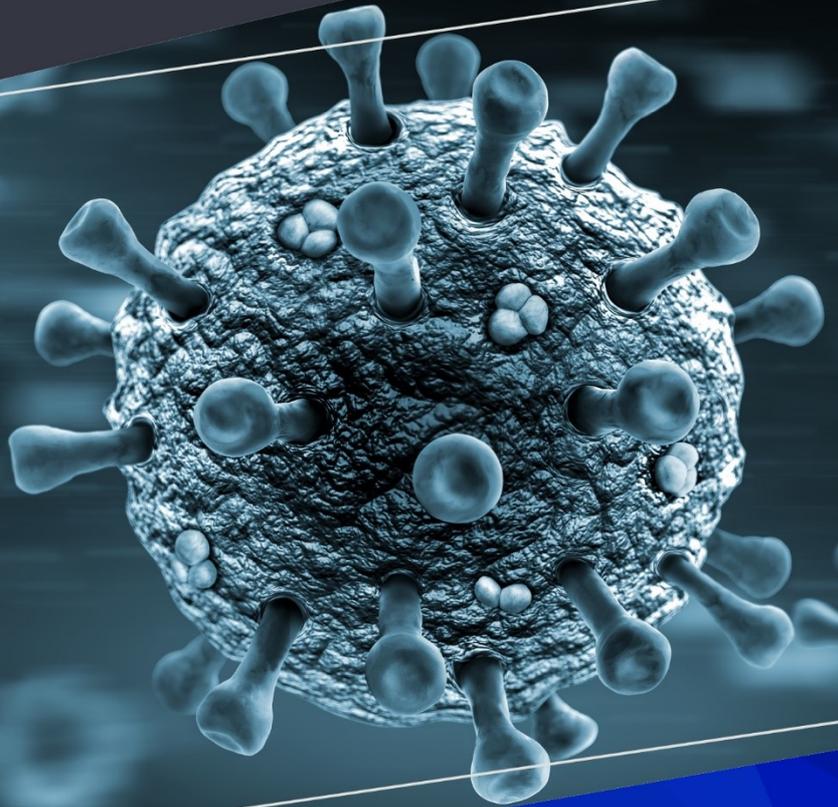




# Department of Health annual report 2020–21



Department  
of Health

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

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

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

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

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

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# Contents

## Report of operations

Section 1: Year in review	5
Secretary's foreword	5
Vision, mission and values	7
Purpose and functions	8
Subsequent events	10
Portfolio performance reporting – non-financial	11
Overview	11
Departmental objectives	12
Responding to the COVID-19 pandemic in Victoria	37
Performance reporting	51
Portfolio performance reporting – financial	68
Section 2: Governance and organisational structure	72
The department's ministers	72
The department's senior executives	73
Organisational chart	75
Committee structure	76
Section 3: Workforce data	78
Public sector values and employment principles	78
Comparative workforce data	80
Executive officer data	88
Workforce inclusion policy	95
Occupational health and safety	98
Section 4: Other disclosures	101
Local Jobs First	101
Disclosure of major contracts	102
Government advertising expenditure	103
Consultancy expenditure	105
Information and communication technology expenditure	111

Compliance with the Building Act 1993	111
Competitive neutrality policy	111
Freedom of information	112
Compliance with the Public Interest Disclosures Act 2012	113
Compliance with the Carers Recognition Act 2012	114
Compliance with the Disability Act 2006	114
Cemeteries and Crematoria Act 2003	114
Public Health and Wellbeing Act 2008	115
Additional departmental information available on request	115
Social procurement framework	116
Environmental reporting	118
Compliance with DataVic Access Policy	134
Financial Management Compliance Attestation Statement	135
Asset management accountability framework maturity assessment	135

## Financial statements

Department of Health: Financial statements for the financial year ended 30 June 2021	137
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## Appendices

Appendices	232
Portfolio budget outcomes	232
Disclosure index	239

## Section 1: Year in review

### Secretary's foreword



This year has been extremely challenging for everyone. But it is a year that we can look back on with much pride. In the face of the COVID-19 pandemic Victorians have come together in ways we have never seen before to keep each other safe. Above all, our healthcare workers – in primary and community care, ambulance services, public and private hospitals and aged care – have shown us their expertise, skills and capacity for providing quality care, as they strive relentlessly to keep us well.

Throughout this crisis we have worked together to continually innovate, learn and improve, and use our shared experience to adjust and sharpen our focus on delivering a world-class healthcare system that keeps Victorians as healthy as possible.

It is a privilege to lead the newly established Department of Health. I hope you will share my pride in what we have achieved over the past year.

#### **Responding to the COVID-19 pandemic**

Victoria has faced the full force of the COVID-19 pandemic over the past 12 months. We have had to deal with many challenges, both professional and personal during this time. Thanks to the efforts of all Victorians, however, and especially our frontline healthcare workers and public health teams, we have been able to respond effectively to the virus.

Identifying positive cases and their close contacts has been essential to help slow the spread in our communities. Through our end-to-end contact tracing system and the nine new local public health units we have established this year, we have been able to respond to new cases and outbreaks in a swift and agile way.

As we turn our attention to the next stage in our fight against this virus, we have made it easier for all Victorians to protect themselves, their families, their friends and the community through the rollout of the biggest vaccination program in our state's history. State vaccination hubs have been established in locations throughout Victoria so that as many people as possible can get vaccinated as quickly as possible, and we can all return to doing the things we love with those we love.

We know this pandemic is far from over. Even after high levels of the population are vaccinated, we must continue to work together to protect our health system and keep the community safe.

#### **Rebuilding our mental health system**

The mental health of our community is paramount. We have been given a once-in-a-generation opportunity to build a modern mental healthcare system that meets the needs of all Victorians, where and when they need it.

A big part of this reform work is making sure people in crisis can receive care and support in their own community. Through the statewide rollout of the Hospital Outreach Post-suicidal Engagement (HOPE) services those in our community who have attempted suicide or experienced a mental health crisis can now get the holistic clinical and social supports they need to help get them back on their feet.

And if someone is struggling with their mental health, it is important they can access help when they need it. That is why we have forged ahead with delivering 179 acute youth and adult mental health beds in four priority locations across Melbourne and Geelong. These beds will provide some of our most challenged communities with much-needed access to expert care.

A modern mental health system is one that has people at its core. That is why we believe that those with lived experience are uniquely placed to shape it. So, we are bringing together people with lived experience with researchers and clinicians to develop the new Victorian Collaborative Centre for Mental Health and Wellbeing. The Centre will be an

Australian first, defining, evolving and delivering best practice in adult mental health care.

We also know that putting Aboriginal ways of knowing, being and doing at the centre of care is essential to their mental health and wellbeing. Our deeper partnerships with the Victorian Aboriginal Community Controlled Health Organisation will ensure that Aboriginal Victorians have a central role in developing new Aboriginal social and emotional wellbeing services.

### **Better health outcomes for Victorians**

Victorians need to know they can access healthcare that helps them stay healthy and can adapt to our changing needs.

There is no better example of this than in Mildura and Northern Mallee. After 20 years, we have returned Mildura Base Hospital back into public hands. This will enable better integration with other health services and community providers in Mildura and across the region.

Making sure that Victorians have access to the very best cancer treatments and care is at the heart of the *Victorian cancer plan 2020–2024*, which was launched this year. The plan sets out key priorities to prevent cancer, increase survival, and improve the patient experience.

Safe and quality care for our aged care residents and workforce is of utmost importance and an area where we are leading the way. This year we took another step forward as Victoria became the first state in Australia to legislate nurse-to-resident ratios in its public sector residential aged care facilities, providing an important safeguard for both residents and staff. The benefits of the expert care that the extra nurses bring to our public sector aged care residents have been very clear during the pandemic.

### **Building a state of the art and modern health system**

We continue to build health infrastructure that meets the needs of all Victorians. The opening of one of the state's busiest emergency departments at Sunshine Hospital means families in Melbourne's western suburbs now have faster access to world-class healthcare and nearly 20,000 children every year can be treated in a new purpose-built space.

It is important our older Victorians too can spend their later years in a comfortable and modern facility where they receive the very best care. A new stand-alone dementia-friendly unit in Creswick has opened, providing an environment that is safe and home-like and adaptable to individual residents' needs.

### **And finally, a thank you**

There is no doubt the pandemic created opportunities for significant improvements in our health system. It has also shown us that a more connected health system, with closer relationships between clinicians and consumers, between health services, and between providers and the department, delivers better health care for Victorians. We look forward to taking advantage of these opportunities to help lead the way for bold and innovative reform now and into the future.

My heartfelt thanks go out to the community for supporting our efforts this year to deliver safe and quality care for you. To our dedicated and hard-working healthcare workers, our health services, our partner agencies, and department staff – it is through your hard work and dedication that we have made such great strides over the past year.

I look forward to continuing to work together in our collective pursuit to achieve the best health and wellbeing for our community

### **Responsible body's declaration**

In accordance with the *Financial Management Act 1994*, I am pleased to present the Department of Health annual report for the year ending 30 June 2021.



Professor Euan M Wallace AM  
Secretary  
Department of Health

## Vision, mission and values

### Vision

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

### Mission

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

### Values

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

#### Responsiveness

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

#### Integrity

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

#### Impartiality

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

#### Accountability

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

#### Respect

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

#### Leadership

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

#### Human rights

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

## Purpose and functions

The Department of Health (the department) was formally established on 1 February 2021, following the government's announcement on 30 November 2020 that the former Department of Health and Human Services would be separated into two new departments to allow for a dedicated focus on the health system and Victoria's social recovery from COVID-19.

Our job is to deliver a world-class health system that focuses on improving patient outcomes and experience for all Victorians.

## Our services

### Acute health services

The public health system provides all Victorians with access to high-quality public hospitals and services to address their acute health needs.

The department contributes to the management of the public health system through leadership, governance responsibility, policy development and the advancement of quality and safety.

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

### Ageing, aged and home care

Older Victorians deserve safe and modern aged care services. Through its acute health, community and aged care services, the department supports timely access to services that enable older people to remain independent for as long as possible. The department is also the system manager for the Victorian public sector residential aged care sector, the largest in Australia. Responsibility for these services is shared with the Department of Families, Fairness and Housing.

### Ambulance services

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

### Drug services

Drug and alcohol problems affect not just individuals, but their families, their friends and their communities. The department works with Victoria's alcohol and drug treatment and support services to

develop policies and provide funding for the right drug treatment, support, and harm-reduction services across Victoria.

### Mental health

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

### Primary, community and dental health

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

### Public health

The department seeks to reduce the incidence of preventable disease by protecting the community against hazards resulting from or associated with communicable disease, contaminated food or water, or contamination in the environment. The department works in strong partnership with local government and service providers to reduce and respond to preventable disease and public health hazards. It also provides health education and promotion for the community and leads or supports health and non-health emergency responses.

The department's dedicated COVID-19 Response Division supports the government's response to the pandemic. The division delivers a range of services, including policy and strategy advice, COVID-19 testing, wastewater surveillance and pathology, case contact and outbreak management, epidemiology data and intelligence, public engagement and COVID-19 vaccinations.

### Small rural services

Where someone lives should not affect their access to high-quality healthcare. The department is

responsible for planning, funding and monitoring a suite of services (acute health, aged care, home and community care, and primary health) which are delivered by small rural service providers. The funding and service delivery approach focuses on achieving a sustainable, flexible service mix that is responsive to local needs.

## Leadership charter

Our leadership charter plays an important part in shaping our culture.

It outlines the leadership behaviours our staff and stakeholders can expect of the executive leadership group and positions the department as a great place to work. It represents how the department's executive leadership group wish to be known and how they relate to each other and our stakeholders.

The charter commits the executive leadership group to lead by example and ensure their behaviours and their approach to their work embody the department's values. Executives are committed to 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 the [leadership charter webpage](https://www.vic.gov.au/health/leadership-charter) <<https://www.vic.gov.au/health/leadership-charter>>.

## Changes to the department

Substantial changes were made to the department in 2020–21.

**1 July 2020** – The department's Medical Research function was transferred to the Department of Jobs, Precincts and Regions.

**12 November 2020** – Kim Peake resigned as Secretary of the Department of Health and Human Services.

**17 November 2020** – Professor Euan Wallace AM was appointed Secretary of the Department of Health and Human Services.

**30 November 2020** – the Victorian Government announced that the former Department of Health and Human Services would be separated into two new departments – the Department of Health and the Department of Families, Fairness and Housing – to be led by Professor Euan Wallace AM and Sandy Pitcher respectively.

The announcement stated that the Department of Health will be responsible for the Health, Ambulance Services, Mental Health, and Ageing portfolios and will continue to lead the government's public health response to the COVID-19 pandemic.

**1 February 2021** – the formal machinery of government changes took effect and the Department of Health and the Department of Families, Fairness and Housing were established.

A new Aboriginal Health Division was established to strengthen engagement with Victoria's Aboriginal community-controlled sector and support the department in the delivery of key strategic policy and health reforms aimed at improving the health and wellbeing outcomes for Victoria's Aboriginal community. The division will also build capacity across the department to ensure services and programs are culturally safe and accessible and that they respond to priorities identified by the Aboriginal community.

A new Mental Health Division was established to lead and deliver Victoria's 10-year mental health plan, support the government's response to the Royal Commission into Victoria's Mental Health System, and work closely with Mental Health Reform Victoria, care providers and clients.

The COVID-19 Response Division was established, formally bringing together multiple streams of work under a single structure led by a Deputy Secretary (Commander) and supported by the Chief Health Officer.

The Victorian Agency for Health Information, formerly an administrative office of the Department of Health and Human Services, was integrated into the new department as part of the Reform and Planning Division and joined by the Centre for Victorian Data Linkage and the Health Services Data team. This created a single division that integrates health data, analytics and reporting and streamlines the flow of information from collection to insight.

Finally, a number of functions in the department's Corporate Services and Regulatory, Risk, Integrity and Legal divisions were restructured between 1 February and 30 June 2021. This enabled the provision of shared services to both the Department of Health and the Department of Families, Fairness and Housing, and the settling of permanent arrangements for subsequent years.

### [Section 2: Governance and organisational structure](#)

contains information on the department's senior executives and organisational structure as at 30 June 2021.

### Direct costs attributable to machinery of government changes

The department incurred additional costs relating to specific tasks that needed to be undertaken to remediate systems and processes to enable use by two departments. The departments have continued to share services and systems wherever possible to achieve efficiencies.

The precise costs associated with machinery of government changes cannot be captured accurately as costs may have been incurred for work that was needed for the changes to take effect, but that work might also have provided other operational benefits. For example, system remediation costs for the separation of data between the two departments would also include general system enhancements not directly attributable to machinery of government changes.

## Subsequent events

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

- > On 26 July 2021, the staff and functions of Mental Health Reform Victoria were integrated into the new Mental Health and Wellbeing Division, fulfilling a recommendation of the final report of the Royal Commission into Victoria's Mental Health System.
- > On 1 August 2021, teams working in regional areas on population health, health protection and area population health, and community wellbeing transferred into the Public Health Division from the Department of Families, Fairness and Housing.
- > On 30 August 2021, Professor Michael Roberts commenced his appointment as Chief Executive Officer of Safer Care Victoria.
- > On 31 August 2021, the department published its *Operational plan 2021–22*. This provides an updated framework for future reporting of the department's operations.
- > On 29 September 2021, the Victorian WorkCover Authority (WorkSafe Victoria) announced that it had charged the department with 58 breaches of the *Occupational Health and Safety Act 2004* in relation to Victoria's initial hotel quarantine program.
- > On 11 October 2021, Luke Donnellan MP resigned from the Ministry and portfolio responsibility for Disability, Ageing and Carers was transferred to James Merlino MP.

## Portfolio performance reporting – non-financial

### Overview

The department is required to report on its performance against the objectives articulated in its most recent corporate plan, on key initiatives or projects for the year, and on the output measures detailed in the *2020–21 Budget Paper No. 3 – Service Delivery*. This reporting has been complicated by machinery of government changes and the COVID-19 pandemic, so the following three components are included to fulfil the department's non-financial portfolio performance reporting obligations.

### Departmental objectives

The former Department of Health and Human Services did not publish a 2020–21 strategic plan.

The objectives specific to the Department of Health outlined in this section are drawn from the 2019 Department of Health and Human Services strategic plan. The objectives set out in that document are:

1. Victorians are healthy and well
2. Victorians are safe and secure
3. Victorians have the capabilities to participate
4. Victorians are connected to culture and community
5. Victorian health and human services are person centred and sustainable

This report includes information on departmental efforts to meet objectives 1 and 5.

Reporting on objectives 2, 3 and 4 is included on an exceptions basis only. Comprehensive reporting on objectives 2, 3 and 4 can be found in the *Department of Families, Fairness and Housing annual report 2020–21*.

### Responding to the COVID-19 pandemic in Victoria

The department is leading the Victorian Government's response to the COVID-19 pandemic.

In 2020–21, this work greatly increased in volume, scope and complexity. The department's operations evolved to meet the needs of Victorians in four main areas:

1. Managing COVID-19 in Victoria
2. Preventing COVID-19 in Victoria
3. Containing COVID-19 in Victoria
4. Vaccinating Victorians

### Performance reporting

The department reports against those output measures from the *2020–21 State Budget Paper No. 3 – Service Delivery* that remain within the department's portfolios following the machinery of government changes. These output measures all relate to departmental objective 1.

## Departmental objectives

### Objective 1: Victorians are healthy and well

This objective seeks to achieve the following outcomes:

- > Victorians have good physical health
- > Victorians have good mental health
- > Victorians act to protect and promote health.

For Victoria to remain a great place to live, work and play, Victorians need to know they can access healthcare that allows them to keep doing the things they love – whether it's spending time with family and friends, getting out and about or doing things that bring them joy.

The department delivers a world-class healthcare system that meets the changing health needs of all Victorians by focusing on people first. Prevention is our starting point, creating the right conditions and supports to promote and protect good health and intervene early at every point.

#### Outcome 1.1: Victorians have good physical health

Victoria's population is expected to increase by about two-thirds in the next 40 years. At the same time, the population is ageing and becoming more diverse. This presents unique opportunities and challenges to the Victorian health system.

In addition, the rapid emergence and spread of COVID-19 has presented an unprecedented challenge to the health of Victorians.

The long-term effects of COVID-19 on people's health (including heart, lungs and even brain function) are not fully understood yet. COVID-19 could represent a new chronic disease, where treatments are still to be found.

#### Progress against outcomes

Some of the department's key achievements in 2020–21 are outlined below.

Please see [Responding to the COVID-19 pandemic in Victoria](#) on page 37 for key achievements relating specifically to COVID-19.

#### Key result: Reduce the incidence of avoidable harm in Victorian hospitals

##### Increased nurse to patient ratios in hospitals

A strong nursing and midwifery workforce is crucial to delivering the best care for Victorians. Nurse and midwife to patient ratios have assisted in maintaining the safety of Victorian patients since they were introduced in 2020.

The *Safe Patient Care (Nurse to Patient and Midwife to Patient Ratios) Amendment Act 2020* was passed by the Victorian Parliament on 10 November 2020. The Act forms part of a second phase of improvements to ratios and complements the changes introduced in 2019. Specifically, it amends nurse to patient and midwife to patient ratios on specified shifts in certain wards.

The Act also amended the *Child Wellbeing and Safety Act 2005* to require providers of maternal and child health services to employ or engage nurses for those services only if the nurses have prescribed qualifications.

##### Infrastructure grants

The Victorian Health Building Authority administered \$461 million in grants to health services and agencies across the state to improve the safety and quality of services, enhance service capacity and efficiency, support contemporary models of care, and improve patient and staff amenity. These were made through the:

- > \$200 million Metropolitan Health Infrastructure Fund
- > \$120 million Regional Health Infrastructure Fund
- > \$50 million Engineering Infrastructure Replacement Program
- > \$35 million Medical Equipment Replacement Program
- > \$10 million Rural Residential Aged Care Facilities Renewal Program
- > \$16 million Generator Replacement Program.

In addition, VHBA also provided \$10 million to address sexual safety risks in adult acute mental health inpatient units and \$20 million for the maintenance and refurbishment of aged care facilities.

### **Key result: Reduce obesity and increase physical activity across Victoria**

Every year, we invest in initiatives that contribute to obesity prevention and help support an increase in healthy eating and physical activity.

#### **Supporting health and wellbeing in the community**

The department is continuing to deliver key initiatives to support Victorians to be as healthy as they can be. One of these, the Healthy Schools, Healthy Workers and Healthy Early Years Achievement Program, supports over 3,400 organisations, including schools, early learning centres and workplaces, and reaches over 484,000 children and 378,000 workers to create healthier places for them. Another initiative, the Healthy Eating Advisory Service, supports hundreds of early childhood services, schools, hospitals and sport and recreation centres every quarter to provide and promote healthy food and drinks. The department is also delivering the Life! Helping You Prevent Diabetes, Heart Disease and Stroke Program, which supports over 5,000 Victorians every year to reach their health and wellbeing goals and reduce their risk of chronic disease.

#### **Supporting health and wellbeing online**

In response to the COVID-19 pandemic, the department has partnered with the YMCA to introduce the Virtual Y. This initiative offers free online health, wellbeing and mentoring support for young people, including access to physical activity videos, healthy eating recipes, family activities and a Youth Hub.

The Life! Program also transitioned its face-to-face group course to an online delivery format utilising web conferencing systems. This program adaptation allows participants to continue to participate in the program and benefit from a group-based setting and the peer support and motivation it provides.

### **Key result: Reduce infant mortality**

#### **Safer Baby Collaborative**

More than 20 lives have been saved since collaborative work began in June 2019, through a major partnership to reduce preventable stillbirths at participating maternity hospitals.

In the past three years, Safer Care Victoria has run multiple projects to target specific risk factors for stillbirth, resulting in the first real change to the state's stillbirth rates in almost two decades. Taking a broader approach, the Safer Baby Collaborative worked with participating services across five target areas.

While it was initially put on hold during the COVID-19 pandemic, the collaborative returned for a second phase in November 2020 and wrapped up in June 2021. Results showed a 21 per cent drop in stillbirths in participating services and an increase in the days between stillbirths, from an average of 3.5 days to 8.1 days, including periods of 47 days and 32 days without a stillbirth occurring at any of the reporting sites.

This reduction was driven by:

- > an increase in the number of women who quit smoking during pregnancy. When work began, an average of eleven per cent of women in participating services quit smoking between conception and birth. By the end of the collaborative this had increased to 33 per cent, through increased use of Quit's Ask, Advise, Help intervention and referral to smoking cessation programs.
- > improvement in consistent approaches to screening for poorly growing babies. During the collaborative, the average rate of pregnant women assessed for a risk of foetal growth restriction increased from 13 per cent to 42 per cent.
- > more expectant mothers being informed about how to recognise and respond to changed baby movements. By the completion of collaborative work, the percentage of pregnant women receiving advice and education on foetal movements from their maternity care provider increased from 18 to 63 per cent.
- > better education around safer sleeping positions for women in their third trimester of pregnancy. When work began, an average of 17 per cent of pregnant women received education on safe sleeping positions, increasing to 48 per cent by the completion of the collaborative.

- > a focus on partnering with pregnant women to support shared decision-making around timing of birth, with the number of women reporting they were as involved as they wanted to be in decision-making increasing from 19 to 29 per cent throughout collaborative work.

The full results from this collaborative will be shared later in 2021.

### Early parenting centres

Work on the \$123 million early parenting centres (EPCs) expansion and upgrade project continues to progress. Once complete, the project will more than triple the number of EPCs in Victoria.

Delivered by the Victorian Health Building Authority, the project will upgrade and expand facilities at existing centres in Footscray and Noble Park, and build four new centres in the growing areas of Frankston, Casey, Wyndham and Whittlesea. Three new centres will also be built in the regional areas of Ballarat, Bendigo and Geelong. Once completed, the expanded, upgraded services will provide support to over 5,000 extra families each year. This means that more families with babies and young children can get the early parenting support they need – sooner and closer to home.

### Key result: Improve the oral health of school-aged children

#### School dental program

The department has been working with Dental Health Services Victoria (DHSV) and the Department of Education and Training to implement free dental examinations and treatment for government school students.

The School Dental Program, 'Smile Squad', is a Victorian Government election commitment that provides free annual oral health check-ups and follow-up care for all children attending government primary and secondary schools. The \$321.9 million initiative includes teeth cleaning, fluoride applications, fillings and any other non-cosmetic treatments to make sure our kids have healthy teeth.

Smile Squad dental vans visited 24 schools in terms three and four of 2019 as part of a trial. In 2021, an additional 422 schools have been invited to participate, and now over 50 per cent of all Victorian government schools have been invited.

A schedule for rollout to new areas and schools in 2022 is now being prepared.

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

### Outcome 1.2: Victorians have good mental health

Almost half the Victorian population will directly experience a mental illness or disorder in their lifetime, and those who don't will have friends, family and work colleagues who have been affected.

The department is leading action to reduce suicide rates, provide better access to services, promote positive mental health and wellbeing, and prevent mental illness.

### Progress against outcomes

A key priority for the department is to address Victoria's mental health system by supporting and responding to the recommendations of the Royal Commission into Victoria's Mental Health System.

The department has been leading and coordinating whole of Victorian Government engagement with the Royal Commission through the Royal Commission Engagement Branch, which also acts as the key interface between the Victorian Government and the Royal Commission.

Some of the department's key achievements in 2020–21 are outlined below.

#### Mental health reform

A key priority in 2020–21 was the implementation of the interim report of the Royal Commission into Victoria's Mental Health System, published in November 2019, before the release of the final report in February 2021.

The interim report made nine recommendations to address urgent issues and lay the foundation for future mental health system reform. The department is responsible for eight of the nine recommendations.

Mental Health Reform Victoria (MHRV) was established in February 2020 as a time-limited administrative office to lead implementation of the interim report recommendations of the Royal Commission.

MHRV has worked in partnership with people with lived experience as consumers, family members, carers and supporters, and service providers and other experts in the design and delivery of the responses to the recommendations.

Significant progress has been made in implementing the reforms, including:

- > advancing the delivery of 179 acute mental health beds
- > statewide rollout of the implementation of the Hospital Outreach Post Suicidal Engagement (HOPE) program
- > new Hospital in the Home programs
- > partnership with the Victorian Aboriginal Community Controlled Health Organisation (VACCHO) to guide the development of new Aboriginal social and emotional wellbeing services.

Another key focus of the department's work on reform was the implementation of key workforce recommendations, including the introduction of junior medical officer rotations in psychiatry, and increasing the number of mental health graduate and postgraduate nurses. This occurred alongside a lived experience workforce leadership package and establishing a peer cadet program.

Finally, the co-design of a new residential service designed and delivered by people with lived experience commenced, as did early planning for the establishment of the Victorian Collaborative Centre for Mental Health and Wellbeing.

### **Mental health beds expansion program**

In November 2020, the Victorian Government announced a \$492 million investment to deliver 144 new acute public mental health beds.

As an urgent response to recommendations from the Royal Commission into Victoria's Mental Health System, the new beds, including 120 hospital-based beds and 24 home-based beds, will be delivered across four Victorian health services to address increased demand on the health system.

The new hospital-based beds and services will be located at:

- > Northern Hospital, Epping
- > Sunshine Hospital, St Albans
- > The Royal Melbourne Hospital, Parkville
- > McKellar Centre, North Geelong.

People with a variety of views and perspectives were engaged to inform the facility and service designs for the expansion project. These include people with lived experience of mental illness, such as consumers, families and carers, as well as medical, nursing and allied health professionals and other staff.

Delivered by the Victorian Health Building Authority, the project will increase capacity, reduce pressure on emergency departments and provide additional support for people experiencing mental illness who require immediate treatment in a contemporary, safe and high-quality setting.

Once complete, the new hospital-based beds will provide more than 43,000 days of care, enabling 2,500 more Victorians to access vital mental health services every year.

The program will create and sustain 1,450 jobs during construction and all four facilities are expected to be progressively completed by 2023.

### **Key result: Reduce the suicide rate**

The department continues to deliver the *Victorian suicide prevention framework 2016–2025*, which commits to halving the suicide rate over the next ten years.

Under the framework, the Victorian Government is trialling two flagship suicide prevention initiatives.

### **Suicide prevention place-based trials**

The Victorian Government continues to partner with primary health networks to help local communities develop and implement coordinated place-based approaches to suicide prevention.

As at the end of June 2021, the trial had established more than 300 local partnerships across the 12 trial sites, building an improved system to prevent suicide.

### **HOPE**

The interim report of the Royal Commission into Victoria's Mental Health System also recommended the creation of a new Hospital Outreach Post-Suicidal Engagement (HOPE) service for children and young people, in partnership with four health providers (Royal Children's Hospital, Monash Children's Hospital, Alfred Health and Orygen). Design of the new child and youth HOPE service will be informed by the experiences of children and young people, as well as those of their carers and families. It is expected that this service will be up and running by the end of 2021.

### Key result: Improve rates of self-reported health and wellbeing

Self-reported health is an internationally recognised indicator of objective health status.

Improving self-reported health requires a concerted effort across the whole population and a targeted effort regarding key population groups and sub-groups.

All the department's efforts in health and wellbeing support improvements in objective and subjective health and wellbeing.

One of the tools the department uses to support the effective local development and delivery of health and wellbeing improvements is the *Victorian public health and wellbeing plan*.

### Key result: Reduce the rates of people with mental illness in contact with the justice system

People with mental illness are over-represented among those who are arrested, who come before the courts, and who are imprisoned. There is an association between the presence of mental illness and risk of offending, however, other factors, including socio-demographic disadvantage and substance use, play a part in the association. The extent to which mental illness is a causal factor is the subject of ongoing debate. Most people with a mental illness, including those with major illnesses, do not commit crimes.

#### Mental Health Advice and Response Service

The Mental Health Advice and Response Service (MHARS) initiative incorporates and expands the Mental Health Court Liaison Service and the Community Correctional Service Mental Health Court Advice Service to provide clinical advice to magistrates on the mental health of people appearing before the court.

Following the success of the MHARS program in the Magistrates' Court, the County Court pilot program was launched in the Melbourne County Court from 30 November 2020.

The Children's Court MHARS continues to provide clinical mental health assessment, advice and referrals in relation to accused young persons at the Melbourne Children's Court.

#### Upgrading Thomas Embling Hospital

Another key recommendation of the Royal Commission into Victoria's Mental Health System

was for an upgrade of the Thomas Embling Hospital.

Planning is underway for the \$349.6 million upgrade, which will deliver an additional 82 secure mental health beds and help transform Victoria's forensic mental health system.

With significant growth in the number of forensic patients and increasing demand for mental health beds in the justice system, the project will ensure that Victorians most at risk can access mental health services in a secure, contemporary and recovery-focused environment.

The expansion will include a new dedicated 34-bed women's precinct and a 48-bed medium security men's facility, as well as clinical administration facilities.

Construction is expected to commence in mid-2022 as the first stage of a major rebuild.

### Outcome 1.3: Victorians act to protect and promote health

The department wants all Victorians to enjoy the highest attainable standards of health, wellbeing, development and participation at every age. Recognising the influential role of social, cultural and economic forces, as well as biological and environmental factors, on health and wellbeing, we consider the whole population and support community-led action wherever possible.

