods 2014–15 and 2015–16. The department's response to the 2014–15 and 2015–16 Ministerial Statements incorporate proposed regulatory initiatives and performance targets. The Ministerial Statements of Expectations and the department's responses, including the tables of actions are available on the department's websites:

www.health.vic.gov.au/legislation.htm

www.dhs.vic.gov.au/about-the-department/documents-and-resources/reports-publications/statement-of-expectations

In relation to reporting requirements, the Secretary committed to report on progress to achieve regulatory improvements and targets in the department's annual report, or through annual reports published by some individual regulators. As part of the reporting process, the table below details regulatory improvements for 2014–15 and 2015–16, associated performance targets, and progress in achieving performance targets, for 2015–16.

Department of Health and Human Services' Statement of Expectations (SOE) initiatives for 2014–15 and 2015–16, and progress as at 30 June 2016

Unit responsible, SOE reference	Initiative	Description of improvement ¹	Performance targets	Progress as at 30 June 2016
Drugs and poisons regulation 1,2,3,6	Reduce the administrative burden and cost relating to licences and permits for regulated activities under the Drugs, Poisons and Controlled Substances Act that present a low risk to the public health	<p>The previous annual expiry date on low-risk permits to patients on low doses of opioids with no history of drug dependence has been removed.</p> <p>The length of treatment permits for stimulants issued to psychiatrists for treatment of attention deficit and hyperactivity disorder and to sleep specialists for narcolepsy has been increased from one year to three years.</p> <p>In certain circumstances, applications for specific changes to licences and permits that present a low risk of harm to the public (such as change of business name) will no longer require an inspection visit.</p>	<p>Reduced number of permit applications required to be lodged by prescribers.</p> <p>Reduced number of permit applications required to be lodged by psychiatrists.</p> <p>Reduced fees and compliance costs for business.</p>	<p>There were 8,720 fewer permit applications (a 25.6 per cent reduction) of this type in the 18 months to June 2016, compared with the demand previously forecast for the period.</p> <p>The number of permit applications submitted by psychiatrists remained stable in the six-month period to June 2015. However, over the last 12 months (2015–16) there has been a steady reduction of 12 per cent from the previous 12-month period. This rate of reduction is expected to grow as the measure reaches its full effect over the coming year.</p> <p>Over 90 previously required inspection visits have been waived since this change, with resultant compliance savings to permit holders.</p>
Drugs and poisons regulation 1,4,8	Implementation of electronic smartforms to streamline and expedite the issuing of drug treatment permits	The introduction of electronic smartforms in 2014–15 has made it possible to submit permit applications over the internet by accessing online smartforms. Prior to the introduction of electronic smartforms, medication-prescribing practitioners were required to send manually completed permit applications and permit-related notifications to the department, either by fax or through the mail.	<p>Steady increase of the number of online forms received by prescribers over 2014–15 and 2015–16.</p> <p>Reduction in the time it takes for medical practitioners to receive permits in 2015–16 compared to 2013–14.</p>	<p>During the current period, 9,690 treatment permit applications have been received by Smartform. This amounts to approximately 30 per cent of all applications, compared to only 12 per cent at the start of the period.</p> <p>However, measurement of time reduction resulting from this initiative proved impracticable as the effect proves too difficult to isolate from other factors.</p>

¹ Please note for brevity, the 'Description of improvement' column in the above table has been summarised. The complete table of actions, including the wording for the Description of Improvement can be found at <www.health.vic.gov.au/legislation.htm> and <www.dhs.vic.gov.au/about-the-department/documents-and-resources/reports-publications/statement-of-expectations>

Unit responsible, SOE reference	Initiative	Description of improvement ¹	Performance targets	Progress as at 30 June 2016
Drugs and poisons regulation 1,2,3,4	Drugs and Poisons Information System (DAPIS) upgrade project	<p>The DAPIS upgrade will eliminate the need for manual data manipulation. The outcomes will be:</p> <ul style="list-style-type: none"> • faster applications for licences and permits • reduction in information processing • reduced risk of processing error • more accurate drugs and poisons database. 	Reduction in the time it takes for licences and permits to be received in 2015–16 compared to 2013–14.	There have been some further delays in the Drugs and Poisons Information System upgrade due to unexpected vendor and software issues. Most functionalities of the upgraded Drugs and Poisons Information System are now operational and it is expected that the upgrade will be completed by the end of September 2016.
Food safety and regulation 1,2,6,8	Review of the Victorian Food Regulators' memorandum of understanding (MOU)	<p>The Victorian Food Regulators forum oversees a memorandum of understanding (MOU) between the Victorian agencies involved in food safety administration and enforcement of the <i>Food Act 1984</i>, <i>Meat Industry Act 1993</i>, <i>Seafood Safety Act 2003</i> and the <i>Dairy Act 2000</i>. The current parties to the MOU are:</p> <ul style="list-style-type: none"> • Department of Health and Human Services • Municipal Association of Victoria (representing councils) • Dairy Food Safety Victoria • PrimeSafe. 	<p>Data sharing and cross referrals supported through the MOU.</p> <p>Inclusion of the Department of Economic Development, Jobs, Transport, and Resources in the MOU in relation to egg production.</p> <p>Improved clarity about who regulates in different situations.</p>	<p>Information sharing and cross referrals is occurring and is supported by the MOU.</p> <p>The MOU has been reviewed to include the Department of Economic Development, Jobs, Transport, and Resources as the regulator responsible for egg and sprouts production and processing.</p> <p>Work is progressing to clarify the statutory roles and responsibilities of each party where food for sale poses a threat to public health. To uphold the 'single regulator per premises' policy the review is being used to clarify examples where there may be uncertainty about which party is the regulator.</p>

Unit responsible, SOE reference	Initiative	Description of improvement ¹	Performance targets	Progress as at 30 June 2016
Food safety and regulation 4,8	Ongoing enhancements to the Streatrader online registration system	<p>Local government is the regulator of food premises under the <i>Food Act 1984</i>.</p> <p>Streatrader is a statewide system allowing traders to register food stalls, food vans and water transport vehicles under the Act with their council. This single registration enables them to trade anywhere in Victoria. The system also automatically alerts traders to their regulatory obligations, and puts them in touch with their registering council.</p> <p>In 2014–15, the department will continue to improve and streamline Streatrader to reduce the time traders take to comply with the Food Act.</p>	<p>The streamlining of processes to improve useability for food traders.</p> <p>Measures include:</p> <ul style="list-style-type: none"> • establishment of <i>single-point login</i> for first-time users • a reduction in the time taken to renew registrations. 	<p>Responsive design initiatives, for example improving system useability for food traders via smart phones and tablets, were implemented by June 2016.</p> <p>The establishment of single-point login for first-time users has also been completed.</p> <p>A reduction in the time taken to renew registrations has been achieved.</p> <p>Streamlining of processes to improve useability for food traders:</p> <ul style="list-style-type: none"> • reduction in call time by 30 per cent by 30 June 2015 target has been achieved • the Streatrader support service transitioned from the department to local government in April 2015.
Food safety and regulation 7,8	Development of national food standards	<p>The Legislative and Governance Forum on Food Regulation comprises food ministers from each Australian jurisdiction and New Zealand. One of its roles is to decide whether to adopt, amend or reject standards developed by Food Standards Australia New Zealand (FSANZ), or to request that a standard be reviewed.</p> <p>The department coordinates the whole-of-Victorian Government response to proposals raised by FSANZ to amend the Code. It also advises the Minister for Health (as Victoria's lead minister at the forum) about these proposals.</p> <p>This work is ongoing.</p>	<p>The department encourages consideration of principles of good regulatory practice in the design of proposals by FSANZ to amend the Code.</p>	<p>Victoria is leading work through the Food Regulation Standing Committee's Strategic Planning Working Group to refocus how standards are developed or amended by applying the principles of good regulatory practice into problem identification, and the identification of regulatory and non-regulatory solutions to problems. This work is continuing.</p>

Unit responsible, SOE reference	Initiative	Description of improvement ¹	Performance targets	Progress as at 30 June 2016
Pest control 1,2,6	The development of a communication strategy	<p>The <i>Public Health and Wellbeing Act 2008</i> requires the department to licence individuals who apply pesticides in the business of pest control.</p> <p>The number of unlicensed pest control operators advertising on online classified websites is increasing. These advertisements have been monitored as a result of complaints to the department.</p> <p>A communication strategy will be developed to provide information to consumers about pest control, its risks and licensing requirements of operators in Victoria.</p>	Development and implementation of a communication strategy by December 2014.	Strategy developed. Implementation of the strategy has commenced with an industry survey. Subsequent work will include a focus on consumers' awareness of licensing.
Pest control 1,2,6,8	Review of the memorandum of understanding (MOU) between the department and the Department of Environment and Primary Industries (DEPI)	<p>The object of this agreement is to avoid duplication of licensing requirements by defining the scope of terms used within the <i>Public Health and Wellbeing Act 2008</i> and the <i>Agricultural and Veterinary Chemicals (control of Use) Act 1992</i>.</p> <p>A review of the MOU is required to address legislative changes. This review will be undertaken in conjunction with DEPI to ensure continued efficient operation of licensing processes.</p>	Revised MOU signed off by both parties by December 2014.	Drafted and key elements agreed with the Department of Environment, Land, Water and Planning. Final endorsement has been delayed due to machinery of government changes. Expected to be finalised by the end of 2016.
Pest control 1,2,3,4,5,6	Development of an infringement policy	Under the <i>Public Health and Wellbeing Act 2008</i> , infringement notices, or on-the-spot fines, may be issued for certain offences. Infringement notices can provide an alternative to prosecution for lesser, clear-cut breaches and avoid the time and costs involved in going to court.	Development of a risk-based infringement policy by December 2014.	An operational procedure for the issue of infringements has been developed. In addition, the department is undertaking work on an overarching Environmental Health Compliance Regulatory Policy for regulatory areas including pest controllers.

Unit responsible, SOE reference	Initiative	Description of improvement ¹	Performance targets	Progress as at 30 June 2016
Radiation safety / pest control / cooling towers 2,4	Piloting a new smartforms platform compatible with a variety of technologies such as tablets, PCs, Macs and smartphones	<p>The smartforms platform will be used by the Seniors Card Program, Drugs and Poisons Regulation, Communicable Diseases, Radiation Safety, Pest Control and Legionella programs to address a range of business requirements including:</p> <ul style="list-style-type: none"> • device-agnostic forms (work across any device or browser) • integration with Customer Relationship Management products and other systems • ability for business users to create and design forms • smart fields and form logic that enables the form to change dynamically based on the applicant's selections and verify data against external services. 	<p>A reduction in time spent by licence holders in providing information to the department.</p> <p>Steady uptake of the use of the smartforms by businesses.</p>	<p>The original project was replaced to take advantage of the Commonwealth Government AusIndustry Smart Forms. The department signed a memorandum of understanding with the Commonwealth and commenced use of the new forms platform in the second quarter of 2015–16. So far, the radiation licensing forms have been re-developed. This technology will greatly improve the experience and useability for the department's business customers/regulated entities by allowing use on multiple platforms, such as iPads, PCs and smartphones. It will also allow the department to make faster changes to improve forms once feedback has been received.</p>
Radiation safety	New online smartforms for Radiation Safety to streamline licence applications and notifications under the <i>Radiation Act 2005</i>	<p>The online smartforms have been implemented with a number of enhancements to streamline the application and notification process under the Radiation Act to reduce time spent by licence holders processing information manually.</p>	<p>Steady increase of the use of online smartforms by licence holders over 2014–15 and 2015–16.</p>	<p>There was a:</p> <ul style="list-style-type: none"> • 36 per cent increase in the number of online smartforms submitted between June 2014 and June 2015 • 26 per cent increase in the number of online smartforms submitted between July 2015 and June 2016.

Unit responsible, SOE reference	Initiative	Description of improvement ¹	Performance targets	Progress as at 30 June 2016
Radiation safety	Radioactive material incident response exercises and review of standard operating procedures	The department, in conjunction with the Country Fire Authority, routinely conduct field exercises to test processes, establish clear roles and support sound decision making. All radioactive material incident response standard operating procedures are also being reviewed to incorporate the informed practices learnt from field exercises and to reflect changes in legislation to improve system response, increase capacity and potentially reduce the cost impacts of incident and emergency responses.	A minimum of three exercises conducted per annum. A review of existing standard operating procedures concluded by 2016.	One exercise was conducted in each of the last two financial years due to a need to allocate resources to other regulatory and health protection priorities. A review has commenced of standard operating procedures for incident response. It is on track to be completed by the end of 2016.
Radiation safety	Under the <i>Radiation Act 2005</i> the department issues licences and approves testers associated with radiation practices	The ongoing update of the radiation licensing system and full implementation of an electronic filing system has streamlined specific activities associated with processing of licence applications.	A reduction by 10 per cent in the average processing time for 90 per cent of licence applications.	Over the 2015–16 financial year (compared to the previous financial year) there was a: <ul style="list-style-type: none"> • 31.8 per cent reduction in the average processing time for 90 per cent of new management licence applications • 27.6 per cent reduction in the average processing time for 90 per cent of new use licence applications.
Legionella	The <i>Public Health and Wellbeing Act 2008</i> and Public Health and Wellbeing Regulations 2009 require that the risks of legionella are managed in healthcare facilities	Participate in a national project to develop guidelines for the control of Legionella in healthcare facilities. The department provides technical advice around these issues and participates in the development of the national guidelines for water delivery systems in hospitals.	Inform the development of a consistent approach to national guidance for the control of legionella in healthcare facilities across Australia.	The national guidance was published during 2015–16.

Unit responsible, SOE reference	Initiative	Description of improvement ¹	Performance targets	Progress as at 30 June 2016
Tobacco policy 4	Implementing an online ordering system for tobacco retailers' signage and automatic inclusion of information to clarify placement requirements	<p>Currently, tobacco retailers obtain signage required under the <i>Tobacco Act 1987</i> by calling the Tobacco Information Line and requesting signs be mailed out to them. Unless specifically requested, no information is provided on placement requirements for the signs.</p> <p>The department will implement an online ordering system, and automatically include information with each delivery to help clarify placement requirements.</p>	Implement the system by 1 January 2015.	The department has completed implementing an online ordering system for tobacco retailers' signage, which is operational on the Tobacco Reform website. Explanatory information on the placement requirement of signs is included with each delivery.
Water program 1,2,3,7,8	A review of the Safe Drinking Water Regulations 2005 is to be undertaken	<p>The department ensures drinking water is delivered to Victorians by state water corporations in accordance with the requirements of the <i>Safe Drinking Water Act 2003</i> and the Safe Drinking Water Regulations 2005 (the Regulations). The Regulations are due to sunset in July 2015 and are therefore subject to review.</p> <p>The first stage of the review involves publication of a discussion paper that evaluates how the Regulations are working and what changes could be made to improve them. Written feedback on the discussion paper will be used to develop a revised set of draft Regulations and a Regulatory Impact Statement (RIS) during the 2014–15 financial year.</p>	<p>Consultation was undertaken on the discussion paper in June 2014.</p> <p>RIS and draft regulations were released for consultation in early 2015.</p> <p>New regulations were in force in July 2015.</p>	The Safe Drinking Water Regulations 2015 were gazetted on 16 July 2015.

Unit responsible, SOE reference	Initiative	Description of improvement ¹	Performance targets	Progress as at 30 June 2016
Supported residential services 1,2,3,4,5,6	A review of monitoring and enforcement procedures	<p>Reducing regulatory burden has been addressed as part of the new regulatory practices under the <i>Supported Residential Services (Private Proprietors) Act 2010</i> including implementation of:</p> <ul style="list-style-type: none"> • a new streamlined registration processes • a new monitoring and enforcement framework. <p>As part of the review of supported residential services regulatory framework, the department is undertaking a review of the registration processes to help streamline registration forms, reduce times for processing and costs to potential proprietors.</p>	<p>Implementation of a new streamlined registration process.</p> <p>Implementation of a new risk-based monitoring and enforcement framework. A reduction of processing times for registration in 2015–16 compared with 2013–14.</p>	<p>New registration process has been developed. Currently developing online registration system and supporting tools to be rolled out by June 2017. It is anticipated that registration processing times will reduce once this system and supporting tools are implemented.</p> <p>A risk-based monitoring and enforcement framework has been in place since 2012 and a review of the framework was completed in May 2016. A draft revised framework has been well received by the department's regulators.</p> <p>It is anticipated that the newly revised framework will be endorsed in August 2016 and training of authorised officers and relevant staff will occur in September 2016.</p>
Standards and regulation n/a	Develop monitoring and assurance regime	<p>Have in place a monitoring and assurance regime to ensure that its regulatory objectives are being met, including the number of organisations being registered, having registration renewed or having registration revoked. The process should be transparent.</p>	<p>Publish a list of organisations that have had their registration revoked along with the revocation date. This is in addition to the current listing of organisations registered under the <i>Children, Youth and Families Act 2005</i> and the <i>Disability Act 2006</i> on the department's website.</p> <p>Publish data regarding the number of organisations that have registered, re-registered or had registration revoked in the department's annual report.</p>	<p>From September 2014, details regarding organisations that have had their registration revoked are now being added to registers and published on the department's website at: www.dhs.vic.gov.au/about-the-department/documents-and-resources/policies,-guidelines-and-legislation/human-services-standards.</p> <p>Published in the 2013–14 and 2014–15 annual reports.</p>

Unit responsible, SOE reference	Initiative	Description of improvement ¹	Performance targets	Progress as at 30 June 2016
Standards and regulation n/a	Develop instruments to clarify regulatory roles	Ensure formal instruments exist that clarify regulator roles where there are shared accountabilities. These should promote coordination between the unit and other regulators and be publicly available.	<p>Establish protocols with the Housing Registrar and the National Disability Insurance Agency (NDIA) that allow information sharing and reduce the regulatory reporting burden for jointly funded organisations. The protocol with the NDIA allowed the use of Victoria's quality and safeguards during the launch of the National Disability Insurance Scheme in Barwon.</p> <p>Work with other regulatory bodies to develop information sharing protocols to reduce the regulatory reporting burden.</p>	<p>In place with Housing Registrar.</p> <p>In place with the National Disability Insurance Agency for trial period 2013–16. Currently in negotiation for transition period 2016–19. In 2015–16 discussions were held with other regulatory bodies to determine the feasibility of developing information sharing protocols. These discussions are continuing.</p>
Standards and regulation n/a	Promote additional liaison and engagement with other regulators	Where formal instruments exist, the unit should meet with the other regulators to identify good practice and share lessons.	Meet at least twice per year with regulatory bodies where formal information sharing protocols exist.	<p>In 2015–16, two formal meetings were held with the Housing Registrar in October 2015 and May 2016.</p> <p>In 2015–16, meetings with the National Disability Insurance Agency were held approximately every four to six weeks.</p>
Standards and regulation n/a	Enhance communication with funded organisations	Provide and receive feedback from funded organisations in relation to regulation activities.	<p>Hold at least one quality forum per year and quarterly quality reference group meetings with representatives of the funded sectors and quarterly moderation forums with representatives of the endorsed independent review bodies.</p> <p>Provide written information updates to the sectors at least twice per year.</p> <p>Publish feedback from the quality forums on the department's website.</p>	<p>Quality forums held 10 June 2014 and 20 October 2015. Quarterly forums and reference groups continue.</p> <p>Email updates sent October 2014, February 2015, April 2015, July 2015, October 2015, January 2016 and May 2016.</p> <p>Quality forum feedback published March 2016 following the October 2015 quality forum.</p>

Unit responsible, SOE reference	Initiative	Description of improvement ¹	Performance targets	Progress as at 30 June 2016
Standards and regulation n/a	Continue to improve documentation of processes and activities	Document the administrative and compliance processes and activities.	Publish policies and processes regarding the Department of Human Services Standards and registration under the applicable Acts (including separate information for organisations operating under the National Disability Insurance Scheme) on the department's website.	In place, published on the department's website at: < www.dhs.vic.gov.au/about-the-department/documents-and-resources/policies-guidelines-and-legislation/human-services-standards >, and updated as required.
			Implement a process for monitoring self-assessment reports and quality improvements place.	The self-assessment monitoring process was created in 2013 and updated in 2014. The accompanying checklist was updated in November 2015. A further review of the process is planned for 2016–17.
			Document process maps for the decision-making process regarding registration, registration revocation and service agreement termination or breaches to build on existing policies and documentation.	Process maps finalised in November 2014 and in process of being updated to reflect current process. A further review of the process maps is planned for 2016–17.
Standards and regulation n/a	Risk-based approach to monitoring	Develop and implement a risk-based approach to monitoring.	Develop a risk-based approach to monitoring funded organisations to build on existing independent regulatory functions and to incorporate risk-based regulation.	Risk-based approach developed and implemented.
			Implement the Department of Human Services Standards quality framework with a provision to exempt organisations from independent review or self-assessment based on funding threshold and organisation characteristics. This is documented in the Department of Human Services Standards policy.	In place, with annual indexation applied.

Unit responsible, SOE reference	Initiative	Description of improvement ¹	Performance targets	Progress as at 30 June 2016
			Publish, on the department’s website, a factsheet that details the process for how issues that put a client or other person at significant risk are identified and managed by independent review bodies.	In place and updated as required. An internal process document was also developed in December 2014 regarding the process for managing notifiable issues which was last updated in June 2016.
			Monitor the approach to addressing notifiable issues to ensure each issues is rectified to the department’s satisfaction. That is, higher scrutiny is put on particular risk issues.	In place – notifiable issues and outcomes tracked.
Standards and regulation n/a	Promote clear written communication with funded agencies	Ensure information for funded organisations is easy to understand, current, timely and readily available.	Publish an Easy English booklet outlining the Department of Human Services Standards.	Completed and published online December 2015.

Disability action plan

The *Disability Act 2006* requires Victorian public sector bodies to develop a disability action plan to help reduce barriers and enhance opportunities for people with a disability. The Department of Human Services' *Delivering for all: access and equity framework 2013–2017* and the Department of Health's *Working together: disability action plan* were in place to meet these requirements.

During 2015–16 the department progressed a number of initiatives to help remove barriers for people with a disability under four outcome areas.

Reducing barriers to accessing goods, services and facilities

The department collaborated with local Aboriginal community organisations in the Barwon region to engage with Aboriginal people with a disability and their families to contribute to the development of the National Disability Insurance Agency and strengthen the capacity of local Aboriginal community organisations to deliver disability services under the National Disability Insurance Scheme.

An online resource called Access for All Abilities Play was developed, linking people with a disability to participation opportunities. Over 1,700 individual users per month are now accessing information directly from the Access for All Abilities Play portal, an increase of over 40 per cent from 2014–15.

A \$3.19 million investment supported the construction of Australia's first universally designed, accessible alpine accommodation at Howmans Gap, Falls Creek. The project is a partnership between the department and Disabled Wintersport Australia and will provide opportunities for people with a disability to participate in Disabled Wintersport Australia programs and support an important training facility to encourage athlete development.

Promoting inclusion and participation in the community

The development of the Victorian state disability plan 2017–20 – which will be Victoria's framework for ensuring that Victorians with a disability can participate fully in everyday life – is underway. The Office for Disability sought feedback from people with a disability and other key stakeholders

on a discussion paper for the plan during the consultation period which ran from 25 May 2016 to 6 July 2016. Feedback mechanisms included:

- > a dedicated consultation website
- > a public submission process
- > targeted interviews with key stakeholders including peak bodies and statutory bodies
- > consultations conducted by partner organisations with people with a disability including Aboriginal people, Culturally and Linguistically diverse communities, people with an intellectual disability and people with complex communication needs.

Feedback on the discussion paper will inform the final plan which is due to be in place on 1 January 2017.

Other initiatives that took place during 2015–16 to promote the inclusion and participation of people with a disability in the community included:

- > embedding and promoting universal design principles to encourage inclusive practices and increased participation for people with a disability. For example:
 - the department worked with YMCA Victoria and Architecture and Access to develop a resource *Universal Design: Integrating the Principles into Camp Activities* to assist in the universal design principles being applied to the programmatic space
 - the department worked with La Trobe University and sector stakeholders to develop an on line resource *Be prepared! Sport and active recreation programs for people with a disability: a resource kit for volunteers and staff* <www.latrobe.edu.au/disability-resource>
- > funding the Supporting Victorian Sport and Recreation Program, which helps build the capacity of the sport and recreation sector to provide sustainable sport and recreation opportunities for all Victorians. In 2015–16, over 50 organisations were provided funding to develop active participation opportunities for people with a disability and provide disability awareness training to clubs, coaches and officials.

Achieving tangible changes in attitudes and practices that discriminate against people with a disability

Discrimination against people with a disability is actively discouraged through a number of initiatives. Some activities working towards this aim during 2015–16 included:

- > the department hosted and supported events to mark International Day of People with a Disability on 3 December 2015, a United Nations sanctioned day which aims to increase public awareness, understanding and acceptance of people with disability
- > the Office for Disability worked in partnership with the Department of Premier and Cabinet and the Commissioner for Gender and Sexuality to host a forum led by LGBTI people with a disability. The event included an education session for disability service providers regarding sexuality and disability and provided an opportunity for LGBTI people with a disability to talk directly to the Commissioner for Gender and Sexuality regarding their lives
- > the department hosted an event for staff and key stakeholders with international guest Professor Marcia Rioux from York University. Professor Rioux shared her findings of her latest book: *Disability, rights monitoring and social change*.

Report of the Commissioner for Senior Victorians

Mr Gerard Mansour was appointed as Commissioner for Senior Victorians and Chair of the Ministerial Advisory Committee of Senior Victorians in 2013. He was reappointed as Commissioner for a further two years in May 2015.

The Commissioner held two Ministerial Advisory Committee of Senior Victorians meetings in 2014–15, and finalised *Seniors Count! – Victoria's seniors participation action plan 2014–2019*, which was launched in October 2014. The term of office of the Ministerial Advisory Committee of Senior Victorians ceased on 31 December 2014.

The Commissioner is a member of the Taxi and Hire Car Ministerial Forum, Victoria Police Human Rights Strategic Advisory Committee and the Adult Community and Further Education Taskforce on the Ageing Workforce.

The Commissioner attended meetings to discuss matters relevant to the participation of seniors and the rights of older people with

the Hon. Susan Ryan AO, Commonwealth Age Discrimination Commissioner; Kate Jenkins, Victorian Equal Opportunities and Human Rights Commissioner; Rae Lamb, Commonwealth Aged Care Commissioner; Nick Ryan, CEO, Australia Aged Care Quality Agency; and Kim Cull, CEO Aged Care Pricing Commissioner. He also attended the Ageing in a Multicultural Community Forum and the Jewish Community Council Victoria Rights and Responsibilities of Elderly People Forum.

In addition to responding to correspondence from the public, the Commissioner's role includes raising public awareness of key issues facing seniors, including:

- > regular opinion pieces in print media and online
- > preventive health messaging focusing on seniors via Seniors Online and in print media during summer 2014–15
- > print media and online promotion to increase awareness of the importance of elder abuse prevention on World Elder Abuse Awareness Day in June.

Public speaking engagements included a Municipal Association of Victoria Conference on working together towards an age-friendly community; a Council on the Ageing Victoria forum; annual general meetings of Southern Peninsula Community Care, Echuca Community for the Aged and North Ringwood Community House. He was a member of the Ageing Discussion Panel – Committee for Gippsland and gave the opening address at the Surf Coast University of the Third Age Happy and Healthy Ageing program.

The Commissioner also attended meetings and gave presentations on:

- > the ageing workforce for Health and Safety Week – Victorian WorkCover Authority
- > to the Anglicare Australia annual conference
- > Barwon Health Board Leadership Seminar
- > a Hume Whittlesea Primary Care Partnership forum
- > Kingston Positive Ageing Advisory Committee; Mornington Peninsula Advisory Committee for Elders
- > Residents of Retirement Villages Victoria Committee
- > meetings of the Hawthorn Rotary Club, Bulleen Probus Club
- > Association of Independent Retirees Eastern Branch and Melbourne Legacy.

He was present at the 2014 Victorian Senior of the Year Awards and at opening day of the Victorian Seniors Festival at Federation Square. He was on the judging panel for the Fire Awareness Awards.

In 2015, the Commissioner commenced work on the impacts of isolation (both social and geographic) and loneliness on the quality of life of senior Victorians. In June he conducted several forums as part of a Listening Tour around Victoria to hear about these issues directly from seniors and those organisations that support them in the community.

Environmental sustainability report

Environmental performance and impacts

The department affirms its commitment to continual improvement in sustainability by supporting and implementing initiatives that will mitigate the environmental footprint of our operations and reduce the risks to our clients and assets in the future.

The department has met many of the environmental targets set for the 2015–16 period and continues to seek opportunities to maintain and improve our environmental performance.

Highlights for the 2015–16 period include:

- > endorsement of a revised environment policy to better reflect the responsibilities and priorities of the amalgamated department
- > achieving a five-star NABERS² energy rating for the central offices at 50 Lonsdale Street, Melbourne
- > increasing the installed photovoltaic solar capacity of the health system to over one megawatt, with 200 kilowatts of photovoltaic solar panels installed on the new Bendigo Hospital and 86.5 kilowatts installed on Ambulance Victoria facilities. Public hospitals now generate over 1,300 megawatt hours of solar power, reducing carbon emissions by approximately 1,500 tonnes per year.

Energy

The department is committed to reducing its energy use and assisting clients to reduce their energy consumption. In 2015–16 the department met its target to progress the Greener Government Building Program detailed facility study of 14 high-rise buildings to Energy Performance Contract stage. In addition to this:

- > the building automation system, sub-meter and return air dampers were upgraded by the facility manager at 50 Lonsdale Street, Melbourne resulting in a 24 per cent reduction in gas consumption, an 8.5 per cent reduction in electricity consumption and a 16 per cent

reduction in total energy consumption for the building

- > a refurbishment program of our offices at 50 Lonsdale Street, Melbourne was undertaken by the building owner. To date, 480 halogen down lights have been removed and replaced with light emitting diodes resulting in an estimated 20 per cent reduction in overall lighting energy consumption. The central lighting control system was also upgraded with motion sensors installed in work areas to allow for automated control of lighting requirements throughout the day and outside of business hours
- > high efficiency condensing boilers were installed in two high-rise, public housing towers, resulting in significant reductions in gas consumption (21–32 per cent) and associated greenhouse gas emissions in the first six months of operation
- > measures were implemented to improve the thermal comfort of 251 public housing units, including the insulation of external concrete walls, installation of energy efficient windows and draft proofing
- > Secure Services Parkville and Malmsbury Youth Justice Precincts began replacing all security lights and internal light fittings with light emitting diodes, as funding permits
- > State Sports Centres Trust has undertaken several energy efficiency upgrades across its facilities under an Energy Performance Contract including lighting upgrades, heating, ventilation and air conditioning improvements, upgrades to building automation systems, installation of a tri-generation plant and the installation of solar photovoltaic panels
- > health services continued management of the Energy Services Agreement, which produces 36 megawatts of co-generation across five Category 1 hospitals and offsets approximately 50,000 tonnes of carbon per year
- > a Memorandum of Understanding was signed with the New South Wales Office of Environment Heritage to develop a National Australian Built Environment Rating System tool to allow for national benchmarking of public hospital energy and water performance.