#### Progress against outcomes

Some of the department's key achievements in 2020–21 are outlined below.

Please see [Responding to the COVID-19 pandemic in Victoria](#) on page 37 for key achievements relating specifically to COVID-19.

#### Public Health and Wellbeing (Prescribed Accommodation) Regulations 2020

The Public Health and Wellbeing (Prescribed Accommodation) Regulations 2020 came into effect on 13 December 2020, replacing the 2009 regulations of the same name.

These regulations cover certain types of accommodation (hotels and motels, student dormitories, holiday camps, rooming houses and certain forms of residential accommodation) as prescribed accommodation. Proprietors must meet standards to minimise public health risks that may arise from shared facilities, high turnover of occupants and overcrowding.

These regulations are an important tool in maintaining public health and preventing disease, especially during a pandemic, and avoiding overcrowding and unsanitary conditions.

On 12 June 2021, a small amendment to the definition of rooming house in these regulations clarified the scope and application to rooming houses declared by the Minister for Housing under the *Residential Tenancies Act 1997*.

### **Food-related anaphylaxis notifications**

The department operates the Victorian Anaphylaxis Notifications System, which requires all Victorian public and private hospitals to notify anaphylaxis cases presenting to hospital. This ensures that possible hidden anaphylaxis sources can be confirmed and public health maintained.

From July 2020 to June 2021 there were 1,330 anaphylaxis notifications received. Of these, 891 (67 per cent) were suspected to be caused by food. While notifications were lower than for the previous year (1,838 in 2019–20), food remains the cause of a significant proportion of Victorian anaphylaxis notifications. This emphasises the need for better understanding in the food industry of the risks allergens pose. To address this gap, the department engaged an external consultant to remotely deliver 16 workshops to Victorian staff responsible for managing allergens in hospitals, including cooks, chefs, food handlers, dietitians and nutritionists. The department's Food Safety Unit also designed and delivered remote training to 120 environmental health officers, providing the necessary knowledge and tools to enable officers to train the staff of food businesses they register and inspect in best-practice allergen control. This training is expected to be ongoing.

### **Maintaining high rates of vaccination coverage**

Immunisation saves lives and protects the community from vaccine-preventable diseases. While the COVID-19 pandemic reduced routine vaccination activity in many countries and jurisdictions, Victoria has continued to maintain very high rates of immunisation.

#### **Childhood immunisation**

Australian Immunisation Register data shows that, as at 30 June 2021, 96.18 per cent of Victorian five-year-olds were fully vaccinated, with this figure at 97.8 per cent for Aboriginal and Torres Strait Islander children. Both figures are above the national average of 95.22 per cent.

#### **Adolescent immunisation**

School closures across 2020–21 resulting from the COVID-19 pandemic impacted on the timing of delivery of adolescent vaccines, usually delivered on school grounds to Year 7 and Year 10 students by local council immunisation services. The department worked across local and state government to communicate the importance of prioritising adolescent immunisation. Local councils rapidly adapted service delivery, including establishing alternative vaccination venues, to continue to deliver the secondary school immunisation program in a COVID-safe manner. Significant 'catch-up' activity has seen coverage rates recover, with adolescent vaccination coverage now generally on a par with previous years.

#### **Adult immunisation**

Influenza vaccination in Victorians aged 65 and over has remained steady through the COVID-19 pandemic, with 1,062,370 influenza vaccines distributed to this cohort between March and June 2020 and 1,026,970 vaccines distributed for the same period in 2021. The bulk of influenza vaccines are distributed in the first half of the calendar year, from the time the annual vaccine becomes available in March, in preparation for the influenza season (typically April to October.)

Influenza-associated mortality rates are highest among adults aged over 65 years. Vaccinating this cohort reduces deaths and hospitalisations.

#### **A patient-centred approach to eliminate congenital syphilis in Victoria.**

The number of people with syphilis infections in Victoria has been increasing over the past five years in both men and women. In this context congenital syphilis has re-emerged in Victoria with 10 cases notified since 2017. There were no congenital syphilis cases in Victoria between 2013 and 2017.

Congenital syphilis occurs when a mother with syphilis passes the infection on to her baby during pregnancy or at birth. Left untreated, syphilis during pregnancy can cause miscarriage, stillbirth, prematurity, and low birth weight. Babies born with congenital syphilis may suffer severe health problems such as bone deformities, issues with their vital organs (liver and kidneys), jaundice, brain and nerve problems, such as blindness or deafness, and skin rashes.

Congenital syphilis is totally preventable. Screening of pregnant women during pregnancy and timely treatment are key in preventing congenital syphilis.

Combating the re-emergence of congenital syphilis is a public health priority and the department has set up an Incident Management Team to oversee a sustained and coordinated response. The response is underpinned by a comprehensive stakeholder engagement and communication strategy to raise awareness about congenital syphilis among clinicians as well as women and their partners.

Officers of the department are following up each case of syphilis diagnosed in pregnant women to ensure those women receive timely treatment and support. Each woman's journey through pregnancy is different. Women not attending antenatal care, those experiencing mental health issues, substance abuse, family violence and socio-economic disadvantage are at higher risk of having syphilis complications during pregnancy and giving birth to a baby with congenital syphilis.

The Syphilis in Pregnancy project is an outreach project to support pregnant women with complex needs to facilitate timely treatment and follow-up throughout pregnancy. The women's partners are also notified to ensure that they are also treated to prevent re-infection of women throughout pregnancy. Officers of the department are assisting women with booking and attending appointments, providing food and transport vouchers and linking in with support organisations. A total of 37 women were assisted between July 2020 and June 2021. There were no congenital syphilis cases among babies born to women assisted through this project.

### **Reducing the impact of skin cancer in Victoria**

Melanoma is the fifth most common cancer in Victoria, with 2,841 new cases diagnosed and 270 deaths in 2019 (the most recent data).

Skin cancer is also one of the most preventable forms of cancer and the risk can be reduced by wearing sun smart clothing, sunscreen, sunglasses and providing shade.

As part of the Victorian Government's \$15.1 million Skin Cancer Prevention Initiative, the department is investing \$10 million from 2019–2023 to increase shade protection, of which up to \$2 million is allocated to the provision of sun protection items (including sun-protective hats and sunscreen).

Currently in its sixth round, the Shade Grants Program aims to reduce Victorians' exposure to UV radiation by increasing shade in public places across the state and by promoting uptake of sun-protective practices.

The program is offered once a year, across two grant categories:

- > School Shade Grants Program
- > Community Shade Grants Program.

As a result of this program, schools and other community spaces can continue to have sun smart spaces for children, reducing their risk of skin cancer later in life.

Since the program commenced in 2015 to 30 June 2021, 1,634 grants totalling over \$14 million have been awarded.

### **Medically supervised injecting room**

Victoria's first medically supervised injecting room trial is saving lives and in June 2020 was extended for a further three years until June 2023, after an independent review.

Since the North Richmond service opened in June 2018 until June 2021, staff have safely responded to more than 4,400 overdoses, some of which may have otherwise been fatal or resulted in serious injury. The review found that ambulance attendances reduced in the vicinity of the service, as did the spread of blood-borne viruses.

In its first three years of operation, more than 5,600 people have used the service and are able to access co-located health and social support services. Staff are providing health and social support interventions, including for mental health, housing and drug treatment – helping to make a lasting positive impact on people's lives.

The independent review also recommended the trial be expanded to include another service in an appropriate location within the City of Melbourne. Former Victoria Police Chief Commissioner Ken Lay AO APM has led community consultation and examined data and evidence to inform decision-making about the second service. The location and opening date have yet to be decided.

A new independent panel has been formed to review the trial and is due to deliver its final report by December 2022.

### **Safeguarding drinking water supplies**

Safe drinking water is fundamental to the department's aspiration for all Victorians to be healthy, safe and able to lead a life they value. Drinking water quality management continues to be a foundation for preventing and controlling waterborne diseases.

The department administers the *Safe Drinking Water Act 2003* and the *Safe Drinking Water Regulations 2015* and plays a key regulatory role to ensure water agencies undertake their statutory obligations.

In this reporting period the department worked with water agencies to respond to the impacts of storms, floods and power outages impacting on many drinking water supplies, most notably the Silvan drinking water quality incident in August 2020, which resulted in over a quarter of a million Melburnians needing to boil water for drinking. Since December 2019 there has been an increase in the number of drinking water advisories issued by water agencies. While some were due to extreme weather events, others were due to preventable circumstances.

The compounding risks of climate change with more frequent bushfires, floods, power outages and algal blooms will continue to challenge the quality and supply of our drinking water. We therefore must remain focused and committed to safeguarding this precious resource.

### **Improving access to dental services for Victoria's Aboriginal community**

In 2021 changes to the current eligibility criteria for public dental services saw all Aboriginal people have priority access to public dental treatment regardless of concession card status. In addition, a range of prevention, early intervention and treatment dental services for Aboriginal families were delivered through Dental Health Services Victoria and partnerships established between community dental services and Aboriginal community-controlled health organisations.

### **More healthy smiles for rural and regional Victorians**

In 2020, the government released the *Victorian action plan to prevent oral disease 2020–30*. The plan sets out a vision to achieve good oral health for all Victorians by 2030, with a focus on reducing the gap in oral health for people that are at higher risk of oral disease.

Within this action plan, the government has identified increasing access to water fluoridation as a way to improve oral health in rural and regional communities. Water fluoridation helps to reduce tooth decay because fluoride acts like a constant repair kit for teeth.

As a step towards this goal, water fluoridation was introduced to Cohuna in April 2021. This will lead to improvements in the oral health of the people who live there.

### **Climate change and health guidance**

Under Victoria's *Climate Change Act 2017* local government, as a decision-maker, must consider climate change when preparing a municipal public health and wellbeing plan. Tackling climate change and its impacts on health is also a focus of the *Victorian public health and wellbeing plan 2019–2023* and, under the *Public Health and Wellbeing Act 2008*, councils are required to have regard to the state plan when preparing their own plans.

In August 2020 the department published *Tackling climate change and its impacts on health through municipal public health and wellbeing planning: guidance for local government*. This guidance assists councils in meeting their legislative obligations and seeks to encourage and embed action to tackle climate change and its impacts on health in municipal public health and wellbeing planning. It recognises the important role that councils can play in reducing the risks that climate change poses to the health and wellbeing of all Victorians and improving public health outcomes.

### **Key result: Reduce deaths resulting from misuse of prescription medicines**

#### **SafeScript**

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

Up-to-date, reliable patient data sources such as SafeScript support prescribers and pharmacists to make safer clinical decisions regarding the use of high-risk medicines for their patients.

The Victorian coroners' data report from 2020 shows that prescription medicine overdose deaths continued to decrease for the second year in a row, after ten years of year-on-year increases (398 deaths in 2020 compared with 407 deaths in 2019 and 427 deaths in 2018). The report noted the interruption to the historical increasing trend in overdose deaths involving pharmaceutical drugs coincides with the implementation of SafeScript in October 2018.

### Key result: Increase immunisation coverage rates at two years of age and at school entry

The following data has been sourced from reports provided to the department from the Australian Immunisation Register.

#### Immunisation coverage at two years of age

In 2020–21, 93.22 per cent of Victorian two-year-olds were fully vaccinated compared to 92.28 per cent for 2019–20, meaning a slight increase in rates has been achieved. This is above the current Australian average of 92.53 per cent.

#### Immunisation coverage at school entry

In 2020–21, 96.07 per cent of Victorian five-year-old children were fully vaccinated compared to 95.75 per cent for 2019–20, meaning a slight increase in rates has been achieved. This is above the current Australian average of 95.22 per cent.

## Objective 1: Indicator results

	2017–18	2018–19	2019–20	2020–21
<b>Victorians have good physical health</b>				
Persons completing the Life! – Diabetes and Cardiovascular Disease Prevention program	5,513	5,782	4,612	3,456
Unplanned/unexpected readmission for acute myocardial infarction	1.6	1.5	2.2	1.8 <sup>E (a)</sup>
Unplanned/unexpected readmission for heart failure	9.0	8.9	8.7	7.5 <sup>E</sup>
Unplanned/unexpected readmission for hip replacement	3.4	3.4	3.7	3.4 <sup>E</sup>
Unplanned/unexpected readmission for knee replacement	6.3	5.2	5.3	4.5 <sup>E</sup>
Unplanned/unexpected readmission for paediatric tonsillectomy and adenoidectomy	2.5	2.5	2.5	2.5 <sup>E</sup>
Source: Internal departmental data				
Proportion of adults who are overweight (self-reported)	31.5%	29.9%	31.3%	30.2%
Proportion of adults who are obese (self-reported)	19.3%	21.3%	20.3%	21.1%
Proportion of adults who were current smokers	16.7%	17.6%	16.9%	16.5%
Proportion of adults who smoked daily	12.4%	12.6%	12.4%	12.1%
Proportion of adults with doctor-diagnosed high blood pressure	25.4%	26.3%	26.0%	22.9%
Proportion of adults with doctor-diagnosed type 2 diabetes	5.5%	5.4%	5.7%	5.8%
Proportion of adults who were sufficiently physically active	50.9%	52.9%	51.1%	N/A <sup>(b)</sup>
Source: Victorian Population Health Survey (VPHS, 2017–20)				

(a) <sup>E</sup> Measures have not been finalised and are estimated results.

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

	2017–18	2018–19	2019–20	2020–21
<b>Victorians have good mental health</b>				
Proportion of adults with doctor-diagnosed anxiety or depression	27.4%	29.1%	29.8%	31.8%
Proportion of adults with high/very high psychological distress	15.4%	15.0%	18.1%	23.4%
Standardised rate of death from suicide (per 100,000 people)	11.0	10.4	10.7	N/A <sup>(a)</sup>
Sources: VPHS; Australian Bureau of Statistics (ABS)				
<b>Victorians act to protect and promote health</b>				
Immunisation coverage: At school entry	95.3%	95.7%	95.8%	96.1%
Immunisation coverage: At two years of age	91.0%	92.0%	92.3%	92.2%
Percentage of Aboriginal children fully immunised at 60 months	91.0%	96.5%	97.7%	97.2%
Eligible newborns screened for hearing deficit before one month of age	98.6%	98.7%	98.4%	98.3%
Rate of <i>Staphylococcus aureus</i> bacteraemias (SAB) infections per 10,000 patient days	0.8	0.9	0.5	0.7 <sup>E</sup>
Healthcare worker immunisation – influenza	80.0%	83.0%	87.7%	93.0%
Rate of intensive care unit central line associated blood stream infections (CLABSI) per 1,000 device days	0.8	0.9	0.6	0.6 <sup>E</sup>
Hand hygiene compliance	85.0%	85.0%	87.5%	86.4%
Patient reported hospital cleanliness	70.0%	69.4%	73.3%	N/A <sup>(b)</sup>
Perinatal and child mortality reports received, reviewed and classified	100%	100%	99.3%	95.5%
Perinatal mortality rate per 1,000 of babies of Aboriginal mothers using rolling three-year average	9.0	10.0	11.5	12.6
Smoking cessation of Aboriginal mothers	23.7%	23.5%	24.1%	24.1%
Source: Internal departmental data				

The department is committed to measuring outcomes for all indicators set out in the Victorian budget papers. Further work is needed to test and validate measures to ensure departmental initiatives and policies are reflected by the performance indicators. As the outcomes approaches in the department mature, reporting will be provided against outcome measures and will inform the reporting of performance indicators.

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

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

## Objective 2: Victorians are safe and secure

This objective seeks to achieve the following outcomes:

- > Victorians live free from abuse and violence
- > Victorians have suitable and stable housing.

Following the machinery of government changes the Department of Families, Fairness and Housing is accountable for this objective and further information may be found in its annual report.

The department retains accountability in one aspect, as detailed below.

### Outcome 2.1: Victorians live free from abuse and violence

Victorians are safe from harm, fear and neglect in their workplaces. Achieving this requires addressing the compounding effects of abuse and violence and improving support and recovery for both victim survivors and perpetrators.

**Key result: Reduce the occurrence of occupational violence, bullying, assault and inappropriate behaviour in the department**

#### Building a positive and constructive workplace

The department strives to build a high-performing and positive workplace culture. To support improved workplace culture, the department’s *People strategy 2020+* has a ‘towards zero’ target for bullying behaviour. In delivering on its *People strategy 2020+*, the department will continue its ongoing implementation of activities that focus on ethical leadership, including the Leading with Respect program. This program is aimed at growing the skills of people managers to lead

with respect and to reduce psychological harm from inappropriate behaviours through five modules, including:

- > building high-performing teams
- > ethical leadership
- > giving and receiving feedback
- > managing for team wellbeing
- > saying ‘Yes’ to the flexibility conversation.

The department also has a Joint Working Party on the Prevention of Bullying and Inappropriate Behaviour, consisting of the department, the Community and Public Sector Union and the Health and Community Services Union. As an action from this working party, a Positive Workplace Culture action plan has been developed with actions that serve to prevent bullying and inappropriate behaviour in the workplace, including the ‘home safely every day’ campaign, aimed at reminding staff of the potential health and wellbeing impacts of certain behaviours at work and the actions that all staff can take to create and maintain a positive working environment.

## Objective 2: Indicator results

	2017–18	2018–19	2019–20	2020–21
<b>Victorians live free from violence and abuse</b>				
Percentage of departmental workforce who have experienced bullying in the past 12 months	22%	20%	18%	15%
Percentage of departmental workforce who have experienced sexual harassment in the past 12 months	9%	9%	7%	4%

Source: Internal People Matters Survey. Results are based on calendar year reporting.

The department is committed to measuring outcomes for all indicators set out in the Victorian budget papers. Further work is needed to test and validate measures to ensure departmental initiatives and policies are reflected by the performance indicators. As the outcomes approaches in the department mature, reporting will be provided against outcome measures and will inform the reporting of performance indicators.

### Objective 3: Victorians have the capabilities to participate

This objective seeks to achieve the following outcomes:

- > Victorians participate in learning, education and employment
- > Victorians benefit economically from strong health and human services sectors
- > Victorians participate in the economy and have financial security.

Following the machinery of government changes the Department of Families, Fairness and Housing is accountable for this objective and further information may be found in its annual report.

The department retains accountability in several aspects, as detailed below.

#### Outcome 3.2: Victorians benefit economically from strong health and human services sectors

Victorians have increased social and economic participation, especially those experiencing obstacles to participation, such as people with mental illness.

##### Progress against outcomes

In 2020–21 the department contributed to a stronger Victorian economy by creating jobs in the construction sector through major capital investments, including those [projects that reached practical completion](#) listed on page 70 and [projects that reached financial completion](#) listed on page 71.

We also continued to expand our frontline services by recruiting more than 250 paramedics since November 2020, purchasing new ambulances and upgrading and building new ambulance stations. This work ensures the community's access to ambulance services and contributes to continuous improvement in patient outcomes, thereby improving the health status of Victorians.

#### Outcome 3.3: Victorians participate in the economy and have financial security

Victorians experience a state of economic wellbeing characterised by predictable and adequate income, ability to access a comfortable standard of living, and capabilities to access and manage finances effectively. There are equitable opportunities for economic participation and wellbeing for all, and barriers to participation are actively addressed.

##### Progress against outcomes

Through the COVID-19 pandemic the department has continued to support Victorians in mandatory self-isolation to ensure their financial security and access to food and essential supplies, and to provide alternative accommodation for those unable to isolate.

In addition to meeting significant challenges during the COVID-19 pandemic, the department will continue to support Victoria's recovery. Our current and future program of infrastructure-based projects across both regional and metropolitan Victoria will improve health and wellbeing facilities and services in these communities, as well as create new jobs through the Working for Victoria Fund, the Local Jobs First policy and the *Social procurement framework*.

### Objective 3: Indicator results

	2017–18	2018–19	2019–20	2020–21
<b>Victorians participate in learning and education</b>				
Clinical placement student days (medicine)	393,807	395,349	402,008	332,282
Clinical placements student days (nursing and midwifery)	406,330	428,864	435,731	445,987
Clinical placement student days (allied health)	158,461	159,709	159,172	142,126
Number of people trained in emergency management	2,783	2,982	2,923	2,590

Source: Internal departmental data

### Victorians participate in and contribute to the economy and have financial security

Funded postgraduate nursing and midwifery places at diploma and certificate level	832	865	1077	877
Total funded FTE (early graduate) allied health positions in public system	700	745	691	697
Total funded FTE (early graduate) medical positions in public system	1,525	1,525	1,525	1,584
Total funded FTE (early graduate) nursing and midwifery positions in public system	1,591	1,618	1,956	1,889

Source: Internal departmental data

The department is committed to measuring outcomes for all indicators set out in the Victorian budget papers. Further work is needed to test and validate measures to ensure departmental initiatives and policies are reflected by the performance indicators. As the outcomes approaches in the department mature, reporting will be provided against outcome measures and will inform the reporting of performance indicators.

## Objective 4: Victorians are connected to culture and community

This objective seeks to achieve the following outcomes:

- > Victorians are socially engaged and live in inclusive communities
- > Victorians can safely identify and connect with their culture and identity, with their health and wellbeing advanced through self-determination.

Following the machinery of government changes the Department of Families, Fairness and Housing is accountable for this objective and further information may be found in its annual report.

The department retains accountability in several aspects, as detailed below.

### Outcome 4.2: Victorians can safely identify and connect with their culture and identity, with their health and wellbeing advanced through self-determination

Victorians can safely identify with their culture, express their identity and build support networks with people they trust. Cultural connection is valued and is a protective factor that enables them to thrive and directly impacts health outcomes. The health and wellbeing of Aboriginal Victorians is enabled by self-determination across all aspects of their lives.

#### Progress against outcomes

The government's approach to Aboriginal affairs is guided by the *Victorian Aboriginal Affairs Framework 2018–2023*. The framework is grounded in the voices, perspectives and priorities of the Victorian Aboriginal community and renews the Victorian Government's commitment to self-determination. In 2020–21 the department continued to operationalise the principles of self-determination outlined in the framework across the services it funds and delivers.

The government is working alongside Aboriginal community-controlled organisations and community service organisations to support Aboriginal self-determination and acknowledges the work of community partners to improve health outcomes and meet the health needs of Aboriginal Victorians.

#### Establishment of Aboriginal Health and Wellbeing Partnership Forum

In line with the department's commitment to self-determination and Aboriginal-led decision making, the Minister for Health committed to the

establishment of a new governance mechanism to provide leadership on Aboriginal health priorities.

The inaugural Aboriginal Health and Wellbeing Partnership Forum was convened in April 2021 by the Victorian Aboriginal Community Controlled Health Organisation (VACCHO) and the Minister for Health to bring together government, the Aboriginal community-controlled health sector and mainstream health organisations to address crucial health and wellbeing priorities facing Aboriginal people and communities.

#### Enabling Aboriginal community-controlled sector to lead culturally safe response to the COVID-19 pandemic

The department has worked collaboratively to support the Aboriginal community-controlled sector to lead the COVID-19 response for Victoria's Aboriginal community through 2020 and 2021. Aboriginal health organisations have played a pivotal role in supporting Aboriginal community to protect themselves, their families and broader community, especially Aboriginal older people and Elders. Aboriginal health services established testing clinics and worked to support the local community to continue to manage their health conditions during lockdowns through the provision of culturally safe health services online or via telehealth. The embracing of new ways of working and the embedding of new technologies has ensured continuous service provision.

The lessons learnt from the early stages of the pandemic have in turn shaped and informed the delivery of a successful vaccination program across the Aboriginal sector. The establishment of vaccination clinics within Aboriginal health services has seen a very strong uptake of the vaccination by the Victorian Aboriginal community, one of the highest in the country.

## **Key result: Increase the cultural safety of the department's direct-delivered and funded services**

### **Implementation of the Aboriginal and Torres Strait Islander cultural safety framework**

To ensure that Aboriginal people, families and community have access to culturally safe and accessible healthcare, the department is leading the implementation of the *Aboriginal and Torres Strait Islander cultural safety framework* across the health services sector.

The framework aims to help the department and mainstream health services to strengthen their cultural safety by participating in a process of continuous learning and practice improvement.

To provide health organisations with the tools and accountability for culturally safe services, the department is partnering with the VACCHO to undertake a feasibility study on the establishment of a cultural safety 'tick' program and the development of a suite of resources for mainstream health services to improve the cultural safety of their services and workplaces.

In addition, the department has worked in partnership with the Centre for Cultural Competence Australia to develop and deliver an online training resources package for maternal and child health providers aligned to the cultural safety framework.

### **Funding to support health services to strengthen cultural safety**

From 1 July 2020, a new Aboriginal health funding approach to Victorian acute health services (hospitals) commenced. This new model is designed to strengthen Aboriginal cultural safety and improve health outcomes for Aboriginal people attending Victorian public hospitals by targeting investment towards the cost of clinical care and cultural safety separately.

The new approach to Aboriginal health funding enables greater transparency and accountability of Aboriginal health funding by hospitals. Health services will be required to submit cultural safety plans in the first quarter of each financial year to demonstrate planned activity linked to the cultural safety fixed grant and report on their progress annually.

## Objective 5: Victorian health and human services are person centred and sustainable

This objective seeks to achieve the following outcomes:

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

This objective aims to improve the safety, quality, efficiency and sustainability of our services as a key part of achieving outcomes for our patients and clients.

The way services are delivered is also important to improving outcomes. This includes strengthening system design and planning to respond to changes in population patterns and to be more responsive to need.

Following the machinery of government changes, the Department of Families, Fairness and Housing is also accountable for this objective and further information may be found in its annual report.

### Outcome 5.1: Services are appropriate and accessible in the right place, at the right time

Services can be accessed by Victorians where and when they are needed. Access is enabled by a health and human services system that is easy to navigate.

#### Progress against outcomes

Some of our key achievements in 2020–21 are outlined below.

#### Key result: Increase participation in universal and earlier intervention services – especially by Aboriginal Victorians

##### IVF access for all Victorians

Victoria continues to expand access to assisted reproductive treatments.

With \$70.7 million over three years provided in the 2021–22 State Budget, work is underway to establish public fertility care services in Victoria. This initiative will see up to 4,000 eligible Victorians provided access to fertility care services each year and includes the establishment of Victoria's first public egg and sperm bank.

#### Key result: Improve the timeliness of access to elective surgery, emergency department treatment, outpatient services, ambulance services and palliative care

##### Impacts of COVID-19 on elective surgery

Elective surgery levels have been adjusted throughout the COVID-19 pandemic as part of the public health response.

The 2020–21 Victorian State Budget made \$300 million available to address non-urgent elective surgery that was delayed due to the pandemic. The additional funding supports both public and private health services undertaking additional public elective surgery activity.

##### Review of private practice arrangements in public health services

The 2019 Victorian Auditor-General's Office audit into Managing Private Medical Practice in Public Hospitals raised concerns that health services and the department may not have been effectively monitoring private practice arrangements to ensure compliance with the National Health Reform Agreement and legislative requirements. In response, the Minister for Health commissioned the previous President of the Royal Australasian College of Surgeons, Professor David Watters, to lead a review of private practice arrangements in Victoria's public health services.

Professor Watters' review found no evidence of private patients being consistently prioritised over public patients in Victorian public health services. However, his review made clear recommendations to improve both the department's communication of its requirements to health services and the monitoring of access for all patients. All of Professor Watters' recommendations were accepted by the Minister for Health in 2020.

Following a delay as health services responded to the COVID-19 pandemic, the full review, together with actions to meet each of its recommendations, was provided to health services in July 2021.

### **Expanding access to hospitals**

The \$115 million redevelopment of Wonthaggi Hospital will boost its capacity to treat an extra 26,000 emergency patients each year, meeting future demand in the growing Bass Coast Shire.

Construction continues on the \$162.7 million upgrade and expansion of the Northern Hospital, which is expected to be completed in 2021.

The \$217 million Latrobe Regional Hospital Expansion – Stage 3A will expand the maternity unit and deliver three new operating theatres, 44 new beds and 14 new medical and surgical beds. There will also be six new intensive care unit beds and an extra emergency department bay.

The new \$1.5 billion Footscray Hospital will treat approximately 15,000 additional patients and enable around 20,000 additional people to be seen by the emergency department each year.

Construction got underway in early 2021 and the hospital is expected to open in 2025.

### **Community hospitals program**

A \$675 million investment to build ten community hospitals close to major growth areas is progressing with design development and land acquisition underway.

Community hospitals are small public hospitals which provide a range of 'everyday' health services for people who are not critically unwell.

The program will support new developments in the City of Whittlesea, the Eltham area, Point Cook and the southern Melbourne region. It will relocate and expand existing health services on new sites in Cranbourne, Pakenham and Torquay, and upgrade or expand existing health services at Craigieburn, Phillip Island and Sunbury. Construction is expected to begin in 2022.

### **Increased ambulance services**

Watsonia ambulance station was officially opened in March 2021, and paramedics in Kew now have the safe and modern facilities they need to respond to emergencies faster and save lives, with a new station now operating on Normanby Road. Construction on new ambulance stations in Lilydale, Moe, Mornington and Warragul is expected to get underway later this year.

To support the COVID-19 response and meet growing demand for ambulance services, an additional \$14.8 million was provided in the 2020–21 State Budget.

This additional funding has helped manage demand from Triple Zero calls. More paramedics, more ambulances and more triage services help ensure that the right treatment is provided and ambulances are available to quickly respond to emergency situations, particularly across outer metropolitan and rural regions.

Investment in secondary triage is helping to reduce demand for ambulances and emergency departments by providing the right care pathway to patients who do not need an emergency response.

### **Telehealth**

In response to the COVID-19 pandemic Victorian public health services have rapidly expanded their telehealth capacity to reduce transmission risks and support ongoing access to clinical services usually provided face-to-face.

New guidance released by Safer Care Victoria will also help allied health professionals use telehealth, now and into the future. In particular, it will help them understand how best to leverage this technology.

In addition, a Public Health Emergency Order was re-issued to enable transmission of a digital image of a paper prescription, ensuring patients in isolation could continue to obtain essential medicines.

Implementation of electronic prescribing was fast tracked for use by prescribers and pharmacists in primary care.

In planning for the recovery phase post COVID-19, there is an opportunity to embed telehealth as 'business as usual' in public health services, particularly in the delivery of allied health care.

### More choice for end-of-life care

Victoria's *Voluntary Assisted Dying Act 2017* is continuing to operate safely, providing a genuine, compassionate end of life choice for a small number of people with a terminal illness that meet the strict eligibility criteria.

From the commencement of the legislation in Victoria on 19 June 2019, and up to 30 June 2021, 488 Victorians had accessed voluntary assisted dying to end their life. As at July 2021, more than 520 doctors had either completed or were undertaking the mandatory training, and those numbers continue to rise. In 2020–21, statewide voluntary assisted dying services were strengthened by an additional \$1.75 million, which will be used, among other things, for:

- > additional resourcing to the Voluntary Assisted Dying Pharmacy Service to enable the service to respond to increasing demand.
- > expansion of the voluntary assisted dying care navigator service in regional areas to support access to information resources and clinician assessments.
- > an increase in funding for support packages to those seeking access and their carers, reducing any financial barriers and improving access for regional and rural Victorians.

Palliative care services continue to support people to maintain good quality of life for as long as possible while they continue to access curative care. As the health of people with a terminal illness or nearing the end of their life deteriorates, hospital, specialist consultancy and home-based palliative care services provide a broad range of interventions, including specialist symptom management to support people to be productive and enjoy their interactions with family, friends and loved ones for as long as possible.

### Key result: Reduce unexplained variation in the care people receive – especially for disadvantaged groups

#### The Victorian Cancer Plan 2020–2024

The *Victorian Cancer Plan 2020–2024* is the second plan released under the *Improving Cancer Outcomes Act 2014*. It builds on the work delivered under previous plans to reduce risk and to improve early detection and cancer care for Victorians.

The plan is focused on achieving health equity across the cancer system so people are not disadvantaged by who they are, where they live, or what resources they have.

### Health Service Partnerships

The COVID-19 pandemic has impacted Victoria's health system in challenging new ways, highlighting how much more resilient our system is when we work together. For example, during the pandemic health services have worked together in eight 'clusters' to support each other on intensive care unit planning and load-balancing, aged care outbreak responses and staff furloughs.

The cluster model for collaboration has built the foundations of a new and better way of working in the future. The deep connections health services have with their local communities have already given Victoria one of the strongest health systems in Australia; collaborative connections between health services on pressing strategic priorities showed how our system could become stronger still.

To this end, health service collaboration has become an enduring feature of the Victorian health system. Since the term 'cluster' has many competing uses it was replaced in 2021 by Health Service Partnerships. All health services are members of their Health Service Partnership and expected to fully participate in it in the years to come.

The Health Service Partnerships model preserves the local autonomy and responsibility of health services, while requiring them to work together through the partnership on the system priorities that are too large or complex to be solved as quickly or as well by health services working in isolation. These include:

- > ongoing coordination and leadership of our COVID-19 pandemic response
- > improving elective surgery and emergency care access as we recover from the pandemic
- > implementing the Better at Home initiative, and
- > supporting the implementation of relevant recommendations from the Royal Commission into Victoria's Mental Health System.

Partnerships may also choose to collaboratively progress other local priorities.

## Outcome 5.2: Services are inclusive and respond to choice, culture, identity, circumstances and goals

Services are person centred and respond to service users' needs and preferences, whether they are geographical, physical, social or cultural. Services are culturally safe and focus on prioritising user choice, self-determination, ownership and empowerment.

### Progress against outcomes

Some of our key achievements in 2020–21 are outlined below.

### Key result: Increase client and patient choice concerning the services and treatment they receive

#### Royal Commission into Aged Care Quality and Safety

The Commonwealth Government is the primary funder and regulator of aged care services in Australia. The Victorian Government welcomed the final report and recommendations of the Royal Commission into Aged Care Quality and Safety, which was released on 1 March 2021.

The Commonwealth, in its response on 11 May 2021, indicated that significant reform will occur over the next five years. The importance of the recommendations has been highlighted even more by the COVID-19 pandemic and its effects on people living in aged care facilities

The Victorian Government has advocated for strong engagement with states and territories to implement the recommendations. The department will work closely with public sector residential aged care services and other stakeholders to support implementation of activities being progressed by the Commonwealth Government.

The Commonwealth Government is the regulator and the primary funder of residential aged care services, including the 179 public sector services that are predominantly operated by Victorian public health services.

### Key result: Increase citizen engagement in the design and delivery of services

#### Helping health services engage consumers

As a way of helping healthcare workers build their skills to work with consumers, Safer Care Victoria

partnered with Victoria's peak healthcare consumer body, the Health Issues Centre, to deliver eight consumer engagement training sessions in 2020–21.

More than 100 staff attended the sessions across metropolitan and regional/rural health services to strengthen their capability and responsiveness in partnering with consumers and improving person-centred care.

### Key result: Increase participation of service providers and staff in the design of services

#### Public participation and engagement

The department has developed a framework and toolkit to provide for a consistent and genuine engagement process with people to inform service design and delivery.

Public participation and stakeholder engagement are integral to the department's work in designing, implementing and evaluating services and policies.

To drive improvements across our programs and services, we must engage effectively with our patients and clients, workforce, sector and the broader community. To do this well, our stakeholder engagement activities need to shift from traditional methods of 'inform and consult' to 'involve and collaborate'.

The framework and tools help design for diversity, including how to respectfully and safely consult with Aboriginal people.

One of the ways the department seeks the views of the public is via the Victorian Government's Engage Victoria website. The website seeks the views of people from across the state on a variety of different issues.

The website has become particularly useful since physical distancing measures have been in place as part of the COVID-19 public health response.

In 2020–21, Engage Victoria has been used for a large number of department and related consultations, including:

- > Ballarat Base Hospital redevelopment
- > Regulatory Impact Statement for Worker Screening Regulations 2021
- > rural and isolated practice registered nurses in Victoria
- > future health care in Melton

- > healthy and high-quality foods in public hospitals and aged care
- > reforms to foster an honest and open culture in health services
- > Frankston Hospital redevelopment
- > *Victorian cancer plan 2020–2024*
- > the funding of health care needs for the Mallee.

### Outcome 5.3: Services are efficient and sustainable

Services are designed and delivered for maximum impact, enabling efficiencies in resource allocation and the management of complex and/or chronic conditions and needs. Efficiency is enabled by integrated and coordinated service delivery modalities and the sustainability of the system is enhanced by a well-trained and well-supported workforce.

#### Progress against outcomes

Some of our key achievements in 2020–21 are outlined below.

#### Key result: Reduce demand for acute services to manage complex and chronic conditions

##### Release of the *Community health reform plan*

Victorian community health services have an important role in meeting the needs of vulnerable Victorians, including people with chronic and complex conditions.

In March 2020, the Victorian Government released the *Community health reform plan*, which outlines actions to support community health services to deliver high-quality services to people who need them most.

The *Community health reform plan* responds to the recommendations of the 2018 Victorian Auditor-General's Office audit of the Community Health Program and the report of the Community Health Taskforce established to identify opportunities to strengthen the sector.

Key actions being delivered under the *Community health reform plan* include the development of outcome measures for the Community Health Program, and the development of a more sophisticated funding model.

Community health services have made a significant contribution to the public health response to the

COVID-19 pandemic in Victoria, including leading and supporting efforts to reduce risk, manage outbreaks and provide essential services to vulnerable communities.

#### Key result: Increase the proportion of service assets that are appropriately maintained

##### Victorian health asset management communities of practice

The Victorian health asset management communities of practice continued local chapter events through virtual platforms, bringing together the functions of corporate, service delivery, finance, capital and facilities management. This helps to support health asset management practitioners to collaborate and share knowledge so that they improve their asset management capability.

Ten regional and nine metropolitan local chapter events were held in 2020–21, with the development of technical advice for critical assets and asset key performance indicators.

##### Technical guidance

The department publishes Health Technical Advice (HTA) to assist health services, consultants and contractors to effectively manage risk and performance of public health facilities.

Published HTAs include:

- > aerosol study within healthcare environments
- > heating, ventilation and air conditioning system strategies for airborne infectious outbreaks
- > isolation rooms
- > selection of revolving doors for healthcare facilities

In 2020–21, the department conducted asset condition assessments for 90 sites and reviewed 47 maintenance plans and over 80 asset management plans.

#### Key result: Improve alignment of our health, human services and community recreation assets with the needs of clients, patients and Victoria's growing population

##### Victorian Heart Hospital

Work on the \$564 million Victorian Heart Hospital has progressed well throughout the year, with the main structural works now complete and works on the façade and internal fit-out well underway.

Located on the Monash University Clayton campus, Australia's first stand-alone specialist cardiac hospital will integrate clinical cardiology services, research and education to create a centre of excellence. Patients with heart disease will have access to world-class cardiac care and research all under one roof.

Once complete, the hospital will deliver up to 2,150 cardiac surgery operations, 13,500 cardiac laboratory procedures, and 108,000 consultations every year.

The project is being delivered in partnership with Monash Health and Monash University, with construction on track for completion in late 2022.

### **Sunshine Hospital expansion**

The Victorian Government has invested \$34.9 million in the Sunshine Hospital emergency department redevelopment, which has been further expanded to add 65 new spaces – more than double its current capacity.

The redevelopment also features an expanded children's section. This kids-only area is specially designed to give around 19,700 kids a year a calmer, more compassionate environment to receive emergency care in.

The bigger and better Sunshine Hospital will also include a \$5.3 million emergency department mental health, alcohol and other drugs hub.

The new hub, one of six being delivered across the state, will mean people presenting at Sunshine Hospital's emergency department with mental health, alcohol or other drug-related issues can be fast tracked to specialist, dedicated care – providing them with the right support, sooner.

### **Monash Medical Centre emergency department expansion**

The first stage of the \$76.3 million Monash Medical Centre emergency department expansion is now complete.

The first stage has delivered a new emergency department and triage entrance, a dedicated children's emergency area, resus bay and new technology.

Expected to be completed in mid-2022, the project will now refurbish Monash Medical Centre's existing emergency department, which includes a \$5.3 million emergency department mental health, alcohol and other drugs hub.

The redevelopment will also improve access for ambulances arriving at emergency. This will ensure patients access the vital care they need faster and improve traffic flow.

### **Meeting the needs of regional Victoria**

The Victorian Government is investing \$541.6 million to redevelop and expand the Ballarat Base Hospital, \$384.2 million for a major redevelopment of the Warrnambool Base Hospital, \$59.5 million for a new day rehabilitation centre in Bendigo and \$52.1 million in the regional alcohol and drug residential rehabilitation services – Stage 2 and 3 projects (Corio, Traralgon and Wangaratta).

### **Berengarra Residential Aged Care**

A new \$55.57 million aged care facility is now open in Kew.

Named Berengarra, the 90-bed facility is on the St George's Hospital site and consists of two separate three-storey houses with private rooms and garden outlooks.

Opened in February 2021, the new facility can accommodate 30 residents on each floor in household pods with private rooms and ensuites.

Delivered by the Victorian Health Building Authority, the project is part of the largest-ever revamp of Victoria's public sector residential aged care facilities, delivering best-practice care and integrated health and wellbeing services in a home-like environment.

### **Creswick Nursing Home dementia-friendly unit**

A new \$3.2 million dementia-friendly unit at Creswick Nursing Home was completed and commenced operation in December 2020. Funded via the Regional Health Infrastructure Fund, the upgrade included a new 12-bed unit purpose built to provide best-practice dementia care.

The new unit features private bedrooms with ensuites, shared social spaces, a large central courtyard and access to gardens and landscaped areas.

The project also delivered improvements to the existing residential aged care facility, including a consolidation of common areas and upgrades to heating and cooling systems, as well as upgraded mechanical, hydraulic, electrical and fire services in the complex.

### **Rural and Regional PSRACS Revitalisation Strategy**

Funding of \$65 million is being invested to construct a new 50-bed aged care facility in Rutherglen (\$57.118 million) and to design and plan a 36-bed facility in Camperdown (\$4.95 million) and a 24-bed facility in Cohuna (\$2.93 million). These projects represent the first stage of the Victorian Government's Rural and Regional PSRACS Revitalisation Strategy, progressively delivering purpose-built facilities that better meet community expectations and enable contemporary aged care practice in a dementia-friendly environment.

### **Public sector residential aged care facilities design guidelines (interim)**

Developed in partnership with the Victorian Health Building Authority, these guidelines set out requirements for facilities to enable person-centred evidence-based practice. These guidelines were developed to inform implementation of the *Modernisation of metropolitan Melbourne public sector residential aged care strategy* to improve the quality and safety of our public sector residential aged care facilities.

### **Cobaw Community Health Services – Healthy Community Access Hub**

The Victorian Government invested \$9.7 million to develop a Healthy Community Access Hub within Cobaw Community Health Services in Kyneton.

Now operational, the purpose-built hub has delivered 13 consult rooms for allied health, counselling, paediatric and family services. E-health technology will help link patients in remote areas with the healthcare they need. The hub also provides community meeting spaces and dedicated areas for youth and children's services.

### **Melton hospital**

Plans are progressing for the development of Melton Hospital, with a site at 245–267 Ferris Road, Cobblebank named as the preferred location for the new 24-hour hospital.

The parcel of land was identified following extensive planning with Melton City Council and the Victorian Planning Authority.

### **Frankston Hospital redevelopment**

Planning for the \$605 million Frankston Hospital redevelopment is continuing, with three consortia shortlisted.

The redevelopment will transform services at the hospital, providing world-class healthcare for local families and creating up to 1700 jobs during the peak of construction and in new opportunities for the healthcare sector in Melbourne's south-east.

### **Key result 38: Reduce waste arising from the use of inappropriate care**

#### **Delivering best care guidance**

The resumption of non-urgent elective surgery in late September 2020 was an opportunity to bring Victorian healthcare in line with national and international consensus on the care that provides the best outcomes for patients. Safer Care Victoria worked with experts to identify 26 elective procedures which have limited evidence of clinical benefit for patients, except when specific clinical indications exist. These procedures are now only performed if a patient has a specific medical need. Guidance was published on topics from cosmetic surgery without medical indications to adenoidectomy as an isolated procedure in children, to help clinicians and patients make shared decisions about the best option for care. Consumer information on the risks associated with specific procedures and other treatments was also published to the Better Health Channel

#### **Waste management**

The department, in collaboration with Sustainability Victoria, HealthShare Victoria and several health services completed the Waste Education in Healthcare project. An independent evaluation found the project delivered against its objectives through using a diverse set of tools, including online content, email updates, workshops, guidance booklets, in-service training, delivery of pilot projects and webinars.

The evaluation found that 65 per cent of survey respondents agreed that the project led to reduced waste generation for their health service. Another 72 per cent agreed that the project would lead to reduced waste generation for their health service in the future, and 75 per cent agreed that the project led to increased resource recovery.

The COVID-19 pandemic led to an increase in clinical waste generation of 33.8 per cent, or 1,613 tonnes. General waste also increased by 5 per cent, or 1,098 tonnes. The average waste generated per patient treated increased by 3.4 per cent to 3.41 kilograms, while the average recycling rate decreased by 6.4 per cent to 26 per cent.

### **Outcome 5.4: Services are safe, high quality and provide a positive experience**

Services provide positive experiences for Victorians and allow users to participate in the system in an empowered and engaged way. Services of this kind are characterised by the safe delivery of care, strong leadership and workplace cultures, a skilled workforce, broad-based risk management, and a culture of continuous improvement and evidence-informed practice.

#### **Progress against outcomes**

Some of our key achievements in 2020–21 are outlined below.

#### **Key result 39: Improve patient- and client-reported experiences of care and treatment**

##### **Patient experience in specialist clinics**

Collecting, analysing and sharing feedback from patients is fundamental to providing patient-centred care. The Victorian Healthcare Experience Survey (VHES), managed by the Victorian Agency for Health Information as part of its patient experience program, asks patients about their experiences during their stay at a Victorian public health service.

In January 2021, VAHI released the VHES *Specialist clinics insight report*. The report captured the experiences of over 42,000 adult and paediatric specialist clinics patients between 2016 and 2019.

A key finding was that 92% of adult patients and 90% of paediatric patients rated their care as ‘good’ or ‘very good,’ highlighting several areas that influenced their overall experience. The report did highlight areas for improvement, including the high variation across Victoria in the provision of medicines information.

Through this learning, health services were encouraged to review their results, and identify areas for improvement. Improvement opportunities

identified included the provision of written or printed medicines information and explaining any changes to medicines in a way the patient can understand.

Safer Care Victoria is working with health services on the ‘Teachback’ initiative, which is a tool that assists clinicians to communicate effectively with patients and is shown to make a positive contribution to patient outcomes. In addition, the department is leading reforms to specialist clinic referral criteria, which are aimed at improving patient access to specialist clinics.

##### **Better at Home**

In 2020–21 the Victorian Budget allocated \$120.9 million over three years to the new Better at Home Initiative, to give more patients the opportunity to recover from illness or surgery at home in the comfort and familiarity of family and friends.

This investment includes \$102.6 million to provide a range of different types of care at home, including virtual clinic appointments and home-delivered chemotherapy, post-surgical care and rehabilitation – making a real difference to people’s lives.

Virtual care technology is being boosted through a \$12.5 million investment to sustain the high rates of telehealth we have achieved during the pandemic and support the development of innovative new models of 21<sup>st</sup>-century care.

A further \$5.8 million is helping health services to engage the clinical workforce in this transformation of care in Victoria, through training, support and clinical redesign, which will provide more options to receive care at home.

Clinical evidence shows patients achieve better outcomes at home, where they avoid the physical deterioration, sleep disruption and social isolation associated with hospital stays. The initiative will also improve experience of care, enabling patients to choose to recover in a familiar environment, rather than in hospital if they prefer.

#### **Key result: Increase the transparency of service safety and quality**

##### **Medication management in public sector residential aged care services**

In its submission to the Commonwealth Government’s Royal Commission into Aged Care Quality and Safety, the Victorian Government noted that medication management for older people could

be improved through approaches that would improve consumer health literacy, oversight of quality use of medicines and investment in datasets.

As part of preparing for the implementation of the Royal Commission into Aged Care Quality and Safety recommendations, the department will continue to support PSRACS to participate in medication reforms, including through use of the electronic National Residential Medication Charts and My Health Record.

### **Victoria's first hospital-acquired complications report**

The Victorian Agency for Health Information released the first stand-alone *Hospital-acquired complications in Victorian public health services report* to all Victorian public health services in December 2020. The report focused on 15

reportable hospital-acquired complications (HACs) defined by the Australian Commission on Safety and Quality in Healthcare. A HAC is a serious complication that a patient has suffered after admission to hospital, and which is thought to be potentially preventable. HACs come at a cost to patients and the health system and can lengthen recovery time and pain and suffering.

In developing this new report, VAHI aims to support meaningful improvement in patient outcomes by empowering clinicians with data which can also inform system learnings and the design of future interventions. The HACs report delivers on recommendations from *Targeting zero*, which identified the need to reduce HACs. VAHI now provides a quarterly individualised HACs report to each health service and is working to expand HACs reporting in other VAHI reports, including for private hospitals.

## Objective 5: Indicator results

	2017–18	2018–19	2019–20	2020–21
<b>Services are appropriate and accessible in the right place, at the right time</b>				
Non-urgent (Category 3) elective surgery patients admitted within 365 days	95.7%	96.2%	95.3%	80.5%
Semi-urgent (Category 2) elective surgery patients admitted within 90 days	80.6%	82.0%	76.1%	61.8%
Urgent (Category 1) elective surgery patients admitted within 30 days	100%	100%	100%	100%
Emergency Category 1 treated immediately	100%	100%	100%	100%
Emergency patients treated within clinically recommended time to treatment	72.3%	71.5%	73.4%	68%

Source: Internal departmental data

### Services are inclusive and respond to choice, culture, identity, circumstances and goals

Health Independence Program direct contacts	1,474	1,591	1,502	1,393
Patients treated in specialist outpatient clinics – unweighted	1,786	1,812	1,717	1,766
Post-acute clients not readmitted to acute hospital	93.6%	93.9%	93.7%	93.5%
Health Independence Program clients contacted within three days of referral	89.8%	88.7%	90.8%	91.3%

Source: Internal departmental data

### Services are efficient and sustainable

Major trauma patients transferred to a major trauma service	90.0%	91.9%	91.2%	90.5% <sup>E(a)</sup>
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Source: Internal departmental data

### Services are safe, high quality and provide a positive experience

Public hospitals accredited	100%	100%	100%	100%
Patient reported hospital cleanliness	70.0%	69.4%	71.0%	N/A

Source: Internal departmental data

Positive patient experience	91.5%	92.4%	N/A	N/A <sup>(b)</sup>
Discharge Experience Index	75.3%	75.7%	N/A	N/A <sup>(c)</sup>

Source: Victorian Healthcare Experience Survey

The department is committed to measuring outcomes for all indicators set out in the Victorian budget papers. Further work is needed to test and validate measures to ensure departmental initiatives and policies are reflected by the performance indicators. As the outcomes approaches in the department mature, reporting will be provided against outcome measures and will inform the reporting of performance indicators.

(a) <sup>E</sup> Measures have not been finalised and are estimated results.

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

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

## Responding to the COVID-19 pandemic in Victoria

Over the past year, the department has worked hard alongside the community, the Victorian health system and other government departments to bring multiple outbreaks of COVID-19 under control. We have focused on the aggressive suppression of COVID-19, in line with the national strategy. This means having zero tolerance for community transmission of COVID-19 in Victoria, with all efforts focused on maintaining this approach until an effective COVID-19 vaccine is rolled out.

Over the 12 months to June 2021, Victoria faced several COVID-19 outbreaks which required a number of different responses. The most serious of these was the state's 'second wave', when Victoria experienced exponential growth in COVID-19 cases from mid-June 2020 to early August 2020. On 16 July 2020, there were 5,000 confirmed cases of COVID-19 in Victoria, which doubled to 10,000 by 30 July 2020. This second wave of infections led to increased restrictions across the state and the declaration of a state of disaster on 2 August 2020. As a result of these restrictions, which included mandatory mask-wearing, a curfew and limits on how far Victorians could travel from their homes, case numbers steadily decreased.

In September 2020, the government released its roadmap for reopening and moving towards COVID-normal. This set out projected dates for different stages in the reopening process according to various epidemiological thresholds. Restrictions were wound back from late October 2020 and, in November 2020, COVID-19 was epidemiologically eliminated from Victoria – that is, no new cases of community transmission were reported – an achievement unmatched anywhere else in the world.

Despite this success, transmission of COVID-19 via international arrivals and from interstate outbreaks remained an ongoing threat throughout late 2020 and into 2021. Incursions in 2021 have been especially challenging due to the emergence of more contagious and deadly COVID-19 variants. Multiple outbreaks in Victoria involving the Alpha and Kappa variants occurred in early and mid-2021, and the first Delta variant case was detected in Victoria in early June 2021. All these outbreaks were quickly brought under control, however, through improved contact tracing and hard, fast

snap lockdowns in February, May and June 2021. The following page contains an infographic of major events surrounding COVID-19 in Victoria in the 12-month reporting period.

On 30 June 2021, Victoria recorded zero cases of community transmission of COVID-19.

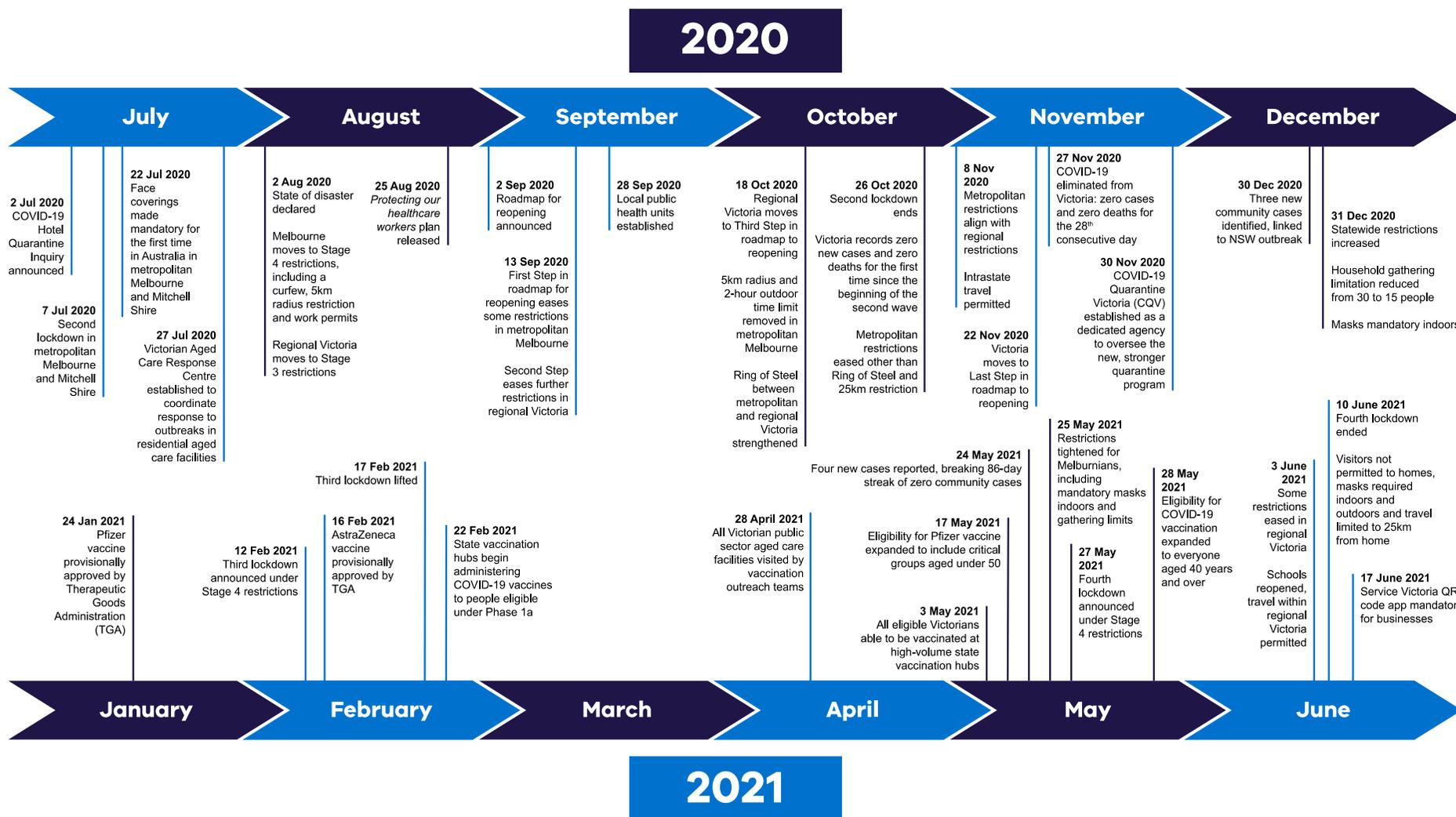
Despite subsequent outbreaks of the Delta variant and the reintroduction of widespread restrictions in Victoria, this was an extraordinary achievement – on the part of the department, the health services and the community at large. The government has taken a proactive approach throughout; it has acted swiftly and decisively whenever an outbreak has occurred; and its decisions have always been based on

- > public health advice
- > local evidence and modelling, and
- > international evidence and modelling.

The department has continuously improved its response according to emerging evidence, best practice and all we have learned throughout the pandemic. This has enabled the health system to continue to provide care to Victorians without becoming overwhelmed and has given Victorians the opportunity to enjoy consecutive months relatively free of community transmission.

Safeguarding the health of all Victorians continues to be the department's priority in responding to the COVID-19 pandemic in Victoria. We do this by managing outbreaks, preventing infection, containing the spread and vaccinating Victorians. The following sections provide greater detail on the department's activities in these areas during 2020–21.

Timeline



## Managing COVID-19 in Victoria

### State of emergency

The Chief Health Officer's powers, including the emergency powers under the *Public Health and Wellbeing Act 2008*, have been used since the beginning of the COVID-19 pandemic and are key to allowing for a statewide, whole-of-population response to the pandemic and the public health risk. On the advice of the Chief Health Officer, a state of emergency has been in place in Victoria since 16 March 2020, with various amendments to the Act in 2020 providing for its extension. The current state of emergency is set to expire in December 2021.

### COVID-19 public health directions

One of the primary mechanisms for Victoria's pandemic response has been the directions issued by the Chief Health Officer under the emergency powers of the *Public Health and Wellbeing Act 2008*. The directions impose strict measures to combat the spread of COVID-19 and must be made with proper consideration of relevant human rights under the *Charter of Human Rights and Responsibilities Act 2006*.

### National and interstate cooperation

Victoria has played a central role in working with Commonwealth and interstate counterparts to develop consistent policy to suppress coronavirus.

The establishment of National Cabinet on 13 March 2020, facilitated agile decision-making at a national level. National Cabinet is advised by the Commonwealth Chief Medical Officer through the Australian Health Protection Principal Committee (AHPPC), comprising the Chief Health Officers of each jurisdiction.

AHPPC works with states and territories to develop and adopt national health protection policies, guidelines, standards and alignment of plans. Since the beginning of the pandemic to the end of August 2021, AHPPC met more than 450 times.

Victoria's response has also been informed by the Communicable Diseases Network Australia (CDNA), reporting to the AHPPC which provides public health guidance and coordinates specialist assessment and management of cases, contacts and surveillance.

### Funding to support the COVID-19 public health response

The Victorian Government provided \$2.906 billion in funding in 2020–2021 to deliver a range of priority initiatives to support its public health response to the COVID-19 pandemic, including additional investment in public health capabilities to rapidly and effectively respond to the spread of COVID-19.

This included \$1.9 billion funding for the design of a specific health system roadmap and staged response to expand critical care beds across Victoria to meet COVID-19 demand, to buy ventilators, equipment and personal protective equipment (PPE), and to protect our healthcare workforce. The department worked closely with public and private hospitals in the early phases of the COVID-19 pandemic to prepare and reinforce the capacity of the health system to provide health care to Victorians.

### Victorian health services guidance and response to COVID-19

Following extensive consultation with clinicians, public health and infection control experts, the department developed a four-tier COVID-19 risk rating system: COVID Ready, COVID Alert, COVID Active and COVID Peak. Each risk-level rating reflects the risk of COVID-19 transmission in the community and determines health service actions and interventions to respond to that risk and maintain safe operations.

The risk levels are supported by guidance and advice that can be activated to support the ability of health services to mitigate the risks of COVID-19 transmission while providing for the care and safety of patients, staff and visitors. Guidance is more granular than that provided by directions issued by the Chief Health Officer and is designed to specifically address the operational needs of health services and care facilities. Advice includes adaptive protocols around use of personal protective equipment, patient/resident testing, healthcare worker testing, elective surgeries, visitor screening and restrictions, specialist outpatient consulting, vulnerable workers (high-risk employees), workforce mobility and student clinical placements.

## Healthcare workforce

### Protecting healthcare workers

The Healthcare Worker Infection Prevention and Wellbeing Taskforce was established in early August 2020 to provide expert advice on strategies and processes to reduce work fatigue amongst healthcare workers, limit occupation-acquired healthcare worker infections, and improve healthcare worker morale and wellbeing. This was closely followed by the release of the *Protecting our healthcare workers action plan*. Since the launch of the plan, a number of other actions to prevent infections have already commenced, including:

- > audits of the implementation of COVIDSafe plans within health services
- > assessments of staff amenities to ensure they comply with physical distancing requirements
- > asymptomatic testing of healthcare workers in COVID-19 wards.
- > a fit-testing trial of PPE and PPE guidance so that all healthcare workers treating high-risk suspected and confirmed COVID-19 patients have access to and wear P2/N95 respirators and know how wear their PPE correctly
- > designated roles, such as PPE spotters, who provide support and guidance for staff when donning and doffing PPE, and COVID marshals on site to ensure these best practices are enacted at each health service
- > improvements to heating, ventilation and air-conditioning systems and use of zones to control patient density
- > weekly data reporting on healthcare worker infection, introduced from mid-late 2020
- > respiratory protection programs, mandatory since 31 from October 2020.