² The National Australian Built Environment Rating System is used to measure the environmental performance of Australian building tenancies and homes.

The 2016–17 environmental management system³ targets are:

- > to commence works on 14 public housing high-rise buildings through the first Energy Performance Contract
- > to agree to a second Energy Performance Contract for public housing high-rise buildings.

Water

The department strives to reduce water consumption across our facilities and operations and encourages our clients to improve their own water efficiency. In 2015–16, the department met its target to install two water pulse meters and remote monitoring devices in two public housing high-rise towers. In addition to this:

- > operational efficiency upgrades to the blackwater treatment plant were undertaken by the facility manager at 50 Lonsdale Street, Melbourne reducing total water consumption by over three per cent
- > dual-flush toilet cisterns and water efficient showerheads and faucets were installed in 251 public housing units.

The 2016–17 environmental management system target is to install two further water pulse meters and remote monitoring devices in another two public housing high-rise towers.

Procurement and paper

The department continues to integrate sustainability into its procurement activities, while seeking value for money outcomes in our business operations. We also continue to implement strategies to reduce the environmental impacts of printing and paper consumption. In 2015–16:

- > Sport and Recreation Victoria included a clause within the guidelines of the Community Sports Infrastructure Fund – Better Pools, Major Facilities and Small Aquatics Projects, requiring a minimum of 25 per cent requested grant amount be allocated to efficiency or sustainability measures
- > Sport and Recreation Victoria encouraged applications to be submitted to both the Community Sports Infrastructure Fund and the Country Football and Netball Program that result in energy and water efficiency, such as warm

season grass conversions, water saving irrigation upgrades and synthetic surface installations

- > over 300 multi-function devices were removed and replaced with more energy efficient machines
- > more than 50 per cent of all paper purchased by the department contained greater than 75 per cent recycled content
- > communal printer-to-computer ratios were decreased to 1:15, falling short of our 2015–16 target of 1:20. There were many factors that contributed to this, including redundancy requirements, an abundance of personal printers and several IT projects that demanded priority. It is expected that with the introduction of more reliable multi-function devices, the department will be in a better position to achieve this target in the future.

The 2016–17 environmental management system target is to review the Printer and Paper Policy.

Waste

The department continues to manage the environmental impact of waste produced by our operations and strives to reduce costs and potential public health risks to our staff and clients. In 2015–16, the department met its target to undertake a waste audit at a public housing high-rise facility. In addition to this:

- > onsite organics processing technology was installed at the Royal Melbourne Hospital, in collaboration with Melbourne Health and the Metropolitan Waste and Resource Recovery Group. This system has the capacity to process up to 1,200 kilograms of organic material per day. Food waste is now being recycled at six major health services across Victoria
- > waste stream signage of the shared loading dock was revitalised by the facility manager at 50 Lonsdale Street, Melbourne simplifying identification and collection
- > staff were encouraged to reuse and recycle basic office stationery with the provision of a stationery recycling service at our central offices. This staff-led program aims to reduce the amount of surplus stationery purchased and limit the amount of useful office supplies sent to landfill
- > over 850 kilograms of eWaste was collected and recycled from 50 Lonsdale Street, Melbourne.

³ An environmental management system is the management of an organisation's environmental programs and performance in a comprehensive, systematic, planned and documented manner.

The 2016–17 environmental management system target is to develop a behaviour change strategy to reduce waste generation across the department.

Sustainable transport

The department encourages staff to use sustainable transport for both commuting and work-related travel and to be mindful in their use of traditional vehicular transport. The 2015–16 environmental management system target for sustainable transport was to reduce the average emissions per 100 kilometres of new vehicles purchased. However, due to operational fit-for-purpose requirements the department increased the percentage of large vehicles purchased by over 10 per cent. As a result, the average emissions per 100 kilometres for new vehicles purchased increased 2.5 per cent from 2014–15 levels. Despite this, the department continues to build a more sustainable fleet and supports initiatives that encourage staff to seek alternative transport modes. In 2015–16:

- > the department increased the number of hybrid vehicles to over 30 per cent of new vehicles purchased
- > total fuel consumption was decreased by two per cent and total kilometres travelled was decreased by 4.5 per cent owing to changes in staff vehicle usage patterns and an improved approvals process for overnight vehicle use
- > a significant upgrade to the bicycle storage and end of trip facilities was completed by the facility manager at 50 Lonsdale Street, Melbourne. The facility provides secure storage for over 450 bicycles, maintenance stations equipped with tools and air pumps and vending machines that dispense cycling supplies. Staff amenities include 50 shower cubicles, lockers, drying cupboards and other items to support staff to cycle to work
- > 400 bicycle spaces were installed as part of the Victorian Comprehensive Cancer Centre development and 95 bicycle spaces were installed at the new Bendigo Hospital
- > the Department of Health and Human Services staff Bicycle Users Group was revitalised with a new committee, terms of reference and website forum
- > staff were encouraged to participate in social and recreational bike rides such as the annual Around the Bay in a Day and Murray to Moyne Cycle Relay.

The 2016–17 environmental management system target is to work in partnership with fleet management to implement the Efficient Fleet Procurement Policy.

Climate change adaptation

The department is committed to managing climate change risks for its clients, assets and services as part of the Victorian Climate Change Adaptation Plan. In 2015–16, the department met its target to implement the Community Services Climate Resilience Program. In addition to this, the department:

- > commenced the Climate Adapted Housing Design and Build project, which will complete designs and pilot the new build of public housing adapted to climate change
- > undertook the Housing Incident and Temperature study to examine spatio-temporal correlations between housing incidents, temperature and climate variations
- > commenced a trial of three, seven-star, all electric public housing dwellings, featuring a small solar photovoltaic system, heat pump hot water system and reverse cycle air conditioning. The performance of these dwellings will be monitored to inform future policy regarding energy efficiency and thermal comfort
- > completed the Horsham Catalyst Evaluation Report; a three-year study of four, nine-star NatHERS rated, public housing units in Horsham. Residents of these units reported financial savings, decreased heat stress and improvements to pre-existing health conditions, since living in the new units. They also experienced improved life satisfaction and wellbeing outcomes and increased neighbourhood satisfaction and safety.

The 2016–17 environmental management system targets are to:

- > continue the Community Services Climate Resilience Program
- > implement the Hazard Mapping and Cost project
- > implement the Housing Solar and Retrofit cost study
- > implement the Climate and Social Determinants of Health Study.

Communications and behaviour change

The department encourages staff engagement in all of our sustainability programs, in order to promote awareness of environmental issues and to improve the department's performance. In 2015–16 the department:

- > published several public health case studies on indoor air quality, cleaning without chemicals and sustainability reporting. The case studies document project outcomes within the public health system and provide practical advice and guidance to other services wishing to implement similar projects
- > extended the operation of an online environmental data management system, which allows public health services to monitor and manage usage and cost data for energy, water, waste, transport (including road and air ambulance) paper, medical gases and refrigerants
- > recognised sustainability projects through the 2015 Premier's Sustainability Awards health category (Monash Health) and the Premier's Regional Recognition Award (Barwon Health)
- > completed an audit of public hospitals and health services, which found that 91 per cent have an Environmental Management Plan and 80 per cent are publicly reporting on their environmental performance
- > included a mandatory sustainability requirement in the 2016–17 Statement of Priorities for health services
- > participated in the Green in the Lane sustainability event in Madam Brussels Lane, coordinated by the facility manager at 50 Lonsdale Street, Melbourne. The event aimed to engage staff and the public and to promote sustainable practices
- > participated in a field trip to Cleanaway's Altona Recycling Plant, organised by the facility manager at 50 Lonsdale Street, Melbourne. Attendees were educated on waste separation and the importance of reducing contamination.

The 2016–17 environmental management system target is to develop a staff environmental committee to facilitate staff engagement.

Environmental performance reporting

The following information has been prepared in accordance with Financial Reporting Direction (FRD) 24C and the Global Reporting Initiative (G4) environmental category. The information relates to the departments impact on living and non-living natural systems, including land, air, water and ecosystems. FRD24 requires that information is provided 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 also taken into consideration, as well as environmental compliance and expenditure. G4 environmental aspects are partially reported including the indicators for materials (EN1, EN2), energy (EN3, EN5), water (EN8), emissions (EN15, EN18), waste (EN23), products and services (EN27) and transport (EN30). All dollar figures include GST, with the exception of figures associated with public health services, which are GST exempt.

In 2015–16, the environmental performance reporting data include property and assets utilised in the delivery of the department's core functions, including corporate offices, secure services, residential housing and healthcare. This report includes disability accommodation clients' residential energy usage as well as shared base building energy and water in offices and public housing facilities. All figures have been forecast and adjusted to include the most up-to-date information, available at the time of preparation. Where data was not available or estimated in 2014–15 but has since become available, the data has been adjusted to reflect actual figures representing the reported building portfolio as at 30 June 2016.

At 30 June 2016, the department provided administrative services from 50 office locations across the state. In addition, operational centres provide secure services and disability residential services. Public housing energy data is representative of community facilities, general lighting and bulk hot water equipment from high-rise, multi-apartment tower blocks, low-rise apartment blocks and general rental public housing stock. Water use data is representative of the high-rise public housing locations under the environmental management system.

Public health service energy and water data represents a summation of data reported by Victoria's 87 public hospitals and health services, excluding Ambulance Victoria.

Over 2014–15 and 2015–16 the department implemented a new environmental data management system. This has increased the number of public health facilities reporting energy and water data to the department. Increases in energy and water use may therefore be attributed to an increase in the number of facilities reporting.

Data has not been externally verified. Bed days include occupied bed days and public sector residential aged care bed days.

The Health and Human Services reporting scope was determined over the two recent financial years of environmental performance for the Human Services' existing building portfolio as occupied on 30 June 2016. The Health reporting scope was determined over the two financial years of environmental performance for the Health's existing building portfolio as occupied on 30 June 2016.

Greenhouse gas emissions

Total greenhouse gas emissions (tonnes CO₂-e) associated with:	2013–14	2014–15	2015–16
Public hospitals energy use	718,306	751,278	768,247
Housing services energy use	62,535	63,231	61,530
Office-based energy use	18,916	18,915	17,934
Public hospitals nitrous oxide	15,659	15,138	17,559
Vehicle fleet and air travel	11,100	10,213	10,147
Paper and office-based waste production	378	443	568
Total	826,894	859,218	875,985

Greenhouse gas emissions for energy and vehicle fleet are based on the National Greenhouse and Energy Reporting (Measurement) Determination 2008 (Schedule 1).

Greenhouse gas emissions for the public hospital portfolio for 2015–16 are estimated based on a mixture of actual 2014–15 and 2015–16 data.

Greenhouse gas emissions for waste and paper were calculated based on Financial Reporting Directive 24C. Greenhouse gas emissions for air travel are based on FCM Travel Solutions methodology.

Staff and building reference data

Description	Government-owned buildings	Leased buildings	Total
Office-based FTE	954	6,479	7,433
Operational FTE	4,015		4,015
Total FTE			11,448
Number of office-based sites	15	35	50
Number high-rise public housing sites	44		44
Office-based area (m ²)	15,091	124,775	139,866

Energy use

Office based

Description	2013–14 estimate		2014–15 estimate		2015–16 estimate	
	Megajoules	Cost (\$M)	Megajoules	Cost (\$M)	Megajoules	Cost (\$M)
Total energy usage segmented by primary source						
Electricity	56,527,201	\$2.83	56,381,232	\$2.54	55,783,727	\$2.61
Green power	327,222	\$0.00	0	\$0.00	0	\$0.00
Natural gas	7,557,565	\$0.09	8,453,413	\$0.09	8,237,308	\$0.14
Total	64,411,988	\$2.92	64,834,645	\$2.63	64,021,035	\$2.75

Description	2013–14	2014–15	2015–16
Total greenhouse gas emissions by primary source	Tonnes CO₂-e	Tonnes CO₂-e	Tonnes CO₂-e
Electricity	18,528	18,481	17,510
Natural gas	388	434	424
Total	18,916	18,915	17,934

Description	2013–14	2014–15	2015–16
Energy used per FTE (megajoules/FTE)	9,501	9,936	8613
Energy intensity (megajoules/m ²)	473	475	458
Green power purchased	0.58%	0.0%	0.0%

Electricity data represents 98.1 per cent of office-based FTE and 99.2 per cent of office locations.

Green power relates to electricity use only.

Greenhouse gas emissions are based on scope 2 emissions from the National Greenhouse and Energy Reporting (Measurement) Determination 2008 (Schedule 1).

Figures have been adjusted to include the most up-to-date data and may differ from those estimated for the same period in the Department of Health and Human Services annual report 2014–15 to reflect our modified monitoring portfolio.

Housing Services

Description	2013–14 estimate		2014–15 estimate		2015–16 estimate	
	Megajoules	Cost (\$M)	Megajoules	Cost (\$M)	Megajoules	Cost (\$M)
Total energy usage segmented by primary source						
High-rise public housing electricity use	55,782,613	\$2.19	55,410,777	\$1.93	55,453,266	\$2.00
Other public housing electricity use	15,626,565	\$1.03	15,468,808	\$0.92	15,941,963	\$0.94
Disability housing electricity use	36,486,011	\$2.03	36,992,749	\$1.74	37,540,048	\$1.73
Secure services electricity use	12,623,255	\$0.50	14,094,984	\$0.51	17,518,753	\$0.67
Total electricity	120,518,444	\$5.75	121,967,318	\$5.10	126,454,030	\$5.34
High-rise public housing natural gas use	320,888,440	\$3.14	330,210,410	\$2.93	306,077,053	\$2.84
Other public housing natural gas use	73,102,111	\$1.11	68,862,372	\$1.10	63,670,836	\$0.93
Disability housing natural gas use	39,080,110	\$0.58	39,071,201	\$0.58	39,795,720	\$0.60
Secure services natural gas use	7,772,242	\$0.79	8,179,260	\$0.80	8,439,751	\$0.78
Secure services liquefied petroleum gas use	6,740,479	\$0.16	5,726,087	\$0.10	4,913,033	\$0.07
Total gas	447,583,382	\$5.78	452,049,330	\$5.51	422,896,393	\$5.22

Description	2013–14 estimate	2014–15 estimate	2015–16 estimate
Total greenhouse gas emissions	Tonnes CO ₂ -e	Tonnes CO ₂ -e	Tonnes CO ₂ -e
Electricity	39,503	39,978	39,693
Natural gas	22,628	22,910	21,539
Liquefied petroleum gas	404	343	298
Total electricity	62,535	63,231	61,530

Housing Services property portfolio energy data combines electricity and gas from large operational locations, 44 high-rise housing facilities and other disability and social housing accommodation facilities.

This data represents 1,120 electricity meters and 616 gas metered accounts.

Figures have been adjusted to include the most up-to-date data and may differ from those estimated for the same period in the Department of Human Services annual report 2014–15 to reflect our modified monitoring portfolio.

Greenhouse gas emissions are based on scope 2 emissions from the National Greenhouse and Energy Reporting (Measurement) Determination 2008 (Schedule 1).

Public health services

Description	2013–14		2014–15		2015–16	
	Tera-joules	Cost (\$M)	Tera-joules	Cost (\$M)	Tera-joules	Cost (\$M)
Total energy usage segmented by primary source						
Electricity	1,895	\$74.50	2,024	\$69.61	2,104	\$67.30
Natural gas	1,981	\$15.57	2,121	\$15.41	1,927	\$14.12
Co-generation steam	489	\$3.44	493	\$3.57	514	\$3.78
LPG	110	\$3.30	110	\$2.85	110	\$2.85
Diesel	3	na	3	na	3	\$0.05
Total	4,478	\$96.81	4,751	\$91.44	4,658	\$88.10

Description	2013–14	2014–15	2015–16
Energy used per separation (gigajoules/separation)	2.87	2.93	2.73
Energy used per bed day (gigajoules/bed day)	0.68	0.70	0.67
Energy used per unit of floor space (gigajoules/m ²)	1.70	1.45	1.42
Greenhouse gas emissions per separation (tonnes CO ₂ -e/separation)	0.47	0.47	0.44
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)	0.28	0.23	0.24

1 terajoule equates to 1,000,000 megajoules and 1 gigajoule equates to 1,000 megajoules.

Greenhouse gas emission indicators include emissions associated with the use of nitrous oxide in public hospitals.

Water use

Office based

Description	2013–14 estimate	2014–15 estimate	2015–16 estimate
Total water used (kilolitres)	52,393	51,585	53,593
Total water usage charge (dollars)	\$125,000	\$125,000	\$180,000
Water used per FTE – leased offices (litres/FTE)	8,837	8,892	8,080
Water used per FTE – government-owned offices (litres/FTE)	6,779	7,597	7,594
Total water used per FTE (litres/FTE)	8,597	8,741	7,210
Water used per unit of office space (litres/m ²)	414	408	383

Water data represents 33 administrative office locations.

This data represents 88 per cent of office-based FTE and 83 per cent of office-based area.

High-rise public housing

Description	2013–14 estimate	2014–15 estimate	2015–16 estimate
Total water used (kilolitres)	1,305,273	1,346,609	1,328,090
Total water usage and sewage charge	\$5,140,000	\$5,475,000	\$5,550,000

Water data represents the 44 public housing high-rise sites under 34 accounts based on available data.

Disability housing

Description	2013–14 estimate	2014–15 estimate	2015–16 estimate
Total water used (kilolitres)	52,003	49,949	53,726
Total water usage and sewage charge (dollars)	\$122,000	\$111,800	\$129,000

Water data represents six properties including the larger disability operational facilities.

Secure services

Description	2013–14 estimate	2014–15 estimate	2015–16 estimate
Total water used (kilolitres)	32,915	34,962	38,320
Total water usage and sewage charge	\$80,000	\$85,000	\$95,000

Water data represents five properties which includes the larger secure services facilities.

Public health services

Description	2013–14	2014–15	2015–16
Total water used (megalitres)	4,150	3,944	3,917
Total water usage charge (\$ million)	\$14.94	\$14.25	\$14.58
Water used per separation (kilolitres/ separation)	2.66	2.43	2.30
Water used per bed day (kilolitres/ bed day)	0.63	0.58	0.56
Water used per unit of floor space (kilolitres/m ²)	1.58	1.21	1.20

Waste production

Office based

Description	2013–14 estimate	2014–15 estimate	2015–16 estimate
Total units of waste disposed of by destination	Kilograms/year	Kilograms/year	Kilograms/year
Landfill	163,288	169,650	180,949
Recycling	298,738	261,000	261,840
Compost	8,987	652.5	23,107
Total	471,013	431,303	465,645

Description	2013–14 estimate	2014–15 estimate	2015–16 estimate
Total units of waste disposed of per FTE by destination	Kilograms/FTE/year	Kilograms/FTE/year	Kilograms/FTE/year
Landfill	19	26	24
Recycling	49	40	35
Compost	7	0.1	3
Total	75	66	62

Description	2013–14 estimate	2014–15 estimate	2015–16 estimate
Recycling rate (per cent)	75%	60%	61%
Greenhouse gas emissions associated with waste to landfill (tonnes of CO ₂ -e)	146	209	235

Waste data is based on one-day waste audits conducted at 20 selected Department of Health and Human Services offices then extrapolated for estimating annual production data.

Waste data has been extrapolated in accordance with Financial Reporting Directive 24C guidelines to represent 100 per cent of office-based FTE and 100 per cent of office locations.

Differences between the 2014–15 data reported in this report and the 2014–15 Annual Report are due to recalculations and refinement in methodology.

Transportation

Vehicle fleet

Description	Size of vehicle fleet as of 30 June 2016						
	LPG	Dual fuel	Hybrid	1–3 cylinder unleaded petrol	4 cylinder unleaded petrol	6 cylinder unleaded petrol	Diesel
Commercial	8	0	0	9	4	0	35
Executive	0	0	14	0	20	65	13
Passenger bus	0	0	0	0	358	0	143
Passenger car	164	0	538	0	34	108	206
Total (1719 vehicles)	172	0	552	9	416	173	397

Description	Operational (per cent)	Executive (per cent)
LPG	10.7	0
Dual fuel	0	0
Hybrid	33.5	12.5
1–3 cylinder unleaded petrol	0.6	0
1–4 cylinder unleaded petrol	24.6	17.9
6 cylinder unleaded petrol	6.7	58
Diesel	23.9	11.6

Description	2013–14 estimate	2014–15 estimate	2015–16 estimate
Total energy consumption	Megajoules	Megajoules	Megajoules
LPG	18,198,735	19,672,728	16,768,004
Dual fuel	8,710,388	2,449,269	0
Hybrid	21,208,090	18,770,516	20,229,511
Unleaded petrol	58,039,464	59,197,243	60,517,732
Diesel	37,634,275	31,513,114	31,624,548
Total	143,790,952	131,602,870	129,139,795

Description	2013–14 estimate	2014–15 estimate	2015–16 estimate
Total vehicle travel	Kilometres	Kilometres	Kilometres
LPG	5,304,290	6,049,039	4,787,395
Dual fuel	2,379,138	623,356	0
Hybrid	9,378,487	8,959,794	9,547,954
Unleaded petrol	13,707,478	14,978,683	15,040,082
Diesel	10,168,545	8,845,691	8,291,883
State Government Vehicle Pool	698,036	589,708	638,675
Total	41,635,974	40,046,271	38,305,989

Description	2013–14	2014–15	2015–16
Total greenhouse gas emissions	Tonnes CO₂-e	Tonnes CO₂-e	Tonnes CO₂-e
LPG	1,106	1,196	1,031
Dual fuel	534	150	0
Hybrid	1,476	1,306	1,410
Unleaded petrol	4,040	4,120	4,218
Diesel	2,631	2,203	2,230
State Government Vehicle Pool	124	104	113
Total	9,911	9,079	9,002

Description	2013–14	2014–15	2015–16
Greenhouse gas emissions efficiency	Tonnes of CO₂-e per 1,000 kilometres	Tonnes of CO₂-e per 1,000 kilometres	Tonnes of CO₂-e per 1,000 kilometres
LPG	0.209	0.198	0.251
Dual fuel	0.225	0.241	N/A
Hybrid	0.157	0.146	0.148
Unleaded petrol	0.295	0.275	0.28
Diesel	0.259	0.249	0.269
State Government Vehicle Pool	0.178	0.176	0.177
Total	0.24	0.23	0.24

This data represents all operational FTE.

Energy use, distance travelled and greenhouse gas emissions transport data is based on a 1 April to 31 March fringe benefit year.

Greenhouse gas emissions are based on National Greenhouse and Energy Reporting (Measurement) Determination 2008 (Schedule 1).

All emission factors incorporate relevant oxidation factors (sourced from the Department of the Environment National Inventory Report).

Air travel

Description	2013–14 actual	2014–15 actual	2015–16 actual
Total distance travelled (kilometres)	4,335,352	4,151,774	4,120,505
Base fare cost (dollars)	\$1,335,000	\$1,250,000	\$1,287,000
Greenhouse gas emissions (tonnes of CO ₂ -e)	1,188	1,134	1,145

This data represents all operational FTE.

Factors used to calculate greenhouse gas emissions are based on FCM Travel Solutions methodology.

Calculations for emissions are based on three categories; short haul flights (less than 500 kilometres), medium-haul flights (between 500–3,700 kilometres) and long-haul flights (more than 3,700 kilometres).

Commuter travel

Percentage of employees regularly using sustainable travel (public transport, cycling, walking, car-pooling or working from home) to commute

	2013–14 estimate	2014–15 estimate	2015–16 estimate
Central business district	86%	93%	93%
Metropolitan	45%	43%	56%
Regional/rural	28%	31%	39%
Total	72%	82%	79%

Sustainable transport data was obtained from the department's travel survey conducted in May 2016. Results exclude responses from surveyed staff that were on leave or did not travel to work during the survey period.

Procurement and paper

Procurement of office products and stationery with environmental considerations from departmental operations

Description	2013–14 actual	2014–15 actual	2015–16 actual
Furniture	0%	16%	4%
Kitchen	17%	14%	17%
Facilities solutions	2%	22%	33%
Office products	42%	40%	11%
Total	37%	34%	37%

Office products and stationery data is obtained from the department's state purchase contract. Environmental considerations are based on the supplier's Planet Friendly category criteria.

Results include expenditure on office furniture, coffee and catering supplies, janitorial products, packaging, workplace safety supplies, educational supplies, computer hardware, office technology products, computer consumables, general office products, office filing and storage, office machines and electronics, office paper products and writing instruments.

Paper use from departmental operations

Description	2013–14 actual	2014–15 actual	2015–16 actual
Total units of paper used – A4 equivalent (reams)	104,567	104,524	103,378
Units of paper used per FTE (reams/FTE)	9.5	9.3	9
Total cost of paper used (dollars)	\$558,000	\$557,000	\$571,000
Greenhouse gas emissions associated with paper use (tonnes of CO ₂ -e)	232	234	333

Percentage recycled content copy paper purchased	2013–14 actual	2014–15 actual	2015–16 actual
75–100 per cent recycled	32%	32%	52%
50–75 per cent recycled	64%	64%	44%
0–50 per cent recycled	4%	3%	4%

These data represent all operational FTE.

Greenhouse gas emissions are based on the Financial Reporting Directive 24C and its accompanying greenhouse gas emission reporting template, which calculates both Australian made and imported emissions.

Public health services paper use

Description	2013–14	2014–15	2015–16
Total units of paper used – A4 equivalent (reams)	521,893	542,881	574,394
Total cost of paper used (\$ millions)	\$2.06	\$2.08	\$2.14
Units of paper used per FTE (reams/FTE)	7.75	7.07	7.52
Contains recycled content (0–49 per cent)	97.5%	99%	99.4%
Contains recycled content (50–75 per cent)	1.1%	0.4%	0.3%
Contains recycled content (76–100 per cent)	1.3%	0.6%	0.4%
Certification in regard to fibre sourcing (per cent)	43.9%	44.3%	43.5%

One ream is 500 sheets of paper. One A3 ream of paper is equivalent to two A4 reams. Paper data is sourced from the statewide stationery contract managed by Health Purchasing Victoria.

FTE is the full-time equivalent staff employed by a public health service as of 30 June for the financial year. 2015–16 FTE data was not available at the time of printing, so 2014–15 FTE data was used.

Certified means that the supplier and/or manufacturer has asserted that the fibre sourced for the paper meets either an international Forestry Management standard and has a chain-of-custody certification linking the product and fibre sourcing. Accepted certification schemes are the Forestry Stewardship Council, Australian Forestry Standard or other country-specific standards endorsed by the Programme for the Endorsement of Forest Certification.

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	2012–13	2013–14	2014–15
Carbon monoxide	62,781	79,438	60,411
Oxides of nitrogen	64,187	67,908	61,913
Particulate matter (2.5 µm and 10 µm)	11,031	5,561	5,439
Total volatile organic compounds	4,158	5,288	4,287
Sulphur dioxide	789	801	775
Other substances	2	27	10

Other substances includes: acetaldehyde, arsenic and compounds, benzene, beryllium & compounds, 1,3-butadiene (vinyl ethylene), cadmium and compounds, chromium (III) compounds, cobalt & compounds, copper and compounds, Cumene (1-methylethylbenzene), cyclohexane, ethylbenzene, formaldehyde (methyl aldehyde) lead and compounds, manganese & compounds, mercury and compounds, n-Hexane, nickel and compounds, polycyclic aromatic hydrocarbon, polychlorinated dioxins and furans (TEQ), selenium and compounds, toluene (methylbenzene), xylenes (individual or mixed isomers) and zinc and compounds.

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Accountable officer's and chief finance and accounting officer's declaration

Accountable officer's and chief finance and accounting officer's declaration

We certify that the attached financial statements for the Department of Health and Human Services, including the Director of Housing, Mental Health Complaints Commissioner, Mental Health Tribunal and the Commission for Children and Young People have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian accounting standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and the notes forming part of the financial statements, presents fairly the financial transactions of the Department of Health and Human Services during the year ended 30 June 2016 and financial position of the Department at 30 June 2016.

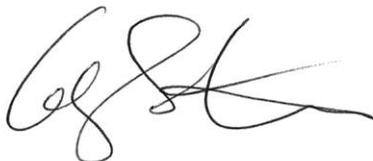
At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 16 September 2016.



Kym Peake
Secretary
Department of Health and Human Services

Melbourne
16 September 2016



Greg Stenton
Chief Finance and Accounting Officer
Department of Health and Human Services

Melbourne
16 September 2016

Independent auditor's report

The logo for the Victorian Auditor-General's Office (VAGO) features the word "VAGO" in a bold, sans-serif font. The letters are white and set against a dark, textured background that resembles a close-up of a document or a grid.

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INDEPENDENT AUDITOR'S REPORT

To the Secretary, Department of Health and Human Services

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of the Department of Health and Human Services which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the accountable officer's and chief finance and accounting officer's declaration.

The Secretary's Responsibility for the Financial Report

The Secretary of the Department of Health and Human Services is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Secretary determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Secretary, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, I and my staff and delegates have complied with the applicable independence requirements of the Australian Auditing Standards and relevant ethical pronouncements.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Department of Health and Human Services as at 30 June 2016 and its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
23 September 2016



Andrew Greaves
Auditor-General

Comprehensive operating statement for the financial year ended 30 June 2016

	Note	2016 \$M	2015 \$M
Income from transactions			
Output appropriations	3(a)	12,901.7	9,968.2
Special appropriations	3(b)	1,341.2	1,272.5
Interest income	4(a)	9.4	5.1
Rental income and income from services	4(b)	476.6	235.0
Grants and other income transfers	4(c)	832.0	652.8
Other income	4(d)	367.2	81.2
Fair value of assets and services received free of charge or for nominal consideration	4(e)	11.6	0.5
Total income from transactions		15,939.8	12,215.3
Expenses from transactions			
Employee expenses	5(a)	1,191.2	662.3
Depreciation and amortisation	5(b)	280.7	150.2
Interest expense	5(c)	0.3	10.7
Rates to local authorities		116.3	56.4
Maintenance		200.1	117.1
Rental property lease expenses		13.2	5.5
Tenant utilities and other expenses		78.6	39.2
Home finance operating costs		2.0	0.9
Fair value of assets and services provided free of charge or for nominal consideration	5(d)	11.9	0.2
Other operating expenses	5(e)	490.2	396.5
Grants and other expense transfers	5(f)	11,916.6	9,831.7
Capital asset charge		1,016.8	909.6
Total expenses from transactions		15,317.8	12,180.3
Net result from transactions (net operating balance)		622.1	35.0
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	6(a)	0.9	(6.4)
Net gain/(loss) on financial instruments	6(b)	0.6	1.8
Other gains/(losses) from other economic flows	6(c)	(22.1)	(27.4)
Total other economic flows included in net result		(20.6)	(32.0)
Net result for the year		601.5	3.0
Other economic flows – other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation reserve	16(b)	2,468.7	59.4
Remeasurement of superannuation defined benefit plans	15(d)	0.9	3.3
Total other economic flows – other comprehensive income		2,469.6	62.7
Comprehensive result		3,071.1	65.7

The comprehensive operating statement should be read in conjunction with the notes to the financial statements.

Balance sheet as at 30 June 2016

	Note	2016 \$M	2015 \$M
Assets			
Financial assets			
Cash and deposits	7	230.8	369.4
Receivables	8	2,671.0	2,080.4
Loans	9	82.9	80.0
Short term investments – term deposits		346.8	121.7
Total financial assets		3,331.6	2,651.5
Non-financial assets			
Inventories		–	0.6
Non-financial physical assets classified as held for sale	10	26.3	1.0
Property, plant and equipment	11	24,689.6	22,347.5
Intangible assets	12	69.3	81.0
Investments accounted for using the equity method	29	35.0	35.0
Prepayments		11.4	21.6
Total non-financial assets		24,831.6	22,486.7
Total assets		28,163.2	25,138.2
Liabilities			
Payables	13	955.0	1,026.7
Borrowings	14	103.9	103.3
Provisions	15	483.4	434.0
Income in advance		–	38.0
Total liabilities		1,542.3	1,602.0
Net assets		26,620.9	23,536.2
Equity			
Accumulated surplus/(deficit)	16(a)	1,697.2	1,094.8
Physical asset revaluation reserve	16(b)	2,545.1	76.4
Contributed capital	16(c)	22,378.5	22,365.0
Net worth		26,620.9	23,536.2
Contingent assets and contingent liabilities	21		
Commitments for expenditure	22		

The balance sheet should be read in conjunction with the notes to the financial statements.

Statement of changes in equity for the financial year ended 30 June 2016

	Notes	Physical asset revaluation reserve \$M	Accumulated surplus/ (deficit) \$M	Contributed capital \$M	Total \$M
Balance at 1 July 2014		17.0	1,088.5	566.1	1,671.6
Machinery of Government transfer in	16(c)	–	–	21,728.8	21,728.8
Net result for the year	16(a)	–	3.0	–	3.0
Remeasurement of superannuation defined benefit plans	16(a)	–	3.3	–	3.3
Changes in physical asset revaluation reserve	16(b)	59.4	–	–	59.4
Capital contribution by Victorian State Government	16(c)	–	–	295.9	295.9
Capital contributions to Health agencies	16(c)	–	–	(225.8)	(225.8)
Balance at 30 June 2015		76.4	1,094.8	22,365.0	23,536.2
Net result for the year	16(a)	–	601.5	–	601.5
Remeasurement of superannuation defined benefit plans	16(a)	–	0.9	–	0.9
Changes in physical asset revaluation reserve	16(b)	2,468.7	–	–	2,468.7
Capital contribution by Victorian State Government	16(c)	–	–	107.7	107.7
Capital contributed from asset transfers	16(c)	–	–	1.9	1.9
Capital contributions to Health agencies	16(c)	–	–	(96.0)	(96.0)
Balance at 30 June 2016		2,545.1	1,697.2	22,378.5	26,620.9

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

Cash flow statement for the financial year ended 30 June 2016

	Note	2016 \$M	2015 \$M
Cash flows from operating activities			
Receipts			
Receipts of output appropriations		12,296.5	9,559.6
Receipts of special appropriations		1,341.2	1,272.5
Receipts of funds from other authorities		811.1	746.4
Rent received		470.3	225.5
User charges received – rental properties		5.0	2.4
Interest received		9.2	5.5
Other receipts		80.5	66.6
GST recovered from Australian Taxation Office ⁽ⁱ⁾		480.6	499.1
Total receipts		15,494.2	12,377.6
Payments			
Payments of grants and other expense transfers		(12,121.9)	(10,095.1)
Payments for employee benefits		(1,185.1)	(649.9)
Payments for supplies and services		(500.2)	(362.4)
Interest and other costs of finance paid		(2.4)	(13.0)
Capital asset charge payments		(1,016.8)	(909.9)
Rates to local authorities		(117.1)	(70.8)
Maintenance		(200.9)	(144.9)
Rental property lease expenses		(13.3)	(6.8)
Tenant utilities and other expenses		(79.2)	(49.2)
Home finance operating payments		(1.9)	(0.9)
Other payments		–	(0.3)
Total payments		(15,238.9)	(12,303.2)
Net cash flows from/(used in) operating activities	25	255.3	74.4
Cash flows from investing activities			
Proceeds from the sale of non-financial assets		165.8	56.0
Purchase of short term investments – term deposits		(225.1)	(53.3)
Client loans repaid		4.9	2.7
Payment for non-financial assets		(334.2)	(135.9)
Client loans granted		(7.3)	(14.7)
Net cash flows from/(used in) investing activities		(395.9)	(145.2)
Cash flows from financing activities			
Advances received		1.4	12.1
Repayment of advances		–	(0.6)
Cash received from activity transferred in – MoG changes		–	347.2
Owner contributions by Victorian Government – appropriation for capital expenditure purposes		107.7	7.0
Payments of capital contributions		(106.2)	–
Repayment of finance leases and borrowings		(0.8)	(3.4)
Net cash flows from/(used in) financing activities		2.0	362.3
Net increase/(decrease) in cash and deposits		(138.5)	291.5
Cash and deposits at beginning of financial year		369.4	77.9
Cash and deposits at the end of the financial year	7	230.8	369.4

The cash flow statement should be read in conjunction with the notes to the financial statements.

Note:

(i) Goods and services tax (GST) recovered/paid from the Australian Taxation Office is presented on a net basis.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies

These annual financial statements represent the general purpose financial statements for the Department of Health and Human Services (the department) for the year ended 30 June 2016.

The purpose of the report is to provide users with information about the department's stewardship of the resources entrusted to it.

To gain a better understanding of the terminology used in this report, a glossary of terms and style conventions can be found in Note 1(x).

(a) Statement of compliance

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards (AAS) including 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* and the Minister for Finance's *Financial Reporting Directions* (FRD). Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

These annual financial statements were authorised for issue by the Secretary of the Department of Health and Human Services on 16 September 2016.

(b) Basis of accounting preparation and measurement

These financial statements are presented in Australian dollars, the functional and presentation currency of the department.

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

In the application of AAS, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Judgements and assumptions made by management in the application of AAS that have significant effect on the financial statements and estimates, relate to:

- > the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 1(l));
- > superannuation expense (refer to Note 1(g));
- > assumptions for employee benefit provisions based on the likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 1(m)); and
- > liability for outstanding insurance claims (refer to Note 1(m)).

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

These financial statements have been prepared on the historical cost basis except for:

- > the revaluation of certain non-financial assets (subsequent to acquisition, non-financial assets are measured at their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses); and
- > financial instruments which are measured at fair value with changes reflected in 'other economic flows' in the comprehensive operating statement.

Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value. Historical cost is based on the fair values of the consideration given in exchange for these assets.

Consistent with AASB 13 *Fair Value Measurement* and relevant FRDs, the department determines the policies and procedures for recurring fair value measurements (such as property, plant and equipment and financial instruments) and for non-recurring fair value measurements (such as non-financial physical assets held for sale).

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- > Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- > Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- > Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the department has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, the department determines whether transfers have occurred between levels in the hierarchy by re-assessing 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 the VGV, monitors the changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2016 and the comparative information presented for year ended 30 June 2015.

As a consequence of the Machinery of Government change, the comparative amounts for 2014–15 in the Comprehensive Operating Statement reflect twelve months of the former Department of Health and six months of the former Department of Human Services and the Director of Housing. In comparison, the figures for 2015–16 contain a full twelve months of the combined Department of Health and Human Services and the Director of Housing.

(c) Reporting entity

The financial statements cover the Department of Health and Human Services as an individual reporting entity. The department is a government department of the State of Victoria, established pursuant to an order made by the Premier under the *Administrative Arrangements Act (No. 202) 2009*. The Department of Health and Human Services is the administrative agency acting on behalf of the Crown. These financial statements include all controlled activities and entities of the department.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

The principal address of the Department of Health and Human Services is:

50 Lonsdale Street
Melbourne, Victoria 3000.

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

Objectives and funding

The department's objectives are to achieve the best health and wellbeing for all Victorians and to improve people's lives and reduce their experience of disadvantage by integrating health and social policies, programs and services. The department works with the community to provide better access to health, aged care, mental health and drug services while also providing housing and community services to support and protect Victorians most in need.

The department is predominantly funded by accrual-based parliamentary appropriations for the provision of outputs that are further described in Note 2.

Outputs of the department

Information about the department's output activities, and the income, expenses, assets and liabilities, which are reliably attributable to those output activities, is set out in the output activities schedule (refer to Note 2).

Information about income, expenses, assets and liabilities administered by the department are given in the schedule of administered income and expenses, and the schedule of administered assets and liabilities (refer to Notes 23 and 24).

(d) Basis of consolidation

In accordance with AASB 10 *Consolidated Financial Statements*:

- > the financial statements of the department incorporate assets and liabilities of all reporting entities controlled by the department as at 30 June 2016, and their income and expenses for the reporting period in which control existed; and
- > the financial statements exclude bodies within the department's portfolio that are not controlled by the department and therefore are not consolidated. Bodies and activities that are administered are not controlled and not consolidated.

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 dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

In the process of preparing the financial statements for the department, all material transactions and balances between entities are eliminated.

Pursuant to section 53(1) (b) of the *Financial Management Act 1994*, the Minister for Finance granted approval for the Department of Health and Human Services to prepare financial statements incorporating the following entities which form part of the Department of Health and Human Services reporting entity:

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

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

Consistent with the requirements of AASB 1004 *Contributions* (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.

Administered items

The department administers but does not control certain resources on behalf of the State. It is accountable for the transactions involving those administered resources, but does not have the discretion to deploy those resources for its own benefit or for achievement of the department's objectives. For these resources, the department acts only on behalf of the State. Administered resources are accounted for using the accrual basis of accounting.

Administered income includes taxes, fees and fines and the proceeds from the sale of administered surplus land and buildings. Administered assets include government income earned but yet to be collected. Administered liabilities include government expenses incurred but yet to be paid.

Transactions and balances relating to these administered resources are not recognised as departmental income, expenses, assets or liabilities within the body of the financial statements, but are disclosed in Notes 23 and 24. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for departmental items in the financial statements. Both the controlled and administered items of the department are consolidated in the financial statements of the State.

National Health Reform

Under the National Health Reform Agreement states and territories have moved towards a nationally consistent approach to activity-based funding for public health services. The Victoria State Pool Account, which forms part of the National Health Funding Pool, receives all Commonwealth and State activity-based funding ('ABF'), ensuring greater transparency and accountability in funding to health services. Payments out of the Victoria State Pool Account are made on instruction by the State. The department records these transactions and balances as administered items as they are not controlled.

The State pays health services (including small rural hospitals) directly for block funded services.

Funds held in trust – other trust activities on behalf of parties external to the Victorian Government

The department has responsibility for transactions and balances relating to trust funds on behalf of third parties external to the Victorian Government. Income, expenses, assets and liabilities 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 or the Victorian Government. These transactions and balances are reported in Note 28 together with transactions and balances relating to trust accounts controlled by the department.

(e) Scope and presentation of financial statements

Comprehensive operating statement

The comprehensive operating statement comprises three components, being 'net result from transactions' (or 'net operating balance'), 'other economic flows included in net result' as well as 'other economic flows – other comprehensive income'. The sum of the former two represents the net result for the year. The net result is equivalent to profit or loss derived in accordance with AASs.

'Other economic flows' are changes arising from market re-measurements. They include:

- > gains and losses from disposal of non-financial assets;
- > revaluation and impairment of non-financial physical and intangible assets;
- > re-measurement of defined benefit superannuation plan obligations; and
- > fair value changes of financial instruments.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

Balance sheet

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets.

Current and non-current assets and liabilities are disclosed in the notes, where relevant. In general, non-current assets or liabilities are expected to be recovered or settled more than 12 months after the reporting period. However, the provisions of employee benefits are classified as current liabilities if the department does not have the unconditional right to defer the settlement of the liabilities within 12 months after the end of the reporting period.

Statement of changes in equity

The statement of changes in equity presents reconciliations of non-owner and owner changes in equity from opening balances at the beginning of the reporting period to the closing balance at the end of the reporting period. It also separately identifies changes due to amounts recognised in the 'comprehensive result' and amounts recognised in 'other economic flows – other movements in equity' related to 'transactions with owner in its capacity as owner'.

Cash flow statement

Cash flows are classified according to whether or not they arise from operating, investing, or financing activities. This classification is consistent with the requirements of AASB 107 *Statement of Cash Flows*.

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as current borrowings in the balance sheet.

Rounding of amounts

Amounts in the financial statements have been rounded to the nearest one hundred thousand dollars unless otherwise stated. Total and subtotal figures in the financial statements may not equate to the face value of summed figures due to rounding. Please refer to the end of Note 1(x) for a style convention for explanations of minor discrepancies resulting from rounding.

(f) Income from transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to the department and the income can be reliably measured at fair value.

Appropriation income

Appropriated income becomes controlled and is recognised by the department when it is appropriated from the consolidated fund by the Victorian Parliament and applied to the purposes defined under the relevant Appropriations Act. Additionally, the department is permitted under Section 29 of the *Financial Management Act 1994* to have certain income annotated to the annual appropriation. The income which forms part of a Section 29 agreement is recognised by the department and the receipts paid into the consolidated fund as an administered item. At the point of income recognition, Section 29 provides for an equivalent amount to be added to the annual appropriation. Examples of receipts which can form part of a Section 29 agreement are Commonwealth specific purpose grants (refer to Note 27) and the proceeds from the sale of assets.

Where applicable, amounts disclosed as income are net of returns, allowances, and taxes. All amounts of income over which the department does not have control are disclosed as administered income in the schedule of administered income and expenses (refer to Note 23). Income is recognised for each of the department's major activities as follows:

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

Output appropriations

Income from the outputs the department provides to the Government is recognised when those outputs have been delivered and the relevant Minister has certified delivery of those outputs in accordance with specified performance criteria.

Special appropriations

Under Sections 3.6.11, 4.4.11, 4.6.8, 5.4.6, and 6A.4.4(1) of the *Gambling Regulation Act No. 114 of 2003*, and Section 114 of the *Casino Control Act No. 47 of 1991*, income related to the Hospital and Charities Fund and Mental Hospital Fund is recognised when the amounts appropriated for that purpose are due and payable by the department. The department also receives special appropriations for various purposes approved under Section 10 of the *Financial Management Act 1994* (refer to Note 3(b)).

Interest income

Interest income includes interest received on bank term deposits and other investments. Interest income is recognised using the accruals method which allocates the interest over the relevant period.

Net realised and unrealised gains and losses on the revaluation of investments do not form part of income from transactions, but are reported either as part of income from other economic flows in the net result or as unrealised gains or losses taken directly to equity, forming part of the total change in net worth in the comprehensive result.

Rental income and income from services

Rental income

Rental income arising from tenancy operating agreements is recognised on a straight-line basis over the terms of the ongoing agreements. This is subject to annual review. Rental rebates or subsidies provided to tenants are recognised on a straight-line basis over the term of the agreements. These are subject to biannual review.

Income from the supply of services

Income from the supply of services is recognised by reference to the stage of completion basis. The income is recognised when:

- > the amount of the income, stage of completion and transaction costs incurred can be reliably measured; and
- > it is probable that the economic benefits associated with the transaction will flow to the department.

Under the stage of completion method, income is recognised by reference to labour hours supplied or to labour hours supplied as a percentage of total services to be performed in each annual reporting period.

Grants and other income transfers

Income from grants (other than contribution by owners) is recognised when the department obtains control over the contribution.

Where such grants are payable into the consolidated fund, they are reported as administered income (refer to Note 1(d) and (i)). For reciprocal grants (i.e. equal value is given back by the department to the provider), the department is deemed to have assumed control when it has satisfied its performance obligations under the terms of the grant. For non-reciprocal grants, the department is deemed to have assumed control when the grant is receivable or received. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

Fair value of assets and services received free of charge or for nominal consideration

Contributions of resources received free of charge or for nominal consideration are recognised at their fair value when the department obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, unless received from another government department or agency as a consequence of a restructuring of administrative arrangements. In the latter case, such a transfer is recognised at its carrying value. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not received as a donation.

Other income

Other income includes income received from departmental controlled trust funds and is recognised when the department gains control over the funds.

Other income includes income received from treasury trust and from services provided to interstate patients. Other income from services provided to interstate patients is recognised as per agreements for cost reimbursements established between the states on a state by state basis.

Where income is received, but services are yet to be provided, it is disclosed as income in advance in the balance sheet. When the services are provided, the balance sheet amount is recorded as revenue.

(g) Expenses from transactions

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

Employee expenses

Employee expenses include all costs related to employment including salaries and wages, leave entitlements, fringe benefits tax, redundancy payments, WorkCover premiums and superannuation contributions. These are recognised when incurred, except for contributions in respect to defined benefit superannuation plans.

Superannuation

Employees of the department are entitled to receive superannuation benefits and the department contributes to defined benefit and defined contribution plans on behalf of its employees. The amount expensed is the employer contribution for members of these plans that are paid or payable during the reporting period.

The defined benefit plans provide benefits based on years of service and final average salary. The amount expensed in relation to employer contributions for members of defined benefit superannuation plans represents the accrual of benefits during the reporting period. The level of these contributions will vary depending upon the relevant rules of each plan, and is based upon actuarial advice.

Excluding former employees of the Director of Housing, the Department of Treasury and Finance (DTF) in their annual financial statements recognises, on behalf of the State as the sponsoring employer, the net defined benefit liability related to the members of these plans as an administered liability. Refer to DTF's annual financial statements for more detailed disclosures in relation to these plans. Note 15(d) also provides further details.

Depreciation and amortisation

All buildings, plant, equipment, vehicles and other non-current physical assets that have finite useful lives are depreciated, except for items under operating leases, assets held for sale and land. Depreciation is generally calculated on a straight-line basis at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method.

Land, which is considered to have an indefinite useful life, is not depreciated. Depreciation is not recognised in respect of land because service potential has not, in any material sense, been consumed during the financial year.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

The following estimated useful lives are used in the calculation of depreciation for the current and prior years:

Asset class	Useful life
Buildings	
Structure shell building fabric	45 to 60 years
Site engineering services and central plant	20 to 30 years
Central plant	
Fit out	20 to 30 years
Trunk reticulated building systems	30 to 40 years
Plant, equipment and vehicles	3 to 10 years
Leasehold improvements	5 to 10 years
Intangible assets	4 to 8 years
Assets under lease	3 years

Intangible assets with finite useful lives are amortised as an expense from transactions, on a systematic (typically straight-line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset is impaired. If so, the asset is tested as to whether its carrying value exceeds its recoverable amount.

Intangible produced assets with finite useful lives are amortised as an expense from transactions on a systematic basis over the asset's useful life.

Consumption of intangible non-produced assets with finite useful lives are not classified as a transaction but as amortisation. Consequently, the amortisation is included as an 'other economic flow' in the net result.

Intangible assets with indefinite useful lives are not amortised. However, all intangible assets are assessed for impairment annually.

Interest expense

Interest expense is recognised in the period in which it is incurred. Refer to *Glossary of terms and style convention* in Note 1(x) for an explanation of interest expense items.

Grants and other transfers

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as grants, subsidies and other transfer payments to public and denominational hospitals, other state government agencies, local councils and non-government agencies and individuals and the State contribution to the National Health

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

Funding Pool. Refer to *Glossary of terms and style conventions* in Note 1(x) for an explanation of grants and other transfers.

State funding for Activity Based Funding initiatives is paid to the National Health Funding Pool for payment to health agencies. There are, however, a range of grant payments that remain out of scope for National Health Reform, such as aged care subsidies, home and community care payments and community based drug and alcohol services that continue to be paid directly to health agencies.

Capital asset charge

The capital asset charge is calculated on the budgeted carrying amount of applicable non-financial physical assets.

Other operating expenses

Other operating expenses generally represent the day to day running costs incurred in normal operations and include:

Supplies and services

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

Rental operating costs

Rental operating costs include maintenance, rates and charges, tenant utilities and operating expenses. These costs are expensed in the period in which they are incurred.

Home finance operating costs

Home finance operating costs represent fees payable to external providers for such items as repayment collection via the Australian Post Office, telephone services, credit checks, legal services and any other costs incurred to administer the loan portfolio, lending programs and Home Renovation Inspection Service. These costs are expensed in the period in which they are incurred.

Fair value of assets and services provided free of charge or for nominal consideration

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

Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

(h) Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions. These include:

Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets includes realised and unrealised gains and losses as follows:

Revaluation gain/(losses) of non-financial physical assets

Refer to Note 1(l).

Net gain/(loss) on disposal of non-financial assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is the difference between the proceeds and the carrying value of the asset at the time.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

Amortisation of non-produced intangible assets

Intangible non-produced assets with finite lives are amortised as an 'other economic flow' on a systematic (typically straight-line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Impairment of non-financial assets

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment (as described below) and whenever there is an indication that the asset may be impaired.

All other non-financial assets are assessed annually for indications of impairment, except for:

- > inventories (refer to Note 1(l)); and
- > non-financial assets classified as held for sale (refer to Note 1(l)).

If there is an indication of impairment, the asset concerned is tested as to whether its carrying value exceeds its possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an 'other economic flow', except to the extent that the write-down can be debited to a physical asset revaluation reserve applicable to that class of asset.

If there is an indication that there has been a reversal in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. The impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell.

Refer to Note 1(l) in relation to the recognition and measurement of non-financial assets.

Net actuarial gains/(losses) on superannuation defined benefit plans

Net actuarial gains or losses reflect the change in superannuation liability that arises due to differences between the assumptions used to calculate the superannuation expense from transactions and actual outcomes. The effect of any change in actuarial assumptions during the period is also included.

Net actuarial gains or losses are recognised in the period in which they occur.

Net gain/(loss) on financial instruments and statutory receivables / payables

Net gain/(loss) on financial instruments and statutory receivables/payables includes:

- > realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- > impairment and reversal of impairment for financial instruments at amortised cost; and
- > disposals of financial assets and derecognition of financial liabilities.

Revaluations of financial instruments at fair value

Refer to Note 1(j).

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows include the gains or losses from:

- > reclassifications of amounts from reserves to accumulated surplus or net result due to disposal or derecognition or reclassification;
- > 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; and
- > other revaluations on the value of outstanding insurance claims and liabilities.

Bad and doubtful debts

Bad and doubtful debts for financial assets are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Those written off unilaterally and the allowance for doubtful receivables are classified as 'other economic flows'.

(i) Administered income

Taxes, fines and regulatory fees

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 (refer to Note 23).

Grants from Commonwealth Government

The department's administered grants mainly comprise funds provided by the Commonwealth to assist the State Government in meeting general or specific service delivery obligations, primarily for the purpose of aiding in the financing of the operations of the recipient, capital purposes and/or for on-passing to other recipients.

Grants are recognised as income when the department gains control of the underlying assets. Where such grants are payable into the consolidated fund, they are reported as administered income. For reciprocal grants, the department is deemed to have assumed control when the performance has occurred under the grant. For non-reciprocal grants, the department is deemed to have assumed control when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

Commonwealth grants are disclosed as income in the schedule of administered items (refer to Note 23).

(j) Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the department's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract. However, guarantees issued by the Treasurer on behalf of the department are financial instruments because, although authorised under statute, the terms and conditions for each financial guarantee may vary and are subject to an agreement.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

Categories of non-derivative financial instruments

Loans and receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans are measured at amortised cost using the effective interest method, less any impairment. Receivables are measured at amortised cost, less any impairment.

The effective interest method calculates the amortised cost of a financial asset and allocates interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or where appropriate, a shorter period.

Loans and receivables include cash and deposits (refer to Note 1(k)), term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method.

Financial instrument liabilities measured at amortised cost include all of the department's contractual payables, deposits held and advances received, and interest-bearing arrangements.

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 intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(k) Financial assets

Cash and deposits

Cash and deposits recognised in the balance sheet, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and highly liquid investments (with a 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.

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as borrowings in the balance sheet.

Receivables

Receivables consist of:

- > contractual receivables, which include mainly debtors in relation to goods and services, loans to health agencies and accrued investment income; and
- > statutory receivables, which include predominantly amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits recoverable.

Receivables that are contractual are classified as financial instruments and categorised as loans and receivables. Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

Receivables owing from the Victorian Government are held by the Department of Treasury and Finance and accrue no interest. Other receivables have normal credit terms, which are generally 30 days.

Receivables are subject to impairment testing as described below. A provision for doubtful receivables is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

For the measurement principle of receivables, refer to Note 1(j).

Investments and other financial assets

The department classifies its investments as loans and receivables.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Any dividend or interest earned on the financial asset is recognised in the comprehensive operating statement as a transaction.

Investments accounted for using the equity method

An associate is an entity over which the department exercises significant influence, but not control.

The investment in the associate is accounted for in the financial statements using the equity method. Under this method, the investment in the associate is recognised at cost on initial recognition, and the carrying amount is increased or decreased in subsequent years to recognise the department's share of the profits or losses of the associate after the date of acquisition. The department's share of the profits or losses is recognised in the department's net result as other economic flows. The share of post-acquisition movements in revaluation surpluses and any other reserves is recognised in both the comprehensive operating statement and the statement of changes in equity. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment, including dividends received or receivable from the associate.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint ventures are joint arrangements whereby the department, via its joint control of the arrangements, has rights to the net assets of the arrangement.

Interests in joint ventures are accounted for in the financial statements using the equity method, as applied to investments in associates and are disclosed as required by AASB 12 *Disclosure of Interest in Other Entities*.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- > the rights to receive cash flows from the asset have expired; or
- > the department retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- > the department has transferred its rights to receive cash flows from the asset and either:
 - (a) has transferred substantially all the risks and rewards of the asset; or
 - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the department has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the department's continuing involvement in the asset.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

Impairment of financial assets

At the end of each reporting period, the department assesses whether there is objective evidence that a financial asset or group of financial assets are impaired. All financial instrument assets are subject to annual review for impairment.

Receivables are assessed for bad and doubtful debts on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. The allowance for doubtful receivables and bad debts not written off by mutual consent are classified as 'other economic flows' in the net result (refer to Note 1(h)). The majority of debts are housing rental debtors. Due to the nature of the debt, long term payment plans have been implemented.

The amount of the allowance is the difference between the financial asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate.

In assessing impairment of statutory (non-contractual) financial assets which are not financial instruments, the department applies professional judgement in assessing materiality and using estimates, averages and computational shortcuts in accordance with AASB 136 *Impairment of Assets*.

(l) Non-financial assets

Inventories

Inventories include goods held for distribution and are measured at the lower of cost and net realisable value.

Non-financial assets classified as held for sale, including disposal group assets

Non-financial physical assets (including disposal group assets), are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

This condition is regarded as met only when:

- > the asset is available for immediate use in the current condition; and
- > the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within twelve months from the date of classification.

Non-financial assets (including disposal groups), and related liabilities and financial assets are measured at the lower of carrying amount and fair value less costs of disposal, and are not subject to depreciation or amortisation.

Property, plant and equipment

All non-financial physical assets 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. More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 11.

The initial cost of non-financial physical assets under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Non-financial physical assets such as Crown land and buildings (including those owned by the Director of Housing) are measured at fair value with regard to the property's highest and best use after due consideration is made of any legal or constructive restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset are not taken into account until it is virtually certain that the restrictions will

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best uses.

The fair value of plant, equipment and vehicles is normally determined by reference to the asset's depreciated replacement cost. For these assets, the existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

Certain assets are acquired under finance leases, which may form part of a service concession arrangement. Refer to Notes 1(n), 1(p) and 1(q) for more information.

For the accounting policy on impairment of non-financial physical assets, refer to impairment of non-financial assets under Note 1(h).

Leasehold improvements

The cost of leasehold improvements is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

Revaluations of non-financial physical assets

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with the Financial Reporting Directions (FRDs) issued by the Minister for Finance. A full revaluation normally occurs every five years, based on the asset's government purpose classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations. Any interim revaluations are determined in accordance with the requirements of the FRDs.

A managerial revaluation of the department's property asset class was undertaken in 2015–16 in accordance with FRD103F which specifies that '...a managerial revaluation will be performed in non-scheduled years, where the cumulative movement in indexed valuations is 'material' (greater than 10%)'. The cumulative movement for the department's land asset class was calculated as being 19.5%, and a revaluation was performed using the indexed valuations provided by the Valuer-General Victoria. The effective date of the valuation is 30 June 2016. The cumulative movement in the department's building asset class was below the 10% threshold needed to trigger an interim managerial revaluation.

Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in 'other economic flows – other comprehensive income' and accumulated in equity under the physical asset revaluation reserve. However, the net revaluation increase is recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decreases are recognised in 'other economic flows – other comprehensive income' to the extent that a credit balance exists in the physical asset revaluation reserve in respect of the same class of property, plant and equipment. Otherwise, the net revaluation decreases are recognised immediately as other economic flows in the net result. The net revaluation decrease recognised in 'other economic flows – other comprehensive income' reduces the amount accumulated in equity under the physical asset revaluation surplus.

Revaluation increases and decreases relating to individual assets within the same class of property, plant and equipment, are offset against one another within that class but are not offset in respect of assets in different classes. The physical asset revaluation reserve is not transferred to accumulated surplus/(deficit) on derecognition of the relevant asset.

The written down replacement cost has been considered as fair value for plant and equipment as at 30 June 2016.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

Non-financial physical assets constructed by the department

The cost of non-financial physical assets constructed by the department includes the cost of all materials used in construction, direct labour on the project, and an appropriate proportion of variable and fixed overheads.

Intangible assets

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated depreciation/amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the department.

When the recognition criteria in AASB138 *Intangible Assets* are met, internally generated intangible assets are recognised and measured at cost less accumulated amortisation and impairment.

Refer to Note 1(g) and Note 1(h).

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; and
- > the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

Other non-financial assets

Prepayments

Other non-financial assets include prepayments which 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.

(m) Liabilities

Payables

Payables consist of:

- > contractual payables, such as accounts payable, and other sundry liabilities. Accounts payable represent liabilities for goods and services provided to the department prior to the end of the reporting period that are unpaid, and arise when the department becomes obliged to make future payments in respect of the purchase of those goods and services; and
- > statutory payables, such as goods and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost (refer to Note 1(j)). Statutory payables 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.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

Borrowings

All interest bearing liabilities are initially recognised at the fair value of the consideration received, less directly attributable transaction costs (refer also to Note 1(n)).

The measurement basis subsequent to initial recognition depends on whether the department has categorised its interest-bearing liabilities as financial liabilities at amortised cost. (Refer to Note 1(j)). Any difference between the initially recognised amount and the redemption value is recognised in the net result over the period of the borrowings using the effective interest rate method.

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.

Provisions

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 reliably measured.