Over 23,700 health and aged care workers have been trained in the correct use of PPE, infection control and hand hygiene. The \$9.8 million Healthcare Worker Wellbeing Package helped fund the establishment of the Healthcare Worker Wellbeing Centre under Safer Care Victoria, as well as a Healthcare Worker Wellbeing Grants Program to provide psychological supports for healthcare workers affected by the COVID-19 pandemic.

The BeWell.BeSafe healthcare worker website established in March 2021 was designed to provide trusted, current information about infection control, PPE, mental health and general wellbeing to support every Victorian working in the healthcare system.

### Additional workforce capacity

A Private Hospital Funding Agreement provided additional workforce capacity, allowing public and private hospitals to work as one healthcare system during the pandemic. In addition, a clinical workforce pool was established to facilitate access to surge staffing to rapidly respond to increased demands on health services, residential care services and testing sites associated with COVID-19. Since March 2021, this workforce pool has also supported Victoria's COVID-19 vaccination program.

### Departmental staff

Departmental staff have been at the forefront of the government's response to the COVID-19 pandemic, working across the whole range of public health functions, such as case management, contact tracing and outbreak management, testing, directions, engagement, data and intelligence, policy, and vaccinating the Victorian community. Many staff members have been working extended hours and have often done parts of their usual employment while also deployed to other duties, or have maintained business as usual work with dramatically reduced capacity.

### Health system equipment

#### Personal protective equipment

Victoria successfully secured appropriate personal protective equipment (PPE) for our healthcare workforce during peak demands. The PPE Taskforce was established in early April 2020, building reinforced supply chains to ensure ongoing access to these supplies. The department partnered with Health Purchasing Victoria (now HealthShare Victoria) and Monash Health to establish the State Supply Chain (SSC). The SSC is a centralised statewide procurement and supply chain for critical PPE and other equipment.

#### ICU beds

At the beginning of the pandemic, preparing for a worst-case scenario, Safer Care Victoria worked with intensive care specialists to optimise patient distribution across the state – including admission, bed allocation and patient transfer – to ensure intensive care resources were not overwhelmed, which, thankfully, did not occur. However, 11 recommendations were made by the ICU Statewide Governance Group in November 2020 to help the system better manage any future surges and

ensure equitable access for all patients, regardless of COVID-19 status. Recommendations were made in relation to infrastructure, system coordination and consultation, testing and PPE. Work will continue with the sector to ensure the intensive care system is as prepared as it can be for any future demands. The plan to increase intensive care unit (ICU) and critical care capacity continues to be guided by epidemiological modelling. Victoria's health system has capacity for up to 4,000 ICU beds if required.

### Ventilation

Ventilation via heating, ventilation and air conditioning systems is recognised as an important control for reducing the risk of COVID-19 transmission. To provide guidance to health services on ventilation-related infection prevention and control measures and to assist health services to enhance their ventilation systems and infection control processes, the department has developed an Infection Control Measures to Optimise Ventilation and Reduce Transmission of COVID-19 in Acute Healthcare Settings policy.

### Ventilators

Prior to the pandemic, Victoria's health system was well equipped with ventilators and other emergency equipment, with approximately 1,100 ventilators in total. There are now almost 2,000 ventilators in Victoria available for immediate use. Ventilators have also been provided to Ambulance Victoria during the pandemic to ensure that they can rapidly and safely transfer COVID-19 positive patients between health services.

### Additional capacity

In response to the first wave of the COVID-19 pandemic, the Victorian Government increased the capacity of the health system.

The department worked in partnership with hospitals to activate uncommissioned capacity, purchase private capacity, reconfigure and optimise public hospitals, recommission former closed sites and accelerate new projects in the capital program to increase capacity for care.

Specific projects included:

- > commissioning 45 beds in shell wards at Bendigo Hospital
- > commissioning 56 beds at Goulburn Valley Health

- > commissioning 140 beds at Casey Hospital
- > recommissioning 84 beds at the former Peter MacCallum Cancer Centre site at East Melbourne
- > recommissioning 50 inpatient beds, theatres and recovery wards
- > creating a respiratory clinic at Baxter House in Geelong.

Increased inpatient capacity to treat potential COVID-19 patients was critical for the immediate pandemic response. Although not required currently for COVID-19 patients, the increased capacity is already supporting other Victorians and will help our health system meet increased demand in the future.

All 84 beds recommissioned at the former Peter MacCallum Cancer Centre site are open and being operated by St Vincent's Health Service at full capacity for low-acuity patients. These beds can also support Victoria with an elective surgery 'catch up' on deferred care.

Baxter House in Geelong will continue to receive patients at the recommissioned acute respiratory assessment clinic. The additional 50 inpatient beds and 30 respiratory clinical rooms commissioned for COVID-19 surge capacity preparedness will add much-needed treatment spaces.

The 45 recommissioned beds at Bendigo hospital will be used for planned service demand from future regional growth.

### Managing COVID-19 positive patients

The department, Safer Care Victoria, public health services, community health services, primary health networks and general practitioners worked together in 2020–21 to implement the COVID-19 Positive Care Pathways program, which provides comprehensive care for all Victorians with a COVID-19 positive diagnosis.

Using a clinical risk and severity assessment and tailored monitoring, enrolled patients receive a combination of home-based care (via TeleHealth and remote monitoring) with access to specialist inpatient care if needed. This enables those with less severe symptoms to remain in their home. At the same time, those at risk of deteriorating are identified early and supported with higher levels of care.

In addition, the department worked with health services to develop a process for managing the streaming and treatment of COVID-19 positive patients in Victoria. This built upon and extended existing healthcare arrangements for COVID-19 positive patients, the aim being to reduce the risk of exposure to COVID-19 among people in the community, patients and healthcare workers. Streaming patients also aimed to minimise the disruption of non-COVID care within the health system, such as elective surgery and outpatient service delivery.

The streaming model is designed to work in conjunction with the COVID-19 Positive Care Pathways program.

### **Ambulance Victoria's response to COVID-19**

All ambulances have the capacity to respond to confirmed and suspected COVID-19 patients. Ambulance Victoria has contracted additional licensed non-emergency patient transport providers to supplement capacity, particularly in transporting aged care residents, both COVID-positive and COVID-negative, to hospitals.

Strict safety measures were implemented by Ambulance Victoria in 2020–21 to protect its staff and the public from exposure to COVID-19 and to ensure workforce availability during periods of COVID-related peaks in demand for ambulance services.

Paramedic-at-scene times were longer during Victoria's second wave due to the heightened personal protective equipment requirements for ambulance workers when managing patients. Hospital times were also lengthened due to the need to decontaminate vehicles and equipment after potential COVID-19 cases – leading to longer overall case times and impacting overall ambulance availability.

### **Local public health units**

Established in September 2020, local public health units (LPHU) have played a pivotal role in outbreak management, including management of end-to-end COVID-19 contact tracing, case and contact follow-up and support. The LPHUs are based on a model that suits the needs of local communities and they work collaboratively with departmental teams.

LPHUs were established in both regional and suburban communities. This approach helps contain localised outbreaks and ensures tailored and localised responses can be quickly developed. LPHUs are equipped to deal with everything from contact tracing to outbreak management, and they draw on their local knowledge to gauge how and where the virus is likely to spread in their communities. The locations of each unit were determined in consultation with health services and local government.

### **COVID-19 information and communication**

Clear and accurate information about Victoria's COVID-19 directions from the Chief Health Officer has been critical to ensuring the community understands how to comply with the restrictions and safely undertake activities during the state of emergency.

The Physical Distancing Call Centre and COVID-19 Directions Inbox, which form part of the Directions Implementation and Operations Unit, provide the community with clear, consistent and accurate information about how to comply safely with Victoria's COVID-19 directions.

The department has also undertaken major advertising campaigns to inform Victorians of the public health rules applicable across Victoria through various stages of the pandemic.

Campaigns included: extensive television, digital, radio, print advertising, targeted advertising and translated materials for culturally and linguistically diverse communities, regional audiences and Victorian Aboriginal communities.

### **Measures to reduce the spread of COVID-19**

The most important measures to reduce the spread of COVID-19 have been the Chief Health Officer's directions. These have been used to impose restrictions on Victorians and on people seeking to enter Victoria from interstate and overseas and are mainly concerned with restricting people's movements outside the home, mask wearing, self-isolation and quarantine. These have varied in severity at different periods over the last 12 months but some level of restrictions has remained in place. Even during periods when there was no community transmission in Victoria, broad-ranging restrictions and obligations were still in force, particularly regarding the safe operation of venues and businesses.

These restrictions are necessary to ensure community safety, minimise the possible spread of the virus, and manage any potential cases of COVID-19 and their close contacts, among many other things. Easing of them is always based on such things as community transmission dynamics, vaccination rates, outbreak data and case numbers.

## Major Events

The *Public events framework*, developed in late 2020, and updated in May 2021, has enabled many major events to be held safely in Victoria. On ANZAC Day, the MCG hosted the biggest crowd worldwide since the COVID-19 pandemic began, with major stadia operating at 85 per cent capacity in the first half of 2021. Many theatres operated at capacity, including the Princess Theatre, which staged numerous performances of *Harry Potter and The Cursed Child*.

Public events, including sports and entertainment events, play a crucial role in the wellbeing and mental health of the Victorian population. Approval to conduct these events is subject to public health scrutiny, with thorough reviews of associated public health risks and mitigation strategies. The department conducted multiple exercises with major stadia and other venues to prepare their response to a positive case at an event, refining and enhancing their COVIDSafe event plans to ensure a swift response to contact tracing requirements.

## Enforcement and compliance measures to reduce community transmission

New legislation passed in October 2020 allowed the department to extend its authorised officer workforce and thus meet the growing need for enforcement activities required by the Chief Health Officer's directions and the restrictions they impose.

Since 1 December 2020, over 5,000 remote business inspections and field inspections had been completed or were in progress in response to notifications of possible breaches of directions.

## Preventing COVID-19 in Victoria

### COVID-19 Accommodation Program

On 27 July 2020, the Department of Justice and Community Safety (DJCS) assumed operational responsibility for the COVID-19 Accommodation Program from the then Department of Health and Human Services.

The COVID-19 Accommodation Program manages quarantine arrangements in Victoria. Victoria requires mandatory 14-day quarantine for international arrivals.

On 1 December 2020, a new administrative office attached to DJCS and called COVID-19 Quarantine Victoria (CQV) was established, with overall responsibility for the COVID-19 Accommodation Program. CQV is accountable to the Minister for Police and Emergency Services and subject to the terms of a general order.

The department works closely with CQV to support quarantine arrangements and provides public health advice as required.

Responsibility for the operation of the Hotels for Heroes program, which provides accommodation for frontline workers who need to self-isolate, transferred to the DJCS on 11 August 2020.

## Detention powers and Detention Review Panel

The emergency detention power under the *Public Health and Wellbeing Act 2008* has been exercised many times during the COVID-19 pandemic, particularly in the form of detention notices issued to people required to enter hotel quarantine or other mandatory periods of quarantine or isolation.

The Detention Review Panel was established on 20 April 2021 to provide an independent review mechanism of these notices.

In the period to 30 June 2021, 61 applications for review were considered by the Panel, 51 of which were affirmed by a Detention Review Officer. A further 10 were referred to the Chief Health Officer, of which eight were varied and two were affirmed.

## Infection prevention and control

### Infection prevention control guidelines and advice

The department developed the *Coronavirus (COVID-19) infection prevention and control (IPC) guidelines* in 2020 to support industry and communities to implement effective IPC in all settings. These guidelines were further refined in 2021. The department has provided advice on more than 4000 infection control enquiries received through a dedicated COVID-19 Infection Control inbox and produced a variety of resources that are published on the department's Infection Control website page.

### Personal protective equipment

Throughout the pandemic response, personal protective equipment has been made available for frontline staff and community service organisations. Priority is given to services with confirmed or suspected cases of COVID-19.

PPE has also been distributed to the department across the state for staff to utilise when in the workplace or having client contact.

The guidelines for PPE have been updated at regular intervals during the COVID-19 pandemic. The department has consistently ensured that the recommendations reflect the most recent evidence and lean towards greater levels of protection when there are any uncertainties.

### Clinical guidelines

Since establishing the Clinical Leadership Expert Group in March 2020, Safer Care Victoria has co-developed and published 75 COVID-19 clinical guidelines and resources, including 51 in 2020–21. Topics have ranged from surgery, maternity care and residential aged care. The group – comprising 32 members from 18 clinical and consumer specialty areas – also contributed to many policy and guidance topics developed by the department.

## Containing COVID-19 in Victoria

### Outbreak management

Outbreaks are detected and responded to rapidly. Drawing on local public health units, the department ensures adequate availability of personal protective equipment, and provides clear advice on contact tracing, testing recommendations and deep-cleaning requirements. Our customer relationship management (CRM) program provides a purpose-built platform for contact tracing and includes key functions relating to tracing, isolating and managing, and informing. The department ensures appropriate contact tracing capability across the state and the capacity to escalate the response when outbreaks occur.

### COVID-19 testing

The department's testing strategy has three priorities:

- > maximising symptomatic testing
- > reducing transmission risk from interstate or overseas
- > detecting asymptomatic infection in amplification settings.

Active surveillance through wastewater testing also provides early detection at a population/location level, complementing and informing clinical testing.

### Facilities and settings

Testing sites across Victoria continue to facilitate testing, when and as required, by bringing together local departmental representatives, the State Control Centre, councils, local health providers, and other support agencies. General practice respiratory clinics have also been included to help manage capacity. There is a network of 180+ fixed COVID-19 testing facilities across Victoria, led by health services, community health services, and GP respiratory clinics, and sometimes provided at metropolitan drive-through retail centres. Testing is delivered in a variety of settings, including walk in, drive through, dual/hybrid models, Call-to-Test and mobile screening clinics. This enables broad and accessible testing when outbreaks occur.

### Improvements in capacity

Victoria has the capacity to undertake around 50,000 tests per day and, since the beginning of January 2020, more than 7 million tests have been undertaken.

A critical element of Victoria's COVID-19 testing regime has been ensuring fast turnaround times for test results. This enables people to be identified and isolated quickly, or cleared to return to work, study and daily activities.

The government is investing \$36 million to expand pathology system capacity and maintain fast turnaround times, as well as improve coordination across the system. It is also investing in additional staff, equipment and logistics and coordination to ensure at least 80 per cent of results are released in under 24 hours.

### Rapid Response Testing teams

In August 2020, the department established Rapid Response Testing teams to support management, respond to COVID-19 risks, and undertake surveillance testing of high-risk industries.

These tailored teams consist of testers, administration support and community engagement staff who are deployed to a location with everything they need to set up and run a temporary testing facility. They provide a highly flexible and responsive testing solution which can be mobilised quickly to different locations and settings. They also build confidence and trust in priority communities

through engagement and education with local government area communities, and work in tandem with them to support contact tracing and facilitate effective isolation in the event of an outbreak.

The establishment of the Rapid Response Testing teams has significantly enhanced the department's ability to deploy mobile and flexible testing capacity across the state, often within 24 hours. Such teams are being deployed in response to a range of both time-critical and proactive testing needs. For example, Rapid Response Testing teams established three of the four pop-ups in Casey and Dandenong.

Review and refinement of the Rapid Response Testing teams will continue as the public health response to the COVID-19 pandemic evolves.

### **Better engagement and customer service**

Increased access to testing and associated communications encourages testing participation, particularly among communities that may not be frequent users of public health systems.

To encourage greater community participation in testing, the department has worked to improve customer experience, for example by providing interpreter services, a best-practice customer complaint handling process and regular wait-time updates on the website. These efforts to improve engagement and attendance are ongoing in 2021.

## **Pathology**

### **Testing criteria**

Testing criteria, on advice from the Chief Health Officer, are regularly adjusted. Since the first case of COVID-19 was diagnosed in Victoria, there have been multiple changes to the testing criteria to ensure greater efficacy of results.

The primary diagnostic test used to detect COVID-19 in Australia is the Reverse Transcriptase Polymerase Chain Reaction (RT-PCR). Victorian laboratories continue to build new COVID-19 testing capacity while the use of interstate laboratories supports surge testing demand.

### **Pathology system reform**

Currently there are 16 laboratories providing COVID-19 testing in Victoria – two public health reference laboratories, ten public hospital affiliated laboratories, and four private pathology provider laboratories: Dorevitch Pathology, Australian Clinical Laboratories, 4Cyte Pathology and Melbourne Pathology.

Pathology laboratory testing underpins Victoria's ability to identify COVID-19 cases swiftly and accurately and prevent transmission. Investments in public pathology equipment and staff have been made to increase capacity and capability and reduce the state's reliance on private pathology laboratories. Ongoing strategic work in public pathology reform continues in 2021.

Private laboratories will continue to play a significant role in testing, however. Agreements with private pathology providers are planned to maintain ongoing surge capacity.

### **Pilot with Doherty Institute**

The department has engaged with the Peter Doherty Institute to explore and deploy new COVID-19 testing technologies. Through this relationship, the department is exploring the feasibility and utility of diversifying into emerging testing methods as part of the state's COVID-19 response strategy, as well as to support the easing of restrictions and expand testing capacity. Three hospital antigen pilots have been completed at the Austin, Royal Melbourne and Monash hospitals. Since 19 October 2020, over 2,000 tests have been conducted on symptomatic patients and asymptomatic staff members.

### **Wastewater surveillance**

Wastewater surveillance provides a population-level snapshot of COVID-19 viral fragments shed into the sewerage system from stool and respiratory secretions. A key aim of the wastewater surveillance program is to serve as an early warning for community transmission of COVID-19. While wastewater surveillance cannot be relied upon to provide assurance that there are no 'active' cases within the community, it is an important complementary tool to clinical testing.

Wastewater surveillance testing is carried out by Rapid Response Testing teams. Other priority industries for surveillance testing of staff are those industries involved in food manufacturing and supply, meat processing, supermarket distribution and refrigerated logistics.

### **Outbreak management teams**

Responding rapidly to COVID-19 outbreaks, particularly in high-risk settings, such as schools, workplaces, aged care homes or high-density housing, is essential to reducing transmission of the virus.

The primary vehicle for managing an outbreak is through the establishment of an outbreak management team (OMT).

OMTs are made up of public health and infection control specialist clinicians. Their role is to provide on-site assessment, support and advice in relation to infection prevention and control measures, including the adequacy of personal protective equipment, COVID-safe practices, sector preparedness, contact tracing, testing recommendations, and deep-cleaning requirements. The information they gather contributes to public health intelligence which in turn is used to guide the public health response.

OMTs are supported in their work by multi-agency emergency management teams (EMT), who ensure all stakeholders are engaged and operating effectively together to manage and contain any outbreaks. Their support functions include regular community engagement forums and working groups to ensure culturally and demographically appropriate response strategies are identified and implemented.

### Contact tracing

The department seeks to minimise community transmission of COVID-19 through testing, tracing and isolating cases and their close contacts as quickly as possible.

The department contacts each new case within 24 hours of result notification to ensure that the individual is aware of the need to isolate, and to conduct a detailed interview to identify close contacts and any exposure sites, to determine if the case is linked to an existing outbreak or has created a new outbreak, and to assess the individual's health and welfare, including whether any social or financial support is required.

### QR codes

QR code data is a key source of intelligence for Victoria's contact tracers. Since June 2021, all businesses are required to use the Service Victoria QR code check-in application, and most employees are also expected to check in this way when working on site. QR codes have also been progressively rolled out across the public transport network, starting with stations and then moving onto rolling stock.

People from culturally and linguistically diverse and other at-risk communities were involved in the

design and implementation of this service. Business uptake was supported by a street team delivering on-the-ground engagement with businesses, as well as a campaign calling on all Victorians to check-in everywhere, every time, published across TV, radio, print, social, digital and out-of-home media, and translated and tailored to culturally and linguistically diverse communities.

Some of the targeted areas included: Chapel Street, Springvale Road, Victoria Street, Sydney Road and regional centres such as Geelong, Ballarat, Bendigo and Shepparton.

### Engagement with culturally diverse communities

Over the course of the pandemic, the Victorian Government has improved its interaction with culturally and linguistically diverse (CALD) communities through a range of materials in different media in 57 languages and through the cooperation of local community leaders in whom the community has trust.

The department has delivered targeted messaging to communities during Orthodox Easter, Ramadan, Eid, Rosh Hashanah and other celebrations.

To help bring testing to vulnerable and marginalised groups, 'roving' testing squads have been established.

The roving testing squads use best-practice community engagement approaches to identify communities and individuals who are not able to access COVID-19 testing, and to negotiate testing sessions in locations which are accessible, welcoming and clinically safe.

The messaging has been delivered in phases. The first focused on physical distancing and personal hygiene messaging. The second promoted key messages about staying home, physical distancing, and the restrictions in place. Subsequent phases focused on encouraging Victorians to get tested.

A community engagement strategy was also established to inform the community about how to stay safe, and the importance of getting tested if symptoms appear.

Other key initiatives included establishing the CALD Communities Taskforce (in place until April 2021), partnering with local government areas with significant CALD communities, employing bi-cultural workers across key locations, and supporting families impacted by COVID-19.

This engagement has been expanded to ensure the vaccine program is trusted and accessible for CALD communities.

### Engagement with Aboriginal and Torres Strait Islanders

Prioritising Aboriginal community leadership and Aboriginal culture and community in our COVID-19 response builds on our commitment to self-determination. Aboriginal and Torres Strait Islander community sector partners have worked closely with the department to coordinate COVID-19 response plans and ensure communities have the necessary information, resources and support they need. We continue to work with the department's Aboriginal Health Unit to build the capacity and capability of the Aboriginal-controlled health sector across our response.

#### COVID-19 in sensitive and high risk settings

Responding rapidly to outbreaks of COVID-19 in high-risk settings, such as schools, workplaces, aged care homes and high-density housing, is essential to reducing transmission of the virus.

In July 2020, the government established Operation Benessere to coordinate the lockdowns at Flemington and North Melbourne public housing estates. The department's high-risk accommodation response helped prevent and respond to COVID-19 infections and minimise transmission within these settings. This response led to the elimination of active cases in high-risk shared accommodation settings, including in non-government supported residential accommodation, community houses and rooming houses.

### Outbreaks in specific settings

#### Aged care facilities

The Victorian Government recognised early in the pandemic the need to prioritise the safety of Victoria's older citizens and people living in residential aged care.

During the second wave of the pandemic there were outbreaks across multiple residential aged care facilities (RACFs). On 27 July 2020, in response to the second wave outbreaks, the Victorian Aged Care Response Centre (VACRC) commenced operations to provide emergency coordination and support to local response mechanisms that had been overwhelmed by the volume and extent of COVID-19 outbreaks in

RACFs. The VACRC is a collaboration between Australian and Victorian Government agencies. Current priorities for the VACRC include RACFs outbreak preparedness and sourcing surge workforce in the event of an outbreak, ensuring personal protective equipment stock, and supporting the testing regime and in-reach vaccination.

Infection control practices have been identified as an area of particular concern in RACFs, requiring significant improvement to protect residents, workers, their families and the broader community. Specialised infection control training in aged care is a priority, and infection control training continues to be provided to RACFs.

In July 2021 the department established an Aged Care COVID-19 Preparedness and Policy team in the Intelligence, Case Contact and Outbreak Management division to ensure that Victoria remains ready to respond to future outbreaks in RACFs.

#### Food processing facilities, distribution centres and abattoirs

Food processing facilities have presented particular challenges during the COVID-19 pandemic. While they are an essential part of the national food supply chain, they are also high-risk settings for the transmission of COVID-19.

From 1 July 2020 to 30 June 2021, there were 30 outbreaks at food processing sites (including food processing, food production, meat/poultry processing and abattoirs).

Abattoirs, meat processing facilities and related businesses are especially complex settings. International and local cases have shown that meat processing facilities and abattoirs have a high risk of virus transmission due to the use of recirculated chilled air.

From 1 July 2020 to 30 June 2021, there were three outbreaks in abattoirs.

The department developed specialised infection prevention and control processes in response to these outbreaks.

It also established and deployed teams to these sites, who could use their local knowledge to engage with these culturally diverse workforces to provide tailored messaging and support services.

Due to their sheer size, distribution warehouse settings are at risk of becoming incubators of multiple COVID-19 cases. From 1 July 2020 to 30 June 2021, there were 11 outbreaks in food distribution sites.

A number of factors have contributed to the decline in spread of COVID-19 cases at such sites, including:

- > the introduction of occupational health physicians to work in case contact and outbreak management
- > visits by roving outbreak squads to review infection control and prevention procedures and to provide advice on identified gaps
- > onsite testing at workplaces where large numbers of the workforce require swabbing on a regular basis

## Sourcing and managing the surge clinical workforce

### Surge workforce

Modelling of the COVID-19 workforce undertaken at the beginning of the outbreak of COVID-19 indicated a need for additional frontline clinical staff to meet the needs of the pandemic.

The department established a dedicated surge workforce group to determine areas where additional staffing was needed and to meet requests for additional staffing support.

The department worked with the Australian Health Practitioner Regulation Agency to reach out to recently retired clinicians who could be utilised as part of the surge workforce response.

Students who could work in delegated service delivery models were identified, onboarded and employed.

Public and private hospitals trained and retrained doctors, nurses and physiotherapists in critical care skills, using substitution strategies and delegation models to enable staff to work at the top of their scope of practice and maximise the available workforce.

Non-urgent elective surgery was also wound back to free up existing staff.

In addition to these measures, the department sought skilled assistance from interstate, allocated the deployment of Registered Nurses, and worked with universities to ensure that students in medical-

related courses who wished to contribute to surge efforts were provided with appropriate supervision to work in delegated roles.

All these measures were developed in consultation with an expert working group that includes members from universities, healthcare services, Safer Care Victoria and the department.

### Second wave staffing

During July and August 2020, as Melbourne's second wave took hold, over 1,000 staff across the health system were furloughed daily. To combat this loss of staff, the department received assistance from Ambulance Victoria and the Australian Defence Force, and engaged staff from HealthDirect Australia.

## Vaccinating Victorians

### Supporting the Commonwealth's vaccine program

At the beginning of 2021, the rollout of the Commonwealth's COVID-19 vaccine program began, with the aim of offering a first dose vaccine to all adult Australians by the end of October 2021. By 30 June 2021, Victoria had delivered more than one million doses of COVID-19 vaccines across state-commissioned services.

Currently, the COVID-19 vaccine is the best tool Victoria has to control the virus, and the department is working closely with the Commonwealth to ensure the vaccination program rollout is safe and effective.

### Victoria's vaccine program

While the overall vaccination program is a Commonwealth responsibility, the states and territories have a key role to play in the rollout, including in relation to logistics, vaccination delivery, safety and reporting.

Victoria is rolling out the COVID-19 vaccine rapidly, in line with vaccine product supply and in accordance with the Commonwealth's prioritisation framework. The government has commissioned a range of providers to establish vaccine access points across Victoria with a range of models to meet the access needs of different cohorts and communities.

As at 30 June 2021, 78 vaccine sites had been established across Victoria – at hospital immunisation hubs, community settings and

outreach programs. Vaccinations are also available from general practitioners and, for certain vulnerable, high-risk groups, through specific in-reach or on-site services.

In addition, the department's digital health team led the development of Victoria's COVID-19 Vaccination Management System (CVMS), the first purpose-built digital system in Australia. The CVMS has been deployed to over 80 sites and had administered over one million vaccine doses across all settings by 30 June 2021.

### **Vaccine blitz for identified industries/workers**

Phase 1a of the vaccine rollout commenced on 22 February 2021 and included aged care and disability care workers and residents. The Victorian Government is responsible for vaccinating residents and staff in public sector residential aged care (PSRACs) facilities as part of Phase 1a while the Commonwealth is responsible for vaccinations at private aged care and disability care facilities.

All Victorian PSRAC facilities were visited by Victoria's hospital vaccination hub outreach teams by the end of April 2021. Staff at Victorian public sector aged care facilities also had the opportunity to be vaccinated during outreach visits, or they could be vaccinated at hospital vaccination hubs, high-volume centres, or through a general practitioner.

Private facilities had slower vaccine uptake rates so a vaccine blitz was conducted in early June 2021. Workers in private aged care facilities and the residential disability sector, which are managed by the Commonwealth, were given priority access at walk-in vaccination hubs around Victoria from 2–9 June 2021. Phase 1b of the program commenced on 22 March 2021, with eligibility for the vaccine extended to critical and high-risk workers. This group included Ambulance Victoria staff, who were given priority access to vaccination at state-run sites in a blitz run by the department from 9–13 June 2021.

While the Commonwealth continues to be responsible for in-reach in disability residential settings, Victoria is also working with providers to support access to state-run vaccination sites by people with disabilities and disability care workers.

All vaccination sites have a minimum standard of accessibility with nine sites across the state to be established as enhanced accessibility centres to increase the level of vaccination among people with a disability.

Priority cohorts continue to have priority access at state vaccination hubs, which allows them to be vaccinated quickly during peak periods without booking in advance.

### **Engagement with primary care and community health sectors**

The department consults regularly with the primary care and community health sectors to identify risks and opportunities concerning the vaccination program. This includes a fortnightly engagement meeting with Victorian general practitioners, primary health networks and peak bodies such as the Australian Medical Association and the Royal Australian College of General Practitioners.

The community health sector plays a key role in the state-run vaccination program, chiefly through the C-19 collaborative. This a consortium of five community health services, led in 2020–21 by IPC Health and supported by EACH, DPV Health, Star Health, and Cohealth. These organisations were commissioned to mobilise teams to administer vaccinations to Victoria's high-risk accommodation community and other identified vulnerable community groups.

The COVID-19 Vaccine Expert Advisory Group provides expert advice to support decisions on the planning and implementation of Victoria's vaccination program. Membership includes representatives from general practice and community pharmacies.

### **Supporting Victorians to get vaccinated**

Public trust and confidence are essential to the success of the vaccine program.

The department has engaged with a wide range of stakeholder groups, including health services, priority populations (such as Aboriginal and Torres Strait Islander people, culturally and linguistically diverse communities, residents of high-risk accommodation) and industry and worker groups to raise awareness, inform stakeholders and the broader Victorian community about the COVID-19 vaccination, and address the potential impact of vaccine hesitancy.

Victoria's engagement plan aligns with the Commonwealth Government's national communications campaign, which aims to provide information about quality and safety, vaccination sites and progress of the rollout.

Overall, as part of its engagement strategy, the department has developed an immediate network of over 700 partners that support COVID-19 vaccination engagement efforts. These partners are connected with the department through initiatives such as the COVID-19 Vaccination Ambassador Program, which funds over 170 organisations through grants, and supports promotion, education and capacity-building efforts across organisations and the community.

### **Champions program**

The department has also established the COVID-19 Vaccination Champions Program, which, through a network of 'champions', aims to enhance vaccine confidence, increase uptake of COVID-19 vaccinations and raise awareness of Victoria's COVID-19 vaccination program.