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 discount rates that reflect the time value of money and risks specific to the provision.

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.

Other provisions mainly include a liability for outstanding insurance claims (refer to Note 15), which is independently assessed by an actuary appointed by the Victorian Department of Treasury and Finance.

Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

Salaries and wages, and annual leave

Liabilities for salaries and wages, including non-monetary benefits, and annual leave are recognised in the provision for employee benefits as 'current liabilities' because the department does not have an unconditional right to defer their settlement.

Depending on the expectation of the timing of settlement, liabilities for salaries and wages and annual leave are measured at:

- > nominal value – if the department expects to wholly settle within twelve months; or
- > present value – if the department does not expect to wholly settle within twelve months.

Long service leave

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

Current liability – unconditional long service leave

Unconditional LSL is disclosed as a current liability even where the department does not expect to settle the liability within twelve months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within twelve months.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

The components of this current LSL liability are measured at:

- > nominal value – if the department expects to wholly settle within twelve months; or
- > present value – if the department does not expect to wholly settle within twelve months.

Non-current liability – conditional long service leave

Conditional LSL is disclosed as a non-current liability because 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 (refer to Note 1(h)).

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee decides to accept voluntary redundancy in exchange for these benefits. The department recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve months after the reporting period are discounted to present value.

Superannuation

The department, in respect to former employees of the Director of Housing, is required to pay into the Consolidated Fund an amount to cover the government's contribution to the Government Superannuation Office for the shortfall of superannuation benefits paid to 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. The present value of the unfunded superannuation relates to the Director of Housing's obligation as calculated by the government appointed actuary. The amount expensed in respect of unfunded superannuation represents the contributions made by the department to the superannuation fund, adjusted by the movement in the liability or asset (refer to Note 15(d)).

Employee benefits on-costs

Employee benefits on-costs (such as payroll tax, workers compensation and superannuation) are recognised separately from the provision for employee benefits.

Make-good provisions

Make-good provisions are recognised when the department has contractual obligations to remove leasehold improvements from leased properties and restore the leased premises to their original condition at the end of the lease term. The related expenses of making good such properties are recognised when the leasehold improvements are made.

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.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

(n) Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership.

Leases of property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

Finance leases

Department as lessee

At the commencement of the lease term, finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset and is depreciated over the shorter of the estimated useful life of the asset or the term of the lease.

If there is certainty that the department will obtain ownership of the leased asset by the end of the lease term, the asset shall be depreciated over the useful life of the asset.

Minimum finance lease payments are apportioned between the reduction of the outstanding lease liability, and the periodic finance expense calculated using the interest rate implicit in the lease. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

Operating leases

Department as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of the payments.

In the event that lease incentives are given to the lessee, the aggregate cost of incentives are recognised as a reduction of rental income over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern over which the economic benefit of the leased asset is diminished.

Department as lessee

Operating lease payments, including any contingent rentals, are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives are received to enter into operating leases, the aggregate cost of incentives are recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

(o) Equity

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 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.

(p) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a disclosure note (refer to Note 22) at their nominal value and inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

(q) Service concession arrangements

The department sometimes enters into certain arrangements with private sector participants to design and construct or upgrade assets used to provide public services. These arrangements are typically complex and usually include the provision of operational and maintenance services for a specified period of time. These arrangements are often referred to as either Public Private Partnerships (PPPs) or Service Concession Arrangements (SCAs).

SCAs usually take one of two main forms. In the more common form, the department pays the operator over the period of the arrangement, 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 a lease payment in accordance with the lease policy (refer to Note 1(n)). The remaining components are accounted for as commitments for operating costs which are expensed as they are incurred. Refer to Note 22 for information of significant commitments of the department.

The department has entered into five outsourcing arrangements for public hospitals.

These arrangements are Public Private Partnerships (PPPs) and relate to the building of new facilities for Casey Hospital, the Royal Women's Hospital, the Royal Children's Hospital, the Victorian Comprehensive Cancer Centre and Bendigo Hospital. Each hospital is operated by the public sector. The arrangements are complex and require the department's private sector partners to finance, design, construct and maintain the new hospital buildings, as well as providing some ancillary services for a period of 25 years. In turn the department is required to make monthly or quarterly service payments which are subject to abatement should the services not meet the specified Key Performance Indicators. The general characteristics of these arrangements are comparable to a finance lease. The service payments are predominantly made up of a component for principal and interest related to the private financing of the construction of the hospital facility and a component for facilities maintenance and other services such as security and cleaning.

The department makes quarterly cash payments on behalf of the hospitals which it records as a grant expense to hospitals. The hospitals record and report all of the obligations (including the finance lease

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

liability and operating payments) associated with the project. These arrangements are supported by documentation which records how the parties will collaborate and each party's respective rights and obligations in connection with the project.

There is currently no authoritative accounting guidance applicable to the grantor (the department) on the recognition and measurement of the right of the department to receive assets from such concession arrangements. In the absence of any guidance, there has been no change to existing policy and those assets are not currently recognised by the department. The completed assets and corresponding liabilities are recognised by the health agencies that are party to the agreements.

(r) 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 note (refer to Note 21) and, if quantifiable, are stated at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

(s) Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, except where GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable, to the ATO are presented as operating cash flows.

Commitments are presented inclusive of GST.

(t) Comparative information

Where necessary the previous year's figures have been reclassified to facilitate comparison. Adjustments were made to the comparatives. These are noted throughout the financial statements.

(u) Events after the reporting period

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the department and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for events which occur between the end of the reporting period and the date when the financial statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period that are considered to be of material interest.

(v) Accounting standards and interpretations

Certain accounting standards and interpretations have been published that are not mandatory for the 30 June 2016 reporting period. The Department of Treasury and Finance assesses the impact of these standards and advises departments of their applicability and early adoption where appropriate.

As at 30 June 2016, the following standards and interpretations (applicable to departments) had been issued but were not mandatory for the financial year ended 30 June 2016. The department has not, and does not intend to, adopt these standards early.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 9 <i>Financial Instruments</i>	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (December 2010)	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: <ul style="list-style-type: none"> • The change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI); and • Other fair value changes are presented in profit and loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. 	1 Jan 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. Changes in own credit risk in respect of liabilities designated at fair value through profit and loss will now be presented within other comprehensive income (OCI). Hedge accounting will be more closely aligned with common risk management practices making it easier to have an effective hedge. For entities with significant lending activities, an overhaul of related systems and processes may be needed.
AASB 2014-1 <i>Amendments to Australian Accounting Standards [Part E Financial Instruments]</i>	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1 Jan 2018	This amending standard will defer the application period of AASB 9 to the 2018–19 reporting period in accordance with the transition requirements.
AASB 2014-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.
AASB 14 <i>Regulatory Deferral Accounts</i>	AASB 14 permits first-time adopters of Australian Accounting Standards who conduct rate-regulated activities to continue to account for amounts related to rate regulation in accordance with their previous GAAP.	1 Jan 2016	The assessment has indicated that there is no expected impact, as those that conduct rate-regulated activities have already adopted Australian Accounting Standards.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 15 <i>Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2018	<p>The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.</p> <p>A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.</p>
AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i>	<p>Amends the measurement of trade receivables and the recognition of dividends.</p> <p>Trade receivables, that do not have a significant financing component, are to be measured at their transaction price, at initial recognition.</p> <p>Dividends are recognised in the profit and loss only when:</p> <ul style="list-style-type: none"> • the entity's right to receive payment of the dividend is established; • it is probable that the economic benefits associated with the dividend will flow to the entity; and • the amount can be measured reliably. 	1 Jan 2017, except amendments to AASB 9 (Dec 2009) and AASB 9 (Dec 2010) apply from 1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.
AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 Jan 2018	This amending standard will defer the application period of AASB 15 to the 2018–19 reporting period in accordance with the transition requirements.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2016-3 <i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i>	<p>This Standard amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require:</p> <ul style="list-style-type: none"> • A promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation; • For items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and • For licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access). 	1 Jan 2018	<p>The assessment has indicated that there will be no significant impact for the public sector, other than the impact identified in AASB 15.</p>
AASB 16 <i>Leases</i>	<p>The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.</p>	1 Jan 2019	<p>The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase.</p> <p>Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.</p> <p>The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement.</p> <p>No change for lessors.</p>

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2014-4 <i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation</i> [AASB 116 & AASB 138]	Amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to: <ul style="list-style-type: none"> • establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset; • prohibit the use of revenue-based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset. 	1 Jan 2016	The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation.
AASB 2014-9 <i>Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements</i> [AASB 1, 127 & 128]	Amends AASB 127 <i>Separate Financial Statements</i> to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements.	1 Jan 2016	The assessment indicates that there is no expected impact as the entity will continue to account for the investments in subsidiaries, joint ventures and associates using the cost method as mandated if separate financial statements are presented in accordance with FRD 113A.
AASB 2014-10 <i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> [AASB 10 & AASB 128]	AASB 2014-10 amends AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 <i>Investments in Associates</i> to ensure consistent treatment in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that: <ul style="list-style-type: none"> • a full gain or loss to be recognised by the investor when a transaction involves a business (whether it is housed in a subsidiary or not); and • a partial gain or loss to be recognised by the parent when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. 	1 Jan 2016	The assessment has indicated that there is limited impact, as the revisions to AASB 10 and AASB 128 are guidance in nature.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2015-1 <i>Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle</i> [AASB 1, AASB 2, AASB 3, AASB 5, AASB 7, AASB 11, AASB 110, AASB 119, AASB 121, AASB 133, AASB 134, AASB 137 & AASB 140]	Amends the methods of disposal in AASB 5 <i>Non-current assets held for sale and discontinued operations</i> . Amends AASB 7 <i>Financial Instruments</i> by including further guidance on servicing contracts.	1 Jan 2016	The assessment has indicated that when an asset (or disposal group) is reclassified from 'held to sale' to 'held for distribution', or vice versa, the asset does not have to be reinstated in the financial statements. Entities will be required to disclose all types of continuing involvement the entity still has when transferring a financial asset to a third party under conditions which allow it to derecognise the asset.
AASB 2015-6 <i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities</i> [AASB 10, AASB 124 & AASB 1049]	The Amendments extend the scope of AASB 124 <i>Related Party Disclosures</i> to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities.	1 Jan 2016	The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions.
AASB 2016-4 <i>Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</i>	The standard amends AASB 136 <i>Impairment of Assets</i> to remove references to using depreciated replacement cost (DRC) as a measure of value in use for not-for-profit entities.	1 Jan 2017	The assessment has indicated that there is minimal impact. Given the specialised nature and restrictions of public sector assets, the existing use is presumed to be the highest and best use (HBU), hence current replacement cost under AASB 13 <i>Fair Value Measurement</i> is the same as the depreciated replacement cost concept under AASB 136.

(w) Accounting standards issued and adopted earlier

The Australian Accounting Standards Board issued an amending accounting standard AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value disclosures of Not-for-Profit Public Sector Entities* on 13 July 2015. Even though it was not mandatory for the reporting period 30 June 2015, the Department of Health and Human Services has elected to early adopt and apply AASB 2015-7 before its mandatory application date. The impact of the early adoption results in reduced disclosures relating to quantitative information of 'significant unobservable inputs' and the 'sensitivity analysis' in Note 11(d).

(x) Glossary of terms and style convention

Borrowings

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.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

Capital asset charge

A charge levied on the written-down value of controlled non-current physical assets in a department's balance sheet which aims to: attribute to agency outputs the opportunity cost of capital used in service delivery; and provide incentives to departments to identify and dispose of underutilised or surplus assets in a timely manner.

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Comprehensive result

The comprehensive result is the net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

Controlled item

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.

Effective interest method

The effective interest method is 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

Employee benefits expense 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

Ex-gratia expenses mean the voluntary payment of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

Financial asset

A 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

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

- (d) a contract that will or may be settled in the entity's own equity instruments and is:
- a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial liability

A financial liability is any liability that is:

- (a) A contractual or statutory obligation:
- (i) to deliver cash or another financial asset to another entity; or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- (b) a contract that will or may be settled in the entity's own equity instruments and is:
- (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements

A complete set of financial statements comprise:

- (a) a balance sheet as at the end of the year;
- (b) a comprehensive operating statement for the year;
- (c) a statement of changes in equity for the year;
- (d) a statement of cash flows for the year;
- (e) notes, comprising a summary of significant accounting policies and other explanatory information;
- (f) comparative information in respect of the preceding year as specified in paragraphs 38 of AASB 101 *Presentation of Financial Statements*; and
- (g) a balance sheet as at the beginning of the preceding year when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraph 41 of AASB 101.

Grants and other expense transfers

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.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance.

Interest expense

Costs incurred in connection with the borrowing of funds includes interest on bank overdrafts and short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings, interest components of finance leases repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

Net result

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 result from transactions (net operating balance)

Net result from transactions or net operating balance is a key fiscal aggregate and is income 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.

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'. It includes inventories, land, buildings, plant and equipment, and intangible assets.

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. It includes 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. In simple terms, other economic flows are changes arising from market re-measurements.

Other economic flows – other comprehensive income

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.

The components of other economic flows – other comprehensive income include:

- (a) changes in physical asset revaluation reserve; and
- (b) gains and losses on remeasuring available-for-sale financial assets.

Other operating expenses

Other operating expenses generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the department.

Payables

Includes short and long term accounts payable, grants, taxes and interest payable.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

Receivables

Includes amounts owing from government through appropriation receivable, short and long term accounts receivable, accrued investment income, grants, taxes and interest receivable.

Transactions

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.

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 2015–16 *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.

Note 2. Departmental (controlled) outputs

The Department of Health and Human Services develops and delivers policies, programs and services that support and enhance the wellbeing of all Victorians.

The department achieves these objectives through its service partners and the community by providing services and support to:

- > help Victorians be as healthy as they can be by promoting good health, preventing disease and reducing health inequalities;
- > provide safe integrated patient centred health services for the treatment of illness and disease;
- > deliver best practice health care to all Victorians;
- > provide immediate support to people in crisis, and helping individuals and families to get their lives back on track;
- > improve the lives of individuals, young people, families and communities through building capabilities and resilience, and supporting participation in work, education and the community; and
- > improve the quality of life for Victorians in need through the provision of support services to support people in need to enjoy a positive life.

A description of each departmental output group and their contribution to achieving the department's objective is summarised below:

Output group 1: Acute Health Services

Acute Health Services outputs include a range of timely and high quality acute hospital inpatient, ambulatory, emergency, community-based and specialist services.

Output group 2: Ambulance Services

Ambulance Services outputs include emergency and non-emergency ambulance services.

Output group 3: Mental Health

Mental Health outputs include a range of inpatient, community-based residential and ambulatory services which treat and support people with a mental illness and their families and carers.

Output group 4: Ageing, Aged and Home Care

Ageing, Aged and Home Care outputs encompass leading and coordinating the whole of government policy on issues affecting our ageing community. It includes a range of in home, specialist geriatric, residential care and community based programs, such as Home and Community Care (HACC), that are targeted to older people, people with a disability, and their carers.

Output group 5: Primary, Community and Dental Health

Primary, Community and Dental Health outputs include a range of in home, community based, community, primary health and dental services designed to promote health and wellbeing and prevent the onset of more serious illnesses.

Output group 6: Small Rural Services

Small Rural Services includes a range of health and aged care services delivered in small rural towns. The funding and service delivery approach focuses on achieving a sustainable, flexible service mix that is responsive to local needs. Service providers include small rural hospitals, community health services, bush nursing centres, multi-purpose services and public sector residential aged care services.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 2. Departmental (controlled) outputs (continued)

Output group 7: Public Health

Public Health outputs encompass services and support, including screening for health conditions and safety inspections that promote and protect the health and wellbeing of all Victorians.

Output group 8: Drug Services

Drug Services outputs include programs and services aimed at promoting and protecting health by reducing death, disease and social harm caused by the use and misuse of licit and illicit drugs.

Output group 9: Disability Services

Disability Services outputs include provision of continuing care and support services for people with disabilities, their carers and their families, and aims to make a positive difference for Victorians experiencing disadvantage.

Output group 10: Child Protection and Family Services

Child Protection and Family Services outputs fund statutory child protection services, family support and parenting services, family violence and sexual assault services, adoption and placement care services and specialist support services to ensure the safety and wellbeing of adolescents and children at risk of harm, abuse and neglect.

Output group 11: Youth Services and Youth Justice

Youth Services and Youth Justice outputs fund a range of services including the provision of advice to courts, community-based and custodial supervision and youth services.

Output group 12: Concessions to Pensioners and Beneficiaries

Concessions to Pensioners and Beneficiaries outputs include the development and coordination of the delivery of concessions and relief grants to eligible consumers and concession card holders.

Output group 13: Empowering Individuals and Communities

Empowering Individuals and Communities outputs fund programs that support community participation including Neighbourhood Houses, Men's Sheds, community support projects and community sport and recreation and programs for youth and people with a disability

Output group 14: Housing Assistance

Housing Assistance outputs include the provision of homelessness services, crisis and transitional accommodation and long-term adequate, affordable and accessible housing assistance, coordinated with support services where required, home renovation assistance and the management of the home loan portfolio.

Output group 15: Shared Services

Shared services reflect the range of corporate services that the department provides to the Department of Education and Training.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 2. Departmental (controlled) outputs (continued)

Schedule A – Controlled income and expenses for the year ended 30 June 2016

Output group	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total ⁽ⁱ⁾
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Income from transactions																
Output appropriations	5,378.9	503.1	760.3	1,002.9	385.2	320.1	247.1	91.0	1,694.6	1,000.3	152.5	704.9	200.6	460.4	–	12,901.7
Special appropriations	1,068.5	59.7	43.2	25.4	49.6	9.1	13.8	7.9	63.9	–	–	–	0.1	–	–	1,341.2
Interest income	–	–	–	–	–	–	–	–	–	–	–	–	–	9.4	–	9.4
Rental income	–	–	–	–	–	–	–	–	–	–	–	–	–	476.6	–	476.6
Grants and other income transfers	252.3	–	286.2	0.6	9.7	87.3	63.3	86.7	0.5	3.6	–	–	30.4	13.4	–	834.2
Other income	20.7	0.3	1.3	0.6	0.5	0.8	1.7	–	6.8	2.4	1.3	–	2.0	326.5	2.4	367.3
Fair value of assets and services received free of charge or for nominal consideration	8.6	–	–	–	–	–	–	–	3.0	–	–	–	–	2.0	–	13.6
Total income from transactions	6,729.0	563.1	1,090.9	1,029.5	445.0	417.3	325.8	185.6	1,768.8	1,006.3	153.8	704.9	233.2	1,288.3	2.4	15,943.9
Expenses from transactions																
Employee expenses	83.1	1.3	23.7	23.9	11.5	3.2	39.2	9.2	535.8	266.3	73.1	6.4	15.7	97.5	1.3	1,191.2
Depreciation and amortisation	15.6	–	4.8	2.4	3.7	(0.1)	1.2	0.1	22.0	11.2	6.1	0.1	0.7	212.6	0.2	280.6
Interest expense	–	0.1	0.3	0.3	–	0.1	0.4	–	(0.5)	(0.4)	–	–	–	–	–	0.3
Rates to local authorities	–	–	–	–	–	–	–	–	–	–	–	–	–	116.3	–	116.3
Maintenance	0.5	–	0.1	0.1	–	–	–	–	13.4	4.4	4.9	–	–	176.8	–	200.1
Rental property lease expenses	–	–	–	–	–	–	–	–	–	–	–	–	–	13.2	–	13.2
Tenant utilities and other expenses	–	–	–	–	–	–	–	–	–	–	–	–	–	78.6	–	78.6
Home finance operating costs	–	–	–	–	–	–	–	–	–	–	–	–	–	2.0	–	2.0
Fair value of assets and services provided free of charge or for nominal consideration	2.5	–	–	–	6.4	–	–	–	4.9	–	–	–	–	–	–	13.9
Other operating expenses	112.8	0.9	9.4	16.4	5.4	2.6	60.4	6.3	111.2	83.7	28.8	4.3	6.9	40.1	0.9	490.2
Grants and other expense transfers	5,634.2	520.6	953.9	868.7	361.1	332.1	217.0	162.7	1,036.5	625.4	29.9	694.1	203.1	279.4	–	11,918.6
Capital asset charge	747.7	17.7	65.5	50.8	26.5	35.8	2.5	2.3	38.0	13.1	10.3	–	6.6	–	–	1,016.8
Total expenses from transactions	6,596.4	540.6	1,057.6	962.6	414.5	373.6	320.7	180.6	1,761.5	1,003.7	153.0	704.8	233.0	1,016.5	2.4	15,321.8
Net result from transactions (net operating balance)	132.5	22.4	33.3	66.9	30.5	43.7	5.1	5.0	7.3	2.6	0.8	0.1	0.2	271.8	(0.0)	622.1
Other economic flows included in net result																
Net gain/(loss) on non-financial assets	(0.5)	–	–	–	–	–	0.1	–	(0.8)	1.0	0.2	–	–	0.9	–	0.9
Net gain/(loss) on financial instruments	0.4	–	–	–	–	–	–	–	0.2	–	–	–	–	–	–	0.6
Other gains/(losses) from other economic flows	(3.7)	(0.3)	(0.4)	(0.2)	(0.1)	0.1	(0.4)	(0.1)	(5.7)	(3.4)	(0.9)	(0.1)	(0.2)	(6.7)	–	(22.1)
Total other economic flows included in net result	(3.8)	(0.3)	(0.4)	(0.2)	(0.1)	0.1	(0.3)	(0.1)	(6.3)	(2.4)	(0.7)	(0.1)	(0.2)	(5.8)	–	(20.6)
Net result for the year	128.7	22.1	32.9	66.7	30.4	43.8	4.8	4.9	1.1	0.2	0.0	0.1	(0.0)	266.0	(0.0)	601.5

Note:

(i) Total amount may not agree with Comprehensive Operating Statement due to eliminations.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 2. Departmental (controlled) outputs (continued)

Schedule A – Controlled income and expenses for the year ended 30 June 2015

Output group	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total ⁽ⁱ⁾
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Income from transactions																
Output appropriations	5,075.3	428.9	711.1	962.7	382.0	301.0	268.5	76.6	768.0	447.4	65.5	244.1	51.1	185.9	–	9,968.2
Special appropriations	1,029.7	52.0	47.0	26.2	49.3	10.0	17.4	8.9	32.0	–	–	–	–	–	–	1,272.5
Interest income	–	–	–	–	–	–	–	–	–	–	–	–	–	5.1	–	5.1
Rental income and income from services	–	–	–	–	–	–	–	–	–	–	–	–	–	235.0	–	235.0
Grants and other income transfers	160.2	–	265.1	0.4	9.9	87.5	38.0	78.8	1.1	0.3	–	0.4	8.1	2.9	–	652.8
Other income	62.8	0.3	1.3	0.6	0.5	0.8	1.7	–	4.6	0.9	0.5	–	0.5	5.8	0.9	81.2
Fair value of assets and services received free of charge or for nominal consideration	0.1	–	–	–	–	–	–	–	0.2	–	–	–	–	1.1	–	1.3
Total income from transactions	6,328.1	481.2	1,024.5	989.9	441.7	399.3	325.6	164.4	805.9	448.5	66.0	244.5	59.7	435.7	0.9	12,216.1
Expenses from transactions																
Employee expenses	79.4	2.0	22.3	21.4	10.6	3.2	36.4	8.8	264.4	119.8	34.3	3.1	7.3	48.9	0.4	662.3
Depreciation and amortisation	15.5	–	3.3	2.3	3.9	–	1.1	0.1	10.1	5.4	1.6	0.1	0.3	106.5	–	150.2
Interest expense	–	–	–	–	–	–	–	–	0.3	0.2	–	–	–	10.2	–	10.7
Rates to local authorities	–	–	–	–	–	–	–	–	–	–	–	–	–	56.4	–	56.4
Maintenance	0.1	–	0.1	0.1	–	–	–	–	7.2	2.1	2.3	–	–	105.1	–	117.1
Rental property lease expenses	–	–	–	–	–	–	–	–	–	–	–	–	–	5.4	–	5.5
Tenant utilities and other expenses	–	–	–	–	–	–	–	–	–	–	–	–	–	39.2	–	39.2
Home finance operating costs	–	–	–	–	–	–	–	–	–	–	–	–	–	0.9	–	0.9
Fair value of assets and services provided free of charge or for nominal consideration	0.1	–	0.1	–	–	–	–	–	1.0	–	–	–	(0.1)	–	–	1.0
Other operating expenses	119.5	1.2	12.8	17.2	5.1	2.3	86.6	7.3	59.8	41.8	11.8	2.6	2.9	25.3	0.5	396.5
Grants and other transfers	5,319.7	437.1	907.0	835.9	375.9	322.4	202.6	145.8	490.4	284.3	14.4	307.7	54.5	134.0	–	9,831.7
Capital asset charge	680.4	17.7	63.1	50.8	26.4	35.8	2.5	2.3	18.6	6.3	5.2	–	0.8	–	–	909.6
Total expenses from transactions	6,214.7	458.0	1,008.6	927.7	421.9	363.7	329.2	164.3	851.8	459.9	69.6	313.5	65.7	531.9	0.9	12,181.1
Net result from transactions (net operating balance)	113.4	23.2	15.9	62.4	19.8	35.6	(3.6)	0.1	(44.1)	(11.4)	(3.6)	(69.0)	(6.0)	(96.2)	–	35.0
Other economic flows included in net result																
Net gain/(loss) on non-financial assets	–	–	–	–	–	(0.3)	–	–	0.5	0.4	0.1	–	–	(7.1)	–	(6.4)
Net gain/(loss) on financial instruments	1.3	–	0.2	0.1	0.1	0.1	–	–	–	–	–	–	–	–	–	1.8
Other gains/(losses) from other economic flows	(19.6)	(1.2)	(2.2)	(0.6)	(0.7)	(0.7)	(0.3)	(0.1)	1.2	0.4	0.2	–	–	(3.7)	–	(27.4)
Total other economic flows included in net result	(18.3)	(1.2)	(2.0)	(0.5)	(0.6)	(0.9)	(0.3)	(0.1)	1.8	0.8	0.3	–	–	(10.8)	–	(32.0)
Net result for the year	95.1	22.0	13.9	61.7	19.2	34.7	(3.9)	–	(44.1)	(10.6)	(3.2)	(69.0)	(6.0)	(107.0)	–	3.0

Note:

(i) Total amount may not agree with Comprehensive Operating Statement due to eliminations.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 3. Summary of compliance with annual parliamentary and special appropriations

(a) Summary of compliance with annual parliamentary appropriations

The following tables disclose 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.

	Appropriation Act			Financial Management Act 1994				Total parli- mentary authority \$M	Approp- riation applied \$M	Variance \$M
	Annual approp- riation \$M	Advance from Treasurer \$M	Section 3(2) \$M	Section 29 (iii) \$M	Section 30 (iv) \$M	Section 32 \$M	Section 35 advances \$M			
2016										
Controlled										
Provision of outputs	11,865.5	65.8	–	948.5	105.3	158.9	–	13,144.0	12,901.7	242.3 (i)
Additions to net assets	147.1	–	–	88.5	(105.3)	3.0	–	133.4	89.8	43.6 (ii)
Total	12,012.6	65.8	–	1,037.1	–	161.9	–	13,277.4	12,991.5	285.9

Notes:

- (i) The provision of outputs variance of \$242.3M comprises \$198.5M relating to funding for services and projects that will be sought in 2016–17, and \$43.8M relating to output appropriation authority not applied in 2015–16.
- (ii) The additions to net assets variance of \$43.6M comprises \$17.8M relating to funding for capital projects that will be delivered in 2016–17 and outyears and \$25.7M relating to appropriation authority not applied in 2016–17.
- (iii) Refer to Note 27 for further detail.
- (iv) Transfer from the additions to net assets authority to appropriation for provision of outputs mainly relates to capital projects that are delivered via non portfolio agencies and result in output appropriation costs to the Department of Health and Human Services.

	Appropriation Act			Financial Management Act 1994				Total parli- mentary authority \$M	Approp- riation applied \$M	Variance \$M
	Annual approp- riation \$M	Advance from Treasurer \$M	Section 3(2) \$M	Section 29 (iv) \$M	Section 30 (v) \$M	Section 32 \$M	Section 35 advances \$M			
2015										
Controlled										
Provision of outputs	9,292.5 (i)	–	–	875.8	18.4	101.0	–	10,287.7	9,968.2	319.5 (ii)
Additions to net assets	147.5 (i)	–	–	140.2	(18.4)	128.2	–	397.5	278.7	118.8 (iii)
Total	9,440.0	–	–	1,016.0	–	229.2	–	10,685.2	10,246.9	438.3

Notes:

- (i) Significant annual appropriation was transferred to the new Department of Health and Human Services as a result of machinery of government change effective 1 January 2015.
- (ii) The Provision of outputs variance comprises \$159M relating to funding for services and projects that will be sought in 2015–16, and \$160.5M relating to output appropriation authority not applied in 2014–15.
- (iii) The additions to net assets variance of \$118.9M comprises \$73.8M relating to funding for capital projects that will be delivered in 2015–16 and onwards and \$45.1M appropriation authority not applied in 2014–15.
- (iv) Refer to Note 27 for further detail.
- (v) Transfer from the additions to net assets authority to appropriation for provision of outputs mainly relates to capital projects that are delivered via non-portfolio agencies and result in output appropriation costs to the Department of Health and Human Services.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 3. Summary of compliance with annual parliamentary and special appropriations (continued)

(b) Summary of compliance with special appropriations

Authority	Purpose	Appropriation applied	
		2016 \$M	2015 \$M
Section 4.4.11 and 4.6.8 of the <i>Gambling Regulation Act No. 114 of 2003</i>	Contribution to the Hospitals and Charities fund	54.8	59.0
Section 5.4.6 of <i>Gambling Regulation Act No. 114 of 2003</i>	Contribution to the Hospitals and Charities fund and Mental Hospitals Fund	422.6	369.4
Section 114 of the <i>Casino Control Act No. 47 1991</i>	Contribution to the Hospitals and Charities fund	18.3	18.7
Section 3.6.11 of <i>Gambling Regulation Act No. 114 of 2003</i>	Contribution to the Hospitals and Charities fund	840.0	816.8
Section 6A.4.4(1) of <i>Gambling Regulation Act No 114 of 2003</i>	Contribution to the Hospitals and Charities fund	4.7	4.1
Section 10 of the <i>Financial Management Act 1994</i>	Access to various Commonwealth grants – provision of outputs	0.8	4.5
Total special appropriations		1,341.2	1,272.5
Section 10 of the <i>Financial Management Act 1994</i>	Access to various Commonwealth grants – ATNAB	17.8	17.3
Total		1,359.0	1,289.8

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 4. Income from transactions

	2016 \$M	2015 \$M
(a) Interest income		
Interest from financial assets:		
– Interest on short term deposits	8.4	4.7
– Interest from loans	1.0	0.4
Total interest income	9.4	5.1
(b) Rental income and income from services		
Rental income raised	938.8	458.9
Rents not received through vacancy	(8.4)	(4.0)
Rental rebates	(452.1)	(219.3)
Rental subsidies – welfare organisations	(9.2)	(4.3)
Shared Home Ownership Scheme – rent raised	2.2	1.1
Total net rent receivable	471.2	232.4
Total user charges – rental properties	5.0	2.4
Rendering of services	0.4	0.2
Total rental income and income from services	476.6	235.0
(c) Grants and other income transfers		
Department of Treasury and Finance	65.9	43.8
Department of Education and Training	0.3	–
Department of Economic Development Jobs Transport and Resources	27.3	2.0
Department of Justice and Regulation	19.1	3.4
Department of Premier and Cabinet	1.8	0.2
Department of Health and Human Services	–	3.2
Other state departments	12.8	6.1
Commonwealth Government	698.7	586.9
Victoria Police	–	0.1
Other public bodies	6.1	7.1
Total grants and other income transfers	832.0	652.8
(d) Other income		
State trust accounts	31.4	23.6
Interstate patients	9.3	51.6
Other ⁽ⁱ⁾	326.5	6.0
Total other income	367.2	81.2
(e) Fair value of assets and services received free of charge or for nominal consideration		
Land received at fair value	1.5	0.3
Buildings received at fair value	4.5	–
Resources received free of charge	5.5	0.2
Total fair value of assets and services received free of charge or for nominal consideration	11.6	0.5

Note:

(i) Other income of \$314.8M relates to the Housing loan forgiveness, see Note 13(iii).

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 5. Expenses from transactions

	2016 \$M	2015 \$M
(a) Employee expenses		
Post employment benefits		
– Defined contribution superannuation expense	75.3	41.7
– Defined benefit superannuation expense	13.3	10.2
	88.7	51.9
Termination benefits	2.3	0.5
Salaries and wages	1,100.3	609.9
Total employee expenses	1,191.2	662.3
(b) Depreciation and amortisation		
Buildings		
– Health and Welfare	36.2	27.9
– Public Administration	0.6	0.3
– Youth Justice	3.4	0.5
– Community Housing	197.3	97.6
Plant, equipment and vehicles		
– Health and Welfare	5.8	2.7
– Community Housing	0.2	0.1
Intangible assets		
– Health and Welfare	6.8	4.7
– Community Housing	17.3	8.8
Motor vehicles under finance lease		
– Health and Welfare	15.4	7.6
– Community Housing	–	–
Aggregate depreciation and amortisation allocated	282.8	150.2
Less depreciation and amortisation capitalised to carrying amount of other assets during the year	(2.1)	–
Total depreciation and amortisation	280.7	150.2
(c) Interest expense		
Finance lease costs	0.7	0.5
Interest on borrowings	(0.5)	–
DTF debt liability interest expense	–	10.2
Total interest expense	0.3	10.7
(d) Fair value of assets and services provided free of charge or for nominal consideration		
Land at fair value	5.0	–
Buildings at fair value	1.3	–
Resources given free of charge	5.5	0.2
Total fair value of assets and services provided free of charge or for nominal consideration	11.9	0.2
(e) Other operating expenses		
Accommodation and property services	77.9	50.3
Administrative costs	188.9	164.1
Information, communications and technology costs	118.0	91.3
Medicines and drugs/pharmacy supplies	40.0	58.7
Direct care operating costs	62.5	30.6
Ex-gratia expense	2.8	1.5
Total other operating expenses	490.2	396.5

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 5. Expenses from transactions (continued)

	2016 \$M	2015 \$M
(f) Grants and other expense transfers		
State contributions to the Administrator of the Victoria Health Funding Pool	4,090.9	3,941.5
Public hospitals		
Monash Health	351.3	210.0
Melbourne Health	214.6	171.0
Eastern Health	172.3	175.6
Dental Health Services Victoria	165.2	179.4
Alfred Health	149.3	144.9
Albury Wodonga Health	124.2	117.0
Austin Health	112.6	95.8
Barwon Health	111.3	130.3
Ballarat Health Services	110.5	86.8
Peninsula Health	97.3	108.5
Bendigo Health Care Group	85.2	80.6
Peter MacCallum Cancer Centre	75.9	154.6
Western Health	66.6	66.3
Latrobe Regional Hospital	58.4	41.9
The Royal Children's Hospital	57.9	55.3
Northern Health	55.1	40.3
The Royal Women's Hospital	46.7	43.8
Goulburn Valley Health	39.3	44.6
South West Healthcare	38.2	27.9
The Royal Victorian Eye and Ear Hospital	20.5	30.8
West Wimmera Health Service	20.0	17.9
Swan Hill District Health	18.9	12.2
East Wimmera Health Service	15.6	14.9
Djerriwarrh Health Services	14.7	11.1
Western District Health Service	14.3	13.1
Alpine Health	13.8	13.9
Seymour Health	13.6	15.3
Hepburn Health Service	13.0	12.6
Bass Coast Health	12.4	10.7
Kilmore and District Hospital	12.2	15.4
Wimmera Health Care Group	11.6	10.4
Northeast Health Wangaratta	11.5	11.8
Yarrawonga Health	11.3	10.4
Boort District Health	11.1	4.5
West Gippsland Healthcare Group	10.8	9.0
Rural Northwest Health	10.4	10.8
Other public hospitals with payments totalling less than \$10M	285.8	264.0
	6,744.3	6,405.1
Denominational hospitals		
St Vincent's Hospital Melbourne Limited	104.2	102.0
Mercy Public Hospitals Incorporated	35.2	31.0
Other denominational hospitals with payments totalling less than \$10M	6.4	7.2
	145.7	140.2
Ambulance services		
Ambulance Victoria	492.8	469.0
	492.8	469.0

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 5. Expenses from transactions (continued)

	2016 \$M	2015 \$M
(f) Grants and other expense transfers (continued)		
Other state government agencies		
Victorian Institute of Forensic Mental Health	45.9	44.4
Victorian Health Promotion Foundation	37.7	37.3
Health Purchasing Victoria	13.0	13.0
Other state government agencies with payments totalling less than \$10M	20.8	20.2
	117.4	114.9
Local councils		
City of Greater Bendigo	21.1	7.5
City of Greater Geelong	16.4	13.9
City of Kingston	15.1	13.8
Casey City Council	12.9	11.5
City of Greater Dandenong	11.0	10.5
Other local councils with payments totalling less than \$10M	273.3	235.6
	349.8	292.8
Commonwealth Government		
National Disability Insurance Agency	73.8	17.2
	73.8	17.2
Non-government agencies and individuals		
Royal District Nursing Service	98.2	97.1
National Blood Authority	94.9	89.1
Uniting Church in Australia Property Trust (Victoria)	83.6	51.1
Anglicare Victoria	78.3	35.4
Yooralla	77.3	36.6
Salvation Army Property Trust	73.9	41.5
Berry Street Victoria Incorporated	72.0	33.9
Moira Inc	65.8	30.7
Scope Vic Ltd	64.6	30.0
MacKillop Family Services Limited	46.2	21.0
Wesley Mission Victoria	42.7	23.2
Breastscreen Victoria Inc	42.4	41.6
CoHealth Ltd	41.7	45.0
Eastern Access Community Health Inc	37.8	29.1
Melbourne City Mission	35.8	19.2
Geelong Football Club	35.5	1.5
Launch Housing	30.9	16.0
Australian Community Support Organisation	28.5	20.2
Latrobe Community Health Service	26.6	22.9
Villa Maria Society	24.6	13.9
YSAS Pty Ltd	23.3	16.6
Isis Primary Care Ltd	22.9	20.5
Nearmi Limited	22.4	20.5
Victorian Aboriginal Child Care Agency	21.1	9.9
MIND Australia	20.7	18.3
Oncall Personnel	20.2	9.8
Inner South Community Health Service	19.9	18.6
Cricket Victoria	19.1	0.0
St John of God Health Care	18.8	9.7
The University of Melbourne	18.8	16.9
Vision Australia	18.5	9.7

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 5. Expenses from transactions (continued)

	2016 \$M	2015 \$M
(f) Grants and other expense transfers (continued)		
EW Tipping Foundation Inc	18.2	8.4
Victorian Person Centred Services	17.2	9.5
Merri Community Health Services Limited	16.6	15.1
Victorian Cytology Service Inc	15.3	16.7
Care Connect Limited	14.7	11.2
Women's Health Victoria Inc	14.1	9.8
Wayss Ltd	13.9	6.4
The Walter and Eliza Hall Institute of Medical Research	13.6	0.8
Mecwacare	13.4	11.7
OzChild (Children Australia Inc)	13.4	7.2
Kindilan Society	13.0	6.1
Child and Family Services Ballarat	12.8	5.7
Cancer Council Victoria	12.6	14.4
Melba Support Services	11.9	4.8
Odyssey House	11.8	8.9
Karingal	11.7	6.1
Wallara Australia	11.5	5.5
Barwon Child Youth and Family	11.5	5.4
Loddon Mallee Housing Services	11.2	5.6
Plenty Valley Community Health	11.2	8.4
St Vincent de Paul Society Victoria	11.2	6.4
Gippsland Lakes Community Health	11.1	8.2
Mental Illness Fellowship Victoria	11.0	10.0
Annecto	10.9	5.7
Independence Australia	10.9	3.9
Ovens and King Community Health Service	10.4	0.9
Central Bayside Community Health Service	10.4	8.4
Maccallum Disability Services	10.3	4.8
Mildura Aboriginal Corporation	10.2	5.8
Client/Assistance Payments to individuals	667.5	296.5
Other non-government agencies with payments totalling less than \$10M	1,632.4	1,024.7
	3,992.8	2,392.5
Total grants and other expense transfers	11,916.6	9,831.7

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 6. Other economic flows included in net result

	2016 \$M	2015 \$M
(a) Net gain/(loss) on non-financial assets		
Revenue from disposal of non-financial physical assets		
Land	58.4	32.6
Buildings	83.0	9.6
Shared home ownership scheme	1.9	1.0
Miscellaneous assets	14.6	6.4
Total revenue from disposal of non-financial physical assets	157.8	49.6
Costs on disposal of non-financial physical assets		
Land	57.0	26.5
Buildings	81.3	22.8
Shared home ownership scheme	1.8	0.9
Community services properties	1.3	0.4
Miscellaneous assets	15.5	5.6
Total costs on disposal of non-financial physical assets	156.9	56.2
Net gain/(loss) on non-financial assets	0.9	(6.4)
(b) Net gain/(loss) on financial instruments		
Net gain/(loss) on financial instruments and statutory receivables/payables	0.6	1.8
Total net gain/(loss) on financial instruments	0.6	1.8
(c) Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	(18.2)	(27.4)
Revaluation and adjustments of insurance claims	3.2	3.9
Bad debt expenses	(7.1)	(3.9)
Total other gains/(losses) from other economic flows	(22.1)	(27.4)

Note 7. Cash and deposits

	2016 \$M	2015 \$M
Short term deposits ⁽ⁱ⁾	62.6	193.2
Cash at bank	27.3	14.6
Funds held in trust	141.0	161.5
Cash advances	(0.1)	0.1
Total cash and deposits	230.8	369.4

Note:

- (i) Cash and short-term deposits are committed to a number of significant projects and are expected to be expensed in 2016–17 (as disclosed in Note 22).

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 8. Receivables

	2016 \$M	2015 \$M
Current receivables		
<i>Contractual</i>		
Tenants in arrears	12.1	13.5
Other receivables	62.8	71.5
<i>Less provision for doubtful contractual receivables</i>	(5.3)	(6.2)
	69.7	78.8
<i>Statutory</i>		
Amounts owing from Victorian Government ⁽ⁱ⁾	949.9	591.5
GST input tax credit recoverable	36.8	42.1
	986.8	633.6
Total current receivables	1,056.4	712.4
Non-current receivables		
<i>Contractual</i>		
Tenants in arrears	0.6	1.1
<i>Less provision for doubtful contractual receivables</i>	(0.3)	(0.5)
	0.3	0.6
<i>Statutory</i>		
Amounts owing from Victorian Government ⁽ⁱ⁾	1,614.3	1,367.4
Total non-current receivables	1,614.6	1,368.0
Total receivables	2,671.0	2,080.4

Note:

- (i) The amounts recognised from the Victorian Government represent funding for all commitments incurred through the appropriations and are drawn from the Consolidated Fund as the commitments fall due.

(a) Movement in the provision for doubtful contractual receivables

	2016 \$M	2015 \$M
Balance at beginning of the year	(6.7)	(0.1)
(Increase)/decrease in allowance recognised in net result	1.1	(6.6)
Balance at the end of the year	(5.6)	(6.7)

(b) Ageing analysis of contractual receivables

Refer to Note 17 for the ageing analysis of contractual receivables.

(c) Nature and extent of risk arising from contractual receivables

Refer to Note 17 for the nature and extent of credit risk arising from contractual receivables.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 9. Loans

	2016 \$M	2015 \$M
Current loans		
<i>Contractual</i>		
Fixed interest home loans	1.5	2.1
Indexed interest home loans	9.6	9.8
Variable interest home loans	0.2	0.2
Other loans	7.1	3.6
Total current loans	18.4	15.7
Non-current loans		
<i>Contractual</i>		
Fixed interest home loans	1.5	1.5
Indexed interest home loans	9.8	11.8
Community housing loans	20.2	20.2
Other loans	33.3	31.3
Total non-current loans	64.9	64.8
Less provision for return of equity	(0.1)	(0.1)
Less provision for doubtful contractual loans		
Fixed interest home loans	(0.1)	(0.1)
Indexed interest home loans	(0.2)	(0.3)
Total loans	82.9	80.0

(a) Movement in the provision for doubtful contractual loans

	2016 \$M	2015 \$M
Balance at the beginning of the year	(0.4)	–
(Increase)/decrease in allowance recognised in net result	–	(0.4)
Balance at the end of the year	(0.3)	(0.4)

(b) Ageing analysis of contractual loans

Refer to Note 17 for the ageing analysis of contractual loans.

(c) Nature and extent of risk arising from contractual loans

Refer to Note 17 for the nature and extent of credit risk arising from contractual loans.

(d) Defaults and breaches

During the current and prior year, there were no defaults and breaches of any of the loans.

(e) Securities on loan portfolio

The majority of loans are secured by a registered mortgage. However there are a small number of loans that are terms contracts of sale. The title remains in the name of the vendor, Director of Housing as successor in title to the Housing Commission, until the amount owing under the contract of sale is paid in full. Some mortgage relief and home renovation loans are subject to an unregistered mortgage with a caveat on the title noting the Director of Housing as having an interest in the property. The current Home Renovation Service loan program does not require security for loans of \$10,000 or less.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 10. Non-financial physical assets classified as held for sale

	2016 \$M	2015 \$M
Non-financial physical assets classified as held for sale		
Buildings held for sale	2.0	–
Land held for sale	23.7	–
Plant, equipment and vehicles	0.6	1.0
Total non-financial physical assets classified as held for sale	26.3	1.0
Movements in carrying amounts		
Balance at beginning of the year	1.0	0.1
Transfers from property, plant and equipment	27.7	1.0
Disposals	(2.3)	(0.1)
Balance at end of the year	26.3	1.0

(a) Fair Value measurement of non-financial physical assets held for sale

	Carrying amount \$M	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾ \$M	Level 2 ⁽ⁱ⁾ \$M	Level 3 ⁽ⁱ⁾ \$M
2016				
Land held for sale				
Specialised land	23.7	–	0.2	23.5
Total land at fair value held for sale	23.7	–	0.2	23.5
Buildings held for sale				
Specialised building	2.0	–	2.0	–
Total buildings held for sale	2.0	–	2.0	–
Motor vehicles held for sale				
Motor vehicles under finance lease	0.6	–	–	0.6
Total motor vehicles held for sale	0.6	–	–	0.6
2015				
Motor vehicles held for sale				
Motor vehicles under finance lease	1.0	–	–	1.0
Total motor vehicles held for sale	1.0	–	–	1.0

Note:

(i) Classified in accordance with the fair value hierarchy, see Note 1(b).

There have been no transfers between levels during the period.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 11. Property, plant and equipment – carrying amounts – classification by purpose group

Sub-classification by nature ⁽ⁱ⁾	Health and Welfare		Youth Justice		Community Housing		Public Administration		Total	
	2016 \$M	2015 \$M	2016 \$M	2015 \$M	2016 \$M	2015 \$M	2016 \$M	2015 \$M	2016 \$M	2015 \$M
Land at fair value										
Rental property	–	–	–	–	14,298.9	12,007.2	–	–	14,298.9	12,007.2
Community services	775.5	673.4	86.1	86.0	–	–	6.6	6.5	868.2	765.9
<i>Less allowance for Shared Home Ownership Scheme equity conversion</i>	–	–	–	–	(3.9)	(3.8)	–	–	(3.9)	(3.8)
Total land at fair value	775.5	673.4	86.1	86.0	14,295.0	12,003.4	6.6	6.5	15,163.2	12,769.3
Buildings at fair value										
Rental property	–	–	–	–	8,855.5	8,739.2	–	–	8,855.5	8,739.2
Other property – regional offices	–	–	–	–	3.5	3.5	–	–	3.5	3.5
Community services	756.0	721.9	126.6	123.6	–	–	14.7	14.6	897.3	860.1
<i>Less accumulated depreciation</i>	(88.7)	(53.0)	(3.5)	(0.1)	(292.3)	(96.3)	(0.8)	(0.3)	(385.3)	(149.7)
<i>Less allowance for Shared Home Ownership Scheme equity conversion</i>	–	–	–	–	(1.9)	(1.9)	–	–	(1.9)	(1.9)
Total buildings at fair value	667.3	668.9	123.2	123.5	8,564.7	8,644.5	13.9	14.3	9,369.0	9,451.2
Plant, equipment and vehicles at fair value										
Plant, equipment and vehicles	42.7	31.0	1.0	0.7	2.0	0.5	–	–	45.7	32.2
<i>Less accumulated depreciation</i>	(29.4)	(22.2)	(0.2)	–	(0.3)	(0.1)	–	–	(29.8)	(22.3)
	13.3	8.8	0.8	0.7	1.8	0.4	–	–	15.8	9.9
Motor vehicles under finance lease	46.3	48.9	–	–	–	–	–	–	46.3	48.9
<i>Less accumulated depreciation</i>	1.0	(2.1)	–	–	–	–	–	–	1.0	(2.1)
	47.4	46.8	–	–	–	–	–	–	47.4	46.8
Total plant, equipment and vehicles at fair value	60.6	55.6	0.8	0.7	1.8	0.4	–	–	63.2	56.7
Assets under construction at cost										
Rental property	–	–	–	–	70.2	54.5	–	–	70.2	54.5
Other property	20.0	15.7	3.6	–	0.4	–	–	0.1	24.0	15.8
Total assets under construction at cost	20.0	15.7	3.6	–	70.6	54.5	–	0.1	94.2	70.3
Net carrying amount of property, plant and equipment	1,523.4	1,413.6	213.7	210.2	22,932.0	20,702.8	20.5	20.9	24,689.6	22,347.5

Note:

- (i) Property, plant and equipment are classified primarily by the purpose for which the assets are used, according to one of six purpose groups based upon Government Purpose Classifications. All assets within a purpose group are further sub-categorised according to the assets' nature (for example, buildings, plant and equipment, etc), with each sub-category being classified as a separate class of asset for financial reporting purposes.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 11. Property, plant and equipment (continued)

(a) Reconciliations of the movement in carrying amounts of each class of property, plant and equipment at the beginning and end of the financial year are set out below.

Movements in carrying amounts – Health and Welfare purpose group

	Land at fair value \$M	Buildings at fair value \$M	Plant, equipment and vehicles at fair value \$M	Assets under construction at cost \$M	Total \$M
Balance at 1 July 2014	312.6	327.3	7.6	8.9	656.4
Machinery of Government transfer in ⁽ⁱ⁾	356.6	339.4	49.2	13.9	759.1
Additions	5.1	0.4	15.5	28.0	49.0
Disposals	(0.4)	–	(5.6)	–	(6.0)
Depreciation and amortisation	–	(27.9)	(10.3)	–	(38.2)
Assets received free of charge	–	–	0.2	–	0.2
Assets given free of charge	(0.5)	(0.3)	(0.1)	–	(0.9)
Transfers to assets held for sale	–	–	(0.9)	–	(0.9)
Transfer between classes	–	30.0	–	(35.1)	(5.1)
Balance at 1 July 2015	673.4	668.9	55.6	15.7	1,413.6
Capital contributed from asset transfers	1.6	0.3	–	–	1.9
Additions	5.1	1.8	35.6	34.7	77.3
Disposals	(1.2)	–	(12.2)	–	(13.5)
Net revaluation increments/(decrements)	122.7	(0.1)	–	–	122.6
Depreciation and amortisation	–	(36.2)	(21.1)	–	(57.2)
Assets received free of charge	1.5	4.5	2.7	–	8.7
Assets given free of charge	(5.0)	(1.3)	(0.4)	–	(6.8)
Transfer in/out of assets under construction	1.0	29.4	–	(30.4)	–
Transfers (to)/from assets held for sale	(23.5)	–	0.3	–	(23.2)
Balance at 30 June 2016	775.5	667.3	60.5	20.0	1,523.4

Movements in carrying amounts – Youth Justice purpose group

	Land at fair value \$M	Buildings at fair value \$M	Plant, equipment and vehicles at fair value \$M	Assets under construction at cost \$M	Total \$M
Balance at 1 July 2014	–	–	–	–	–
Machinery of Government transfer in ⁽ⁱ⁾	58.1	38.8	0.6	50.9	148.4
Additions	–	–	0.1	7.5	7.6
Net revaluation increments/(decrements) ⁽ⁱⁱ⁾	27.9	26.8	–	–	54.7
Depreciation and amortisation	–	(0.5)	–	–	(0.5)
Transfers from/(to) other purpose groups	–	58.4	–	(58.4)	–
Balance at 1 July 2015	86.0	123.5	0.7	–	210.2
Additions	–	3.1	0.2	3.6	6.8
Net revaluation increments/(decrements)	0.1	–	–	–	0.1
Depreciation and amortisation	–	(3.4)	(0.1)	–	(3.5)
Balance at 30 June 2016	86.1	123.2	0.8	3.6	213.7

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 11. Property, plant and equipment (continued)

(a) Reconciliations of the movement in carrying amounts of each class of property, plant and equipment at the beginning and end of the financial year are set out below. (continued)

Movements in carrying amounts – Community Housing purpose group

	Land at fair value \$M	Buildings at fair value \$M	Plant, equipment and vehicles at fair value \$M	Assets under construction at cost \$M	Total \$M
Balance at 1 July 2014	–	–	–	–	–
Machinery of Government transfer in ⁽ⁱ⁾	12,024.2	8,613.6	0.5	112.9	20,751.2
Additions	–	–	–	93.5	93.5
Disposals	(26.9)	(23.1)	–	–	(50.0)
Net revaluation increments/(decrements)	5.5	(0.8)	–	–	4.7
Depreciation and amortisation	–	(97.6)	(0.1)	–	(97.7)
Transfers between classes	(0.1)	152.0	–	(151.9)	–
Assets received free of charge	0.7	0.4	–	–	1.1
Balance at 1 July 2015	12,003.4	8,644.5	0.4	54.5	20,702.8
Additions	–	–	1.6	222.9	224.4
Disposals	(56.9)	(82.1)	–	–	(139.0)
Net revaluation increments/(decrements)	2,347.9	(2.0)	–	–	2,345.9
Depreciation and amortisation	–	(197.3)	(0.2)	–	(197.4)
Transfer in/out of assets under construction	0.9	205.9	–	(206.8)	–
Transfers to assets held for sale	(0.2)	(4.3)	–	–	(4.5)
Transfers to provision for equity reduction	(0.2)	(0.1)	–	–	(0.2)
Balance at 30 June 2016	14,295.0	8,564.7	1.8	70.6	22,932.0

Movements in carrying amounts – Public Administration purpose group

	Land at fair value \$M	Buildings at fair value \$M	Plant, equipment and vehicles at fair value \$M	Assets under construction at cost \$M	Total \$M
Balance at 1 July 2014	–	–	–	–	–
Machinery of Government transfer in ⁽ⁱ⁾	6.5	14.6	–	0.1	21.2
Depreciation and amortisation	–	(0.3)	–	–	(0.3)
Balance at 1 July 2015	6.5	14.3	–	0.1	20.9
Net revaluation increments/(decrements)	0.1	–	–	–	0.1
Depreciation and amortisation	–	(0.6)	–	–	(0.6)
Transfer in/out of assets under construction	–	0.1	–	(0.1)	–
Balance at 30 June 2016	6.6	13.9	–	–	20.5

Notes:

- (i) The Machinery of Government transfer in represents the carrying amounts of assets transferred to the department from the Department of Human Services and the carrying amounts of assets relating to Sports and Recreation Victoria from the Department of Transport, Planning and Local Infrastructure as at 1 January 2015.
- (ii) A fair valuation has taken place as at 30 June 2015 for the youth justice purpose group in accordance with AASB 13. The department has engaged the Valuer-General of Victoria as its independent valuation agency.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 11. Property, plant and equipment (continued)

(b)(i) Fair Value measurement hierarchy for assets as at 30 June 2016

	Carrying amount \$M	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾ \$M	Level 2 ⁽ⁱ⁾ \$M	Level 3 ⁽ⁱ⁾ \$M
Land at fair value				
Non-specialised land	14,636.4	–	14,632.0	4.4
Specialised land	526.9	–	55.5	471.4
Total land at fair value	15,163.2	–	14,687.4	475.8
Buildings at fair value				
Non-specialised building	8,794.8	–	8,794.4	0.4
Specialised building	562.2	–	1.0	561.1
Total buildings at fair value	9,357.0	–	8,795.4	561.6
Plant, equipment and vehicles at fair value				
Plant and equipment	14.1	–	–	14.1
Motor vehicles	1.8	–	–	1.8
Total plant, equipment and vehicles at fair value	15.8	–	–	15.8

(b)(ii) Fair Value measurement for assets as at 30 June 2015

	Carrying amount \$M	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾ \$M	Level 2 ⁽ⁱ⁾ \$M	Level 3 ⁽ⁱ⁾ \$M
Land at fair value				
Non-specialised land	12,290.2	–	12,286.6	3.6
Specialised land	479.0	–	49.1	429.9
Total land at fair value	12,769.2	–	12,335.7	433.5
Buildings at fair value				
Non-specialised building	8,871.7	–	8,871.2	0.5
Specialised building	556.3	–	1.1	555.2
Total buildings at fair value	9,428.0	–	8,872.3	555.7
Plant, equipment and vehicles at fair value				
Plant and equipment	8.6	–	–	8.6
Motor vehicles	1.3	–	–	1.3
Total plant, equipment and vehicles at fair value	9.9	–	–	9.9

Note:

(i) Classified in accordance with the fair value hierarchy, see Note 1(b). The department, in conjunction with Victorian Valuer-General, monitors the changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

\$2.3 million of non-specialised land has been transferred from Level 3 to Level 2 following asset consolidation and revaluation in 2015–16, see Note 11(c).

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 11. Property, plant and equipment (continued)**Non-specialised land and non-specialised buildings**

Non-specialised land and non-specialised buildings are generally valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value. Non-specialised buildings, where there was no active market, have been valued using the depreciated replacement cost (DRC) approach.

A managerial revaluation of the department's land asset class was undertaken in 2015–16 in accordance with FRD103F which specifies that '...a managerial revaluation will be performed in non-scheduled years, where the cumulative movement in indexed valuations is 'material' (greater than 10%)'. The cumulative movement for the department's property asset class was calculated as being 19.5%, and a revaluation was performed using the indexed valuations provided by the Victorian Valuer-General. The effective date of the valuation is 30 June 2016. The cumulative movement in the department's building asset class was below the 10% threshold needed to trigger an interim managerial revaluation.

Director of Housing land and buildings are held in Level 2 as it is considered that each residential dwelling assessed has an active and liquid market, if not for its ownership and on-going use by the Department of Health and Human Services for housing purposes. As such, the market value of each residential asset has been determined by having regard to its highest and best use.

Specialised land and specialised buildings

The market approach is used for specialised land, although may be adjusted for a community service obligation (CSO). The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land with a CSO adjustment would be classified as Level 3 assets.

For the majority of the department's specialised buildings, the DRC method is used. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings using the DRC valuation method are classified as Level 3 fair value measurements. Where the valuer has used a market approach to value specialised buildings, these are classified as Level 2 fair value measurements.

An independent valuation of the departments' specialised land and specialised buildings was performed by the Valuer-General Victoria in June 2014 using either the market approach or the DRC approach.

A managerial revaluation of the department's property asset class was undertaken in 2015–16 in accordance with FRD103F which specifies that '...a managerial revaluation will be performed in non-scheduled years, where the cumulative movement in indexed valuations is 'material' (greater than 10%)'. The cumulative movement for the department's property asset class was calculated as being 19.5%, and a revaluation was performed using the indexed valuations provided by the Victorian Valuer-General. The effective date of the valuation is 30 June 2016. The cumulative movement in the department's building asset class was below the 10% threshold needed to trigger an interim managerial revaluation.

Vehicles

Vehicles are valued using the depreciated replacement cost method. The department acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is predominantly 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

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2016.