Vaccine champions are selected through an expression of interest process and grouped into three cohorts – clinical, community and faith, industry and workplace. Their role is to deliver presentations and facilitate group and individual discussions on COVID-19 vaccination; participate in discussions at 'on-the-ground' engagement sessions; and tell personal stories about why they chose to get vaccinated. All champions have received training conducted by the Murdoch Children's Research Institute on how to build confidence in COVID-19 vaccines. In addition, the department provides them with regular updates and ongoing support.

As at 30 June 2021, there were 76 clinical and community champions representing 27 different CALD backgrounds and 24 language groups.

## Performance reporting

The department reports performance against those output performance measures from the *2020–21 State Budget Paper No. 3 – Service Delivery* that remain within the health portfolio following the machinery of government changes. These all relate to departmental objective 1 (Victorians are healthy and well) and are organised by service output group in the tables below.

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

This output provides a range of timely and high-quality acute hospital inpatient, ambulatory, emergency, community-based and specialist services.

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation (%)	Result
<b>Admitted Services</b>					
<b>Quantity</b>					
Palliative separations	number	7,700	7,500	-2.6	○
Sub-acute care separations	number	39,600	31,180	-21.3	■
The result is lower than target primarily due to the impact of the COVID-19 pandemic on activities.					
Total separations – all hospitals	number (thousand)	2,034	1,868	-8.2	■
The result is lower than target primarily due to the impact of the COVID-19 pandemic on activities.					
Weighted Inlier Equivalent Separations (WIES) – all hospitals except small rural health services	number (thousand)	1,461	1,357	-7.1	■
The result is lower than target primarily due to the impact of the COVID-19 pandemic on activities.					
WIES funded separations – all hospitals except small rural health services	number (thousand)	1,840	1,693	-8	■
The result is lower than target primarily due to the impact of the COVID-19 pandemic on activities.					
Perinatal mortality rate per 1,000 babies of Aboriginal mothers, using rolling 3-year average	rate per 1,000	11	12.6	14.5	■
The most recent data available is the 3-year rolling average for 2017–19. Year to date data are not available. Rates can vary widely due to small numbers. Safer Care Victoria's Safer Baby Collaborative is working with the Victorian Aboriginal Community Controlled Organisation to strengthen links with Koori maternity services and reduce risk factors for stillbirth.					
Number of patients admitted from the elective surgery waiting list	number	203,020	163,628	-19.4	■
The result is lower than target primarily due to the impact of the COVID-19 pandemic, including restrictions that limited elective surgery in 2020 and 2021.					
WIES funded emergency separations – all hospitals	number (thousand)	759	643	-15.3	■
The result was lower than the target as overall activity has been impacted by COVID-19.					
<b>Quality</b>					
Eligible newborns screened for hearing deficit before one month of age	per cent	97	97.3	0.3	✓
This is a positive result. The target has been exceeded due to the sustained effort by the Victorian Infant Hearing Screening program administered by the Royal Children's Hospital.					

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation (%)	Result
Hand hygiene compliance	per cent	85	86.4	1.6	✓
Healthcare worker immunisation – influenza	per cent	90	93	3.3	✓
Intensive Care Unit central line associated blood stream infections (CLABSI) per 1,000 device days	rate	0	0.6	N/A	■
Major trauma patients transferred to a major trauma service	per cent	85	90.5	6.5	✓
Preliminary result. Actual end-of-year result will be available in late 2021. The result is higher than target primarily due to good clinical triage.					
Percentage of patients who reported positive experiences of their hospital stay	per cent	95	0	0	N/A
The Victorian Healthcare Experience Survey program was paused in Quarter 4 2020 and remained on hold until August 2021. Thus data for Quarter 4 2020–21 and the 2020–21 financial year was not collected and is not available.					
Perinatal and child mortality reports received, reviewed and classified	per cent	95	95.5	0.5	✓
Public hospitals accredited	per cent	100	100	0	✓
Patient reported hospital cleanliness	per cent	70	0	0	N/A
The Victorian Healthcare Experience Survey program was paused in Quarter 4 2020 and remained on hold until August 2021. Thus data for Quarter 4 2020–21 and the 2020–21 financial year was not collected and is not available.					
Staphylococcus aureus bacteraemias (SAB) infections per 10 000 patient days	rate	1	0.7	-30	✓
Unplanned/unexpected readmission for acute myocardial infarction	per cent	2	1.8	-10	✓
Unplanned/unexpected readmission for heart failure	per cent	10	7.5	-25	✓
Unplanned/unexpected readmission for hip replacement	per cent	2.5	3.4	36	■
Unplanned/unexpected readmission for paediatric tonsillectomy and adenoidectomy	per cent	2.2	2.5	13.6	■
Unplanned/unexpected readmission for knee replacement	per cent	6	4.5	-25	✓
<b>Timeliness</b>					
Non-urgent (Category 3) elective surgery patients admitted within 365 days	per cent	95	80.4	-15.4	■
The result is lower than target primarily due to the impact of the COVID-19 pandemic, including restrictions that limited elective surgery in 2020 and 2021.					
Semi-urgent (Category 2) elective surgery patients admitted within 90 days	per cent	83	61.6	-25.8	■
The result is lower than target primarily due to the impact of the COVID-19 pandemic, including restrictions that limited elective surgery in 2020 and 2021.					
Urgent (Category 1) elective surgery patients admitted within 30 days	per cent	100	100	0	✓
<b>Cost</b>					
<b>Total Output Cost</b>	<b>\$ million</b>	<b>13,892.4</b>	<b>14,751.8</b>	<b>6.2</b>	
The 2020–21 actual outcome primarily reflects increases in government policy initiatives related to the COVID-19 response.					

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation (%)	Result
<b>Non Admitted Services</b>					
<b>Quantity</b>					
Health Independence Program direct contacts	number (thousand)	1,599	1,396	-12.7	■
The result is lower than target primarily due to the impact of the COVID-19 pandemic on activities.					
Patients treated in Specialist Outpatient Clinics – unweighted	number (thousand)	1,975	1,791	-9.3	■
The result is lower than target primarily due to the impact of the COVID-19 pandemic on activities.					
<b>Quality</b>					
Post-acute clients not readmitted to acute hospital	per cent	90	93.8	4.2	✓
<b>Timeliness</b>					
Health Independence Program clients contacted within three days of referral	per cent	85	91.4	7.5	✓
The result is higher than target primarily due to a shift in hospital practices during COVID-19 to free up inpatient beds and minimise infection risk. The Health Independence Program focused on early follow-up and review of treatment options. This is a positive result.					
<b>Cost</b>					
<b>Total Output Cost</b>	<b>\$ million</b>	<b>2,062.7</b>	<b>2,074.3</b>	<b>0.6</b>	
The 2020–21 actual outcome primarily reflects increases in government policy initiatives related to the COVID-19 response.					
<b>Emergency Services</b>					
<b>Quantity</b>					
Emergency presentations	number (thousand)	1,944	1,773	-8.8	■
The result was lower than the target as overall activity has been impacted by COVID-19.					
<b>Quality</b>					
Emergency patients that did not wait for treatment	per cent	5	4.6	-8	✓
The result is lower than target primarily due to the impact of the COVID-19 pandemic on emergency department demand. This is a positive result.					
Emergency patients re-presenting to the emergency department within 48 hours of previous presentation	per cent	6	6.1	1.7	✓
Patients' experience of emergency department care	per cent	85	0	0	N/A
The Victorian Healthcare Experience Survey program was paused in Quarter 4 2020 and remained on hold until August 2021. Thus data for Quarter 4 2020–21 and the 2020–21 financial year was not collected and is not available.					
<b>Timeliness</b>					
Emergency Category 1 treated immediately	per cent	100	100	0	✓
Emergency patients treated within clinically recommended 'time to treatment'	per cent	80	68	-15	■
The result is lower than target primarily due to higher ambulance demand, a higher proportion of complex patients, and heightened infection control practices during the COVID-19 pandemic.					
Emergency patients with a length of stay of less than four hours	per cent	75	62	-17.3	■
The result is lower than target primarily due to higher ambulance demand, a higher proportion of complex patients, and heightened infection control practices during the COVID-19 pandemic.					

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation (%)	Result
Proportion of ambulance patient transfers within 40 minutes	per cent	90	74	-17.8	■
The result is lower than target primarily due to higher ambulance demand, a higher proportion of complex patients, and heightened infection control practices during the COVID-19 pandemic.					

#### Cost

<b>Total Output Cost</b>	<b>\$ million</b>	<b>786.8</b>	<b>804.</b>	<b>2.2</b>
The 2020–21 actual outcome primarily reflects increases in government policy initiatives related to the COVID-19 response.				

#### Acute Training and Development

##### Quantity

Clinical placement student days (medicine)	days	385,000	332,282	-13.7	■
The COVID-19 pandemic disrupted clinical placement activity in 2020–21. The 2021–22 State Budget allocated additional funding to catch up on clinical placement activity in 2021–22.					

Clinical placement student days (nursing and midwifery)	number	385,000	445,987	15.8	✓
Overperformance is due to additional placement activity associated with the Free TAFE initiative, as part of joint program across the Department of Health and Department of Education and Training. This is a smaller increase than expected given Free TAFE enrolments.					

Clinical placement student days (allied health)	number	160,000	142,126	-11.2	■
The COVID-19 pandemic disrupted clinical placement activity in 2020–21. The 2021–22 State Budget allocated additional funding to catch up on clinical placement activity in 2021–22.					

Number of filled rural generalist GP procedural positions	number	15	39.5	163.3	✓
Overperformance is due to the new Victorian Rural Generalist Program which has created additional procedural positions relevant to this measure. The target will be updated.					

Funded post graduate nursing and midwifery places at Diploma and Certificate level	number	954	877	0	■
This original target was not accurate for 2020–21, given available funding. Funding available allowed for 887 funded places and this number was achieved.					

Total funded FTE (early graduate) allied health positions in public system	number	700	697	-0.4	○
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Total funded FTE (early graduate) medical positions in public system	number	1,525	1,584	3.9	✓
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Total funded FTE (early graduate) nursing and midwifery positions in public system	number	1,889	1,889	0	✓
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##### Quality

Learner satisfaction about their feeling of safety and wellbeing while undertaking their program of study at health services	per cent	80	94	17.5	✓
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This measure has been consistently higher than target. This is a positive result.

#### Cost

<b>Total Cost Output</b>	<b>\$ million</b>	<b>323.3</b>	<b>299.4</b>	<b>-7.4</b>
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The actual outcome primarily reflects funding requested to be carried over into 2021–22 and realignment of funding to Community Health and Small Rural Services – Acute Health outputs driven by the COVID-19 response.

## Ageing, Aged and Home Care

This output encompasses 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, that are targeted to older people, people with a disability, and their carers.

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation (%)	Result
<b>Residential Aged Care</b>					
<b>Quantity</b>					
Available bed days	days	1,153,718	1,134,481	-1.7	○
<b>Quality</b>					
Residential care services accredited	per cent	100	100	0	✓
<b>Cost</b>					
<b>Total Output Cost</b>	<b>\$ million</b>	<b>449.6</b>	<b>405</b>	<b>-9.9</b>	
The 2020–21 outcome reflects a decrease in hospital own source revenue and funding requested to be carried over into 2021–22.					
<b>Aged Care Assessment</b>					
<b>Quantity</b>					
Aged care assessments	number	59,000	51,636	-12.5	■
The 2020–21 outcome for assessment volume was lower than the target. Contributing factors include COVID-19 and IT issues, as well as delayed uptake by clients seeking an assessment as their preference was to wait for a return to face to face assessment.					
<b>Timeliness</b>					
Average waiting time (calendar days) from referral to assessment	days	16	15	-6.3	✓
The result was higher than the target and is a positive result.					
Percentage of high priority clients assessed within the appropriate time in all settings	per cent	90	100	11.1	✓
The result was higher than the target and is a positive result.					
Percentage of low priority clients assessed within the appropriate time in all settings	per cent	90	84.7	-5.9	■
The 2020–21 outcome for assessment of low priority clients was lower than the target. Contributing factors include COVID-19, workforce fatigue and IT issues. There was increased demand for both assessments and support plan reviews (SPR) during periods of lifted restrictions with delayed uptake by clients seeking an assessment as their preference was to wait for a return to face to face assessment. In addition, there has been increased complexity of assessments and SPR, most likely as a response to delayed assessment and care for clients during COVID-19.					
Percentage of medium priority clients assessed within the appropriate time in all settings	per cent	90	98.3	9.2	✓
The result was higher than the target and is a positive result.					
<b>Cost</b>					
<b>Total Output Cost</b>	<b>\$ million</b>	<b>66</b>	<b>64.3</b>	<b>-2.5</b>	
The 2020–21 outcome primarily reflects funding requested to be carried over into 2021–22 for Commonwealth programs.					

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation (%)	Result
<b>Aged Support Services</b>					
<b>Quantity</b>					
Personal alert units allocated	number	29,121	29,121	0	✓
Victorian Eyecare Service (occasions of service)	number	75,866	57,395	-24.3	■
Service has been impacted by COVID-19. Some practices stopped seeing any clients and the remainder have experienced reduced activity while seeing urgent and essential clients only.					
Clients accessing aids and equipment	number	15,000	25,702	71.3	✓
This result includes over 6,000 oxygen and continence clients from the previous year, and it also reflects the demand for lower cost subsidies, aids/equipment and repairs. Additional funding of \$1.5 million Commonwealth Lymphoedema Compression Garments Program (\$0.5 m) and NDIS Out of Scope (\$1 m) has enabled additional clients to be assisted, contributing to result. Note that the 2021–22 target has been revised upwards, reflecting historical performance.					
<b>Quality</b>					
Funded research and service development projects for which satisfactory reports have been received	per cent	100	100	0	✓
Clients satisfied with the aids and equipment services system	per cent	85	96	12.9	✓
The higher result reflects a timely and responsive service. Note that the 2021–22 target has been revised upwards, reflecting historical performance.					
Applications for aids and equipment acknowledged in writing within 10 working days	per cent	90	100	11.1	✓
This is a positive result demonstrating timeliness and efficiency in responding to applicants.					
<b>Cost</b>					
<b>Total Output Cost</b>	<b>\$ million</b>	<b>133.8</b>	<b>140.6</b>	<b>5.1</b>	
The 2020–21 outcome reflects the budget impact of machinery of government changes between the Department of Health and Department of Families, Fairness and Housing.					
<b>Home and Community Care Program for Younger People</b>					
<b>Quantity</b>					
Home and Community Care for Younger People – number of clients receiving a service	number	60,000	59,750	-0.4	○
Home and Community Care for Younger People – hours of service delivery	hours	1,000,000	877,000	-12.3	■
Service has been impacted by COVID-19. The 2020–21 variance is due to decrease in ability to provide some services due to the impact of COVID-19 and alternative services being delivered that cannot be reported in the client database.					
<b>Cost</b>					
<b>Total Output Cost</b>	<b>\$ million</b>	<b>219.3</b>	<b>222.1</b>	<b>1.3</b>	
The 2020–21 actual outcome primarily reflects increases in government policy initiatives.					

## Ambulance Services

This output describes the units of activity for emergency and non-emergency ambulance services under the funding model introduced 1 July 2014. It includes a range of performance deliverables that measure the quality and timeliness of ambulance services expected over the period. The quality and timeliness measures identify expected clinical output measures and ambulance response times, which are important to ensure critically ill Victorians receive the care they need.

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation (%)	Result
<b>Ambulance Emergency Services</b>					
<b>Quantity</b>					
Community Service Obligation emergency road and air transports	number	270,480	299,047	10.6	✓
This result is higher than target due to significantly increased demand in Quarter 4 following reduced activity associated with the Government's response to the COVID-19 pandemic.					
Statewide emergency air transports	number	4,829	4,208	-12.9	■
Air activity is entirely demand driven. Activity below target represents lower demand for air services.					
Statewide emergency road transports	number	482,597	518,498	7.4	✓
Despite activity being significantly impacted by the government's response to the COVID-19 pandemic, demand outside of lockdown periods has been substantially above previous years.					
Treatment without transport	number	84,087	81,819	-2.7	○
<b>Quality</b>					
Audited cases attended by Community Emergency Response Teams (CERT) meeting clinical practice standards	per cent	90	100	11.1	✓
The result was higher than the target and is a positive result.					
Audited cases statewide meeting clinical practice standards	per cent	95	100	5.3	✓
The result was higher than the target and is a positive result.					
Proportion of adult patients suspected of having a stroke who were transported to a stroke unit with thrombolysis facilities within 60 minutes	per cent	90	98.5	9.4	✓
The result was higher than the target and is a positive result.					
Proportion of adult VF/VT cardiac arrest patients with vital signs at hospital	per cent	50	52.3	4.6	✓
Proportion of patients experiencing severe cardiac or traumatic pain whose level of pain is reduced significantly	per cent	90	92.5	2.8	✓
Proportion of patients very satisfied or satisfied with overall services delivered by paramedics	per cent	95	97.1	2.2	✓
<b>Timeliness</b>					
Proportion of emergency (Code 1) incidents responded to within 15 minutes – statewide	per cent	85	77.2	-9.2	■
Ambulance performance has been significantly impacted by COVID-19, with increased demands on health service emergency departments statewide placing additional pressure on offload times. Overall demand for ambulance services has been substantially above previous years, despite a number of periods of reduced activity throughout the year as part of the government's response to the COVID-19 pandemic.					

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation (%)	Result
Proportion of emergency (Code 1) incidents responded to within 15 minutes in centres with more than 7,500 population	per cent	90	82.5	-8.3	■
<p>Ambulance performance has been significantly impacted by COVID-19, with increased demand on health service emergency departments statewide placing additional pressure on offload times. Overall demand for ambulance services has been substantially above previous years, despite a number of periods of reduced activity throughout the year as part of the government's response to the COVID-19 pandemic.</p>					

#### Cost

<b>Total Output Cost</b>	<b>\$ million</b>	<b>1,109.9</b>	<b>1,012.6</b>	<b>-8.8</b>	
<p>The 2020–21 actual outcome primarily reflects a decrease in expense relating to the treatment of Ambulance Victoria lease arrangements and expenditure relating to the COVID-19 response being captured under the Acute Admitted output.</p>					

### Ambulance Non-Emergency Services

#### Quantity

Community Service Obligation non-emergency road and air transports	number	229,943	237,864	3.4	✓
Statewide non-emergency air transports	number	2,434	2,650	8.9	✓
<p>The result was lower than target due to lower demand for services. This is an entirely demand-driven activity.</p>					
Statewide non-emergency road transports	number	281,733	313,367	11.2	✓
<p>Despite activity being significantly impacted by the government's response to COVID-19, Ambulance Victoria's commissioned response to COVID-19 in aged care settings and demand outside of lockdown periods has been substantially above previous years.</p>					

#### Quality

Audited cases statewide meeting clinical practice standards	per cent	95	100	5.3	✓
<p>The result was higher than the target and is a positive result.</p>					

#### Cost

<b>Total Output Cost</b>	<b>\$ million</b>	<b>166.4</b>	<b>176.6</b>	<b>6.1</b>	
<p>The 2020–21 actual outcome primarily reflects an output realignment to Ambulance Non-Emergency Services related to the COVID-19 response.</p>					

## Drug Services

This output includes 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.

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation (%)	Result
<b>Drug Prevention and Control</b>					
<b>Quantity</b>					
Number of phone contacts from family members seeking support	number (thousand)	10,682	10,498	-1.7	○
Needles and syringes provided through the Needle and Syringe Program	number (thousand)	10,170	10,047	-1.2	○
<p>This is a positive result despite the ongoing impact of the COVID-19 pandemic. The department had advised agencies (and in turn clients) to ensure adequate supplies of needles and syringes when the lockdowns commenced in July 2020, to mitigate against the inability to obtain syringes during periods of restricted movement.</p>					

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation (%)	Result
Number of telephone, email, website contacts and requests for information on alcohol and other drugs	number (thousand)	4,200	5,291	26	✓
<p>This is a positive result. Increased number of contacts is due to the shift towards web-based enquiries, as more accessible. The increase is also possibly due to a number of other factors, including: improved public awareness and information-seeking as a result of successful public campaigns such as Turning Point's partnership in the Rethink Addiction SBS documentary; the increase in the availability of online format resources such as webinars as a result of the COVID-19 restrictions; and the impact of restricted travel/movement resulting in more time at home to look online for resources.</p>					
<b>Quality</b>					
Pharmacotherapy permits processed within designated timeframe	per cent	100	100	0	✓
<b>Timeliness</b>					
Percentage of new licences and permits issued to health services or businesses for the manufacture, use or supply of drugs and poisons within six weeks following receipt of full information	per cent	100	100	0	✓
Percentage of treatment permits for medical practitioners or nurse practitioners to prescribe Schedule 8 drugs assessed within four weeks	per cent	75	100	33.3	✓
<p>This variance is due to a temporary reduction of permit requirements between end of March 2020 to March 2021 as a consequence of the Schedule 8 permit Public Health Emergency Order in place to reduce the regulatory burden on prescribers during the COVID-19 response. This meant that, temporarily, there were fewer permit applications submitted and thus fewer applications to assess. In addition, the team upskilled administrative staff to assist with assessing simple straightforward permit application. Two new drugs and poisons officer positions were created and recruited to as a result of successful 2020 Budget bids. The additional officers and upskilling of administrative staff meant the team was able to assess and process all permit applications within four weeks of receipt.</p>					
<b>Cost</b>					
<b>Total Output Cost</b>	<b>\$ million</b>	<b>43.2</b>	<b>37.1</b>	<b>-14.1</b>	
<p>The 2020–21 actual outcome primarily reflects lower than budgeted expenditure on government policy initiatives due to delays caused by the COVID-19 response.</p>					
<b>Drug Treatment and Rehabilitation</b>					
<b>Quantity</b>					
Clients on the pharmacotherapy program	number	14,000	14,776	5.5	✓
<p>Increase in demand is reflective of factors such as the increased number of illicit drug users seeking treatment support where access to illicit drugs has been impacted during COVID-19 restrictions, and the increased awareness and monitoring of Schedule 8 prescribed drugs through Safescript (where drug users are diverted to programs by prescribers).</p>					
Commenced courses of treatment – community-based drug treatment services	number	8,489	11,578	36.4	✓
<p>Historically, performance has exceeded target for this measure. The current result showing further overperformance may be due to the introduction of telephone-based client engagement as part of the public health response to COVID-19, which has supported a higher volume of commenced courses of treatment during this period. It also may be as a result of increased demand relating to COVID-19 and the deteriorating mental health of young people and Aboriginal communities and their use of alcohol and other drugs.</p>					
Number of drug treatment activity units – residential services	number	78,535	51,701	-34.2	■
<p>This outcome is due to the overall reduction in residential treatment service capacity as a result of the ongoing COVID-19 pandemic and associated social distancing requirements, particularly in Quarter 1 2020–21. Services are currently following public health advice as they relate to care facilities. It may also reflect client factors, such as delays in seeking treatment due to concerns around COVID-19 transmission or assuming that services are not operating.</p>					

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation (%)	Result
Number of drug treatment activity units – community-based services	number	90,325	96,937	7.3	✓
<p>Historically, performance has fallen short of target for this measure. This improved outcome may reflect the impact of COVID-19 on access to services for adult community-based treatment. While telehealth has been demonstrated to be a successful option for some people who require support, people with complex alcohol and other drug needs have reported difficulty in engaging through telehealth options.</p>					
<b>Quality</b>					
Workers complying with Alcohol and Other Drug Minimum Qualification Strategy requirements	per cent	85	93	9.4	✓
Percentage of new clients to existing clients	per cent	50	56.1	12.2	✓
<p>This is a positive result with more new clients being able to access the system.</p>					
Percentage of residential rehabilitation clients remaining in treatment for ten days or more	per cent	80	81.7	2.1	✓
<p>This is a positive result with more clients remaining on the treatment program.</p>					
Successful courses of treatment (episodes of care) – community-based drug treatment services	number	7,385	10,966	48.5	✓
<p>Historically, performance has exceeded targets for this measure. The current result showing further overperformance may be due to the introduction of telephone-based client engagement as part of the public health response to COVID-19, which has supported a higher volume of commenced courses of treatment during this period. It also may be a result of increased demand relating to COVID-19 and the deteriorating mental health of young people and Aboriginal communities and their use of alcohol and other drugs.</p>					
Percentage of residential withdrawal clients remaining in treatment for two days or more	per cent	80	95.5	19.4	✓
<p>An increase in the number of days clients remain in residential treatment may be attributed in part to improved client experience due to higher staff to client ratios and lower client numbers in facilities. These changes have resulted from increased infection control measures whereby fewer beds are offered in order to ensure only one client per bathroom for example. The impact of COVID-19 restrictions may have also impacted on length of stay, given the support and security that residential treatment is able to provide. Discharge processes are more complex due to the impact of COVID-19 on community-based service provision.</p>					
<b>Timeliness</b>					
Median wait time between intake and assessment	days	10	7.4	-26	✓
<p>This is a positive result. Consistent with the previous financial year, this variance suggests that clients are able to access treatment within a reasonable time following assessment.</p>					
Median wait time between assessment and commencement of treatment	days	20	13.1	-34.5	✓
<p>This is a positive result. Consistent with the previous financial year, this variance suggests that clients are able to access treatment within a reasonable time following assessment.</p>					
<b>Cost</b>					
<b>Total Output Cost</b>	<b>\$ million</b>	<b>271.6</b>	<b>268.1</b>	<b>-1.3</b>	
<p>The 2020–21 actual outcome primarily reflects lower than budgeted expenditure on government policy initiatives due to delays caused by the COVID-19 response.</p>					

## Mental Health

This output includes the provision of a range of inpatient, community-based residential and ambulatory services that target and support people with a mental illness and their families and carers, identifying mental illness early, and seek to reduce its impact through providing timely acute care services and appropriate longer-term accommodation and support for those living with a mental illness.

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation (%)	Result
<b>Clinical Care</b>					
<b>Quantity</b>					
Clinical inpatient separations	number	27,488	27,361	-0.5	○
Total community service hours (child and adolescent)	number (thousand)	219	235	7.3	✓
This is a positive result, despite the Mental Health EBA 2020 negotiation placing protected industrial action on the collection, recording or documenting of clinical and administrative information, which was expected to impact the delivery of this measure.					
Total community service hours (adult)	number (thousand)	1,103	958	-13.1	■
This is a positive result, despite the Mental Health EBA 2020 negotiation placing protected industrial action on the collection, recording or documenting of clinical and administrative information, which was expected to impact the delivery of this measure.					
Total community service hours (aged)	number (thousand)	126	119	-5.6	■
This is a positive result, despite the Mental Health EBA 2020 negotiation placing protected industrial action on the collection, recording or documenting of clinical and administrative information, which was expected to impact the delivery of this measure.					
New case index	per cent	50	50.8	1.6	✓
This is a positive result with more new clients being able to access the system.					
Registered community clients	number	77,221	75,397	-2.4	○
Occupied residential bed days	number	153,574	151,201	-1.5	○
This lower result is driven by the lower Quarter 1 bed occupancy result due to COVID-19. Health services have reported that vulnerable patients are reluctant to be admitted to bed-based settings during the COVID-19 pandemic.					
Occupied Sub-acute bed days	number	186,771	196,034	5.0	✓
This lower result is driven by the lower Quarter 1 bed occupancy result due to COVID-19. Health services have reported that vulnerable patients are reluctant to be admitted to bed-based settings during the COVID-19 pandemic.					
<b>Quality</b>					
Clients readmitted (unplanned) within 28 days	per cent	14	15	7.1	■
The outcome can be attributed to potentially shorter length of stay and consumers being discharged prematurely due to high bed demand/insufficient beds being available, resulting in higher rates of readmission. At times, due to the pandemic, beds were closed to ensure COVID-19 safety, which resulted in increased pressure for throughput, which can lead to discharge earlier than preferred. This can drive readmission. Challenges in delivering face to face community care and support during the pandemic, while telehealth and video health services increased, have been reported as sub optimal for some consumers and may have contributed to readmissions.					
New client index	per cent	45	45.7	-1.6	✓
This is a slightly higher result but suggests that services are continuing to see new consumers despite the ongoing impacts of the COVID-19 pandemic.					
Number of designated mental health services achieving or maintaining accreditation under the National Safety and Quality in Health Service Standards	number	18	18	0	✓
Post-discharge community care (child and adolescent)	per cent	88	87	-1.8	○
This is a positive result, despite the Mental Health EBA 2020 negotiation placing protected industrial action on the collection, recording or documenting of clinical and administrative information, which was expected to impact the delivery of this measure.					

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation (%)	Result
Post-discharge community care (adult)	per cent	88	86.4	-4.5	○
This is a positive result, despite the Mental Health EBA 2020 negotiation placing protected industrial action on the collection, recording or documenting of clinical and administrative information, which was expected to impact the delivery of this measure.					
Post-discharge community care (aged)	per cent	88	88	0	✓
Pre-admission community care	per cent	61	59	-3.3	○
This result is positive considering the high demand and acuity of patients presenting to the emergency department requiring admission.					
Seclusions per 1,000 occupied bed days	rate per 1,000	8	9.2	15	■
This measure is across all age cohorts. The measure is impacted by a higher number of events for a small number of adult patients with challenging behaviours. There is also an impact from adolescent results as there are limited numbers of units in the metropolitan area providing treatment for the entire state. Aged seclusion result is low.					
<b>Timeliness</b>					
Emergency patients admitted to a mental health bed within eight hours	per cent	80	54.4	-32	■
This result is due to the increasing trend in the number of people presenting directly to emergency departments and population growth in north west (Melbourne Health) and south east (Monash Health) that is beyond the inpatient capacity of these health services. The Royal Commission into Victoria's Mental Health System interim report stated that that the increase in mental health-related presentations outstrips both population growth and the growth in emergency departments generally. This issue is being addressed by the creation of 144 new acute public beds and the expression of interest for 35 private beds for public patients as recommended by the Royal Commission.					
<b>Cost</b>					
<b>Total Output Cost</b>	<b>\$ million</b>	<b>1,993.2</b>	<b>1,937.6</b>	<b>-2.8</b>	
The 2020–21 actual outcome primarily reflects funding requested to be carried over into 2021–22 and lower than expected Commonwealth Revenue.					
<b>Mental Health Community Support Services</b>					
<b>Quantity</b>					
Bed days	number	60,115	46,542	-22.6	■
This lower result is due to youth residential rehabilitation facilities being required to leave units vacant to enable the isolation of clients in the event of COVID-19 exposure or an outbreak between March and November 2020. In addition, recreational visitors and weekend leave were not permitted during this time, which, coupled with mandatory mask wearing and physical distancing requirements, created a disincentive for young people to accept placements in these facilities.					
Client Support Units	number	37,279	2,703	-92.7	■
The reduction in client support units is due to the transition of funding committed to individualised client support packages to the NDIS. This target is under review since the transition to NDIS is now complete.					
Clients receiving community mental health support services	number	1,800	3,180	76.7	✓
A higher than expected number of clients have engaged with mental health community support services during this period, which may be due to the impact of the COVID-19 pandemic.					
<b>Quality</b>					
Proportion of major agencies accredited	per cent	100	100	0	✓
Agencies are expected to be accredited as a condition of funding.					
<b>Cost</b>					
<b>Total Output Cost</b>	<b>\$ million</b>	<b>126.9</b>	<b>121.8</b>	<b>-4</b>	
The 2020–21 actual outcome primarily reflects funding requested to be carried over into 2021–22, partially offset by increases to government policy initiatives.					

## Primary, Community and Dental Health

This output, through the provision of a range of in-home, community-based, community, maternal and child, early parenting, primary health and dental services, promotes health and wellbeing and prevents the onset of more serious illnesses.

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation (%)	Result
<b>Community Health care</b>					
<b>Quantity</b>					
Better Health Channel visits	number (thousand)	40,000	52,959	32.4	✓
Variance is due to a new release of the Better Health Channel (replatformed) with improved Search Engine Optimisation, as well as search engines like Google prioritising authoritative government health websites in search results due to COVID-19 pandemic.					
Rate of admissions for ambulatory care sensitive chronic conditions for Aboriginal Victorians	rate per 1,000	14.4	14.4	0	✓
Number of referrals made using secure electronic referral systems	number	75,000	75,000	0	✓
Preliminary Result. Actual end-of-year result will be available by late 2021.					
Primary Care Partnerships with reviewed and updated Strategic Plans	per cent	100	100	0	✓
Preliminary Result. Actual end-of-year result will be available by late 2021.					
Service delivery hours in community health care	number (thousand)	1,060	1,080	1.9	✓
<b>Quality</b>					
Agencies with an Integrated Health Promotion plan that meets the stipulated planning requirements	per cent	95	95	0	✓
<b>Cost</b>					
<b>Total Output Cost</b>	<b>\$ million</b>	<b>353.8</b>	<b>329.4</b>	<b>-6.9</b>	
The 2020–21 actual outcome primarily relates to expenditure relating to the COVID-19 response being captured under the Health Protection output and budget impact of machinery of government changes between the Department of Health and Department of Families, Fairness and Housing.					
<b>Dental Services</b>					
<b>Quantity</b>					
Persons treated	number	332,150	272,446	-18	■
Service has been impacted by COVID-19. Results have been impacted by the restrictions on non-urgent public dental services in response to the COVID-19 pandemic.					
Priority and emergency clients treated	number	249,100	227,770	-8.6	■
Service has been impacted by COVID-19. Results have been impacted by the restrictions on non-urgent public dental services in response to the COVID-19 pandemic.					
Children participating in the Smiles 4 Miles oral health promotion program	number	34,000	49,000	44.1	✓
Data for the current period is an estimate as actual data is not yet available. Performance is expected to exceed the target based on past performance. This is a positive outcome.					
Note that the 2021–22 target has been revised upwards.					
<b>Timeliness</b>					
Waiting time for dentures	months	22	21.6	-1.8	✓
Performance below target is a positive result.					

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation (%)	Result
Percentage of Dental Emergency Triage Category 1 clients treated within 24 hours Performance above target is a positive result. Note that emergency dental treatment was not significantly impacted by service restrictions in response to the COVID-19 pandemic.	per cent	85	92	8.2	✓
Waiting time for general dental care Performance below target is a positive result.	months	23	22.7	-1.3	✓

#### Cost

<b>Total Output Cost</b>	<b>\$ million</b>	<b>319</b>	<b>296.7</b>	<b>-7</b>
The 2020–21 actual outcome primarily reflects timing of expenditure in relation to the Adult Public Dental Services National Partnership Agreement with funding requested to be carried over into 2021–22.				

### Maternal and Child Health and Early Parenting Services

#### Quantity

Hours of additional support delivered through the Enhanced Maternal and Child Health program This measure was introduced in 2020–21. Initial target was ambitious and based on funded hours for the expanded Enhanced Maternal Child Health program. Program rollout, data reporting challenges, data system changes and the impacts of COVID-19 have all contributed to the reported outcome being lower than the target.	number	248,000	139,797	-43.6	■
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Total number of Maternal and Child Health Service clients (aged 0 to 1 year)	number	80,000	79,156	-1.1	✓
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#### Timeliness

Children aged 0 to 1 month enrolled at maternal and child health services from birth notifications	per cent	99	99	0	✓
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#### Cost

<b>Total Output Cost</b>	<b>\$ million</b>	<b>134.4</b>	<b>132.7</b>	<b>-1.3</b>
The 2020–21 actual outcome reflects timing delays in expenditure on government policy initiatives.				

## Public Health

This output encompasses services and support, including screening for health conditions and safety inspections, that promote and protect the health and wellbeing of all Victorians. These services are delivered in partnership with key stakeholders and communities.

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation (%)	Result
<b>Health Protection</b>					
<b>Quantity</b>					
Inspections of cooling towers Quarter 4 saw 669 cooling towers inspected and, in addition, 47 virtual tower audits were conducted as the inspection team returned to relatively normal operations following interruptions earlier in the year. Full year result was 1,232 tower inspections and, in addition, 167 virtual tower audits were conducted.	number	1,300	1232	-5.2	■
Inspections of radiation safety management licences The result was impacted by a significant recruitment exercise to fill five radiation safety positions as part of the 2020 Victorian Budget 'boots on the ground' initiative. We will start to see the impacts of that recruitment during the Quarter 3 of 2021.	number	480	136	-71.7	■

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation (%)	Result
Percentage of Aboriginal children fully immunised at 60 months Result taken from Australian Immunisation Register childhood coverage report (age calculated as at 31 March 2021). Date of processing 30 June 2021.	per cent	95	97.8	2.9	✓
Number of available HIV rapid test trial appointments used	number	1,435	1,504	4.8	✓
Women screened for breast cancer by BreastScreen Victoria This variance is due to the response to COVID-19 and the implementation of COVID-safe measures, which have meant reduced throughput for BreastScreen Victoria services.	number	267,000	236,224	-11.5	■
Number of persons participating in newborn bloodspot or maternal serum screening	number	80,000	79,367	-0.8	○
Persons screened for prevention and early detection of health conditions – pulmonary tuberculosis screening 211 cases screened in Quarter 4 (1 April to 30 June 2021). Overall (annual) screening total has been impacted by COVID-19 lockdowns and other public health measures which have reduced the amount of social mixing and thereby transmission opportunities.	number	2,000	1,351	-32.5	✓
Smoking cessation of Aboriginal mothers	per cent	25.2	24.1	-4.4	○
<b>Quality</b>					
Calls to food safety hotlines that are answered	per cent	97	99.8	2.9	✓
Immunisation coverage – adolescent (Year 7) students fully immunised for DTPa (diphtheria, tetanus and pertussis) This target can no longer be measured. Previously, this target was measured by asking local council immunisation services to report numbers of returned consent cards. However, this has not occurred in the past two years due to COVID-19 restrictions. It's also acknowledged that school immunisation is only a subset of all adolescent vaccination. A formal request has been made to review BP3 measures involved with adolescent vaccinations.	per cent	90	0	-100	N/A
Immunisation coverage – At school entry Results taken from Australian Immunisation Register Coverage Report (age calculated as at 31 March 2021); date of processing 30 June 2021.	per cent	95	95.8	0.8	✓
Immunisation coverage – At two years of age	per cent	95	93.2	-1.9	○
Public health emergency response calls dealt with within designated plans and procedure timelines	per cent	100	100	0	✓
<b>Timeliness</b>					
Percentage of food recalls acted upon within 24 hours of notification The requirement to act upon recall notifications within 24 hours is a new measure for 2020–21. A small number of recalls were not actioned within a 24-hour period prior to this. Weekend on-call officers now ensure that this occurs.	per cent	97	91.3	-5.9	■
Infectious disease outbreaks responded to within 24 hours	per cent	100	100	0	✓
Participation rate of women in target age range screened for breast cancer This variance is due to the response to COVID-19 and the implementation of COVID-safe measures, which have meant reduced throughput for BreastScreen Victoria services. Prior to March 2020 the participation rate was on track to be maintained at a rate of 54 per cent.	per cent	54	48.6	-10	■

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation (%)	Result
<b>Cost</b>					
<b>Total Output Cost</b>	<b>\$ million</b>	<b>1,085.3</b>	<b>1,370.7</b>	<b>26.3</b>	
The 2020–21 actual outcome primarily reflects increases in government policy initiatives related to the COVID-19 response and budget impact of machinery of government changes between the Department of Health and Department of Families, Fairness and Housing.					

### Health Advancement

#### Quantity

Persons completing the Life! – Diabetes and Cardiovascular Disease Prevention program	number	5,616	3,456	-38.5	■
Participation in the Life! program has been significantly impacted by COVID-19 restrictions.					
Number of training courses for health professionals on sexual and reproductive health	number	50	51	2	✓
Workplaces and pubs and clubs complying with smoke free environment laws	per cent	99	99	0	✓
Local Government Authorities with Municipal Public Health and Wellbeing Plans	per cent	100	100	0	✓

#### Cost

<b>Total Output Cost</b>	<b>\$ million</b>	<b>80.8</b>	<b>89.1</b>	<b>10.3</b>	
The 2020–21 actual outcome primarily reflects increases in government policy initiatives related to the COVID-19 response.					

### Emergency Management

#### Quantity

Number of people trained in emergency management	number	2,000	2,590	29.5	✓
Significant numbers of people were trained in Quarter 2 and Quarter 3 for seasonal emergency management preparedness and for COVID-19 purposes. The Quarter 3 year to date result (2,301) includes the number of people trained by the department (formerly Department of Health and Human Services) and the Department of Families, Fairness and Housing (established since 1 February 2021).					

#### Cost

<b>Total Output Cost</b>	<b>\$ million</b>	<b>13.6</b>	<b>24.6</b>	<b>80.7</b>	
The 2020–21 actual outcome primarily reflects increases in government policy initiatives.					

## Small Rural Services

This output 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, multipurpose services and public sector residential aged care services.

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation (%)	Result
<b>Small Rural Services – Acute Health</b>					
<b>Quantity</b>					
Separations	number (thousand)	35.8	31	-13.4	■
The reduction in admitted activity as a result of the COVID-19 pandemic continues to impact small rural health services.					

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation (%)	Result
Small rural weighted activity unit	number (thousand)	350,000	308,000	-12	■
The reduction in activity as a result of the COVID-19 pandemic continues to impact small rural health services.					
<b>Quality</b>					
Percentage of health services accredited	per cent	100	100	0	✓
<b>Cost</b>					
<b>Total Output Cost</b>	<b>\$ million</b>	<b>443.7</b>	<b>446.5</b>	<b>0.6</b>	
The 2020–21 actual outcome reflects an output realignment to Acute Training & Development related to the COVID-19 response.					
<b>Small Rural Services – Aged Care</b>					
<b>Quantity</b>					
Small rural available bed days	number	701,143	701,143	0	✓
<b>Quality</b>					
Residential care services accredited	per cent	100	100	0	✓
<b>Cost</b>					
<b>Total Output Cost</b>	<b>\$ million</b>	<b>247.8</b>	<b>260</b>	<b>4.9</b>	
The 2020–21 actual outcome primarily reflects higher than expected Commonwealth Residential Contribution paid directly to agencies.					
<b>Small Rural Services – Home and Community Care Services</b>					
<b>Quantity</b>					
Home and Community Care for Younger People – hours of service delivery	hours	55,000	45,922	-16.5	■
Service has been impacted by COVID-19. The variance is due to the decrease in ability to provide some services due to the impact of COVID-19 while alternative services being delivered cannot be reported in the client database.					
<b>Cost</b>					
<b>Total Output Cost</b>	<b>\$ million</b>	<b>5.3</b>	<b>5</b>	<b>-5</b>	
The 2020–21 actual outcome primarily relates to an output realignment to the Home and Community Care Program for Younger People output.					
<b>Small Rural Services – Primary Health</b>					
<b>Quantity</b>					
Service delivery hours in community health care	number	91,500	106,115	16	✓
The result is higher than the target due to the permissible use of funds from other outputs to provide community health services according to local need.					
<b>Cost</b>					
<b>Total Output Cost</b>	<b>\$ million</b>	<b>25.2</b>	<b>21.5</b>	<b>-14.8</b>	
The 2020–21 actual outcome primarily reflects lower than estimated Hospital Own Source Revenue.					

## Portfolio performance reporting – financial

### Departmental five-year financial summary

Five-year financial summary (\$ millions)	2021	2020	2019	2018	2017
Income from government	22,650.3	18,971.9	17,696.3	16,373.1	15,089.9
Total revenue and income from transactions	25,698.4	22,028.4	19,417.0	17,921.1	16,678.6
Total expenses from transactions	(25,170.7)	(21,420.3)	(19,391.5)	(17,742.8)	(16,939.7)
Net result from transactions	527.7	608.1	25.5	178.3	(261.2)
Net result for the period	513.9	545.4	(9.0)	181.7	(266.3)
Net cash flow from operating activities	989.6	(96.9)	325.9	361.9	315.1
Total assets	40,433.6	34,865.9	33,372.5	34,380.8	29,831.5
Total liabilities	3,157.7	2,928.7	2,177.4	1,968.3	1,795.5

The Victorian Government considers the net result from transactions to be the appropriate measure of financial management that can be directly attributed to government policy.

This measure excludes the effects of revaluations (holding gains or losses) arising from changes in market prices and other changes in the volume of assets shown under 'other economic flows' on the comprehensive operating statement, which are outside the control of the department.

### Departmental financial arrangements

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

To enable efficient production of financial information for entities related to the department, the financial information of the following entities is included in the department's financial statements in accordance with determinations made by the Assistant Treasurer under s. 53(1)(b) of the *Financial Management Act 1994*:

- > Director of Housing (from 1 July 2006)
- > Mental Health Tribunal (from 1 July 2014)
- > Commission for Children and Young People (from 1 July 2015)
- > Disability Worker Registration Board (from 1 June 2020)

- > Victorian Disability Worker Commission (from 1 June 2020)
- > Department of Families, Fairness and Housing (from 1 February 2021)
- > Respect Victoria (from 1 February 2021)
- > Victorian Multicultural Commission (from 1 February 2021)
- > Victorian Veterans Council (from 1 February 2021).

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 the appendices of the Department of Families, Fairness and Housing annual report.

### Machinery of government changes

The Victorian Government issued an administrative order restructuring some of its activities via machinery of government changes. As part of the machinery of government restructure:

- > The Department of Health and Human Services was renamed the Department of Health.
- > The Department of Health transferred the Medical Research function to the Department of Jobs, Precincts and Regions effective from 1 July 2020.

- > The Department of Health transferred the Child Protection, Prevention of Family Violence, Housing and Disability functions to the new Department of Families, Fairness and Housing, which was formed effective from 1 February 2021.
- > The Department of Premier and Cabinet transferred the Fairer Victoria, Respect Victoria, Victorian Multicultural Commission, and Victorian Veterans Council to the Department of Families, Fairness and Housing, effective from 1 February 2021.

## Financial performance and business review

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

In 2020–21, the department recorded a net gain from transactions of \$527.7 million. This gain primarily relates to \$367.6 million surplus in the department, and a \$147.3 million surplus in the Director of Housing entity.

The \$367.6 million surplus is mainly the result of the funding mechanism for the capital program in health services. The department is required to book revenue (depreciation-equivalent appropriation) 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. In addition, contributing to the department's surplus is the accounting effect of the State Supply Arrangement, where appropriation revenue was received to purchase inventory. Not all the purchased inventory was consumed during the financial year. The remaining portion of inventory purchased during the year was capitalised in the balance sheet, impacting the department's surplus.

The Director of Housing's \$147.3 million surplus reflects the net impact of additional government investment in social and affordable housing, including timing-related impacts of the Building Works and Big Housing Build programs. Public housing revenue and costs have also been significantly impacted by COVID-19, with rental revenue reflecting lower household incomes, the impact of government decisions to provide temporary support to public housing renters, and costs reflecting higher demand for cleaning and security services.

## Financial position – balance sheet

Total assets have increased by \$5.6 billion in 2020–21 compared to last year, which is mostly attributed to increases in property, plant and equipment, and cash and deposits. The increase in property, plant and equipment relates to a managerial revaluation of land assets, undertaken due to a 24 per cent increase in the fair value of land. The increase in cash at bank results from timing differences between the receipt of funding for the Building Works Stimulus Package, Big Housing Build and COVID-19 response commitments and the actual cash outflows to deliver these programs.

## Cash flows

The overall cash position at the end of the 2020–21 financial year is \$913.9 million surplus, which is an increase of \$316.2 million compared to the beginning of the year. The overall increase mainly results from timing differences between the receipt of funding for the Building Works Stimulus Package, Big Housing Build and COVID-19 response commitments and the actual cash outflows to deliver these programs. The increase in net cash flows from operating activities in 2020–21 reported in the five-year summary table is reflective of this timing difference and of the way in which receipts of output appropriations are disclosed in the cash flows from operating activities section of the cash flow statement while payments for non-financial assets are disclosed in the cash flows from investing activities section of the cash flow statement.

## Capital projects reaching practical completion during the financial year ended 30 June 2021

Project name	Original completion date	Latest approved completion date	Practical completion date	Reason for variance in completion dates	Original approved TEI budget (\$M)	Latest approved TEI budget (\$M)	Actual TEI cost (\$M)	Variation between actual cost and latest approved TEI budget (\$M)	Reason for variance from latest approved TEI budget
Modernisation of metro public sector residential aged care (Kew)	Jun-19	Dec-21	Aug-20		57.570	57.570	56.634	(0.936)	Balance of funding is required for financial closeout of the project, noting the project has entered Defects Liability Period.
Royal Melbourne Hospital – critical infrastructure works	Dec-19	Jun-22	Dec-20		40.000	40.000	37.875	(2.125)	Balance of funding is required for financial closeout of the project. Project concluded the Defects Liability Period in December 2020 and financial closure is in progress.

## Capital projects reaching financial completion during the financial year ended 30 June 2021

Project name	Practical completion date	Financial completion date	Original approved TEI budget (\$M)	Latest approved TEI budget (\$M)	Actual TEI cost (\$M)	Variation between actual cost and latest approved TEI budget (\$M)	Reason for variance from latest approved TEI budget
Casey Hospital Expansion	Apr-20	Jun-21	2.400	139.780	124.562	(15.218)	Original TEI was for planning only. Latest approved TEI includes \$5 million contribution from Monash University for accommodation space. Final expenditure excludes financing costs.
Austin Health Critical infrastructure	Jun-19	Jun-21	40.800	62.816	66.409	3.593	Variance impacted by decrease in TEI by \$7.8 million with amount reallocated towards the new Austin Central Sterile Services Department (Heidelberg). Actual TEI cost reflects actual project expenditure.
Barwon Health – North	Jul-19	Jun-21	28.080	33.080	30.573	(2.507)	TEI increase to reflect additional funding for site location. Defects Liability period concluded July 2020. Actual TEI cost reflects actual project expenditure.
Clinical Technology Refresh 2019–20 (statewide)	Jun-20	Jun-21	13.000	13.000	13.000		
Forensic mental health implementation plan – priority service reforms (Footscray)	Jun-20	Jun-21	3.900	5.942	5.877	(0.65)	TEI was increased to include revised project scope.
Grampians Prevention and Recovery Care (PARC) Services (Ballarat)	Apr-20	Jun-21	6.000	6.000	5.828	(0.172)	
Supporting Demand for Ambulance Services	Jun-19	Jun-21	3.345	3.345	3.345		
The Joan Kirner Women's and Children's Hospital	Jun-20	Jun-21	200.000	200.000	200.000		

## Section 2: Governance and organisational structure

### The department's ministers

As at 30 June 2021



#### Martin Foley MP

**Minister for Health**

**Minister for Ambulance Services**

Martin Foley MP was appointed as Minister for Health and Minister for Ambulance Services in September 2020. He was also appointed as the Minister for the Coordination of Health and Human Services: COVID-19 from September 2020 to November 2020. He is also Minister for Equality.

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



#### James Merlino MP

**Minister for Mental Health**

James Merlino MP was appointed as Minister for Mental Health in September 2020. He is also the Deputy Premier and Minister for Education.

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



#### Luke Donnellan MP

**Minister for Disability, Ageing and Carers**

Luke Donnellan MP was appointed as Minister for Disability, Ageing and Carers and Minister for Child Protection in December 2018.

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

## The department's senior executives

As at 30 June 2021

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

### Secretary

Euan Wallace was appointed as Secretary of the Department of Health and Human Services in November 2020, then as Secretary of the Department of Health in February 2021, when the machinery of government changes took effect.

The Secretary leads the department in its mission to achieve the best health, wellbeing and safety of all Victorians so that they can live a life they value.

**Jodie Geissler**

### Deputy Secretary – Commissioning and System Improvement

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

**Katherine Whetton**

### Deputy Secretary – Mental Health

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

**Dr Zoe Wainer**

### Deputy Secretary – Public Health

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

**Jeroen Weimar**

### Commander – COVID-19 Response

Jeroen Weimar was appointed as Commander – COVID-19 Response in July 2020. Jeroen leads the division responsible for meeting the continued health challenges caused by the pandemic. The division brings together multiple streams of work, including policy, engagement, operations, outbreak management and system improvement dedicated to fighting COVID-19.

**Chris Hotham**

### Deputy Secretary – Health Infrastructure

Chris Hotham was appointed as Deputy Secretary – Health Infrastructure in December 2019. Chris leads the department's infrastructure division, covering policy, partnerships and the Victorian Health Building Authority (VHBA), which is responsible for planning and building health infrastructure such as hospitals.

## Peter Breadon

### Deputy Secretary – Reform and Planning

Peter Breadon was appointed as Deputy Secretary – Reform and Planning in February 2021. Peter is responsible for driving reform and improvement within the health system, including design changes to improve equity of healthcare in Victoria and improved responses to the needs of patients and stakeholders.

## Greg Stenton

### Deputy Secretary – Corporate Services

Greg Stenton was appointed as Deputy Secretary – Corporate Services in January 2019. Greg oversees the provision of a range of functions, including budget and finance, performance and reporting, people and culture, information technology, procurement, records management and customer support.

## Jacinda de Witts

### Deputy Secretary – Regulatory, Risk, Integrity and Legal

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

Jacinda is also the department's General Counsel.

## Nicole McCartney

### Chief Aboriginal Health Adviser

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

## Pamela Anders

### Chief Executive Officer – Mental Health Reform Victoria

Pamela Anders was appointed as Chief Executive Officer, Mental Health Reform Victoria in February 2020. Pam leads the work to reform our mental health system by overseeing and implementing the recommendations made by the Royal Commission into Victoria's Mental Health System.

## Robyn Hudson

### Acting Chief Executive Officer – Safer Care Victoria

Robyn Hudson was appointed as Acting Chief Executive Officer – Safer Care Victoria in May 2021. Safer Care Victoria is the state's healthcare quality and safety specialist. As an administrative office of the department, it works closely with clinicians and consumers to help health services deliver better, safer healthcare. This can be through clinical guidance and resources to support best practice, targeted partnerships with health services to improve patient outcomes, and alerting health services to local and systemic safety issues.

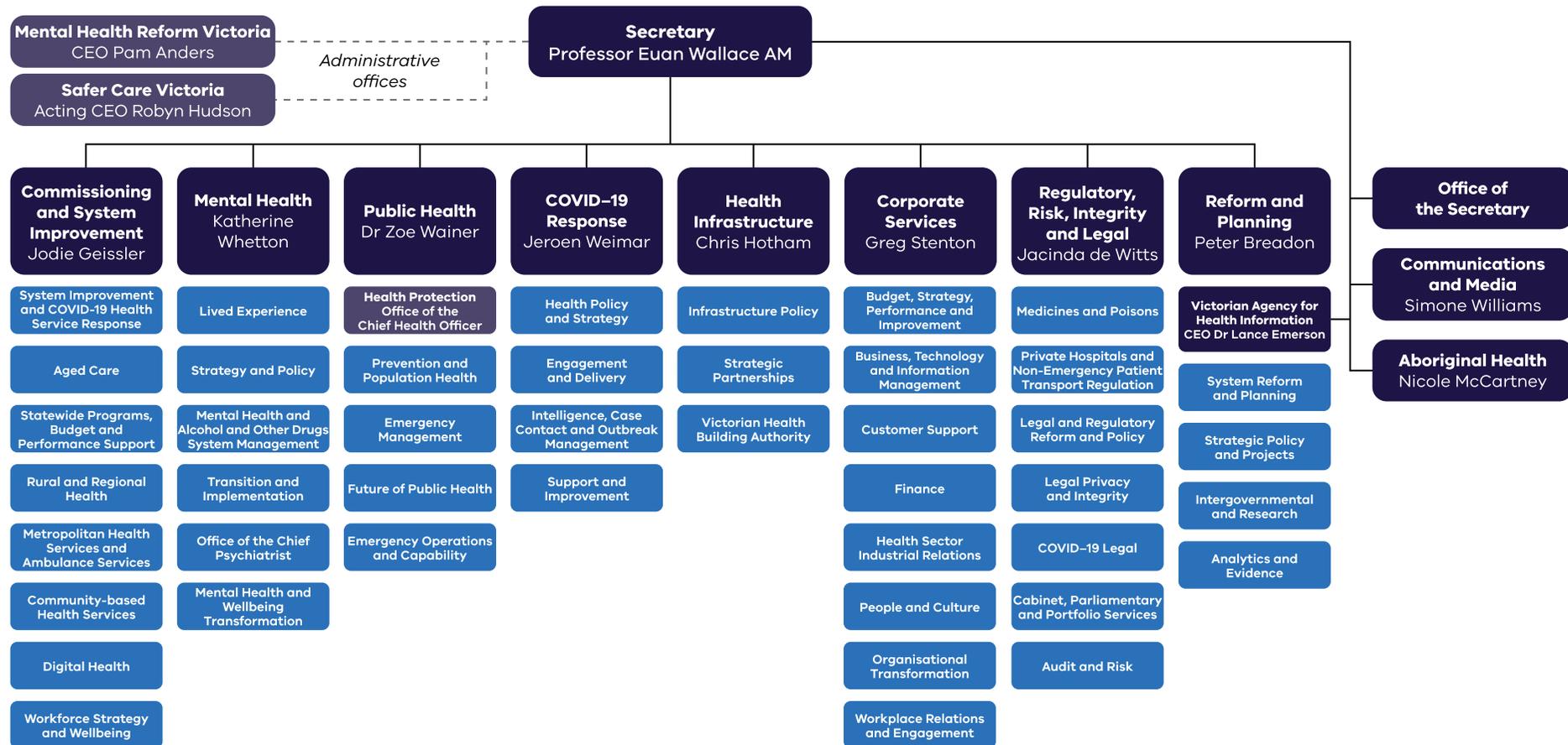
## Dr Lance Emerson

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

Dr Lance Emerson was appointed as Chief Executive Officer – Victorian Agency for Health Information in January 2018. Lance leads the agency in its role of providing accurate and comprehensive performance information on Victorian health services.

# Organisational chart

As at 30 June 2021



## Committee structure

### Department of Health and Human Services – Executive Board

#### To 31 January 2021

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

The DHHS Executive Board operated under a charter and its members were the Secretary (as chair) and the deputy secretaries.

There were seven ongoing subcommittees that reported to the DHHS Executive Board:

- > Aboriginal Health Wellbeing and Safety Subcommittee
- > Capital Subcommittee
- > Data Governance and Information Technology Subcommittee
- > Finance and Budget Subcommittee
- > Investment Subcommittee
- > People and Culture Subcommittee
- > Performance and Reform Oversight Subcommittee

In addition, there were three time-limited reform subcommittees that reported to the DHHS Executive Board. Their focus was on implementing the government’s reform agenda and complex departmental initiatives:

- > NDIS Readiness Subcommittee
- > Organisational Transformation Subcommittee
- > Priority Reform Subcommittee.

### Department of Health – Executive Board

#### From 1 February 2021

The Executive Board provides information and advice to the Secretary and collective leadership of the department and the service system to ensure they operate effectively and efficiently. The Executive Board helps to set and oversee the department’s strategic narrative, direction and priorities to meet the department’s objectives; improve performance and outcomes; and implement complex reform priorities.

The Executive Board operates under a charter and its members are the Secretary (as chair) and the department’s deputy secretaries.

There are three ongoing subcommittees that report to the Executive Board:

- > Infrastructure and Planning Subcommittee
- > Investment and Finance Subcommittee (in development)
- > OurPeople and Safety Subcommittee (in development)

There is one interdepartmental committee which reports to the Executive Boards of the Department of Health and the Department of Families, Fairness and Housing:

- > Data Governance and Information Technology

Two reform-focused subcommittees also report to the Executive Board:

- > Health System Reform Subcommittee
- > Quality, Safety and Performance Subcommittee (in development)

## Stand-alone legislative committees

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

### Audit and Risk Management Committee

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

The committee operates under an approved charter that requires there are independent members with no departmental responsibility:

- > Helen Thornton, Chair (independent appointee)
- > Laurinda Gardner (independent appointee)
- > Peter Matthey (independent appointee to 31 December 2020)
- > Kate Hughes (independent appointee from 1 June 2021)
- > Mark Toohey (independent appointee from 1 June 2021).

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

The committee's responsibilities cover the following areas:

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

### Executive Remuneration Committee

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

### Health and Safety Consultation Committee

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

## Other internal committees

The department also has the following ongoing internal committees:

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

## Section 3: Workforce data

### Public sector values and employment principles

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

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

### Employment and conduct principles

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

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

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

### Our People

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

The department's strategic plan sets out the directions and priorities for service delivery.

### People strategy

The department's *People Strategy 2020+* continues to be a driver in enabling the delivery of services we provide to the community.

To meet the changing needs of the department and those we serve the people strategy is regularly refreshed to ensure we continue to provide a working environment that supports the needs of our staff, clients, patients, customers and stakeholders.

The people strategy represents the department's ongoing commitment to investing in developing and supporting our people, and it continues to focus on five core themes:

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

Key highlights for the year include:

- > continuing to enhance the diversity of our workforce so that we are more reflective of the community we serve. This involves the ongoing implementation of strategies for Aboriginal employment, disability employment, lesbian, gay, bisexual, trans, gender diverse, intersex and queer and/or questioning (LGBTIQ) inclusion, and gender equality
- > ongoing implementation of the RISE@DHHS program to provide meaningful employment for people on the autism spectrum
- > implementing the Workplace Equality and Respect process, supporting our efforts to identify key actions to ensure gender equality and respect are the centre of everything we do
- > building a culture of human rights by working with the Human Rights Commission to increase capability in decision-making, using the human rights framework
- > embracing new technology to enhance employee services and experiences through the implementation of the LinkedIn learning platform, Grace Papers, and the upgrade of our existing eLearning Portal

- > targeting our focus to build capabilities required for the future by pivoting our department-wide capability framework into professional capability sets, which ensures we have the relevant skills and knowledge to contribute to the department's future responsiveness
- > ongoing delivery of key leadership programs, such as the Leading with Respect program, to enhance leadership capability and build a positive workplace culture
- > introducing micro-credentialing to enable employees to take advantage of 'everyday learning moments'
- > embedding the Performance and Goals module of the OurPeople system
- > developing resources and implementing initiatives for enhanced wellbeing of support staff, including those for suicide prevention and the cultural safety needs of Aboriginal staff, and the Implementation of targeted wellbeing programs for executives, people managers and employees.