For all assets measured at fair value, the current use is considered the highest and best use.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 11. Property, plant and equipment (continued)

(c) Reconciliation of Level 3 fair value as at 30 June 2016

	Non-specialised land \$M	Specialised land \$M	Non-specialised buildings \$M	Specialised buildings \$M	Plant and equipment \$M	Motor vehicles \$M	Total \$M
Balance at 1 July 2015	3.6	429.9	0.5	555.2	8.6	1.3	999.1
Equity transfer from another department	–	1.6	–	0.3	–	–	1.9
Additions	–	22.7	–	28.0	11.4	1.0	63.1
Disposals	–	–	–	–	(0.3)	(0.1)	(0.4)
Transfer between classes	–	(23.5)	–	–	–	–	(23.5)
Transfers in/(out) of Level 3	–	2.3	–	–	–	–	2.3
Gains or losses recognised in net result							
Depreciation	–	–	–	(24.4)	(5.5)	(0.5)	(30.4)
Impairment loss	–	–	–	–	–	–	–
Assets received free of charge	–	1.5	–	4.5	–	–	6.0
Assets given free of charge	–	(5.0)	–	(1.3)	–	–	(6.3)
Subtotal	–	(3.5)	–	(21.2)	(5.5)	(0.5)	(30.7)
Gains or losses recognised in other economic flows – other comprehensive income							
Net revaluation increments/(decrements)	0.8	41.9	–	(1.2)	–	–	41.5
Subtotal	0.8	41.9	–	(1.2)	–	–	41.5
Balance at 30 June 2016	4.4	471.4	0.5	561.1	14.1	1.8	1,053.2

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 11. Property, plant and equipment (continued)

(c) Reconciliation of Level 3 fair value as at 30 June 2015

	Non-specialised land \$M	Specialised land \$M	Non-specialised buildings \$M	Specialised buildings ⁽ⁱ⁾ \$M	Plant and equipment \$M	Motor vehicles \$M	Total \$M
Balance at 1 July 2014	3.6	246.1	0.5	307.3	4.9	0.2	562.6
Machinery of Government transfer in ⁽ⁱ⁾	–	155.5	–	167.1	4.0	1.4	328.0
Additions	–	0.8	–	–	2.3	–	3.1
Disposals	–	(0.4)	–	–	–	–	(0.4)
Transfer between classes	–	–	–	73.6	–	–	73.6
Gains or losses recognised in net result							
Depreciation	–	–	–	(18.7)	(2.6)	(0.3)	(21.6)
Impairment loss	–	–	–	(0.9)	–	–	(0.9)
Subtotal	–	–	–	(19.6)	(2.6)	(0.3)	(22.5)
Gains or losses recognised in other economic flows – other comprehensive income							
Net revaluation increments/(decrements)	–	27.9	–	26.8	–	–	54.7
Subtotal	–	27.9	–	26.8	–	–	54.7
Balance at 30 June 2015	3.6	429.9	0.5	555.2	8.6	1.3	999.1

Note:

- (i) The Machinery of Government transfer in represents the carrying amounts of assets transferred to the department from the Department of Human Services and the carrying amounts of assets relating to Sports and Recreation Victoria from the Department of Transport, Planning and Local Infrastructure as at 1 January 2015.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 11. Property, plant and equipment (continued)

(d) Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant Unobservable Inputs
Non-specialised land	Market approach	Community Service Obligation (CSO) adjustment
Specialised land	Market approach	Community Service Obligation (CSO) adjustment
Non-specialised buildings	Depreciated replacement cost	Direct cost per square metre Useful life of non-specialised buildings
Specialised buildings	Depreciated replacement cost	Direct cost per square metre Useful life of specialised buildings
Plant and equipment	Depreciated replacement cost	Useful life of equipment
Vehicles	Depreciated replacement cost	Useful life of vehicles

Note 12. Intangible assets

	2016 \$M	2015 \$M
Software at cost	93.4	106.6
Software – development in progress	18.1	12.0
<i>Less accumulated amortisation</i>	(42.2)	(37.6)
Total intangible assets	69.3	81.0
Movement in carrying amounts		
Opening balance	81.0	9.8
Machinery of Government transfer in ⁽ⁱ⁾	–	79.7
Additions from internal developments	13.4	4.1
Additions	2.0	0.9
Disposals or classified as held for sale	(3.0)	–
<i>Less amortisation of intangible produced assets ⁽ⁱⁱ⁾</i>	(24.0)	(13.5)
Closing balance	69.3	81.0

Notes:

- (i) The Machinery of Government transfer in represents the carrying amounts of assets transferred to the department from the Department of Human Services and the carrying amounts of assets relating to Sports and Recreation Victoria from the Department of Transport, Planning and Local Infrastructure as at 1 January 2015.
- (ii) The consumption of intangible produced assets is included in 'depreciation and amortisation' line item, where the consumption of intangible non-produced assets is included in 'net gain/(loss) on non-financial assets' line item on the comprehensive operating statement.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 13. Payables

	2016 \$M	2015 \$M
Current payables		
<i>Statutory</i>		
FBT Payable	0.8	1.3
<i>Contractual</i>		
Employee benefits payable	8.2	14.6
Supplies and services ⁽ⁱ⁾	59.9	64.3
Amounts payable to government agencies ⁽ⁱⁱ⁾	244.8	104.1
Concession payments to pensioners	114.7	93.0
Tenants in advance	22.6	16.9
Capital works	22.6	21.8
Housing debt liability to the Department of Treasury and Finance ⁽ⁱⁱⁱ⁾	–	31.9
Other	42.6	29.7
Total current payables	516.4	377.6
Non-current payables		
<i>Contractual</i>		
Amounts payable to government agencies ⁽ⁱⁱ⁾	437.9	365.4
Housing debt liability to the Department of Treasury and Finance ⁽ⁱⁱⁱ⁾	–	282.9
Other	0.8	0.8
Total non-current payables	438.6	649.1
Total payables	955.0	1,026.7

Notes:

- (i) The average credit period is 30 days. No interest is charged on these payables.
- (ii) Terms and conditions of amounts payable to other government agencies vary according to a particular agreement with that agency.
- (iii) The Director of Housing had an existing loan with the Government which was provided to grow public housing and homeownership. For administrative simplicity, the Government has forgiven the outstanding balance of the loan on 14 April 2016 and the Director of Housing will no longer be required to make repayments. Instead, grant revenue provided to the Director of Housing will be reduced by an amount equal to the annual repayment. See Note 4(d).
- From 2023–24, debt repayments from the Director of Housing will revert to the conditions of the original Deed of Assumption and continue until 2041–42. These conditions stipulate that payments beyond 2023 will be determined annually by the Treasurer in consultation with the Director and Minister for Housing. Accordingly a liability (and corresponding expense) for payments that may possibly arise after 2023 have not been included within these financial statements as a present obligation does not currently exist.

(a) Maturity analysis of contractual payables

Refer to Note 17 for the maturity analysis of contractual payables.

(b) Nature and extent of risk arising from contractual payables

Refer to Note 17 for the nature and extent of risk arising from payables.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 14. Borrowings

	Note	2016 \$M	2015 \$M
Current borrowings			
<i>Statutory</i>			
Advances from Victorian Government ⁽ⁱ⁾		41.7	40.3
<i>Contractual</i>			
Other borrowings		–	1.0
Finance lease liabilities ⁽ⁱⁱ⁾	14(d)	23.0	24.1
Total current borrowings		64.7	65.4
Non-current borrowings			
<i>Statutory</i>			
Advances from Victorian Government ⁽ⁱ⁾		13.4	13.4
<i>Contractual</i>			
Other borrowings		–	–
Finance lease liabilities ⁽ⁱⁱ⁾	14(d)	25.8	24.5
Total non-current borrowings		39.2	37.9
Total borrowings		103.9	103.3

Notes:

(i) Advances from Victorian Government are advances from the Department of Treasury and Finance. These advances are non-interest bearing.

(ii) Secured by the assets leased. Finance leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

(a) Maturity analysis of contractual borrowings

Refer to Note 17 for the maturity analysis of contractual borrowings.

(b) Nature and extent of risk arising from contractual borrowings

Refer to Note 17 for the nature and extent of risk arising from contractual borrowings.

(c) 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.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 14. Borrowings (continued)

(d) Leases

Finance lease liabilities – lessees

	Minimum future lease payments ⁽ⁱ⁾		Present value of minimum future lease payments	
	2016 \$M	2015 \$M	2016 \$M	2015 \$M
Finance lease liabilities payable ⁽ⁱⁱ⁾				
Not longer than one year	24.5	25.8	23.0	24.5
Longer than one year but not longer than five years	26.6	25.5	25.8	24.2
Longer than five years	–	–	–	–
Minimum future lease liabilities payable	51.1	51.3	48.8	48.6
Less future finance charges	(2.2)	(2.7)	–	–
Present value of minimum lease payments	48.8	48.6	48.8	48.6
Included in the financial statements as:				
Current borrowings lease liabilities (Note 14)	–	–	23.0	24.1
Non-current borrowings lease liabilities (Note 14)	–	–	25.8	24.5
Total Finance lease liabilities	–	–	48.8	48.6

Notes:

- (i) Minimum future lease payments include the aggregate of all base payments and any guaranteed residual.
- (ii) Finance lease liabilities include obligations that are recognised in the balance sheet; the future payments related to operating and lease commitments are disclosed in Note 22.

(e) Operating leases – lessees

Refer to Note 22 (a).

(f) Operating leases – lessors

The Department of Health and Human Services provides rental accommodation for a range of clients. There are approximately 74,000 public rental units that are owned and operated by the Director of Housing which have week to week tenancy agreements.

These agreements are subject to the *Residential Tenancy Act* provisions which allow termination of a lease under certain circumstances, accordingly the future revenue streams from the lease agreements are not required to be reported under AASB 117.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 15. Provisions

	Note	2016 \$M	2015 \$M
Current provisions			
Employee benefits ⁽ⁱ⁾	15(a)	289.5	256.9
Employee benefit on-costs	15(b)	49.7	43.8
Other ⁽ⁱⁱⁱ⁾	15(c)	48.7	19.6
Total current provisions		387.9	320.3
Non-current provisions			
Employee benefits ⁽ⁱ⁾	15(a)	57.6	61.8
Employee benefit on-costs	15(b)	4.0	4.2
Other ⁽ⁱⁱⁱ⁾	15(c)	33.8	47.7
Total non-current provisions		95.5	113.7
Total provisions		483.4	434.0
(a) Employee benefits ⁽ⁱ⁾			
Current employee benefits:			
Salaries and wages		13.0	8.5
Annual leave			
Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾		67.4	63.8
Unconditional and expected to be settled after 12 months ⁽ⁱⁱ⁾		32.9	31.0
Long service leave			
Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾		22.3	13.2
Unconditional and expected to be settled after 12 months ⁽ⁱⁱ⁾		150.8	135.5
Superannuation			
Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	15(d)	3.0	4.9
Total current employee benefits		289.5	256.9
Non-current employee benefits:			
Conditional long service leave entitlements ⁽ⁱⁱⁱ⁾		22.2	23.7
Superannuation	15(d)	35.4	38.1
Total non-current employee benefits		57.6	61.8
Total employee benefits		347.1	318.7
(b) Provisions related to employee benefit on-costs			
Current on-costs			
Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾		16.3	14.0
Unconditional and expected to be settled after 12 months ⁽ⁱⁱ⁾		33.4	29.8
Total current on-costs		49.7	43.8
Non-current on-costs ⁽ⁱⁱ⁾			
Total on-costs		53.8	48.0
Total employee benefits and on-costs		400.9	366.7

Notes:

- (i) Employee benefits consist of annual leave and long service leave accrued by employees. On-costs such as payroll tax and workers' compensation insurance are not employee benefits and are reflected as a separate provision.
- (ii) The amounts are measured at present values.
- (iii) 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.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 15. Provisions (continued)

(c) Movement in other provisions

Other provisions include provisions to restore leased premises to their original condition at the end of the lease term and departmental funds reserved against the outstanding liability estimates on various insurance arrangements in respect of which the department retains a high level of self insurance per insured event.

	Make-good	Insurance	Total
	2016	2016	2016
	\$M	\$M	\$M
Opening balance	1.6	65.7	67.3
Reductions arising from payments/claims handling expenses	–	(22.5)	(22.5)
Actuarial revaluations of insurance claims liability inclusive of risk margin	–	37.5	37.5
Reductions resulting from re-measurement or settlement without cost	(0.8)	–	(0.8)
Unwind of discount and effect of changes in the discount rate	–	1.0	1.0
Closing balance	0.8	81.8	82.5

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 15. Provisions (continued)

(d) Superannuation

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 plans provide benefits based on years of service and final average salary.

Other than the former employees of the Director of Housing, the department does not recognise any defined benefit liability in respect of the plans because the department has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. DTF discloses the State's defined benefit liabilities in its disclosure for administered items.

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.

The liability with respect to superannuation fund for the former Director of Housing employees represents the shortfall between the total net assets of the superannuation fund at 30 June 2016 and the total benefits that members have accrued up to that date, determined by an actuarial assessment. Information relating to the fund based on the latest actuarial assessment for 30 June 2016 is set out below.

The department reports a liability for unfunded superannuation in respect of former employees of the Director of Housing for the shortfall of superannuation benefits paid to certain former housing staff (refer Note 1(m)).

	2016 \$M	2015 \$M
Reconciliation of the superannuation liability in the balance sheet		
Defined benefit obligation	38.5	41.3
Net liability/(asset)	38.5	41.3
Less plan assets	–	(1.7)
Total obligation and liability in the balance sheet	38.5	43.0
Represented by:		
Current liability	3.0	4.9
Non-current liability	35.4	38.1
Total liability	38.5	43.0
Principal actuarial assumptions		
Discount rate	2.7%	3.2%
Expected rate of salary increase	3.3%	3.7%
Inflation	1.8%	2.2%
Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Movements in the present value of the defined benefit obligations in the current period were as follows:		
Opening balance of defined benefit obligation	41.3	45.4
Interest cost	1.3	0.9
Actuarial losses/(gains)	(0.9)	(3.3)
Benefits paid	(3.2)	(1.7)
Closing balance of defined benefit obligation	38.4	41.3
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:		
Opening balance of plan assets	–	–
Contributions from the employer	3.2	1.7
Benefits paid	(3.2)	(1.7)
Closing balance of plan assets	–	–
Superannuation expense recognised in the comprehensive operating statement		
Interest cost	1.3	0.9
Actuarial losses/(gains)	(0.9)	(3.3)
Total expense recognised in respect of defined benefit plans	0.4	(2.4)

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 16. Equity

	2016 \$M	2015 \$M
(a) Accumulated surplus/(deficit)		
Balance at beginning of financial year	1,094.8	1,088.5
Net result for the year	601.5	3.0
Remeasurement of superannuation defined benefit plans	0.9	3.3
Balance at the end of financial year	1,697.2	1,094.8
(b) Physical asset revaluation reserve		
Balance at beginning of financial year	76.4	17.0
Revaluation of land and buildings	2,468.7	59.4
Balance at the end of financial year	2,545.1	76.4
(c) Contributed capital		
Balance at beginning of financial year	22,365.0	566.1
Machinery of Government transfer in	–	21,728.8
Capital contributed from asset transfers	1.9	–
Capital contributions to health agencies	(96.0)	(225.8)
Capital contributions by Victorian State Government	107.7	295.9
Balance at the end of financial year	22,378.5	22,365.0

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 17. Financial instruments

(a) Financial risk management objectives and policies

The department's principal financial instruments comprise:

- cash assets;
- term deposits;
- receivables (excluding statutory receivables);
- loans receivable;
- payables (excluding statutory payables);
- borrowings; and
- finance lease payables.

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 1 to the financial statements.

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.

The carrying amounts of the department's contractual financial assets and financial liabilities by category are disclosed in Note 17(b) below.

(b) Categorisation of financial instruments

	Note	Contractual financial assets – loans and receivables \$M	Contractual financial liabilities at amortised cost \$M	Total \$M
2016				
Contractual financial assets				
Cash and deposits	7	230.8	–	230.8
Receivables ⁽ⁱ⁾	8	75.5	–	75.5
Loans	9	83.3	–	83.3
Short term investments – term deposits		346.8	–	346.8
Total contractual financial assets		736.4	–	736.4
Contractual financial liabilities				
Payables ⁽ⁱ⁾	13	–	954.2	954.2
Borrowings ⁽ⁱ⁾	14	–	48.8	48.8
Total contractual financial liabilities		–	1,003.0	1,003.0
2015				
Contractual financial assets				
Cash and deposits	7	369.4	–	369.4
Receivables ⁽ⁱ⁾	8	86.1	–	86.1
Loans	9	80.4	–	80.4
Short term investments – term deposits		121.7	–	121.7
Total contractual financial assets		657.6	–	657.6
Contractual financial liabilities				
Payables ⁽ⁱ⁾	13	–	1,025.4	1,025.4
Borrowings ⁽ⁱ⁾	14	–	49.6	49.6
Total contractual financial liabilities		–	1,075.0	1,075.0

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.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 17. Financial instruments (continued)

(c) Net holding gain/(loss) on financial instruments by category

The net holding gains or losses are determined as follows:

- For cash and deposits and loans or receivables, the net gain or loss is calculated by taking the movement in fair value of the asset, interest income, minus any impairment recognised in the net result; and
- For financial liabilities measured at amortised cost, the net gain or loss is the interest expense on financial liabilities.

	Note	Total interest income/ (expense) \$M	Total \$M
2016			
Contractual financial assets			
Cash and deposits	4(a)	–	–
Loans	4(a)	1.0	1.0
Short term investments – term deposits	4(a)	8.4	8.4
Total contractual financial assets		9.4	9.4
Contractual financial liabilities			
Payables ⁽ⁱ⁾	5(c)	–	–
Borrowings ⁽ⁱ⁾	5(c)	(0.3)	(0.3)
Total contractual financial liabilities		(0.3)	(0.3)
2015			
Contractual financial assets			
Cash and deposits	4(a)	–	–
Loans	4(a)	0.4	0.4
Short Term Investments – term deposits	4(a)	4.7	4.7
Total contractual financial assets		5.1	5.1
Contractual financial liabilities			
Payables ⁽ⁱ⁾	5(c)	(10.2)	(10.2)
Borrowings ⁽ⁱ⁾	5(c)	(0.5)	(0.5)
Total contractual financial liabilities		(10.7)	(10.7)

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.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 17. Financial instruments (continued)

(d) Credit risk

Credit risk arises from the contractual financial assets of the department, which comprise cash and deposits, non-statutory receivables and loans. 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 cash and deposits is minimal because it is the department's policy to only deal with entities with high credit ratings.

Receivables are mainly with government organisations whose credit risks are considered insignificant and the remainder are from small non-government entities and individuals with immaterial amounts.

Allowance for impairment for financial assets is calculated based on past experience, and current and expected changes in client credit ratings, or when there is objective evidence that the department will not be able to collect a receivable. Tenant loans are made up of small amounts therefore the likelihood of default are considered immaterial.

The carrying amount of financial assets recorded in the financial report, 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.

Credit quality of contractual financial assets that are neither past due nor impaired

	Financial institutions Double-A credit rating Total \$M	Government agencies Triple-A credit rating Total \$M	Credit ratings not disclosed Total \$M	Total \$M
2016				
Contractual financial assets				
Cash and deposits	27.2	203.6	–	230.8
Receivables ^{(i) (ii)}	–	–	75.5	75.5
Loans ⁽ⁱⁱ⁾	–	–	83.3	83.3
Short term investments – term deposits	–	346.8	–	346.8
Total contractual financial assets	27.2	550.4	158.8	736.4
2015				
Contractual financial assets				
Cash and deposits	14.5	354.9	–	369.4
Receivables ^{(i) (ii)}	–	–	86.1	86.1
Loans ⁽ⁱⁱ⁾	–	–	80.4	80.4
Short term investments – term deposits	–	121.7	–	121.7
Total contractual financial assets	14.5	476.6	166.5	657.6

Note:

(i) The total amounts disclosed here exclude statutory amounts e.g. amounts owing from Victorian Government, GST input tax credit recoverable and other taxes payable.

(ii) The carrying amounts consist of amounts due from numerous counterparties for which no credit ratings have been disclosed due to impracticability.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 17. Financial instruments (continued)

(d) Credit Risk (continued)

Ageing analysis of contractual financial assets

Currently the department does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

There are no material financial assets which are individually determined to be impaired.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The following table discloses the ageing only of contractual financial assets that are past due but not impaired.

	Carrying amount \$M	Not past due and not impaired ⁽ⁱⁱ⁾ \$M	Past due but not impaired				Impaired financial assets \$M
			Less than 1 month \$M	1–3 months \$M	3 months–1 year \$M	1–5 years \$M	
2016							
Contractual financial assets							
Cash and deposits	230.8	230.8	–	–	–	–	–
Receivables ⁽ⁱ⁾	75.5	42.3	5.2	5.3	8.3	8.9	5.6
Loans	83.3	45.6	–	–	7.5	29.8	0.4
Short term investments – term deposits	346.8	–	–	–	346.8	–	–
Total contractual financial assets	736.4	318.7	5.2	5.3	362.7	38.6	6.0
2015							
Contractual financial assets							
Cash and deposits	369.4	369.4	–	–	–	–	–
Receivables ⁽ⁱ⁾	86.1	10.5	3.0	18.6	40.4	6.9	6.7
Loans	80.4	48.5	–	–	4.2	27.3	0.4
Short term investments – term deposits	121.7	–	–	–	121.7	–	–
Total contractual financial assets	657.6	428.4	3.0	18.6	166.3	34.2	7.1

Note:

(i) The carrying amounts disclosed here exclude statutory amounts e.g. amounts owing from Victorian Government, GST input tax credit recoverable and taxes payable.

(ii) The amounts disclosed here includes repayments of borrowings that are not scheduled to be repaid in the next 12 months.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 17. Financial instruments (continued)

(e) Liquidity risk

Liquidity risk arises when the department is unable to meet its financial obligations as they fall due. The department operates under the government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, make payments within 30 days from the date of resolution. It also continuously manages risk through monitoring future cash flows, and maturities planning, to ensure adequate holding of high quality liquid assets and dealing in highly liquid markets and maintaining a high credit rating for the State of Victoria (Moody's Investor Services, Standard & Poor's triple-A), which assist 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 department's maximum exposure to liquidity risk is the carrying amounts of financial liabilities.

The following table discloses the contractual maturity analysis for the department's financial liabilities:

Maturity analysis of contractual financial liabilities⁽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	
2016								
Contractual financial liabilities								
Payables ⁽ⁱⁱ⁾	954.2	954.2	382.2	14.4	119.2	438.5	(0.1)	
Borrowings ⁽ⁱⁱ⁾	48.8	51.1	4.3	3.2	17.0	26.6	–	
Total contractual financial liabilities	1,003.0	1,005.3	386.5	17.6	136.2	465.1	(0.1)	
2015								
Contractual financial liabilities								
Payables ⁽ⁱⁱ⁾	1,025.4	1,025.4	231.3	65.1	113.8	480.1	135.1	
Borrowings ⁽ⁱⁱ⁾	49.6	52.3	7.3	4.3	16.4	24.3	–	
Total contractual financial liabilities	1,075.0	1,077.7	238.6	69.4	130.2	504.4	135.1	

Note:

(i) Maturity analysis is presented using the contractual undiscounted cash flows.

(ii) 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.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 17. Financial instruments (continued)

(f) Market risk

The department's exposures to market risk is primarily through interest rate risk. The department's exposure to other price risks is insignificant.

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.

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 are set out below.

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
2016					
Contractual financial assets					
Cash and deposits ⁽ⁱ⁾	1.6%	230.8	20.0	68.9	141.9
Receivables ^{(ii) (iii)}		75.5	–	–	75.5
Loans	3.3%	83.3	3.0	18.6	61.7
Short term investments – term deposits	2.2%	346.8	346.8	–	–
Total		736.4	369.8	87.5	279.1
Contractual financial liabilities					
Payables ⁽ⁱⁱⁱ⁾		954.2	–	–	954.2
Borrowings ^{(iii) (iv)}	4.2%	48.8	48.8	–	–
Total		1,003.0	48.8	–	954.2
2015					
Contractual financial assets					
Cash and deposits ⁽ⁱ⁾	1.6%	369.4	172.2	38.3	158.9
Receivables ^{(ii) (iii)}		86.1	–	–	86.1
Loans	3.5%	80.4	3.5	20.6	56.3
Short term investments – term deposits	2.2%	121.7	121.7	–	–
Total		657.6	297.4	58.9	301.3
Contractual financial liabilities					
Payables ⁽ⁱⁱⁱ⁾		1,025.4	–	–	1,025.4
Borrowings ^{(iii) (iv)}	5.2%	49.6	49.6	–	–
Total		1,075.0	49.6	–	1,025.4

Notes:

- (i) All cash and deposits are held in Australian dollars and were held on deposits at fixed and variable interest rates. This item is not subject to any other identified risk sensitivities.
- (ii) The carrying amount is denominated in Australian dollars and is non-interest bearing. This item is not subject to the identified risk sensitivities.
- (iii) The total amounts disclosed here exclude statutory amounts e.g. amounts owing to/from Victorian Government and GST input tax credit recoverable and taxes payable.
- (iv) Borrowings are denominated in Australian dollars. \$48.8M (2015 – \$49.6M) relate to finance lease liabilities associated with motor vehicles. Each contract has interest fixed at the inception of the lease. This item is not subject to identified risk sensitivity.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 17. Financial instruments (continued)

(f) Market risk (continued)

Sensitivity disclosure analysis and assumptions

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the department believes the following movements are 'reasonably possible' over the next 12 months:

- A shift of +0.25% and –0.25% (2015: +0.25% and –0.25%) in market interest rates (AUD) from year end cash deposits.

Several loan programs have loans with interest rates linked to movement in the consumer price index (CPI). The total balances outstanding under these programs have reduced to a level that any changes to the CPI have a limited impact on the amount of interest charged and no new lending is made under these programs.

The following table discloses the impact on the net operating result for each category of financial instrument held by the department at year-end as presented to key management personnel, if the above movements were to occur.

Interest rate risk sensitivity analysis

	Carrying amount \$M	Interest rate risk		Consumer Price Index (CPI)	
		–0.25% Net result \$M	+0.25% Net result \$M	–0.25% Net result \$M	1.50% Net result \$M
2016					
Contractual financial assets					
Cash and deposits ⁽ⁱ⁾	230.8	(0.2)	0.2	–	–
Receivables ^{(ii) (v)}	75.5	–	–	–	–
Loans ⁽ⁱⁱⁱ⁾	83.3	(0.0)	0.0	(0.0)	0.3
Short term investments – term deposits	346.8	(0.9)	0.9	–	–
Total impact	736.4	(1.1)	1.1	(0.0)	0.3
Contractual financial liabilities					
Payables ⁽ⁱⁱⁱ⁾	954.2	–	–	–	–
Borrowings ^{(iii) (iv)}	48.8	–	–	–	–
Total impact	1,003.0	–	–	–	–

	Carrying amount \$M	Interest rate risk		Consumer Price Index (CPI)	
		–0.25% Net result \$M	+0.25% Net result \$M	–0.25% Net result \$M	3.00% Net result \$M
2015					
Contractual financial assets					
Cash and deposits ⁽ⁱ⁾	369.4	(0.5)	0.5	–	–
Receivables ^{(ii) (v)}	86.1	–	–	–	–
Loans ⁽ⁱⁱⁱ⁾	80.4	–	–	(0.1)	0.6
Short term investments – term deposits	121.7	(0.3)	0.3	–	–
Total impact	657.6	(0.8)	0.8	(0.1)	0.6
Contractual financial liabilities					
Payables ⁽ⁱⁱⁱ⁾	1,025.4	–	–	–	–
Borrowings ^{(iii) (iv)}	49.6	–	–	–	–
Total impact	1,075.0	–	–	–	–

Note:

- 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.
- The carrying amount is denominated in Australian dollars and is non-interest bearing. This item is not subject to the identified risk sensitivities.
- 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.
- Borrowings are denominated in Australian dollars. \$48.8M (2015 – \$49.6 M) relates to finance lease liabilities associated with motor vehicles. Each contract has interest fixed at the inception of the lease.
- The carrying amount is denominated in Australian dollars and is interest bearing. This item is subject to minimal identified risk sensitivities.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 17. Financial instruments (continued)

(g) Fair value

The department considers that the carrying amount of financial instrument assets and liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they be paid in full.

Comparison between carrying amount and fair value

		Carrying amount 2016 \$M	Fair value 2016 \$M	Carrying amount 2015 \$M	Fair value 2015 \$M
	Note				
Contractual financial assets					
Cash and deposits	7	230.8	230.8	369.4	369.4
Receivables ⁽ⁱ⁾	8	75.5	69.8	86.1	79.4
Loans	9	83.3	83.0	80.4	80.0
Short term investments – term deposits		346.8	346.8	121.7	121.7
Total contractual financial assets		736.4	730.4	657.6	650.5
Contractual financial liabilities					
Payables	13	954.2	954.2	1,025.4	1,025.4
Borrowings ⁽ⁱ⁾	14	48.8	48.8	49.6	49.6
Total contractual financial liabilities		1,003.0	1,003.0	1,075.0	1,075.0

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.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 18. Responsible persons

In accordance with the Directions of the Minister for Finance under the *Financial Management Act 1994* the following disclosures are made for the responsible persons for the reporting period.

(a) Names

The persons who held the positions of ministers and accountable officers in the department are as follows:

Minister for Ambulance Services	The Hon. Jill Hennessy MP	1 July 2015 to 30 June 2016
Minister for Health	The Hon. Jill Hennessy MP	1 July 2015 to 30 June 2016
Minister for Housing	The Hon. Martin Foley MP	1 July 2015 to 30 June 2016
Minister for Disability	The Hon. Martin Foley MP	1 July 2015 to 30 June 2016
Minister for Ageing	The Hon. Martin Foley MP	1 July 2015 to 30 June 2016
Minister for Mental Health	The Hon. Martin Foley MP	1 July 2015 to 30 June 2016
Minister for Families and Children	The Hon. Jenny Mikakos MLC	1 July 2015 to 30 June 2016
Minister for Youth Affairs	The Hon. Jenny Mikakos MLC	1 July 2015 to 30 June 2016
Minister for Sport	The Hon. John Eren MP	1 July 2015 to 30 June 2016
Secretary, Department of Health and Human Services	Dr Pradeep Philip	1 July 2015 to 20 September 2015
Secretary, Department of Health and Human Services	Kym Peake	21 September 2015 to 30 June 2016
Acting Secretary, Department of Health and Human Services	Lance Wallace	22 December 2015 to 24 December 2015
Acting Secretary, Department of Health and Human Services	Amanda Cattermole	25 December 2015 to 10 January 2016
Director of Housing under the <i>Housing Act 1983</i>	Arthur Rogers	1 July 2015 to 4 March 2016
Director of Housing under the <i>Housing Act 1983</i>	Anne Congleton	5 March 2016 to 3 April 2016
Director of Housing under the <i>Housing Act 1983</i>	Nicholas Foa	4 April 2016 to 30 June 2016
Acting Director of Housing under the <i>Housing Act 1983</i>	Anne Congleton	5 May 2016 to 18 May 2016

(b) Remuneration

Remuneration received by the accountable officers in connection with the management of the department during the reporting period was in the range:

Income band	Total Remuneration ^{(i) (iii)}		Base Remuneration ⁽ⁱⁱ⁾	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
\$110,000–\$119,999	1	–	1	–
\$140,000–\$149,999	1	–	1	–
\$160,000–\$169,999	–	1	–	1
\$310,000–\$319,999	1	–	1	–
\$330,000–\$339,999	–	–	1	–
\$340,000–\$349,999	1	–	–	–
\$490,000–\$499,999	–	1	–	1
Total	4	2	4	2
Total remuneration ^(iv)	\$917,747	\$651,008	\$907,246	\$651,008

Amounts relating to ministers are reported in the financial statements of the Department of Premier and Cabinet.