## Recognising our employees

The department's Excellence Awards are an annual staff reward and recognition program which acknowledges the achievements and contributions of our people.

Because of COVID-19 and the department's associated pandemic response the annual Excellence Awards, hosted by the Secretary, were held virtually in 2020. The Secretary thanked staff for their hard work and dedication and for making a critical difference to the health and wellbeing of Victorian communities.

The Excellence Awards acknowledged and celebrated the many achievements and collective effort of all staff across the department, with a focus on what had occurred in 2020 and what had been achieved.

## Capability development

COVID-19 and ongoing advances in digital learning technology shaped the department's learning and development approaches this year. Thirty new online courses were added to the eLearning portal and all classroom-based training was converted to a virtual model in support of staff working remotely due to COVID-19 restrictions.

Training and development courses, underpinned by the department's capability framework, aim to support our client service capability, professional development and/or compliance across our workforce.

The ongoing delivery of virtual training ensured that our people continued to build their capability during the COVID-19 pandemic.

Training and development have also supported the department's COVID-19 surge workforce this year, providing general and specialist induction training to more than 1,160 new starters. In addition, 1,187 authorised officers attended the specific COVID-19 workforce skills training provided for them.

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

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

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

- > supporting 69 employees across all leadership levels to attend a broad range of intensive advanced leadership programs. These learning experiences aim to broaden and deepen leadership capabilities, as well as give participants exposure to peers from other organisations to enable them to strengthen networks and career mobility opportunities
- > continuing to provide peer and experiential learning opportunities through structured mentoring and coaching opportunities across all leader levels of the department
- > supporting VPS5, VPS6 and executive employees to identify and manage their career aspirations and development opportunities through self-assessment tools and diagnostic feedback
- > supporting executives to participate in cross-department leadership and new-to-role programs provided by the Victorian Leadership Academy. These programs continue to build consistent leadership capability across this cohort

> reviewing, refreshing and continuing to deliver the Leading with Respect program. During 2020–21, 57 sessions were conducted (including two executive masterclasses) with 676 employees attending. This program is focused on developing the capability of our

people leaders to create and foster a positive, healthy and engaged workforce and high-performing culture.

## Comparative workforce data

### Department of Health employment levels

The following tables disclose, by head count and full-time staff equivalent (FTE), the number of all active public service employees of the department, employed in the last full pay period in June of the current reporting period. As the department was established on 1 February 2021, data from the previous reporting period of 2020 cannot be shown.

#### Summary of employment levels in June 2021

	All employees		Ongoing			Fixed-term and casual	
	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE
June 2021	4,342	4,093.6	1,630	337	1,865.6	2,375	2,228.0

## Department of Health employment levels in June 2021

	All employees		Ongoing			Fixed-term and casual	
	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE
<b>Gender</b>							
Women	2,732	2,526.8	897	308	1,111.5	1,527	1,415.2
Men	1,610	1,566.9	733	29	754.1	848	812.8
Self-described	na <sup>(a)</sup>	na	na	na	na	na	na
<b>Age</b>							
15–24	229	201.4	6	2	7.5	221	193.9
25–34	988	944.8	190	14	200.5	784	744.3
35–44	1,209	1,138.6	476	123	561.5	610	577.1
45–54	1,016	971.3	491	88	556.4	437	415.0
55–64	713	675.7	380	73	430.0	260	245.7
65+	187	161.8	87	37	109.8	63	52.0
<b>Classification</b>							
VPS 1	18	17.9	0	0	0.0	18	17.9
VPS 2	94	84.7	35	17	46.5	42	38.2
VPS 3	415	378.5	158	35	184.3	222	194.1
VPS 4	1,337	1,275.5	261	40	288.7	1,036	986.8
VPS 5	1,262	1,194.6	533	126	623.6	603	571.0
VPS 6	860 <sup>(b)</sup>	833.1	432	62	478.8	366	354.3
SMA <sup>(c)</sup>	37	25.0	3	0	3.0	34	22.0
STS <sup>(d)</sup>	34	33.6	9	0	9.0	25	24.6
Executives	169	167.8	165	4	167.8	0	0.0
Other <sup>(e)</sup>	116	83.0	34	53	63.9	29	19.1
<b>Total employees</b>	<b>4,342</b>	<b>4,093.6</b>	<b>1,630</b>	<b>337</b>	<b>1,865.6</b>	<b>2,375</b>	<b>2,228.0</b>

Note:

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

(a) na = not available

(b) There are 35 VPS-6 employees acting as executives under long-term acting arrangements.

(c) SMA = Senior Medical Adviser

(d) STS = Senior Technical Specialist

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

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

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

Income band (salary)	Executives	STS <sup>(a)</sup>	PS	SMA	SRA	Other
< \$160,000	6					
\$160,000–\$179,999	23	11 <sup>(b)</sup>		15		
\$180,000–\$199,999	44 <sup>(c)</sup>	12		1		
\$200,000–\$219,999	31 <sup>(d)</sup>	8		6		
\$220,000–\$239,999	23	3		3		
\$240,000–\$259,999	11			3		
\$260,000–\$279,999	10			1		
\$280,000–\$299,999	4			2		
\$300,000–\$319,999	3					
\$320,000–\$339,999	6			1 <sup>(e)</sup>		
\$340,000–\$359,999	2			1		
\$360,000–\$379,999				2		
\$380,000–\$399,999	1			1 <sup>(f)</sup>		
\$400,000–\$419,999						
\$420,000–\$439,999	2					
\$440,000–\$459,999						
\$460,000–\$479,999	2			1		
\$520,000–\$539,999						
\$540,000–\$559,999	1					
<b>Total</b>	<b>169</b>	<b>34</b>		<b>37</b>		

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

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

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

(d) There are two employees employed on a part-time basis at a 0.6 FTE rate.

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

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

## Mental Health Reform Victoria employment levels

The following tables disclose, by head count and full-time staff equivalent (FTE), the number of all active public service employees of the administrative office Mental Health Reform Victoria, employed in the last full pay period in June of the current reporting period and in the last full pay period in June of the previous reporting period (2020).

### Summary of employment levels in June of 2020 and 2021

	All employees		Ongoing			Fixed-term and casual	
	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE
June 2021	27	26.7	4	1	5.0	22	21.7
June 2020	9	9.0	6	0	6.0	3	3.0

## Mental Health Reform Victoria employment levels in June of 2020 and 2021

	June 2021						June 2020							
	All employees		Ongoing			Fixed-term and casual	All employees		Ongoing			Fixed-term and casual		
	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE
<b>Gender</b>														
Women	21	20.9	3	1	4.0	17	16.9	6	6	4	0	4	2	2
Men	6	5.8	1	0	1.0	5	4.8	3	3	2	0	2	1	1
Self-described	na <sup>(a)</sup>	na	na	na	na	na	na	na	na	na	na	na	na	na
<b>Age</b>														
25–34	7	7.0	0	0	0.0	7	7.0							
35–44	11	10.9	1	1	2.0	9	8.9	3	3	1	0	1	2	2
45–54	8	7.8	3	0	3.0	5	4.8	6	6	5	0	5	1	1
55–64	1	1.0	0	0	0.0	1	1.0							
<b>Classification</b>														
VPS 4	5	5.0	0	0	0	5	5.0	1	1	1	0	1	0	0
VPS 5	9	9.0	1	0	1.0	8	8.0	2	2	1	0	1	1	1
VPS 6	8 <sup>(b)</sup>	7.7	0	0	0	8	7.7	3	3	2	0	2	1	1
Executives	5	5.0	3	1	4.0	1	1.0	3	3	2	0	2	1	1
<b>Total employees</b>	<b>27</b>	<b>26.7</b>	<b>4</b>	<b>1</b>	<b>5.0</b>	<b>22</b>	<b>21.7</b>	<b>9</b>	<b>9</b>	<b>6</b>	<b>0</b>	<b>6</b>	<b>3</b>	<b>3</b>

Note:

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

(a) na = not available

(b) There is one VPS-6 employee acting as an executive under long-term acting arrangements.

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

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

Income band (salary)	Executives	STS <sup>(a)</sup>	PS	SMA	SRA	Other
< \$160,000						
\$160,000–\$179,999						
\$180,000–\$199,999	1 <sup>(b)</sup>					
\$200,000–\$219,999	2					
\$220,000–\$239,999						
\$240,000–\$259,999						
\$260,000–\$279,999	2					
\$280,000–\$299,999						
\$320,000–\$339,999						
<b>Total</b>	<b>5</b>					

### Safer Care Victoria employment levels

The following tables disclose, by head count and full-time staff equivalent (FTE), the number of all active public service employees of the administrative office Safer Care Victoria, employed in the last full pay period in June of the current reporting period and in the last full pay period in June of the previous reporting period (2020).

#### Summary of employment levels in June of 2020 and 2021

	All employees		Ongoing			Fixed-term and casual	
	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE
June 2021	146	134.0	84	31	105.9	31	28.2
June 2020	125	113.0	64	33	86.4	28	26.6

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

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

## Safer Care Victoria employment levels in June of 2020 and 2021

	June 2021						June 2020							
	All employees		Ongoing			Fixed-term and casual		All employees		Ongoing			Fixed-term and casual	
	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE
<b>Gender</b>														
Women	131	119.5	75	30	96.4	26	23.2	109	97.9	57	30	77.3	22	20.6
Men	15	14.5	9	1	9.5	5	5.0	16	15.1	7	3	9.1	6	6
Self-described	na <sup>(a)</sup>	na	na	na	na	na	na	na	na	na	na	na	na	na
<b>Age</b>														
15–24	0	0.0	0	0	0.0	0	0.0	1	1	1	0	1	0	0
25–34	37	36.2	25	4	28.2	8	8.0	32	30.8	19	3	21	10	9.8
35–44	48	43.7	26	9	31.7	13	12.0	45	39.4	22	13	30.6	10	8.8
45–54	42	37.8	24	11	31.8	7	6.0	33	29.5	17	10	23.5	6	6
55–64	17	15.1	9	5	12.9	3	2.2	13	11.5	5	6	9.5	2	2
65+	2	1.3	0	2	1.3	0	0.0	1	0.7	0	1	0.7	0	0
<b>Classification</b>														
VPS 2	0	0.0	0	0	0.0	0	0.0	1	1	1	0	1	0	0
VPS 3	6	5.2	4	2	5.2	0	0.0	7	6.2	5	2	6.2	0	0
VPS 4	34	31.6	20	6	24.0	8	7.6	23	21.5	11	4	13.5	8	8
VPS 5	71	65.4	37	18	50.9	16	14.5	58	51.8	27	17	38.9	14	12.9
VPS 6	26 <sup>(b)</sup>	23.7	18	4	20.3	4	3.4	28	25.5	15	8	20.5	5	5
SMA <sup>(c)</sup>	1	1.0	0	0	0.0	1	1.0	0	0.0	0	0	0.0	0	0.0
STS <sup>(d)</sup>	2	1.7	0	0	0.0	2	1.7	1	0.7	0	0	0	1	0.7
Executives	6	5.5	5	1	5.5	0	0.0	7	6.3	5	2	6.3	0	0
<b>Total employees</b>	<b>146</b>	<b>134.0</b>	<b>84</b>	<b>31</b>	<b>105.9</b>	<b>31</b>	<b>28.2</b>	<b>125</b>	<b>113.0</b>	<b>64</b>	<b>33</b>	<b>86.4</b>	<b>28</b>	<b>26.6</b>

Note:

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

(a) na = not available

(b) There are three VPS-6 employees acting as executives under long-term acting arrangements.

(c) SMA = Senior Medical Adviser

(d) STS = Senior Technical Specialist

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

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

Income band (salary)	Executives	STS <sup>(a)</sup>	PS	SMA	SRA	Other
< \$160,000						
\$160,000–\$179,999	3					
\$180,000–\$199,999	1	2 <sup>(b)</sup>				
\$200,000–\$219,999	1			1		
\$220,000–\$239,999						
\$240,000–\$259,999						
\$260,000–\$279,999						
\$280,000–\$299,999						
\$300,000–\$319,999						
\$320,000–\$339,999						
\$340,000–\$359,999						
\$360,000–\$379,999						
\$380,000–\$399,999						
\$400,000–\$419,999	1 <sup>(c)</sup>					
\$420,000–\$439,999						
\$440,000–\$459,999						
\$460,000–\$479,999						
\$520,000–\$539,999						
<b>Total</b>	<b>6</b>	<b>2</b>		<b>1</b>		

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

(b) There is one employee employed on a part-time basis at a 0.7 FTE rate.

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

## Executive officer data

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

The definition of an EO does not include a statutory office holder or an Accountable Officer.

The following tables disclose the EOs of the department, its administrative offices and its portfolio agencies for 30 June 2021:

- > Table 1 discloses the total numbers of EOs, broken down by gender
- > Table 2 provides a reconciliation of EO numbers presented between the report of operations and Note 9.7 'Remuneration of executives' in the financial statements, which includes remuneration paid to EOs at any time throughout the reporting period.
- > Table 3 provides the total EO numbers for all the department's portfolio agencies.
- > Variations in numbers between the current and previous reporting period are unable to be provided for the department as it was established in 2021. Variations are provided for administrative offices and portfolio agencies.

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

Class	No. (head count)			
	Total	Women	Men	Self-described
Secretary	1	0	1	0
SES-3	10	5	5	0
SES-2	51	27	24	0
SES-1	107	72	35	0
<b>Total</b>	<b>169</b>	<b>104</b>	<b>65</b>	<b>0</b>

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

**Table 2: Reconciliation of EO numbers for the department**

	<b>2021</b>
Executives (financial statement Note 9.7)	183
Accountable Officer (Secretary)	1
Less separations	(13)
Less executives employed by other departments	(2)
<b>Total executive numbers at 30 June 2021</b>	<b>169</b>

**Table 3: Total number of EOs for Mental Health Reform Victoria, broken down by gender**

Class	All		Women		Men		Self-described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
SES-2	2	0	2	0	0	0	0	0
SES-1	3	2	2	1	1	1	0	0
<b>Total</b>	<b>5</b>	<b>2</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>

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

**Table 4: Reconciliation of EO numbers for Mental Health Reform Victoria**

	2021	2020
Executives (financial statement Note 9.7)	4	2
Accountable Officer (Chief Executive Officer)	1	1
Less separations	0	0
<b>Total executive numbers at 30 June 2021</b>	<b>5</b>	<b>3</b>

**Table 5: Total number of EOs for Safer Care Victoria, broken down by gender**

Class	All		Women		Men		Self-described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
EO-1	1	(1)	0	0	1	(1)	0	0
EO-3	5	0	5	0	0	0	0	0
<b>Total</b>	<b>6</b>	<b>(1)</b>	<b>5</b>	<b>0</b>	<b>1</b>	<b>(1)</b>	<b>0</b>	<b>0</b>

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

**Table 6: Reconciliation of EO numbers for Safer Care Victoria**

	2021	2020
Executives (financial statement Note 9.7)	6	6
Accountable Officer (Chief Executive Officer)	1	1
Less executives employed by other departments	(1)	0
Less separations	0	0
<b>Total executive numbers at 30 June 2021</b>	<b>6</b>	<b>7</b>

Table 7: Number of EOs for the department's portfolio agencies

Portfolio agencies	June 2021				June 2020				Annual change			
	Women	Men	Self-described	Total	Women	Men	Self-described	Total	Women	Men	Self-described	Total
Albury Wodonga Health	3	2	0	5	5	2	0	7	-2	0	0	-2
Alexandra District Health	1	0	0	1	1	0	0	1	0	0	0	0
Alfred Health	6	6	0	12	5	3	0	8	1	3	0	4
Alpine Health	0	1	0	1	0	1	0	1	0	0	0	0
Ambulance Victoria	7	16	0	23	8	14	0	22	-1	2	0	1
Austin Health	2	5	0	7	3	4	0	7	-1	1	0	0
Bairnsdale Regional Health Service	2	1	0	3	2	1	0	3	0	0	0	0
Ballarat General Cemeteries Trust	1	0	0	1	1	0	0	1	0	0	0	0
Ballarat Health Services	4	4	0	8	5	4	0	9	-1	0	0	-1
Barwon Health	5	3	0	8	6	3	0	9	-1	0	0	-1
Bass Coast Health	2	0	0	2	3	2	0	5	-1	-2	0	-3
Beaufort and Skipton Health Service	1	0	0	1	1	0	0	1	0	0	0	0
Beechworth Health Service	0	1	0	1	0	1	0	1	0	0	0	0
Benalla Health	1	0	0	1	1	0	0	1	0	0	0	0
Bendigo Health Care Group	3	4	0	7	3	4	0	7	0	0	0	0
Boort District Health	0	1	0	1	0	1	0	1	0	0	0	0
BreastScreen Victoria	2	0	0	2	2	0	0	2	0	0	0	0
Casterton Memorial Hospital	0	1	0	1	0	1	0	1	0	0	0	0
Castlemaine Health	1	0	0	1	0	1	0	1	1	-1	0	0
Central Gippsland Health Service	2	2	0	4	1	3	0	4	1	-1	0	0
Central Highlands Rural Health	1	0	0	1	1	0	0	1	0	0	0	0
Cohuna District Hospital	1	0	0	1	0	1	0	1	1	-1	0	0

Portfolio agencies	June 2021				June 2020				Annual change			
	Women	Men	Self-described	Total	Women	Men	Self-described	Total	Women	Men	Self-described	Total
Colac Area Health	1	0	0	1	1	1	0	2	0	-1	0	-1
Corryong Health	0	1	0	1	0	1	0	1	0	0	0	0
Dental Health Services Victoria	1	5	0	6	1	5	0	6	0	0	0	0
Djerriwarrh Health Services	1	0	0	1	3	1	0	4	-2	-1	0	-3
East Grampians Health Service	0	1	0	1	0	1	0	1	0	0	0	0
East Wimmera Health Service	0	1	0	1	0	1	0	1	0	0	0	0
Eastern Health	5	3	0	8	6	3	0	9	-1	0	0	-1
Echuca Regional Health	1	1	0	2	1	1	0	2	0	0	0	0
Edenhope and District Memorial Hospital	0	1	0	1	0	1	0	1	0	0	0	0
Geelong Cemeteries Trust	0	1	0	1	0	1	0	1	0	0	0	0
Gippsland Southern Health Service	0	1	0	1	0	1	0	1	0	0	0	0
Goulburn Valley Health Services	4	3	0	7	3	4	0	7	1	-1	0	0
Great Ocean Road Health	1	0	0	1	1	0	0	1	0	0	0	0
Greater Metropolitan Cemeteries Trust	3	3	0	6	2	2	0	4	1	1	0	2
Health Purchasing Victoria	1	3	0	4	2	4	0	6	-1	-1	0	-2
Heathcote Health	0	1	0	1	0	1	0	1	0	0	0	0
Hesse Rural Health Service	1	0	0	1	0	1	0	1	1	-1	0	0
Heywood Rural Health	0	1	0	1	1	0	0	1	-1	1	0	0
Inglewood and Districts Health Service	0	0	0	0	1	0	0	1	-1	0	0	-1
Kerang District Health	0	1	0	1	0	1	0	1	0	0	0	0
Kilmore and District Hospital	0	1	0	1	1	0	0	1	-1	1	0	0
Kooweerup Regional Health Service	1	0	0	1	0	1	0	1	1	-1	0	0

Portfolio agencies	June 2021				June 2020				Annual change			
	Women	Men	Self-described	Total	Women	Men	Self-described	Total	Women	Men	Self-described	Total
Kyabram and District Health Service	1	0	0	1	1	0	0	1	0	0	0	0
Latrobe Regional Hospital	3	4	0	7	2	5	0	7	1	-1	0	0
Mallee Track Health and Community Service	1	0	0	1	1	0	0	1	0	0	0	0
Mansfield District Hospital	0	1	0	1	0	1	0	1	0	0	0	0
Maryborough District Health Service	1	0	0	1	0	1	0	1	1	-1	0	0
Melbourne Health	4	2	0	6	4	2	0	6	0	0	0	0
Mildura Base Public Hospital	1	2	0	3	0	0	0	0	0	0	0	0
Monash Health	10	10	0	20	16	19	0	35	-6	-9	0	-15
Moyne Health Services	1	0	0	1	1	0	0	1	0	0	0	0
NCN Health	1	0	0	1	1	0	0	1	0	0	0	0
Northeast Health Wangaratta	2	0	0	2	2	1	0	3	0	-1	0	-1
Northern Health	12	13	0	25	9	11	0	20	3	2	0	5
Omeo District Health	0	1	0	1	0	0	0	0	0	1	0	1
Orbost Regional Health	1	0	0	1	1	0	0	1	0	0	0	0
Peninsula Health	5	1	0	6	5	2	0	7	0	-1	0	-1
Peter MacCallum Cancer Centre	6	2	0	8	8	1	0	9	-2	1	0	-1
Portland District Health	1	1	0	2	1	1	0	2	0	0	0	0
Remembrance Parks Central Victoria	0	1	0	1	0	1	0	1	0	0	0	0
Robinvale District Health Services	1	0	0	1	1	0	0	1	0	0	0	0
Rochester and Elmore District Health Service	1	0	0	1	1	0	0	1	0	0	0	0
Royal Children's Hospital	4	3	0	7	5	3	0	8	-1	0	0	-1
Royal Victorian Eye and Ear Hospital	1	4	0	5	2	4	0	6	-1	0	0	-1

Portfolio agencies	June 2021				June 2020				Annual change			
	Women	Men	Self-described	Total	Women	Men	Self-described	Total	Women	Men	Self-described	Total
Royal Women's Hospital	6	4	0	10	6	2	0	8	0	2	0	2
Rural Northwest Health	0	0	0	0	0	1	0	1	0	-1	0	-1
Seymour Health	0	1	0	1	0	1	0	1	0	0	0	0
South Gippsland Hospital	0	1	0	1	0	1	0	1	0	0	0	0
South West Healthcare	2	3	0	5	2	2	0	4	0	1	0	1
Southern Metropolitan Cemeteries Trust	5	1	0	6	5	0	0	5	0	1	0	1
Stawell Regional Health	1	0	0	1	1	0	0	1	0	0	0	0
Swan Hill District Health	1	2	0	3	0	2	0	2	1	0	0	1
Tallangatta Health Service	1	0	0	1	1	0	0	1	0	0	0	0
Terang and Mortlake Health Service	1	0	0	1	1	0	0	1	0	0	0	0
Timboon and District Healthcare Service	1	0	0	1	1	0	0	1	0	0	0	0
Victorian Assisted Reproductive Treatment Authority	1	0	0	1	1	0	0	1	0	0	0	0
Victorian Health Promotion Foundation	0	2	0	2	1	3	0	4	-1	-1	0	-2
Victorian Pharmacy Authority	0	1	0	1	0	1	0	1	0	0	0	0
West Gippsland Healthcare Group	1	2	0	3	0	2	0	2	1	0	0	1
West Wimmera Health Service	2	2	0	4	2	2	0	4	0	0	0	0
Western District Health Service	0	1	0	1	0	1	0	1	0	0	0	0
Western Health	13	9	0	22	11	10	0	21	2	-1	0	1
Wimmera Health Care Group	1	1	0	2	2	1	0	3	-1	0	0	-1
Yarram and District Health Service	1	0	0	1	1	0	0	1	0	0	0	0
Yarrawonga Health	1	1	0	2	1	0	0	1	0	1	0	1

	June 2021				June 2020				Annual change			
	Women	Men	Self-described	Total	Women	Men	Self-described	Total	Women	Men	Self-described	Total
<b>Portfolio agencies</b>												
<b>Total</b>	<b>160</b>	<b>151</b>	<b>0</b>	<b>311</b>	<b>168</b>	<b>158</b>	<b>0</b>	<b>326</b>	<b>-8</b>	<b>-7</b>	<b>0</b>	<b>-15</b>

## Notes:

For the purpose of this table, EOs are defined as employees who have significant management responsibility AND receive a total remuneration package of \$192,809 or more.

All figures reflect employment levels as at 30 June 2021 unless otherwise stated.

Excluded are those on leave without pay or absent on secondment, external contractors / consultants and temporary staff employed by employment agencies.

Mildura Base Public Hospital became a public hospital in 2020. No public entity executive remuneration submission last year.

## Workforce inclusion policy

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

We understand the unique and varied challenges of our diverse workforce and their families, and we are committed to removing barriers and achieving equality, fairness and inclusion. The things we do that enable this are encompassed in the seven pillars of inclusion:

1. **Access:** removing barriers in both the physical and cultural environments
2. **Attitude:** narrowing the gap between thought and action
3. **Choice:** enabling the options people want
4. **Partnerships:** building relationships and networks that bind us together
5. **Communication:** letting people know about options and getting them involved
6. **Policy:** creating accountability and responsibility to deliver on our commitments
7. **Opportunities:** providing opportunities for people from minority cohorts.

## Disability employment strategy

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

The expiry of the strategy and machinery of government changes have led to the development of a new *Disability employment action plan*.

The plan is guided by *Getting to work: Victorian public sector disability employment action plan 2018–2025*, which commits the public sector workforce to a 12 per cent representation of people with disability by 2025.

The RISE@DHHS program continued to provide meaningful employment for people on the autism spectrum. The program established a set of services from data entry to document and mail digitisation that can be provided to customers across government.

The department continued implementing other disability employment initiatives, including:

- > Positive Action towards Career Engagement (PACE), a mentoring program connecting jobseekers with disability to mentors in the business
- > Stepping Into Internships, a paid internship program giving university students with disability a chance to gain valuable work experience.

The department also continued to work with the Australian Network on Disability at roundtable opportunities and to provide confidence training for employees with disability.

The Enablers Network for people with disability at work continued supporting the needs, interests and concerns of employees with disability to ensure a voice and fair and equitable outcomes.

## Aboriginal employment strategy

The department continued implementing the *Aboriginal employment strategy 2016–21*.

Progress against the strategy continues to track well. The Aboriginal workforce is now represented across all classifications, including with an increase in senior and executive roles. We have also elevated Aboriginal voice at the most senior levels of our organisation with the Chief Aboriginal Health Advisor appointed as a member of our executive board.

A range of initiatives were implemented to support the department as a culturally safe employer of choice for Aboriginal people. These included:

- > allocating scholarships for secondary and tertiary students
- > the CareerTrackers, 12-week internships
- > the Aboriginal graduate program
- > leadership programs, mentoring and coaching for employees
- > strengthening the Aboriginal Staff Network.

Increasing Aboriginal employment not only improves health and wellbeing; it is also a key driver for improving access to quality and culturally appropriate health and human services for Victoria's Aboriginal community.

Work commenced on the development of a new *Aboriginal workforce strategy 2021–2026*, which will ensure we continue to grow and develop our Aboriginal workforce.

## Aboriginal and Torres Strait Islander cultural safety

The department launched the *Aboriginal and Torres Strait Islander cultural safety framework* in June 2019. The framework's vision is to ensure the Victorian health, human and community service sector provides culturally safe practice and service provision that enables optimal health, wellbeing and safety outcomes for Aboriginal people.

The first annual cultural safety survey was completed by our Aboriginal staff throughout October 2020 and found that 78 per cent of respondents recommended the then Department of Health and Human Services as a good place to work for Aboriginal people. The survey enables us to monitor and track the department's progress in creating a culturally safe workplace and target our organisational development to ensure we continue to progress on the cultural safety learning journey. The survey will be repeated in 2021–22 and be specific to the Department of Health.

The department's Wirrigirri reconciliation program continues to increase the numbers of allies for Aboriginal inclusion, awareness of Aboriginal significant dates and events and culturally safe workplaces.

## Aboriginal Staff Network

The Aboriginal Staff Network (ASN) offers access to a supportive, 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, policies and processes to ensure they are inclusive of Aboriginal people.

The ASN annual conference was postponed in 2020 due to COVID-19 restrictions. It is now scheduled for November 2021.

Consultations for the *Aboriginal workforce strategy 2021–2026* are taking place with the ASN in the second half of 2021. The new strategy ensures Aboriginal employees' self-determination and cultural safety underpins every critical touchpoint of the employee experience.

## LGBTIQ inclusion

The department continued our partnership with Pride in Diversity to ensure:

- > inclusive policy and practice
- > ongoing LGBTIQ training and education
- > community engagement.

Although impacted by COVID-19 priorities, the department's Pride Network continued to meet to ensure our LGBTIQ community remained connected and supported. Part of a broader whole of Victorian Government Pride Network, the department network offers a space for staff to promote positive LGBTIQ cultural awareness and sector-wide events, participate in professional development opportunities and contribute to the department's LGBTIQ diversity work.

The network plans to review and refresh its priorities for 2021–22, with a focus on visibility and engagement.

## Youth Employment Scheme

The department is active in providing job opportunities for disadvantaged job seekers through the Youth Employment Scheme (YES). The YES is a Victorian Government initiative that enables unemployed or otherwise disadvantaged young people aged 15 to 24 years to enter the workforce and build sustainable careers through traineeships while attaining a qualification.

During 2020–2021, despite the impact of the COVID-19 pandemic, the department engaged 51 YES trainees, of whom nine were placed in the department and 42 in public hospitals. This number included nine Aboriginal YES trainees.

## Youth Employment Program

The department actively engaged in the Youth Employment Program (YEP), with 47 fully funded placements approved, of which 39 were 12-month placements and eight were nine-month placements.

YEP is an initiative of Working for Victoria in response to the COVID-19 pandemic, which resulted in 17-to-29-year-olds being among the most severely impacted by the associated economic downturn. This group was prioritised under YEP as studies show a larger proportion of people aged under 30 lose jobs during economic downturns and take longer to find another job, especially if they lack tertiary qualifications.

The pandemic has also been shown to have had a significant impact on women and culturally and linguistically diverse (CALD) cohorts, so these groups too were a priority under YEP.

YEP provides greater flexibility with the nature and extent of training, and participants are employed directly by departments and hospitals. These placements allow participants to have paid employment while attaining a qualification.

This year's intake of YEP candidates included some tertiary-qualified and experienced young people, several of whom, as a result of the program, have moved on to higher grade levels with the prospect of further and potentially ongoing employment, both in the department and in the hospitals.

This cohort also included four participants who made an invaluable contribution during their placement to the COVID-19 Rapid Recruitment team.

## Graduate recruitment

In 2020–21 the department recruited a total of four graduates, all of whom were engaged through the department's internal Aboriginal graduate program.

Graduates participating in the 12-month Victorian Public Service Graduate Recruitment and Development Scheme (GRADS) program ordinarily complete three rotations in the Victorian Public Service to develop core skills and gain a broad experience of working in the government sector. Due to the challenges of COVID-19, the department's 2020 VPS graduate cohort completed Rotation 1 in their home positions at the department for eight months before transitioning into Rotation 2 in September 2020 to complete the remaining four months of the GRADS program. They commenced their ongoing VPS3 roles within the department at the conclusion of the program on 25 January 2021.

## Student placement program

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

In 2020–21, 25 tertiary student placements were completed across various program areas within Corporate Services, Public Health, and Mental Health divisions. Due to the challenges of COVID-19 and associated restrictions, a significant number of student placements were disrupted or unable to be completed.