For information regarding related party transactions of ministers, the register of members' interests is publicly available from: www.parliament.vic.gov.au/publications/register-of-interests

Notes:

- (i) Total remuneration includes base remuneration plus annual and long service leave payments, high class duties allowance payments and annual bonus payments. These bonus payments depend on the terms of individual employment contracts.
- (ii) Base remuneration excludes bonus payments, leave payments and high class duties.
- (iii) Remuneration amounts relating to acting Responsible Persons are included in Remuneration of executives note.
- (iv) The increase in remuneration for 2016 is attributable to the Machinery of Government changes effective from 1 January 2015 with the inclusion of accountable officers from the former Department of Human Services and Sport and Recreation Victoria. 2015/16 is the first time DHHS will report on a full 12 months basis. In the previous year, 2014/15, accountable officers from the former Department of Human Services and Sport Recreation Victoria were reported for the period 1/1/2015 to 30/6/2015 (6 months) only.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 18. Responsible persons (continued)

(c) Related party transactions included in the reconciliation amount

	2016 \$M	2015 \$M
Kym Peake		
During her term as Secretary, Kym Peake was a member of The Institute of Public Administration Australia, Victorian Division.		
The department paid grants and services on normal commercial terms to The Institute of Public Administration Australia, Victorian Division during her term.	0.1	–
Total	0.1	–
Amanda Cattermole		
During her term as A/Secretary, Amanda Cattermole was a Director of Cenitex.		
The department paid grants on normal commercial terms to Cenitex during her term.	24.0	–
Total	24.0	–
Nicholas Foa		
During his term as Director of Housing, Nicholas Foa was a Director of The Australian Housing and Urban Research Institute.		
The department paid grants and services on normal commercial terms to The Australian Housing and Urban Research Institute during the financial year.	0.1	–
Total	0.1	–
Pradeep Philip		
During his term as Secretary, Pradeep Philip was ex-officio member of the Anti-Cancer Council Victoria.		
The department paid grants on normal commercial terms to the Anti-Cancer Council Victoria during his term.	1.4	14.4
During his term as Secretary, Pradeep Philip was a director of the National E-Health Transition Authority Limited.		
The department paid grants on normal commercial terms to the National E-Health Transition Authority Limited during his term.	1.7	8.5
Total	3.2	22.9

The relevant amounts relating to ministers are reported separately in the financial statements of the Department of Premier and Cabinet.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 19. Remuneration of executives and payments to other personnel (i.e. contractors with significant management responsibilities)

(a) 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 first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, annual and long-service leave payments, high class duties, redundancy payments and retirement benefits. The total annualised employee equivalent provides a measure of full-time equivalent executive officers over the reporting period.

Several factors have affected base and total remuneration payable to executive officers. A number of executive roles which were vacant in the previous reporting period were filled during the course of the year with pro-rata remuneration amounts being recorded. A number of executives received bonus payments during the year. The overall increase in total remuneration from last year's figure is attributable to the increase in the annualised employee equivalent for the reporting period which represents the percentage of the year each executive was employed.

Income band	Total remuneration		Base remuneration	
	2016 ⁽ⁱ⁾ No.	2015 No.	2016 ⁽ⁱ⁾ No.	2015 No.
Under \$100,000	27	64	28	64
\$100,000–\$109,999	1	12	3	13
\$110,000–\$119,999	3	6	1	6
\$120,000–\$129,999	3	4	5	4
\$130,000–\$139,999	1	5	2	4
\$140,000–\$149,999	2	3	2	4
\$150,000–\$159,999	5	4	7	4
\$160,000–\$169,999	8	4	7	7
\$170,000–\$179,999	13	7	19	6
\$180,000–\$189,999	12	3	13	2
\$190,000–\$199,999	14	2	12	2
\$200,000–\$209,999	10	3	4	6
\$210,000–\$219,999	8	3	13	1
\$220,000–\$229,999	9	2	5	2
\$230,000–\$239,999	2	2	2	2
\$240,000–\$249,999	4	2	6	–
\$250,000–\$259,999	3	1	2	–
\$260,000–\$269,999	3	–	–	–
\$270,000–\$279,999	–	–	1	2
\$280,000–\$289,999	4	1	8	–
\$290,000–\$299,999	6	1	1	1
\$300,000–\$309,999	2	1	1	2
\$310,000–\$319,999	2	1	1	–
\$320,000–\$329,999	–	1	–	–
\$330,000–\$339,999	–	–	2	–
\$340,000–\$349,999	2	–	–	–
\$640,000–\$649,999 ⁽ⁱⁱⁱ⁾	1	–	–	–
Total number of executives	145	132	145	132
Total annualised employee equivalent (AEE) ⁽ⁱⁱ⁾	110.57	80.93	110.57	80.93
Total remuneration	\$26,224,490	\$16,690,126	\$24,560,684	\$16,075,819

Notes:

(i) The increase in remuneration for 2016 is attributable to the Machinery of Government changes effective from 1 January 2015 with the inclusion of executives from the former Department of Human Services and Sport and Recreation Victoria. 2015/16 is the first time DHHS will report on a full 12 months basis. In the previous year 2014/15, executives from the former Department of Human Services and Sport Recreation Victoria were reported for the period 1/1/2015 to 30/6/2015 (6 months) only.

This is the reason for the significant variance shown above. It should be noted that Executive remuneration for the former Department of Human Services, for the period 1 July 2014 to 31 December 2014, (6 months) was shown as a separate table in the Annual Report for 2014/15.

(ii) The total annualised employee equivalent represents the equivalent to all executive officers working 38 ordinary hours per week over the full reporting period.

(iii) Includes payment to a long serving senior executive public servant who retired and includes accumulated long service leave and other entitlements.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 19. Remuneration of executives and payments to other personnel (i.e. contractors with significant management responsibilities) (continued)

(b) Payments to other personnel (i.e. contractors with significant management responsibilities)

The following disclosures are made in relation to contractors charged with significant management responsibilities.

The number of contractors with significant management responsibilities increased from 8 in 2014/15 to 12 in 2015/16, primarily due to the restructure of the Business Technology and Information Management Branch and the subsequent creation of the Health Technology Branch. Three contractors ceased engagements with the department during the reporting period, and one joined and subsequently departed. The responsibilities of two contractors changed during the period and were no longer considered to meet the definition of 'significant management responsibility'. Expenditure for these engagements reflects the effective dates of these changes.

Income band	Total expenses (exclusive of GST)	
	2016	2015
Under \$150,000	3	2
\$150,000–\$159,999	1	–
\$190,000–\$199,999	1	–
\$200,000–\$209,999	1	–
\$210,000–\$219,000	1	–
\$270,000–\$279,999	1	1
\$300,000–\$309,999	–	1
\$330,000–\$339,999	1	–
\$340,000–\$349,999	–	1
\$370,000–\$379,000	1	–
\$380,000–\$389,999	1	1
\$410,000–\$419,999	–	1
\$470,000–\$479,000	–	1
\$520,000–\$529,999	1	–
Total number of contractors	12	8
Total expenses (exclusive of GST)	\$2,958,383	\$2,456,608

Note 20. Remuneration of external auditors

	2016 \$	2015 \$
Victorian Auditor-General's Office – audit of the financial report	650,000	481,925

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 21. Contingent assets and contingent liabilities

	2016 \$M	2015 \$M
Contingent liabilities		
Details and estimates of contingent liabilities are as follows:		
(a) In response to the concerns of some health services, the department has undertaken to provide certain health services adequate cash flow support to enable these health services to meet their current and future obligations as and when they fall due for a period up to September 2017 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: <ul style="list-style-type: none"> – continue to provide monthly advice on its financial position, including the likelihood of any short-term liquidity issues; and – commit to achieve the agreed budget targets, and all other requirements of their service agreements or statement of priorities in 2016–17. 		
(b) There exists a building construction contractual dispute in which a Contractor claims to be entitled to a sum greater than the amount determined by the Superintendent (the independent assessor of claims under the contract) as being due to the Contractor under the contract with the department. The claim is being made against the department and the department denies liability for the amounts in excess of the amount determined by the Superintendent. The contract is otherwise complete. The dispute is being progressed in accordance with the procedures set out in the <i>Building and Construction Industry Security of Payment Act 2002</i> (the Act) for resolving such disputes. Under a construction contract, the Superintendent is the Principal's representative (the Department is the Principal). When there is a dispute as to amounts owing under a construction contract dealt with under the Act, as in this case, the Principal is required to set the sum demanded aside while the dispute is resolved. The purpose of this is to ensure that the funds are available if the dispute were to be resolved in favour of the contractor.	0.2	0.2
(c) The Department of Health and Human Services has estimated that potential liability exists in respect of a number of legal actions instigated by clients and their representatives, employees and others, and other contractual liabilities.	9.9	6.9
Contingent assets		
Details and estimates of contingent assets are as follows:		
(d) Bank guarantee held for: <ul style="list-style-type: none"> – satisfactory performance of IT Managed Services contract; – liquidation of contractors; and – building contracts. 	– – 16.7	0.8 0.1 12.0
(e) Letter of comfort held for Community Chef recallable grant	2.4	2.9
(f) The department provided recallable capital grants to a number of hospitals and these are recallable by way of future cash flow adjustments. The department has not taken any decision in respect of the need for the recipient hospitals to bear those future cash flow adjustments at this time. Decisions about whether recallable grants are to be repaid are solely at the discretion of the department in consideration of the outcomes arising from the expenditure of the grant funds and other policy considerations. As such, hospitals at this time have no obligation to repay the recallable grant unless the department determines at some point in the future that a cash flow adjustment in respect of the recallable grant is warranted.	3.4	9.4

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 22. Commitments for expenditure

(a) Commitments other than public private partnerships ⁽ⁱ⁾

	2016 \$M	2015 \$M
The following commitments have not been recognised as liabilities in the financial statements		
(i) Capital expenditure commitments		
Property, plant and equipment and intangibles	96.6	161.0
Total capital expenditure commitments	96.6	161.0
(ii) Operating lease commitments		
Properties and equipment	483.2	239.2
Total operating lease commitments	483.2	239.2
(iii) Other expenditure commitments		
Provision of services ⁽ⁱⁱ⁾	539.2	366.5
Total other expenditure commitments	539.2	366.5
Total commitments for expenditure (inclusive of GST)	1,119.0	766.7

Notes:

- (i) All amounts shown in the commitments note are nominal amounts inclusive of GST.
- (ii) On 27 August 2013, the Minister for Health signed a Services Agreement Restructure Deed and other relevant documents in accordance with Part 3A of the Health Services Act 1988 with the owners of Mildura Base Hospital, the Motor Trades Association of Australia Superannuation Fund (MTAA), and the other parties to the transaction. In accordance with the restructure agreement, the MTAA agreed to surrender the 99 year lease of the site, transfer the building, plant and equipment on site to the State, and forego the service delivery franchise. In exchange the Government made a restructure fee payment to the MTAA and agreed to accept liability for the outstanding bond payments relating to a previous financing arrangement for the hospital. The formal transfer of the site occurring on 30 August 2013. Mildura Hospital continues to be operated by Ramsay Health Care Group until 15 September 2020. However, there is provision for a further two years extension if both the Minister and Ramsay Health Care Group agree. The commitment to pay this is further explained in Note 1(p).

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 22. Commitments for expenditure (continued)

(b) Public private partnerships ⁽ⁱ⁾ ⁽ⁱⁱ⁾

Commissioned public private partnerships – other commitments ⁽ⁱⁱⁱ⁾ ^(iv)

The following commitments have not been recognised as liabilities in the financial statements of the department (other than the finance lease commitments). They have been recognised in the financial statements of the respective Health Agency – refer to Note 1(q). Further, the nominal value only represents the service component.

The values of the Commissioned PPPs in this note only show the service components as the lease liabilities are already recognised in the respective Health Agency's Financial Statements. Note 22(c) shows the total commitment payable by the department, incorporating both the service and liability components.

	2016 \$M		2015 \$M	
	Present value ⁽ⁱ⁾	Nominal value	Present value ⁽ⁱ⁾	Nominal value
Service concession arrangements				
Royal Women's Hospital	193.1	398.6	193.5	414.4
Casey Hospital	61.8	111.8	62.0	117.8
Royal Children's Hospital	338.6	803.4	337.3	834.7
Victorian Comprehensive Cancer Centre (VCCC)	847.6	1,829.5	–	–
Sub-total	1441.1	3,143.3	592.8	1,366.9

Uncommissioned public private partnerships – total commitments ^(v) ^(vi) ^(vii)

	2016 \$M			2015 \$M		
	Minimum lease payments	Other commitments	Total commitments	Minimum lease payments	Other commitments	Total commitments
	Discounted value	Present value	Nominal value	Discounted value	Present value	Nominal value
Bendigo Hospital	287.8	1,268.7	2,961.3	296.9	1,225.3	2,961.3
Victorian Comprehensive Cancer Centre (VCCC)	–	–	–	1,050.4	383.1	3,199.8
Sub-total		1,268.7	2,961.3		1,608.4	6,161.1
Total commitments for public private partnerships		2,709.8	6,104.6		2,206.2	7,533.2

Notes:

- (i) The present value of the minimum lease payments for commissioned public private partnerships (PPPs) are recognised in the balance sheet of the respective Health Agencies and are not disclosed as commitments.
- (ii) 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 in the balance sheet when the PPPs are commissioned.
- (iii) The year on year reduction in the nominal amounts of the other commitments reflects the payments made.
- (iv) The year on year reduction in the present values of the other commitments mainly reflect the payments made, offset by the impact of the discounting period being one year shorter.
- (v) The discounted values of the minimum lease payments have not been totalled for uncommissioned PPPs due to individual PPPs having different expected dates of commissioning.
- (vi) The year on year increase in the present values of the other commitments for uncommissioned projects is due to discounting period being one year shorter.
- (vii) Please note that the total commitments will not equal the sum of the minimum lease payments and other commitments because they are discounted, whereas total commitments are at nominal value.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 22. Commitments for expenditure (continued)

(c) Commitments payable ^{(i) (ii)}

Nominal values	2016 \$M	2015 \$M
The following commitments have not been recognised as liabilities in the financial statements.		
(a) Capital expenditure commitments		
Less than 1 year	70.2	123.0
Longer than 1 year and not longer than 5 years	26.5	38.0
Total capital commitments	96.7	161.0
(b) Operating lease commitments		
Less than 1 year	59.0	63.0
Longer than 1 year and not longer than 5 years	177.4	76.7
Longer than 5 years	246.8	99.5
Total operating lease commitments	483.2	239.2
(c) Service Concession Arrangements (PPP) related commitments ⁽ⁱⁱⁱ⁾		
(i) Royal Women's Hospital		
Less than 1 year	48.2	45.0
Longer than 1 year and not longer than 5 years	194.1	190.7
Longer than 5 years	681.6	733.5
Total Royal Women's Hospital commitments	923.9	969.2
(ii) Casey Hospital		
Less than 1 year	14.6	14.4
Longer than 1 year and not longer than 5 years	73.6	72.8
Longer than 5 years	175.0	193.1
Total Casey Hospital commitments	263.2	280.3
(iii) Royal Children's Hospital		
Less than 1 year	137.7	135.4
Longer than 1 year and not longer than 5 years	601.4	582.4
Longer than 5 years	3,020.5	3,218.8
Total Royal Children's Hospital commitments	3,759.6	3,936.6
(iv) Victorian Comprehensive Cancer Centre		
Less than 1 year	137.8	2.9
Longer than 1 year and not longer than 5 years	671.7	629.2
Longer than 5 years	2,274.4	2,567.7
Total Victorian Comprehensive Cancer Centre commitments	3,083.9	3,199.8
(v) Bendigo Hospital		
Less than 1 year	653.0	–
Longer than 1 year and not longer than 5 years	287.1	865.6
Longer than 5 years	2,021.3	2,095.8
Total Bendigo Hospital commitments	2,961.4	2,961.4
Total Service Concession Arrangements (PPP) related commitments	10,992.0	11,347.3
(d) Other expenditure commitments		
Commitments under contracts for operating expenditure (excluding operating lease commitments) outstanding as at the reporting date but not recognised as liabilities, payable:		
Less than 1 year	353.0	272.5
Longer than 1 year and not longer than 5 years	186.2	94.0
Total other expenditure commitments	539.2	366.5
Total commitments for expenditure (inclusive of GST)	12,111.1	12,114.0
Less GST recoverable from the Australian Taxation Office	1,066.0	1,072.4
Total commitments for expenditure (exclusive of GST)	11,045.1	11,041.6

Notes:

- (i) All amounts shown in the commitments note are nominal amounts inclusive of GST.
- (ii) For future finance lease and non-cancellable operating lease payments that are recognised on the balance sheet, refer to Note 14(d) Leases.
- (iii) Refer to Note 1(q) which sets out the Department's accounting policy for the accounting treatment of service concession arrangements.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 23. Administered (non-controlled) items

In addition to the specific departmental operations which are included in the financial statements (comprehensive operating statement, balance sheet, statement of changes in equity and cash flow statement), the department administers or manages other activities and resources on behalf of the State. The transactions relating to these State activities are reported as administered items in this note. Administered transactions give rise to income, expenses, assets and liabilities and are determined on an accrual basis. Administered income includes taxes, fees and fines and the proceeds from the sale of administered surplus land and buildings. Administered assets include government income earned but yet to be collected. Administered liabilities include government expenses incurred but yet to be paid. Both the controlled department financial statements and these administered items are consolidated into the financial statements of the State.

(a) Output group ⁽ⁱ⁾ 2015–16	Note	1 \$M	2 \$M	3 \$M	4 \$M	5 \$M	6 \$M	7 \$M	8 \$M	9 \$M	10 \$M	11 \$M	12 \$M	13 \$M	14 \$M	Total \$M
Administered income from transactions																
Commonwealth contribution to the national health reform		3,585.0	–	408.0	–	9.9	93.2	36.7	47.5	–	–	–	–	–	–	4,180.4
State contribution to the national health reform		3,918.6	–	172.3	–	–	–	–	–	–	–	–	–	–	–	4,090.9
Commonwealth grants		10.1	–	–	27.9	–	–	0.1	–	–	1.2	1.3	–	0.1	–	40.6
Sales of goods and services		286.9	–	14.7	2.4	3.6	0.0	0.0	0.6	27.4	0.1	0.0	0.0	0.0	–	335.7
Fair value of assets and services received free of charge or for nominal consideration		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest income		0.9	–	–	–	–	–	–	–	0.0	–	–	–	–	–	0.9
Fees		–	–	–	–	–	–	8.6	0.6	–	–	–	–	–	–	9.1
Grants and other income transfers		50.9	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	1.1	0.0	–	52.2
Other		36.3	0.0	0.1	0.0	1.1	0.0	0.2	0.0	0.4	0.3	0.2	2.1	0.1	–	40.7
Total administered income from transactions		7,888.8	0.0	595.1	30.4	14.6	93.2	45.5	48.7	27.8	1.5	1.5	3.2	0.2	–	8,750.7
Administered expenses from transactions																
Grants and other expense transfers	23(b)	7,337.4	–	318.2	–	0.0	0.0	–	–	–	–	–	1.1	–	–	7,656.8
Employee expenses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other operating expenses		0.3	–	0.1	–	0.0	–	0.2	0.0	0.3	0.3	0.1	0.1	0.1	–	1.3
Payments into the consolidated fund		342.4	(0.3)	15.0	30.5	4.7	0.0	8.8	1.2	30.1	1.3	1.0	1.6	0.2	–	436.4
Payment to the departmental controlled entity		249.2	–	262.1	–	9.9	93.2	36.7	47.5	–	–	–	–	–	–	698.7
Fair value of assets and services received free of charge or for nominal consideration		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total administered expenses from transactions		7,929.4	(0.3)	595.4	30.5	14.7	93.2	45.7	48.8	30.3	1.6	1.0	2.7	0.2	–	8,793.1
Total administered net result from transactions		(40.6)	0.3	(0.3)	(0.2)	(0.1)	0.0	(0.2)	(0.0)	(2.5)	(0.0)	0.4	0.5	(0.0)	–	(42.5)
Administered other economic flows included in net result																
Net gain/(loss) on non-financial assets and liabilities		0.5	(0.3)	–	–	–	–	–	–	2.0	–	–	–	–	–	2.2
Other gains/(losses) from other economic flows		–	–	–	–	–	–	–	–	(0.1)	–	–	–	–	–	(0.1)
Total administered other economic flows		0.5	(0.3)	–	–	–	–	–	–	1.9	–	–	–	–	–	2.1
Administered net result		(40.1)	(0.0)	(0.3)	(0.2)	(0.1)	0.0	(0.2)	(0.0)	(0.6)	(0.0)	0.4	0.5	(0.0)	–	(40.4)

Note:

(i) Refer to Note 2 for output group definitions

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 23. Administered (non-controlled) items (continued)

In addition to the specific departmental operations which are included in the financial statements (comprehensive operating statement, balance sheet, statement of changes in equity and cash flow statement), the department administers or manages other activities and resources on behalf of the State. The transactions relating to these State activities are reported as administered items in this note. Administered transactions give rise to income, expenses, assets and liabilities and are determined on an accrual basis. Administered income includes taxes, fees and fines and the proceeds from the sale of administered surplus land and buildings. Administered assets include government income earned but yet to be collected. Administered liabilities include government expenses incurred but yet to be paid. Both the controlled department financial statements and these administered items are consolidated into the financial statements of the State.

(a) Output group ⁽ⁱ⁾ 2014–15	Note	1 \$M	2 \$M	3 \$M	4 \$M	5 \$M	6 \$M	7 \$M	8 \$M	9 \$M	10 \$M	11 \$M	12 \$M	13 \$M	14 \$M	Total \$M
Administered income from transactions																
Commonwealth contribution to the national health reform		3,301.2	–	381.4	–	10.8	90.6	34.3	45.0	–	–	–	–	0.4	–	3,863.7
State contribution to the national health reform		3,749.4	–	165.2	–	–	–	–	–	–	–	–	–	–	–	3,914.6
Commonwealth grants		10.9	–	–	26.0	–	–	0.1	–	–	–	1.2	–	–	–	38.1
Sales of goods and services		281.1	–	5.8	1.4	0.2	–	–	–	13.8	–	–	–	–	–	302.3
Interest income		1.1	–	–	–	–	–	–	–	–	–	–	–	–	–	1.1
Fees		–	–	–	–	–	–	8.7	0.2	–	–	–	–	–	–	8.9
Grants and other income transfers		80.4	–	–	–	–	0.2	–	0.0	–	–	–	0.1	–	–	80.7
Other		10.3	–	0.1	–	–	–	0.1	–	0.3	0.2	–	–	–	–	11.1
Total administered income from transactions		7,434.4	–	552.4	27.5	11.0	90.8	43.1	45.2	14.1	0.2	1.2	0.1	0.5	–	8,220.5
Administered expenses from transactions																
Grants and other expense transfers	23(b)	6,930.6	–	299.2	–	–	0.2	–	–	–	–	–	0.1	–	–	7,230.1
Other operating expenses		0.2	0.0	0.1	0.1	0.0	0.0	0.1	0.0	0.1	0.1	0.0	0.0	0.0	–	0.9
Payments into the consolidated fund		312.0	0.0	5.8	27.5	0.2	1.8	8.7	0.2	8.5	0.0	0.7	0.0	0.5	–	365.9
Payment to the departmental controlled entity		196.0	–	209.3	–	10.8	90.6	34.3	45.0	–	–	–	–	–	–	586.0
Fair value of assets and services received free of charge or for nominal consideration		17.6	–	–	–	–	–	–	–	–	–	–	–	–	–	17.6
Total administered expenses from transactions		7,456.4	0.0	514.4	27.6	11.0	92.6	43.1	45.2	8.7	0.2	0.8	0.1	0.5	–	8,200.5
Total administered net result from transactions		(22.0)	(0.0)	38.0	(0.1)	(0.0)	(1.8)	(0.0)	0.0	5.4	0.0	0.5	(0.0)	(0.0)	–	20.0
Administered other economic flows included in net result																
Net gain/(loss) on non-financial assets and liabilities		0.0	–	(0.0)	–	–	1.5	–	–	0.0	–	0.0	–	–	–	1.6
Other gains/(losses) from other economic flows		(0.0)	–	–	–	–	–	–	–	(0.1)	–	0.0	(0.0)	–	–	(0.1)
Total administered other economic flows		0.0	–	(0.0)	–	–	1.5	–	–	(0.0)	–	0.0	(0.0)	–	–	1.5
Administered net result		(22.0)	(0.0)	38.0	(0.1)	(0.0)	(0.2)	(0.0)	0.0	5.4	0.0	0.5	(0.0)	(0.0)	–	21.5

Note:

(i) Refer to Note 2 for output group definitions

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 23 Administered (non-controlled) items (continued)

	2016 \$M	2015 \$M
(b) Grants and other expense transfers		
Public hospitals		
Monash Health	1,032.0	962.9
Alfred Health	613.5	580.8
Eastern Health	596.4	559.5
Melbourne Health	530.0	499.7
Western Health	516.7	487.7
Austin Health	505.3	482.2
Barwon Health	362.0	339.8
Royal Children's Hospital	361.7	339.9
St Vincent's Hospital (Melbourne) Limited	350.9	333.7
Peninsula Health	343.4	328.0
Northern Health	331.6	302.5
Mercy Public Hospitals Inc.	242.3	221.5
Ballarat Health Services	194.5	183.1
Bendigo Health Care Group	184.7	175.4
The Royal Women's Hospital	182.8	174.6
Latrobe Regional Hospital	136.2	128.7
Goulburn Valley Health	126.3	117.4
South West Healthcare	95.9	90.3
Peter MacCallum Cancer Centre	93.6	82.3
Albury Wodonga Health	93.4	82.2
Ramsay Health Care Limited	80.8	74.0
Northeast Health Wangaratta	76.6	72.6
The Royal Victorian Eye and Ear Hospital	73.5	69.0
West Gippsland Health Care Group	54.7	52.2
Central Gippsland Health Service	48.4	47.8
Bairnsdale Regional Health Service	46.7	43.9
Wimmera Health Care Group	45.3	42.8
Echuca Regional Health	39.2	34.1
Djerriwarrh Health Services	38.2	35.2
Western District Health Service	32.0	31.6
Swan Hill District Health	28.5	27.7
Bass Coast Regional Health	28.1	26.3
Calvary Health Care Bethlehem Limited	21.9	21.8
Portland District Health	21.7	20.0
Colac Area Health	20.8	20.1
Castlemaine Health	19.6	17.1
Gippsland Southern Health Service	16.4	15.9
Benalla Health	16.3	15.7
East Grampians Health Service	14.9	14.3
Maryborough District Health Service	14.8	14.3
Stawell Regional Health	12.4	11.9
Kyabram District Health Services	11.9	11.5
Other	0.9	38.0
Total Grants and other expense transfers	7,656.8	7,230.0

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 24. Administered assets and liabilities

Administered assets include government revenues earned but yet to be collected.

Administered liabilities include government expenses incurred but yet to be paid.

	2016 \$M	2015 \$M
Administered assets		
Financial assets		
Trust funds	1.6	1.5
Receivables	7.8	3.4
Prepayments	–	38.0
Loans	3.3	3.3
Future service potential ⁽ⁱ⁾	9.8	15.6
Total administered assets	22.5	61.8
Administered liabilities		
Financial liabilities		
Building redevelopment ⁽ⁱ⁾	9.8	15.6
Amounts payable to the consolidated fund	7.7	41.4
Other	4.9	4.8
Total administered liabilities	22.5	61.8
Total administered net assets	–	–

Note:

- (i) On behalf of the Department of Treasury and Finance, the department administers funding provided under a Health Service Agreement for building redevelopment at St Vincent's Hospital of \$9.8M (2015: \$15.6M).

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 25. Reconciliation of net result for the year to net cash flows from operating activities

	Note	2016 \$M	2015 \$M
Net result for the year		601.5	3.0
Non-cash movements			
(Gain)/loss on sale of non-financial assets	6(a)	(0.9)	6.4
Depreciation and amortisation	5(b)	280.7	150.2
Interest expense	5(c)	(0.5)	–
Change in net market values of VMIA liability		38.5	30.0
Other Income		(314.8)	–
Remeasurement of superannuation defined benefit plans		0.9	3.4
Net gain/(loss) on financial assets		(0.6)	(1.8)
Other gains or losses from other economic flows		22.1	22.6
Resources (received)/provided free of charge		0.3	(1.1)
Movements in assets and liabilities			
(Increase)/decrease in receivables		(574.0)	(300.5)
(Increase)/decrease in prepayments		10.2	3.7
Increase/(decrease) in payables		237.0	125.3
Increase/(decrease) in provisions		(7.7)	(4.8)
(Increase)/decrease in inventories		0.7	–
Increase/(decrease) in income in advance		(38.0)	38.0
Net cash flows from/(used in) operating activities		255.3	74.4

Note 26. Ex-gratia expenses

	2016 \$M	2015 \$M
Compensation for economic loss	2.8	1.6
Total ex-gratia expenses ⁽ⁱ⁾	2.8	1.6

Note:

(i) The total for ex-gratia expenses is also presented in 'other operating expenses' of Note 5(e) Expenses from transactions.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 27. Annotated income agreements

The following is a listing of annotated income agreements under Section 29 of the *Financial Management Act 1994* approved by the Treasurer.

	2016 \$M	2015 \$M
User charges, or sales of goods and services		
Albury Wodonga Health (Capital)	1.4	4.4
Albury Wodonga Health (Output)	98.3	93.7
Community Residential Units Accommodation charges includes full Board and Lodging Model (Output)	26.0	13.0
Department of Veteran Affairs Hospital Services	124.5	128.3
Health Technology Services (formerly Health Shared Services)	6.5	3.0
Seniors Card Directory Advertising	0.4	0.4
Seniors Festival Advertising and Sponsorship	0.2	0.1
Transport Accident Commission Agreement	76.7	62.4
	334.1	305.3
Asset sales		
Proceeds from sale of land and buildings (Capital)	2.0	–
Commonwealth Specific Purpose Payments		
National Partnership Agreements		
Adult Public Dental Services (Output)	38.5	–
Albury-Wodonga Cardiac Catheterisation Laboratory (Capital)	0.5	–
Bright Hospital Feasibility Study	0.1	0.1
Essential Vaccines	33.7	59.5
Expansion of the BreastScreen Australia Program	3.9	3.8
Health and Hospitals Fund – Albury-Wodonga Regional Cancer Centre (Capital)	16.0	16.9
Health and Hospitals Fund – Bairnsdale Regional Health Service – Jacaranda House Redevelopment (Capital)	0.3	0.8
Health and Hospitals Fund – Ballarat Health Dental Clinic (Capital)	–	5.3
Health and Hospitals Fund – Barwon Integrated Regional Cancer Service, Geelong (Capital)	2.0	9.8
Health and Hospitals Fund – Colac Area Youth Health Hub (Capital)	–	0.1
Health and Hospitals Fund – Echuca Regional Health Redevelopment (Capital)	2.4	3.0
Health and Hospitals Fund – Expansion of Gippsland Cancer Care Centre (Capital)	–	2.0
Health and Hospitals Fund – Heathcote GP Primary Care Clinic (Capital)	0.2	0.8
Health and Hospitals Fund – Kerang District Hospital Redevelopment (Capital)	3.7	5.6
Health and Hospitals Fund – Kilmore District Hospital Redevelopment (Capital)	2.5	1.0
Health and Hospitals Fund – Kyabram and District Health Service – Health and Wellbeing Centre (Capital)	0.5	0.5
Health and Hospitals Fund – Kyneton Ambulatory Care Centre (Capital)	0.8	3.0
Health and Hospitals Fund – Leongatha Integrated Primary Care Centre (Capital)	0.4	–
Health and Hospitals Fund – Mansfield District Hospital – Co-location of Primary Health Care Services (Capital)	0.2	0.7
Health and Hospitals Fund – Mildura Base Hospital (Capital)	–	3.0
Health and Hospitals Fund – Numurkah District Health Service (Capital)	–	0.4
Health and Hospitals Fund – Rural North West Health, Warracknabeal Campus Redevelopment Stage 2 (Capital)	4.3	2.7
Health and Hospitals Fund – Statewide Enhancements to Regional Cancer Services (Capital)	1.0	0.5
Health and Hospitals Fund – Victorian Comprehensive Cancer Centre (Capital)	50.0	67.0

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 27. Annotated income agreements (continued)

	2016 \$M	2015 \$M
Health Services – National Bowel Cancer Screening Program	0.8	0.6
Health Services – National Perinatal Depression Initiative	–	1.9
Health Services – OzFoodNet	0.3	0.3
Health Services – Vaccine-Preventable Diseases Surveillance Program	0.2	0.2
Health Services – Victorian Cytology Service	9.3	8.9
Home and Community Care	430.6	404.9
Homes for the Homeless – Homelessness (Output)	22.8	11.4
Improving Local Access to Health Care on Phillip Island (Capital)	0.5	–
Indigenous Teenage Sexual and Reproductive Health and Young Parent Support	–	1.5
Oncology Day Treatment Centre at Frankston Hospital	–	0.7
Pay Equity for the Social and Community Services Sector – Health component (Output)	28.0	4.2
Supporting National Mental Health Reform (Capital)	–	2.0
Supporting National Mental Health Reform (Output)	7.6	7.5
Treating More Public Dental Patients	–	31.9
Warrnambool Integrated Regional Cancer Care Centre	–	10.0
Other		
Aged Care Assessment	27.9	26.0
Human Quarantine Services	0.1	0.1
Integrated Regional Clinical Training Networks	0.9	1.6
National Radiation Oncology Projects Funding	–	0.1
National Reform Agenda for Organ and Tissue Donation	9.1	8.7
National Youth Week	0.1	–
Palliative Care Projects	–	0.2
Simulated Learning Environments Program	0.1	0.3
Unattached Refugee Children (Output)	1.3	1.2
Women's Safety Measures – Keeping Women Safe in Their Homes	0.7	–
Women's Safety Measures – Local Support Coordinator	0.1	–
	701.0	710.7
Total Section 29 annotated income agreements	1,037.1	1,016.0

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 28. Trust account balances relating to trust accounts controlled and/or administered by the department

The following is a listing of trust account balances relating to trust accounts controlled and administered by the department. During 2015–16, there were no trust accounts closed or new trust accounts opened.

	2016					2015						
	Opening balance as at 1 July 2015 trust account balance \$M	Machinery of Government transfer in \$M	Total receipts \$M	Total payments \$M	Non-Cash Movement \$M	Closing balance as at 30 June 2016 trust account balance \$M	Opening balance as at 1 July 2014 trust account balance \$M	Machinery of Government transfer in \$M	Total receipts \$M	Total payments \$M	Non-Cash Movement \$M	Closing balance as at 30 June 2015 trust account balance \$M
Controlled trusts												
Casey Hospital Escrow Account This trust was established to manage and control payments to the contractor for the completion of the Casey Hospital refurbishment.	4.0	–	–	–	(0.7)	3.2	4.2	–	–	–	(0.2)	4.0
Health State Managed Fund This trust was established under the Health (<i>Commonwealth State Funding Arrangements</i>) Act 2012 No. 40 of 2012 for the purpose of receiving funding for block grants, teaching, training and research.	0.0	–	1,102.8	1,102.6	(0.2)	–	–	1,010.5	1,010.5		0.0	0.0
Hospital and Charities Fund This account was established under the <i>Health Services Act 1988</i> to record funding for health service agencies. Monies are paid into the fund from the Gambling Regulation Act No. 114 of 2003, <i>Casino Control Act No. 47 of 1991</i> and <i>Sec. 10 of the Financial Management Act 1994</i> .	88.1	–	6,181.4	6,189.7	(24.8)	55.0	45.7	–	5,974.4	6,029.1	97.1	88.1
Intellectually Handicapped Children's Amenities Fund <i>Intellectually Disabled Persons Act 1986</i> repealed by the <i>Disability Act 2006</i> . To meet the cost of the provision of amenities for children under the age of 16 years in the care of the department.	0.1	–	–	–	–	0.1	–	0.1	–	–	–	0.1

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 28. Trust account balances relating to trust accounts controlled and/or administered by the department (continued)

	2016					2015						
	Open- ing balance as at 1 July 2015 trust account balance \$M	Mach- inery of Govern- ment transfer in \$M	Total receipts \$M	Total pay- ments \$M	Non- Cash Move- ment \$M	Closing balance as at 30 June 2016 trust account balance \$M	Open- ing balance as at 1 July 2014 trust account balance \$M	Mach- inery of Govern- ment transfer in \$M	Total receipts \$M	Total pay- ments \$M	Non- Cash Move- ment \$M	Closing balance as at 30 June 2015 trust account balance \$M
Mental Hospitals Fund <i>Gaming Regulation Act 2003.</i> For the establishment and maintenance of mental health services and residential institutions and facilities; for the administration of the <i>Mental Health Act 1986</i> ; for the administration of the <i>Disability Act 2006</i> .	2.1	–	63.9	63.9	–	2.1	–	2.1	32.0	32.0	–	2.1
Public Health Fund This trust was established by the Minister for Finance in accordance with the National Health Reform Agreement to allow the Department of Health & Human Services to access public health funding contributions paid by the Commonwealth through the National Health Funding Pool and apply this funding to deliver public health activities managed by the State.	5.1	–	127.3	125.9	(2.5)	3.9	5.1	–	121.8	122.0	0.1	5.1
State Development Special Projects Trust Account Established under the <i>Financial Management Act 1994</i> to assist in facilitating, encouraging, promoting and carrying out activities leading to a balanced economic development of the state.	2.7	–	27.0	27.6	(0.0)	2.0	–	–	6.1	9.6	6.2	2.7
Treasury Trust To record the receipt and disbursement of unclaimed monies and other funds held in trust.	49.1	–	105.4	95.9	(0.4)	58.1	22.8	34.1	64.3	71.5	(0.6)	49.1
Vehicle Lease Trust Account To record transactions relating to the Government's vehicle pool and fleet management business.	14.6	–	2.7	(2.5)	(0.0)	19.7	0.8	10.5	1.1	(1.0)	1.1	14.6
Victorian Health Promotion Fund This account was established under the <i>Tobacco Act 1987</i> , section 32, prior to the abolition by the High Court in July 1997 of taxes on tobacco products. Following the High Court decision, the Act was amended and the source of funding was specified by the Treasurer under sec 32 (3a).	–	–	37.6	37.6	–	–	–	–	36.9	36.9	–	–
Total controlled trusts	165.8	–	7,648.0	7,640.8	(28.7)	144.2	78.6	46.8	7,247.1	7,310.6	103.7	165.8

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 28. Trust account balances relating to trust accounts controlled and/or administered by the department (continued)

	2016						2015					
	Open- ing balance as at 1 July 2015 trust account balance \$M	Mach- inery of Govern- ment transfer in \$M	Total receipts \$M	Total pay- ments \$M	Non- Cash Move- ment \$M	Closing balance as at 30 June 2016 trust account balance \$M	Open- ing balance as at 1 July 2014 trust account balance \$M	Mach- inery of Govern- ment transfer in \$M	Total receipts \$M	Total pay- ments \$M	Non- Cash Move- ment \$M	Closing balance as at 30 June 2015 trust account balance \$M
Administered trusts												
Anzac Day Proceeds Fund, Act 6198, Sec. 4A Established under the <i>ANZAC Day Act 1958</i> to receive funds as required to be paid by the <i>Anzac Day Act 1958</i> and the <i>Racing Act 1958</i> and to be credited to the Victorian Veterans Fund.	0.1	–	0.0	0.0	–	0.0	–	–	–	–	0.1	0.1
National Health Funding Pool – Victorian State Pool Fund This trust was established under the <i>Health (Commonwealth State Funding Arrangements) Act 2012 No. 40 of 2012</i> to record funding made available by the Commonwealth and the State under the National Health Reform Agreement.	0.0	–	8,316.3	8,354.3	38.0	0.0	–	–	7,853.8	7,815.8	(38.0)	0.0
Public Service Commuter Club The trust fund was established to record the receipt of amounts associated with the Public Service Commuter Club Scheme and deductions from club members salaries as well as recording payment to the Public Transport Corporation.	(0.6)	–	1.3	1.3	–	(0.7)	–	(0.6)	0.9	0.9	–	(0.6)
Revenue Suspense Account Short term clearing account pending correct identification of receipts.	2.1	–	0.2	–	–	2.4	0.3	1.8	(0.0)	–	–	2.1
Victorian Natural Disasters Relief Fund This account was established for the purpose of granting assistance to persons who suffer losses as a result of flood, bushfires and other natural disasters.	(0.1)	–	1.3	1.2	–	(0.0)	0.4	0.0	0.3	0.3	(0.5)	(0.1)
Total administered trusts	1.5	–	8,319.2	8,356.8	38.0	1.7	0.7	1.2	7,855.0	7,817.0	(38.4)	1.5

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 28. Trust account balances (continued)

(b) Third party funds under management

Third party funds under management are funds held in trust for certain clients. They are not used for government purposes and therefore not included in the department's financial statements.

In February 2009, the Minister for Finance approved the establishment of the 2009 Victorian Bushfire Appeal Trust Account in the Public Account, as part of the Trust Fund, pursuant to section 19(1) of the *Financial Management Act 1994*.

The purpose of the trust account is the receipt of donations and other contributions, and their disbursement for assistance to individuals and communities in towns, suburbs and rural areas affected by the 2009 Victorian bushfires. Contributions include funds provided by the Victorian, Commonwealth and other jurisdictions, as well as the general public, for the above purpose.

Pursuant to section 21 of the *Financial Management Act 1994*, monies from the 2009 Victorian Bushfire Appeal Trust Account have been invested as allowed under the *Trustee Act 1958*. Interest earned is credited to the trust account.

	2016 \$M	2015 \$M
2009 Victorian Bushfire Appeal Trust account		
Cash at bank	3.1	5.9
Receivable	0.1	0.2
Total funds under management	3.1	6.0
Balance of funds brought forward 1 July 2015	6.0	10.6
Interest earned	0.1	0.3
Total funds available	6.1	10.9
Payments to individuals and communities	2.9	4.9
Total payments	2.9	4.9
Balance carried forward	3.1	6.0

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 29. Investments accounted for using the equity method

The department has a joint venture interest with Monash University in the Australian Regenerative Medical Institute (ARMI). ARMI was established to construct and operate a facility which will promote Victoria as a global leader in regenerative medical research, foster and develop existing research collaboration on domestic and overseas projects, and provide a major site for undergraduate and post graduate training programs.

	2016 \$M	2015 \$M
Non-current investments in jointly controlled entities	35.0	35.0
Total	35.0	35.0

Name of entity	Principal activity	Ownership Interest % ⁽ⁱ⁾	
		2016	2015
Jointly controlled entities			
Australian Regenerative Medicine Institute (ARMI).	To construct and operate a regenerative medical research facility.	20	20

Note:

- (i) The interest of the department in the joint venture is 20% in accordance with the agreement. The fair value of the ownership interest held by the department is equal to the value of cash invested in the Joint Venture which amounts to \$35M at 30 June 2016.

Summarised financial information of jointly controlled entities

At balance date, the department's share of net assets and the net result after tax of its jointly controlled entities are:

	2016 \$M	2015 \$M
Current assets	0.3	0.3
Non-current assets	118.9	124.1
Total assets	119.2	124.4
Current liabilities	–	–
Non-current liabilities	–	–
Total liabilities	–	–
Net assets	119.2	124.4
Share of jointly controlled entity's net assets	35.0	35.0
Share of jointly controlled entity's result after tax	–	–
Dividends received from jointly controlled entity	–	–

Contingent liabilities and capital commitments

The department's share of the contingent liabilities, capital commitments, and other expenditure commitments of its jointly controlled entities are disclosed in Notes 21 and 22 respectively.

Notes to and forming part of the financial statements for the financial year ended 30 June 2016

Note 30. Subsequent event

The Director of Housing (Director) is undertaking a staged title transfer of Director owned properties to Aboriginal Housing Victoria. The first tranche of approximately 500 units located in the metropolitan area (approximately one third of AHV's management portfolio) was transferred on 28 July 2016. Two subsequent tranches will follow in 2017–18 and 2018–19, subject to AHV continuing to meet and maintain the Housing Registrar's organisational performance metrics.

The transfer of property titles at zero cash consideration is in acknowledgement that the social and economic circumstances, and the disadvantage experienced by Aboriginal Victorian tenants, presents a challenge to the efficient delivery of housing services by AHV while maintaining high standards of housing and the organisation's continued financial sustainability.

The intention to transfer the properties to Aboriginal Housing Victoria is underpinned by the principle of self-determination. This will assist Aboriginal Housing Victoria to provide culturally appropriate social housing for Aboriginal Victorians and to develop innovative solutions to promote socio-economic independence among Aboriginal Victorians.

The financial implications of the title transfer to Aboriginal Housing Victoria are outlined below:

- The cumulative book value of the properties (at 30 June 2016) to be transferred to AHV in 2016–17 is estimated at \$202.4 million.

The title transfer will reduce the Balance Sheets and record an expense in the Comprehensive Operating Statements of the Director and the department by \$202.4 million.

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Portfolio budget outcomes

The portfolio budget outcomes provide a comparison between the actual financial statements of all general government-sector entities within the portfolio and the forecast financial information published in the Budget Paper No. 5 *2015–16 Statement of Finances* (BP5).

The portfolio budget outcomes comprise the comprehensive operating statement, balance sheet, statement of cash flows, statement of changes in equity, and administered items statement for the full financial year 2015–16.

The portfolio budget outcomes have been prepared on a consolidated basis for the period 1 July 2015 to 30 June 2016 and include all general government-sector entities within the portfolio. Financial transactions and balances are classified into either controlled or administered categories as agreed with the Treasurer in the context of the published statements in BP5.

The portfolio budget outcomes statements are not subject to audit by the Victorian Auditor-General's office. They are not prepared on the same basis as the department's financial statements as they consolidate financial information of the following entities:

- > The Department of Health and Human Services (not including Director of Housing – Public Non-Financial Corporation)
- > Victorian Health Promotion Foundation
- > public hospitals and public health services
- > multipurpose services
- > Ambulance Victoria
- > Health Purchasing Victoria
- > Victorian Assisted Reproductive Treatment Authority
- > Victorian Institute of Forensic Mental Health
- > Disability Services Commissioner
- > The Commission for Children and Young People
- > Tweddle Child and Family Health Service
- > The Queen Elizabeth Centre
- > The Victorian Institute of Sport.

The portfolio budget outcomes statements include funding from the Commonwealth Government and revenue from the sale of services attributed to the department from the state government. It also includes income and expenses associated with National Health Reform funding, which are explained below.

Funding arrangements under National Health Reform

The 2015–16 Financial Statements reflect the funding arrangements under the joint Commonwealth–State National Health Reform Agreement. This funding arrangement took effect in Victoria from 1 October 2012.

The arrangement provides for Commonwealth funding under the National Health Reform Agreement (previously paid to Victoria as National Healthcare specific-purpose payments) to be administered via the National Health Funding Pool (NHFP) State Pool Account. From 2012–13, this funding has been reported in the department's Administered Accounts.

Other changes to the Administered Accounts include the reporting of the state contribution for hospital services funded on an activity basis and the payment of the commonwealth contribution towards services funded through block grants to the department's controlled entity.

The administrator of the NHFP has responsibility for the receipt of all monies into the NHFP State Pool Account and payment for activity-based services to local hospital networks, based on directions from the Minister for Health. Payments are also made from the NHFP State Pool Account to Victoria for the Commonwealth share of block-funded grants. These payments are also made under directions from the Minister for Health. The Reserve Bank of Australia operates the NHFP accounts on behalf of the Administrator. The Administrator reports NHFP State Pool Account transactions annually through audited special purpose financial statements

In 2015–16, the portfolio recorded an actual net result from transactions of \$297.9 million surplus compared with a 2015–16 budgeted surplus of \$99.0 million.

The variance in between budgeted and actual surplus is primarily related to the following key drivers:

- > revenue provided to hospitals spent on capital replacement
- > hospitals' own source revenue which was partly spent on capital purposes and partly remained unspent at year end.

Financial position – balance sheet

Total assets have increased by \$688 million in 2015–16 to \$20.9 billion compared to a budgeted asset base of \$20.2 billion this is mostly attributed to managerial land revaluation within Property, Plant and Equipment.

Cash flows

The overall cash position at the end of the 2015–16 financial year is \$975.2 million surplus, which is a decrease of \$90.8 million on the budgeted position for 2015–16.

The cash increase is mainly due to lower than expected expenditures in capital programs such as acquisition and improvement.

Detailed financial results for the 2015–16 Portfolio budget and actual results are included in Appendix 2 of the annual report, following the department's audited financial statements.

Comprehensive operating statement for the financial year ended 30 June 2016

	2015–16 Actual \$M	2015–16 Published Budget \$M	Variation %
Net result from continuing operations			
Income from transactions			
Output appropriations	12,901.7	12,870.0	0.2
Special appropriations	1,341.2	1,361.0	(1.5)
Interest	46.5	68.0	(31.6)
Sales of goods and services	1,617.9	1,796.0	(9.9)
Grants	5,508.8	4,862.0	13.3
Fair value of assets and services received free of charge or for nominal consideration	20.5	–	100
Other income	575.3	468.0	22.9
Total income from transactions	22,012.0	21,425.0	2.7
Expenses from transactions			
Employee benefits	10,084.3	9,804.0	2.9
Depreciation	856.2	880.0	(2.7)
Interest expense	90.4	103.0	(12.2)
Grants and other expense transfers	1,938.4	1,706.0	13.6
Capital asset charge	1,016.8	1,017.0	–
Other operating expenses	7,781.4	7,816.0	(0.4)
Total expenses from transactions	21,767.4	21,326.0	2.1
Net result from transactions (net operating balance)	244.6	99.0	147.1
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	(5.8)	(4.0)	46.1
Share of net profits/(losses) of associates and joint venture entities, excluding dividends	0.8	–	100
Net gain/(loss) on financial instruments and statutory receivables/payables	(11.0)	–	100
Other gains/(losses) from other economic flows	(90.9)	–	100
Total other economic flows included in net result	(106.9)	(4.0)	2,572.4
Net result	137.7	96.0	43.5
Other economic flows – other comprehensive income			
Adjustment to accumulated surplus/(deficit) due to a change in accounting policy	(2.7)	–	100
Asset revaluation reserve	429.6	–	100
Financial assets available-for-sale reserve	(9.1)	–	100
Other	(150.2)	–	100
Total other economic flows – other comprehensive income	267.6	–	100
Comprehensive result	405.3	96.0	322.2

Balance sheet as at 30 June 2016

	2015–16 Actual \$M	2015–16 Published Budget \$M	Variation %
Assets			
Financial assets			
Cash and deposits	975.2	1,066.0	(8.5)
Receivables	3,117.9	2,806.0	11.1
Other financial assets	680.5	769.0	(11.5)
Investments accounted for using equity method	36.0	40.0	(9.9)
Total financial assets	4,809.6	4,681.0	2.7
Non-financial assets			
Inventories	79.6	80.0	(0.5)
Non-financial assets classified as held for sale including disposal group assets	109.3	7.0	1,461.4
Property, plant and equipment	15,538.6	15,215.0	2.1
Investment properties	24.9	22.0	13.0
Intangible assets	190.7	112.0	70.3
Other	102.8	103.0	(0.2)
Total non-financial assets	16,045.9	15,539.0	3.3
Total assets	20,855.5	20,221.0	3.1
Liabilities			
Payables	1,772.8	1,487.0	19.2
Borrowings	2,813.8	2,715.0	3.6
Provisions	2,712.9	2,611.0	3.9
Total liabilities	7,299.5	6,813.0	7.1
Net assets	13,556.0	13,408.0	1.1
Equity			
Accumulated surplus/(deficit)	1,118.7.0	1,079.0	3.7
Contributed capital and reserves	12,437.3	12,329.0	0.9
Total equity	13,556.0	13,408.0	1.1

Statement of cash flows for the financial year ended 30 June 2016

	2015–16 Actual \$M	2015–16 Published Budget \$M	Variation %
Cash flows from operating activities			
Receipts			
Receipts from government	14,727.6	14,498.0	1.6
Receipts from other entities	5,921.2	5,970.0	(0.8)
Interest received	46.5	68.0	(31.6)
Dividends received	4.2	–	100
Other receipts	635.0	555.0	14.4
Total receipts	21,334.5	21,091.0	1.2
Payments			
Payments of grants and other transfers	(1,943.9)	(1,706.0)	13.9
Payments to suppliers and employees	(17,464.9)	(17,497.0)	(0.2)
Capital asset charge	(1,016.8)	(1,017.0)	–
Interest and other costs of finance paid	(90.6)	(104.0)	(12.9)
Total payments	(20,516.2)	(20,323.0)	1.0
Net cash flows from/(used in) operating activities	818.3	768.0	6.5
Cash flows from investing activities			
Net investment	20.4	–	100
Payments for non-financial assets	(1,016.4)	(873.0)	16.4
Proceeds from sale of non-financial assets	28.5	–	100
Net loans to other parties	0.4	1.0	(60.0)
Net (purchase)/disposal of investments – policy purposes	21.6	(1.0)	(2,260.0)
Net cash flows from/(used in) investing activities	(945.5)	(874.0)	8.2
Cash flows from financing activities			
Owner contributions by state government	57.4	236.0	(75.7)
Repayment of finance leases	(40.2)	(11.0)	265.5
Net borrowings	136.4	(3.0)	(4646.7)
Net cash flows from/(used in) financing activities	153.6	223.0	(31.1)
Net increase (decrease) in cash and cash equivalents	26.4	117.0	(77.4)
Cash and cash equivalents at the beginning of the financial year	948.8	949.0	–
Cash and cash equivalents at the end of the financial year	975.2	1,066.0	(8.5)

Statement of changes in equity for the financial year ended 30 June 2016

	2015–16 Actual \$M	2015–16 Published Budget \$M	Variation %
Accumulated funds	980.9	1,079.0	(9.1)
Adjustment due to change in accounting policy	(2.7)	–	100
Transactions with owners in their capacity as owners	2.7	–	100
Comprehensive result	137.7	90.0	53.0
Accumulated surplus/(deficit)	1,118.7	1,169.0	4.3
Net contributions by owners	6,245.4	6,410.0	(2.6)
Transactions with owners in their capacity as owners	–	169.0	(100)
Contributions by owners	6,245.4	6,579.0	(5.1)
Physical asset revaluation reserve	5,721.1	5,291.0	8.1
Comprehensive result	–	–	–
Physical asset revaluation reserve	5,721.1	5,291.0	8.1
Financial assets available-for-sale reserve	30.5	–	100
Other reserves	440.3	627.0	(29.8)
Comprehensive result	–	–	–
Other reserves	470.8	627.0	(24.9)
Changes in equity	13,556.0	13,666.0	(0.8)

Administered items statement for the financial year ended 30 June 2016

	2015–16 Actual \$M	2015–16 Published Budget \$M	Variation %
Administered income			
Interest	0.9	3.0	(68.7)
Sales of goods and services	344.8	334.0	3.2
Grants	8,359.6	8,110.0	3.1
Other income	45.3	15.0	201.9
Total administered income	8,750.7	8,462.0	3.4
Administered expenses			
Grants and other transfers	7,658.8	7,360.0	4.1
Payments into the consolidated fund	436.4	398.0	9.6
Expenses on behalf of the state	698.0	711.0	(1.8)
Total administered expenses	8,793.1	8,469.0	3.8
Income less expenses	(42.5)	(8.0)	431.1
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	2.2	8.0	(72.3)
Net gain/(loss) on financial instruments and statutory receivables/payables	(0.1)	–	100
Other gains/(losses) from other economic flows	–	–	–
Total other economic flows included in net result	2.1	8.0	(73.7)
Net result	(40.4)	–	100
Other economic flows – other comprehensive income			
Other	–	–	–
Total other economic flows – other comprehensive income	–	–	–
Comprehensive result	(40.4)	–	100
Administered assets			
Cash and deposits	1.7	–	100
Receivables	9.4	7.0	34.8
Other financial assets	1.6	1.0	61.6
Other	9.8	54.0	(81.8)
Total administered assets	22.6	62.0	(63.6)
Administered liabilities			
Payables	9.9	16.0	(38.3)
Provisions	4.9	5.0	(1.1)
Total administered liabilities	14.8	20.0	(25.9)
Net assets	7.7	41.0	(81.1)
Equity			
Accumulated surplus/(deficit)	24.2	–	100
Contributed capital	(31.9)	–	100
Total equity	(7.7)	–	100

Director of Housing

Comprehensive operating statement for the financial year ended 30 June 2016

	2016 \$M	2015 \$M
Income from transactions		
Output appropriations	460.4	185.9
Interest income	9.4	5.1
Rental income and income from services	476.6	235.0
Grants and other income transfers	13.4	2.9
Other income	326.5	5.8
Fair value of assets and services received free of charge or for nominal consideration	2.0	1.1
Total income from transactions	1,288.3	435.8
Expenses from transactions		
Employee expenses	97.5	48.9
Depreciation and amortisation	212.6	106.5
Interest expense		10.2
Rates to local authorities	116.3	56.4
Maintenance	176.8	105.0
Rental property lease expenses	13.2	5.5
Tenant utilities and other expenses	78.6	39.2
Home finance operating costs	2.0	0.9
Other operating expenses	40.1	25.3
Grants and other expense transfers	279.4	134.0
Total expenses from transactions	1,016.6	531.8
Net result from transactions (net operating balance)	271.7	(96.0)
Other economic flows included in net result		
Net gain/(loss) on non-financial assets	0.9	(7.1)
Other gains/(losses) from other economic flows	(6.7)	(3.7)
Total other economic flows included in net result	(5.8)	(10.8)
Net result for the year	265.9	(106.8)
Other economic flows – other comprehensive income		
Items that will not be reclassified to net result		
Changes in physical asset revaluation reserve	2,345.9	4.7
Remeasurement of superannuation defined benefit plans	0.9	3.4
Total other economic flows – other comprehensive income	2,346.8	8.1
Comprehensive result	2,612.7	(98.8)

The comprehensive operating statement should be read in conjunction with the notes to the financial statements.

Balance sheet as at 30 June 2016

	2016 \$M	2015 \$M
Assets		
Financial assets		
Cash and deposits	81.5	200.1
Receivables	18.9	27.5
Loans	42.5	45.0
Short-term investments – term deposits	346.8	121.7
Total financial assets	489.7	394.4
Non-financial assets		
Non-financial physical assets classified as held for sale	2.2	
Property, plant and equipment	22,932.0	20,702.8
Intangible assets	42.6	52.4
Prepayments	2.5	2.5
Total non-financial assets	22,979.3	20,757.7
Total assets	23,469.0	21,152.1
Liabilities		
Payables	71.1	383.6
Borrowings	13.4	13.4
Provisions	82.3	83.2
Total liabilities	166.8	480.2
Net assets	23,302.2	20,671.9
Equity		
Accumulated surplus/(deficit)	163.3	(103.5)
Physical asset revaluation reserve	2,350.6	4.7
Contributed capital	20,788.3	20,770.7
Net worth	23,302.2	20,671.9

The balance sheet should be read in conjunction with the notes to the financial statements.

Statement of changes in equity for the financial year ended 30 June 2016

	Physical asset revaluation reserve \$M	Accumulated surplus/ (deficit) \$M	Contributed capital \$M	Total \$M
Balance at 1 July 2014				
Machinery of government transfer in			20,731.3	20,731.3
Net result for the year		(106.8)		(106.8)
Remeasurement of superannuation defined benefit plans		3.4		3.4
Changes in physical asset revaluation reserve	4.7			4.7
Capital contribution by Victorian State Government			39.4	39.4
Balance at 30 June 2015	4.7	103.5	20,770.7	20,671.9
Net result for the year		265.9		265.9
Remeasurement of superannuation defined benefit plans		0.9		0.9
Changes in physical asset revaluation reserve	2,345.9			2,345.9
Capital contribution by Victorian State Government			17.6	17.6
Balance at 30 June 2016	2,350.6	163.3	20,788.3	23,302.2

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

Cash flow statement for the financial year ended 30 June 2016

	2016 \$M	2015 \$M
Cash flows from operating activities		
Receipts		
Receipts of output appropriations	460.4	185.9
Receipts of funds from other authorities	14.6	2.9
Rent received	470.3	225.5
User charges received – rental properties	5.0	2.4
Interest received	9.2	5.5
Other receipts	14.4	8.8
GST recovered from Australian Taxation Office ⁽ⁱ⁾	31.7	10.9
Total receipts	1,005.5	441.9
Payments		
Payments of grants and other expense transfers	(305.5)	(145.7)
Payments for employee benefits	(97.5)	(46.4)
Payments for supplies and services	(38.7)	(11.1)
Interest and other costs of finance paid	(1.7)	(12.2)
Rates to local authorities	(117.1)	(70.8)
Maintenance	(178.1)	(131.6)
Rental property lease expenses	(13.3)	(6.8)
Tenant utilities and other expenses	(79.2)	(49.2)
Home finance operating payments	(1.9)	(0.9)
Other payments		(0.1)
Total payments	(833.1)	(474.8)
Net cash flows from/(used in) operating activities	172.4	(32.9)
Cash flows from investing activities		
Proceeds from the sale of non-financial assets	151.2	49.3
Purchase of short-term investments – term deposits	(225.1)	(53.3)
Client loans repaid	2.5	1.8
Payment for non-financial assets	(237.4)	(79.1)
Net cash flows from/(used in) investing activities	(308.7)	(81.3)
Cash flows from financing activities		
Cash received from activity transferred in – MoG changes		274.9
Owner contributions by Victorian Government – appropriation for capital expenditure purposes	17.6	39.4
Net cash flows from/(used in) financing activities	17.6	314.3
Net increase/(decrease) in cash and deposits	(118.7)	200.1
Cash and deposits at beginning of financial year	200.1	
Cash and deposits at the end of the financial year	81.5	200.1

The cash flow statement should be read in conjunction with the notes to the financial statements

Note:

(i) Goods and services tax (GST) recovered/paid from the Australian Taxation Office is presented on a net basis

Disclosure index

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

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Note: FRD = Financial Reporting Direction

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Additional departmental information available on request

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below have been retained by the department and are 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 the entity, 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
- > general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes
- > 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 engaged.

Requests for additional information may be made in writing to the following:

Director
Communications and Media
GPO Box 4057
Melbourne Victoria 3001