## Gender equality

Under the existing *Gender equality action plan*, launched in July 2019, the department has introduced a number of initiatives including:

- > establishment of a central fund for parental leave to ensure bias is eliminated and backfilling maternity leave does not cause additional cost
- > implementation of the Grace Papers initiative, a program designed to support parents preparing for and returning from parental leave
- > promotion of gender balance in selection panels and unconscious bias training for panel members to reduce recruitment bias
- > development of and participation in women's networks, such as the VPS Women of Colour Network and Women in Science Technology Engineering and Maths
- > appointment of a Deputy Secretary Gender Equality Champion to drive communications across the department
- > implementation of Our Watch's Workplace Equality and Respect program, providing standards and supports for employees to take action to prevent violence against women and promote gender equality
- > regular monitoring of workforce gender pay gap.

The department has begun implementing its obligations under the *Gender Equality Act 2020* since it commenced operations on 31 March 2021. These include:

- > implementation of Gender Impact Assessments for all new policies, programs and services that have a significant impact on the public
- > the conduct of a workforce gender audit, using data as at 30 June 2021.
- > the development of a new *Gender equality action plan*, to be published and lodged with the Gender Equality Commission by 31 December 2021.

## Occupational health and safety

The prioritisation of employee health, safety and wellbeing (HSW) is demonstrated by the department's commitment to providing and maintaining a work environment in which all staff feel physically and psychologically safe. This commitment is underpinned by systems, supports and resources that enable staff to take ownership and agency of their own HSW, as well as progressively improve HSW leadership and management of risk in the department, so we can create and maintain better health for all Victorians.

### Health, safety and wellbeing

The department continues to offer a range of employee wellbeing supports to ensure the needs of our diverse workforce are met. Our Employee Wellbeing and Support Program offers specialised employee support services that are available to all employees and their immediate family members at no cost. The program has been well received by staff with an annual utilisation rate of 18.9 per cent – more than double the industry benchmark.

### Peer Support Network

Complementary to this program is the Peer Support Network, which provides informal, confidential support to employees by using an active listening, clarification and referral model. Assistance is provided by peer supporters – departmental employees who volunteer their time to support their colleagues. The growth of the Peer Support Network has continued over the last year, with a focus on the workforce diversity of the department, as demonstrated through the inclusion of Aboriginal peer supporters. The Peer Support Network has also been expanded to provide employee support during an emergency response.

## Improvement measures in 2020–21

Other improvements in 2020–21 include:

- > continued incorporation and promotion of HSW accountabilities in performance development plans for all VPS and executive employees from 2020–21
- > development and implementation of a health and safety management system pivoted to address the department's key risks
- > establishment and promotion of a new HSW SharePoint site which is easy to navigate and encourages staff to be proactive in managing their HSW
- > implementation of My Mental Fitness, a new wellbeing application which assists employees to measure and improve their mental fitness
- > a reframing of the way in which support is delivered during emergency response, including the provision of tailored support which incorporates proactive engagement with employees, focussing on all levels including leadership. Additional support offerings have also been provided, catering for the variety of needs through programs such as wellbeing webinars, which provide alternate ways for employees to engage with wellbeing support
- > development and implementation of an online 'return to office' orientation module specifically designed to support a safe and sustainable return to working in the office environment where possible.

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

The right-hand column of this report provides limited data for the 2020–21 financial year based on claims received for the period 1 July 2020 to 30 June 2021. The claims information for 2018–19 and 2019–20 reflects the Department of Health and Human Services prior to the machinery of government changes on 1 February 2021 as the Victorian WorkCover Authority has been unable to disaggregate the data. The 2020–21 column reflects Department of Health data only as provided by the Victorian WorkCover Authority, and some metrics cannot be calculated for the period due to the machinery of government changes, including the rates per 100 FTE.<sup>(a)</sup>

Measure	KPI	2018–19	2019–20	2020–21
Hazards	No. of hazards <sup>(b)</sup>	786	682	36
	Rate per 100 FTE	7.40	7.96	na
Incidents	No. of incidents <sup>(c)</sup>	4,271	1,967	118
	Rate per 100 FTE	40.02	22.96	na
	No. of incidents requiring first aid <sup>(d)</sup> and/or further medical treatment	864	367	42
Claims	No. of standard claims <sup>(e)</sup>	273	259	14
	Rate per 100 FTE	2.19	2.44	na
	No. of lost time claims <sup>(f)</sup>	157	130	7
	Rate per 100 FTE	1.270	1.223	na
	No. of claims exceeding 13 weeks <sup>(g)</sup>	85	69	na
	Rate per 100 FTE	0.682	0.649	na
Absenteeism	Total number of days absence due to injury or illness	98,835	67,596	na
	Rate per 100 FTE	930	789	na
Fatalities	No. of fatalities	0	0	0
Prosecutions	Total number of prosecutions <sup>(h)</sup>	0	0	0
Claims costs <sup>(i)</sup>	Average cost per standard claim <sup>(j)</sup>	\$75,135	\$149,100	na

(a) FTE = full-time equivalent

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

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

(d) Figures for number of incidents requiring first aid and/or further medical treatment derived from eDINMAR where available.

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

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

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

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

(i) Includes payments and estimated future costs.

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

Measure	KPI	Performance
Management commitment	OHS policy statement and OHS criteria	<p>Health, safety and wellbeing accountabilities were included in all executive performance plans and the performance and development plans for all employees in 2020–21.</p> <p>The department continued to support and participate in the whole of government OHS committee structure, established in partnership with unions and WorkSafe to lead and improve OHS performance in the public sector. The department's contribution included establishment and leadership of the working group under this initiative to improve civility and respect in public sector workplaces.</p> <p>Early engagement with the new executive board increased the focus on HSW accountability and due diligence, including greater visibility of HSW performance.</p> <p>Health and safety committees continued to lead proactive and preventive activity to protect and improve the mental and physical health, safety and wellbeing of staff.</p> <p>The department's health and safety management system content was developed and implemented, incorporating consultation with department employees, health and safety representatives and senior management on health and safety matters in the workplace.</p> <p>Workers' compensation performance reports are provided to senior leaders on a monthly basis. Middle and senior managers have desktop access to health and safety performance reports through the department's corporate reporting tool.</p>
Consultation and participation	Designated work group structures and issue resolution procedures	<p>The department has in place a health and safety consultation structure comprising a health and safety committee which meets quarterly. These meetings are supplemented by monthly community of practice meetings.</p> <p>The department continues to maintain an extensive network of 18 designated work groups with 25 health and safety representatives and 28 designated management representatives.</p> <p>The department has a model procedure for managers and employees to follow in resolving health and safety issues identified in department workplaces.</p>
Risk management	Regular internal audits conducted, and issues identified and actioned	<p>The department has an electronic employee health and safety incident reporting system (eDINMAR) in all locations. This system has resulted in increased rates of reporting, greater accountability and timelier follow-up and resolution of reported hazards and risks.</p> <p>The department has comprehensive procedures and tools for assessing and managing key risks, including conducting regular workplace inspections.</p>
Training	Managers, health and safety representatives and other staff trained	<p>The department delivered Managing my Wellbeing at Work training for all staff and Leading with Respect: Managing for Team Wellbeing training for people managers to support ongoing implementation of the Mental Health and Wellbeing Charter.</p> <p>All newly elected health and safety representatives were encouraged and supported by the department to undertake the five-day health and safety representative training program and existing health and safety representatives were encouraged to do the one-day refresher training.</p> <p>The department conducts an annual health and safety representative forum as a key activity to support and recognise our elected health and safety representatives. There were approximately 136 registered participants at the 2020 forum.</p>

## Section 4: Other disclosures

### Local Jobs First

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

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

MPSG applies to all construction projects valued at \$20 million or more.

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

### Projects commenced – Local Jobs First standard projects

During 2020–21, the department commenced three Local Jobs First standard projects totalling \$21.69 million. Of these projects, two were located in regional Victoria, with a commitment of 92 per cent of local content, and one in metropolitan Melbourne, with a commitment of 63 per cent local content. No statewide projects were commenced. The MPSG did not apply to any of these projects.

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

- > an average of 82 per cent of local content commitment was made
- > a total of 29 jobs (annualised employee equivalent (AEE)) were committed, including the creation of one new job and the retention of 28 existing jobs (AEE)
- > no apprentices, trainees or cadets were committed or created, although five existing apprenticeships were retained
- > MPSG did not apply

- > there were three small to medium enterprises that prepared a VIPP Plan or Local Industry Development Plan (LIDP), and 160 small to medium-sized businesses were engaged through the supply chain on commenced standard projects.

### Projects completed – Local Jobs First standard projects

During 2020–21, the department completed two Local Jobs First standard projects, totalling \$60.57 million. Of those projects, one was located in regional Victoria, with a commitment of 94 per cent local content, and one in metropolitan Melbourne, with a commitment of 89 per cent local content. The MPSG did not apply to these projects.

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

- > an average of 89 per cent of local content commitment was made
- > a total of 85 jobs (AEE) were supported, including the creation of six new jobs and the retention of 79 existing jobs (AEE)
- > a total of eight positions for apprentices, trainees and cadets were committed, including the creation of five new apprenticeships, traineeships and cadetships and the retention of the remaining three existing apprenticeships and traineeships
- > there were two small to medium enterprises that prepared a VIPP Plan or LIDP for contracts and were successfully appointed principal contractor, and 35 small to medium-sized businesses were engaged through the supply chain on completed standard projects.

### Projects commenced – Local Jobs First strategic projects

During 2020–21, the department commenced five Local Jobs First strategic projects, valued at \$1,739 million. The projects were based in metropolitan Melbourne and regional Victoria, with one statewide. The MPSG applied to all five projects.

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

- > an average of 90 per cent of local content outcome was recorded
- > a total of 3,676 (AEE) positions were committed, including the creation of 1,131 new jobs and the retention of 2,545 existing jobs (AEE)
- > 322 new apprenticeships and traineeships were committed, and 78 existing apprenticeships and traineeships retained for these MSPG projects
- > 1,798 small to medium-sized businesses were engaged through the supply chain on commenced strategic projects.

### Projects completed – Local Jobs First strategic projects

During 2020–21, the department completed two Local Jobs First strategic projects, valued at \$236 million. One project was based in regional Victoria, with 85 per cent of estimated local content, and one project was statewide, with 92 per cent of estimated local content. The MSPG applied to these two projects.

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

- > an average of 85 per cent of local content outcome was recorded
- > a total of 73 (AEE) positions were supported, including the creation of 29 new jobs and the retention of 44 existing jobs (AEE)
- > 29 new apprenticeships and cadets were supported, and 44 existing apprenticeships retained
- > MSPG projects engaged 29 apprentices, trainees and cadets
- > there were two small to medium enterprises that prepared a VIPP Plan or LIDP for contracts, and 16 small to medium-sized businesses were engaged through the supply chain on completed strategic projects.

### Reporting requirements – all projects

The department commenced four contracts prior to 15 August 2020 with a total of 88 per cent estimated to be of local content for which a VIPP Plan or LIDP was not required, as the procurement activity was local in nature.

### Reporting requirements – grants

The department undertook no grants processes involving Local Jobs First.

### Disclosure of major contracts

The following includes information related to the former Department of Health and Human Services, the current Department of Health and the current Department of Families, Fairness and Housing.

The departments disclosed, in accordance with the requirements of government policy and accompanying guidelines, all contracts greater than \$10 million in value entered into during the year ended 30 June 2021. Details of contracts that have been disclosed in the Victorian Government contracts publishing system can be viewed at the [Buying for Victoria Tenders Portal](http://www.tenders.vic.gov.au) <www.tenders.vic.gov.au>.

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

## Government advertising expenditure

For the 2020–21 reporting period, there were eight government advertising campaigns with total media spend of \$100,000 or greater (exclusive of GST). The details of each campaign are outlined below.

Name of campaign	Campaign summary	Start/end date	Advertising (media) expenditure (excl. GST)	Creative and campaign development expenditure (excl. GST)	Research and evaluation expenditure (excl. GST)	Print and collateral expenditure (excl. GST)	Other campaign expenditure (excl. GST)	Total
COVID-19 Testing campaign	Encourage Victorians to get tested for COVID-19 at the first sign of any symptom.	1 July 2020 to 30 June 2021	\$24,702,647	\$1,517,744	NA	NA	NA	\$27,220,391
COVID-19 Emergency advertising	Support the COVID-19 response by highlighting COVID-19 outbreaks, exposure sites and restrictions in place.	1 July 2020 to 30 June 2021	\$10,526,482	\$1,469,943	NA	NA	NA	\$11,996,425
Smile Squad	Support the resumption of Smile Squad services by increasing community awareness of the program and driving traffic to the program website for resources and program information.	4 April 2021 to 31 May 2021	\$1,209,409	\$105,610	NA	NA	\$550	\$1,315,569
Survive the Heat in Summer	Raise awareness of health risks due to extreme heat. Promote behaviour change to reduce illness and death in those most vulnerable on days of extreme heat.	1 December 2020 to 28 February 2021	\$327,000	\$22,958	\$30,900	NA	NA	\$380,858

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
Seasonal Influenza campaign	Promote seasonal flu immunisation and other prevention measures to help reduce the impacts of seasonal influenza.	18 May to 30 June 2021	\$339,844	\$140,823	NA	NA	NA	\$480,667
Herogram (Wear A Mask COVID-19) campaign	Promote COVID-19 safe behaviours including wearing a mask to help protect the Victorian public and reduce transmission.	22 August 2020 to 30 September 2020	\$508,724	\$27,617	NA	NA	NA	\$536,341
COVID-19 Worker Support Payment campaign	Raise awareness of support payments available for those being tested for COVID-19.	1 July 2020 to 30 June 2021	\$4,751,829	\$153,728	NA	NA	NA	\$4,905,557
Save 000 for Emergencies	Raise awareness of the other primary healthcare options for non-emergency cases as an alternative to triple zero ambulance calls.	18 May to 30 July 2021	\$1,000,000	\$23,467	NA	NA	NA	\$1,023,467

## Consultancy expenditure

The following includes information related to the former Department of Health and Human Services, the current Department of Health and the current Department of Families, Fairness and Housing.

The departments operated a joint financial system through 2020–21 so this report reflects the total spend for the two departments for the period. Each department has operated separate accounts from 1 July 2021 and will report separately in 2021–22.

The departments experienced significant demand for high-level, independent advice and support during 2020–21, which resulted in increased use of consultants. This ensured that the two departments were well positioned to respond to the numerous and unique challenges which arose due to the COVID-19 emergency.

### Consultancies (under \$10,000)

In 2020–21, there were five consultancies engaged during the year where the total fees payable to the individual consultancies were less than \$10,000. The total expenditure incurred during 2020–21 in relation to these consultancies was \$28,303 (excluding GST).

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

In 2020–21, there were 91 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2020–21 in relation to these consultancies was \$47,750,078 (excluding GST).

Tables on the following pages provide details on this consultancy expenditure, categorised as follows:

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

## Improving procurement practice

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

During 2020–21, the departments:

- > continued strong management of consultant engagements through the Strategic Alliance framework established in 2018–19 with five third-party providers across the health, community services and organisational improvement domains. The details of work undertaken through the framework and payments made in 2020–21 are included in the first part of the tables
- > leveraged strategic consultancy relationships under the alliance model to maintain procurement rigour during the departments' emergency response to COVID-19. These benefits and discounted rates have also been leveraged to support the establishment of Homes Victoria
- > supported capability uplift of our people and the transformational change of the departments and our services, as well as improved the quality of the strategic advice we received
- > continued to develop internal capability through knowledge sharing with department staff involved in Strategic Alliance projects, as well as dedicated internal consulting, advisory and project-based programs to improve policy and program delivery
- > drove high-level scrutiny of consultant engagements to ensure, among other things, that all alternative avenues of supply were considered prior to engaging a consultant.

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

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

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

Category	Consultant	Purpose of consultancy	Total approved project fee excl. GST	Expenditure 2020–21 excl. GST	Future expenditure excl. GST
Policy/Program Advice & Delivery	Boston Consulting Group	Social housing growth delivery plan	308,000	307,410	590
		Affordable and specialist accommodation redesign	770,000	770,000	0
		Reform and planning, DHHS System	250,000	250,000	0
		Support, Health Share Victoria business build	1,470,000	1,470,000	0
		End to end testing and turnaround time, Pathology	5,605,091	5,400,999	204,091
Policy/Program Advice & Delivery	Ernst & Young Services Pty Ltd	Financial systems review	586,000	248,855	337,145
		Big Housing Build – Independent Advisory Panel	39,864	16,335	23,529
		Ground lease model development and procurement	1,802,690	760,773	1,041,917
		Spot housing acquisition due diligence	3,061,251	1,232,510	1,828,741
		Housing and energy efficiency design	405,000	360,822	44,178
		Speciality disability housing acquisition support	88,000	31,600	56,400
		Financial audit	653,960	653,958	2
		Asset feasibility support	629,087	629,087	0
		Advice, Social investment for COVID-19 social recovery	499,319	285,799	213,520
		Business analysis, Essential services in response to COVID-19	100,000	19,350	80,650
		Support, data and reporting, Child protection workforce strategy 2021–2024	409,091	409,091	0
		Support, Workforce reporting, COVID-19	831,884	831,884	0

Category	Consultant	Purpose of consultancy	Total approved project fee excl. GST	Expenditure 2020–21 excl. GST	Future expenditure excl. GST
Policy/Program Advice & Delivery	KPMG Strategic Alliance (Health) total approved project fee whole-of-life status excl. GST as at 30 June 2021: \$27,272,727	Review of leasing arrangements	333,772	333,772	0
		Risk management framework	215,190	69,630	145,560
		Maintenance stimulus governance	2,043,815	1,098,571	945,244
		Project management office and business case support	2,756,000	2,103,400	652,600
		Social Housing Ground Fund project support	700,000	192,235	507,765
		COVID-19 emergency management support	3,129,364	3,014,060	115,304
		People-centred design project design	100,000	100,000	0
		Capital package support	330,000	257,848	72,152
		Support, Vision initiative evaluation project	134,579	107,663	26,916
		Service plan, Mildura and Northern Mallee	257,843	187,382	8,000
		Enterprise Architecture, HealthShare	223,000	223,000	0
		Transitional support, People with disability following hospital discharge	169,451	50,835	118,616
		Establishment, Joint Intelligence Unit, State Control Centre	63,636	54,684	8,952
		Review, Medical workforce arrangements	58,906	58,906	0
		Funding model reform, Early parenting centres	218,469	65,541	152,928
		Review, Integrated health promotion program	136,325	40,898	95,428
		Strategy, Private hospital elective surgery	89,493	89,493	0
		Review, State Supply Chain for health services	78,584	78,584	0
		Strategy, Patient administration system	270,800	270,800	0
		Development, Better at Home program	294,000	91,287	202,713
Measuring, reporting and reducing low-value care	98,998	98,998	0		

Category	Consultant	Purpose of consultancy	Total approved project fee excl. GST	Expenditure 2020–21 excl. GST	Future expenditure excl. GST
		Review, Alfred Hospital Burns Service clinical service	86,067	17,213	68,854
		COVID analysis of NPA-funded activities	196,193	168,365	27,828
		Variation – COVID-19 – private health sector advisory services	1,590,909	1,290,243	300,666
		COVID-19 disability sector preparedness response	227,273	167,721	59,552
		Financial review, Victorian public hospitals impacted by COVID-19	1,057,372	798,442	3,078
		Advisory services, COVID-19 and the private health sector	6,617,871	4,615,525	744,356
		Integrated planning and governance framework, School dental program	477,136	263,079	0
		Support, Healthcare worker infection prevention and wellbeing taskforce	719,108	534,858	184,251
		Support, Health prevention program development	138,979	97,285	0
		Support, Royal Commission into Victoria's Mental Health System	396,422	306,346	49,702
		Strategy and workforce data, Mental health workforce	227,888	227,888	0
		Business case, Public assisted reproductive treatment	301,830	294,779	7,050
		Support, Obesity prevention plan evaluation	159,769	119,828	39,942
		Support, Early years program development	180,497	180,497	0
		Integrated public hospital laboratory information systems	1,244,400	899,295	345,105
		Workforce plan, COVID-19 public health response	127,518	128,609	0
		Options analysis, Health technology solutions and IT operating model	191,636	57,491	0

Category	Consultant	Purpose of consultancy	Total approved project fee excl. GST	Expenditure 2020–21 excl. GST	Future expenditure excl. GST
Policy/Program Advice & Delivery	Nous Group Pty Ltd Strategic Alliance (Community Services) total approved project fee whole-of-life status excl. GST as at 30 June 2021: \$5,454,546	Analysis, Department of Families, Fairness and Housing portfolios	30,000	30,154	0
		Community housing and local government partnerships	380,952	281,457	99,495
Policy/Program Advice & Delivery	Third Horizon Consulting Pty Ltd / Publicis Sapient Strategic Alliance (Organisational Improvement) total approved project fee whole-of-life status excl. GST as at 30 June 2021: \$13,636,365	Operating model design	211,455	211,455	0
		Support, Operation Vestige (visits to COVID-19 homes)	60,945	60,945	0
		Support, Cost management program	892,275	883,372	8,904
		Design, Child protection project management office	113,884	113,838	47
		Support, Organisational transformation leadership	53,411	15,277	23,614
Capital Business Case & Planning	Data Agility	Business case, Genomics system replacement	254,345	127,345	0
		Support, transition and commercial negotiation, Mildura Base Hospital	1,657,781	1,116,693	0
		Business case development, Online and/or mobile automated processing project, Victorian patient transport assistance scheme	135,150	141,043	0
Information, Data & Technology	Ernst & Young Services Pty Ltd	Strategy, IT resilience	550,000	234,634	29,785
		Review, Housing financial systems and management	286,000	184,340	0
Policy/Program Advice & Delivery	Amcosh Pty Ltd	Lead, Environmental investigations	43,636	11,495	0
		Centre for Evidence and Implementation Ltd	Development, Core practice elements in children and families services	1,608,948	494,455
	Ernst & Young Services Pty Ltd	Establishment of project management office	6,368,364	1,686,003	0
		Design, operating model, shared services and systems, DFFH and DH	428,102	414,999	13,103
	Infection Control Consultancy	Workshop advice, COVID-19 infection prevention and control	18,182	14,000	0

Category	Consultant	Purpose of consultancy	Total approved project fee excl. GST	Expenditure 2020–21 excl. GST	Future expenditure excl. GST
	Infection Contrology	Development, Infection, prevention and control, high-risk workplaces	209,273	161,100	4,173
	Institute for Healthcare Improvement	Development, Community services improvement	1,361,416	250,000	761,416
	Ken D. Lay	Lead, consultation process, Injecting rooms	153,727	128,484	25,243
	KPMG	Analysis, Readiness response and emergency management	59,113	51,824	7,289
	Monash University	Ethical guidance, Critical care resource allocation, Victorian hospitals, COVID-19	42,997	42,997	0
	Porter Novelli	Strategic communication, Mildura Base Hospital transition	232,432	200,803	0
	Pricewaterhouse Coopers	Support, assessment and design, Local public health units, for COVID-19	2,700,000	2,479,073	0
		Advice and support, Performance, Emergency department, Victorian metro health service	223,880	113,185	110,695
Probity & Data Integrity Audit	Due Diligence Consultants Pty Ltd	Due diligence reporting	169,275	20,776	44,800
	KPMG	Data integrity audits, Victorian admitted episodes dataset	2,943,112	455,414	0
Program Assessment & Evaluation	CSIRO	Evaluation, HealthLinks, chronic care	1,667,387	90,898	85,122
	Global Public Safety Pty Ltd	Examination, Mobile duress options	45,000	45,378	0
	Institute for Healthcare Improvement	Victorian patient safety program	10,207,681	4,569,710	0
	Nous Group Pty Ltd	Review, support strategic commissioning of community services	119,300	122,836	0
	Sax Institute	Evaluate, Place-based suicide prevention trials	898,841	216,181	143,867
	SGS Economics & Planning Pty Ltd	Advice, Rates mechanisms, local government social housing	63,269	38,500	24,769
	The Systems School	System expert, Homelessness evaluation	77,273	50,160	1,946

## Information and communication technology expenditure

For the 2020–21 reporting period, the departments had a total information and communication technology (ICT) expenditure of \$464,840,471.<sup>(a)</sup> The details are shown below.

(\$'000)

All operational ICT expenditure		ICT expenditure related to projects to create or enhance ICT capabilities	
Business as usual (BAU) ICT expenditure	Non-BAU ICT expenditure	Operational expenditure	Capital expenditure
(Total)	(Total = operational expenditure and capital expenditure)		
\$305,221	\$159,619	\$71,135	\$88,484

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

Non-BAU ICT expenditure relates to extending or enhancing the departments' current ICT capabilities.

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

## Compliance with the Building Act 1993

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

The department continues to liaise with and contribute to the progress and outcomes of Cladding Safety Victoria for department-owned buildings. Relevant buildings owned by the department have been audited against the risk framework originally developed by the Victorian Cladding Taskforce and where non-compliant cladding has been discovered, assessed against that framework for a risk rating derived from one of the four risk categories.

These buildings are now being progressively rectified and/or remediated in accordance with that risk ranking and as resources and funding allow.

## Competitive neutrality policy

The following includes information related to the former Department of Health and Human Services, the current Department of Health and the current Department of Families, Fairness and Housing.

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

The departments ensure Victoria fulfils its requirements on competitive neutrality reporting as required under the Competition Principles Agreement and Competition and Infrastructure Reform Agreement.

(a) ICT expenditure for the 2020–21 reporting period for the Department of Health and the Department of Families, Fairness and Housing has been consolidated due to the timing of machinery of government changes.

## Freedom of information

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

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

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

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

### Making a request

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

In summary, the requirements for making a request are:

- > it must be in writing
- > it should provide such information concerning the document as is reasonably necessary to enable identification of the document
- > it should be accompanied by the application fee of \$30.10 (the fee may be waived in certain circumstances).

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

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

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

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

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

## FOI statistics/timeliness

### To 31 January 2021

During 2020–21, the former Department of Health and Human Services received 1,284 FOI applications. Of these requests, 61 were from Members of Parliament, 30 from the media, and the remainder from the general public.

The former department made 885 FOI decisions and processed 76 per cent of requests within the statutory time period. Of the requests finalised, 64 per cent were granted in full or in part.

During 2020–21, for the former department, 30 decisions were subject to review by the Office of the Victorian Information Commissioner, and eleven appeals were made to the Victorian Civil and Administrative Tribunal.

### From 1 February 2021

During 2020–21, the Department of Health received 208 FOI applications. Of these requests, 41 were from Members of Parliament, 14 from the media, and the remainder from the general public.

The department made 166 FOI decisions and processed 59 per cent of requests within the statutory time period. Of the requests finalised, 70 per cent were granted in full or in part.

Ten decisions were subject to review by the Office of the Victorian Information Commissioner, and nine appeals were made to the Victorian Civil and Administrative Tribunal.

## Compliance with the Public Interest Disclosures Act 2012

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

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

The department will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the

disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

### Reporting procedures

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

- > the Secretary
- > public interest disclosure coordinators
- > the manager or supervisor of the discloser
- > the manager or supervisor of the person who is the subject of the disclosure.

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

Level 1, North Tower, 459 Collins Street  
Melbourne VIC 3000  
Phone: 1300 735 135

Internet: [Broad-based Anti-corruption Commission](https://www.ibac.vic.gov.au)  
<<https://www.ibac.vic.gov.au>>

[Email IBAC](mailto:info@ibac.vic.gov.au) <[info@ibac.vic.gov.au](mailto:info@ibac.vic.gov.au)>.

### Further information

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

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

<b>Disclosures under the <i>Public Interest Disclosures Act 2012</i> (formerly the <i>Protected Disclosure Act 2012</i>)</b>	<b>2018–19 number</b>	<b>2019–20 number</b>	<b>2020–21 Jul to Jan number</b>	<b>2020–21 Feb to Jun number</b>
The number of disclosures made by an individual to the former Department of Health and Human Services and notified to the Independent Broad-based Anti-Corruption Commission	1	4	0	N/A
The number of disclosures made by an individual to the Department of Health and notified to the Independent Broad-based Anti-Corruption Commission	N/A	N/A	N/A	0

## Compliance with the Carers Recognition Act 2012

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

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

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

## Compliance with the Disability Act 2006

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

The inaugural *Department of Health and Human Services disability action plan 2018–2020* (the plan) set the standard for how we want to operate as a truly inclusive work, policy and service environment. The plan provided a three-year framework for change, with publicly available annual implementation plans aligned to financial years to maintain momentum. This material is available on the former department's website:

[Disability Action Plan 2018–2020](https://www.dhhs.vic.gov.au/publications/Disability-Action-Plan-2018-2020)

<<https://www.dhhs.vic.gov.au/publications/disability-action-plan-2018-2020>>.

Since the beginning of the COVID-19 pandemic and machinery of government changes in 2020, the department has put disability action plan reporting on hold. However, many of the disability action plan actions have continued or are embedded in department practice, such as the [Disability employment strategy](#) outlined on page 95.

The department will consider its approach to disability action planning in consultation with the Department of Families, Fairness and Housing, which now holds portfolio responsibility for the Act.

## Cemeteries and Crematoria Act 2003

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

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

Collection of levy	2020–21
Metropolitan trusts	\$4,245,000
Rural trusts	\$391,224
<b>Total amount collected</b>	<b>\$4,636,224</b>

Departmental expenditure (category)	2020–21
Sector reform initiatives	\$0
Governance support	\$1,122,919
Sector grants	\$1,691,775
Sector policy, development and coordination	\$374,306
Insurance premiums and claims	\$1,151,059
<b>Total expenditure</b>	<b>\$4,340,059</b>

## Public Health and Wellbeing Act 2008

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

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

Under 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 from infectious diseases. These include orders to compel a person to be examined or tested for an infectious disease or to refrain from certain activities that may pose a serious risk to public health.

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

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

### Orders made by the Chief Health Officer from 1 July 2020 – 30 June 2021

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

### Additional departmental information available on request

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

- > a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- > details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- > details of publications produced by the entity about itself, and how these can be obtained
- > details of changes in prices, fees, charges, rates and levies charged by the entity
- > details of any major external reviews carried out on the entity
- > details of major research and development activities undertaken by the entity
- > details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit
- > details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services

- > details of assessments and measures undertaken to improve the occupational health and safety of employees
- > a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes
- > a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved
- > details of all consultancies and contractors, including consultants/contractors engaged, services provided and expenditure committed for each engagement.

Requests may be made in writing to:

Chief Communications Officer  
GPO Box 4057  
Melbourne VIC 3001

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

<dhcommunicationsenquiries@health.vic.gov.au>

## Social procurement framework

The following includes information related to the former Department of Health and Human Services, the current Department of Health and the current Department of Families, Fairness and Housing.

The departments operated a joint financial system through 2020–21 so this report reflects the total spend for the two departments for the period. Each department has operated separate accounts from 1 July 2021 and will report separately in 2021–22.

The departments leveraged their buying power to deliver social, economic and environmental outcomes benefiting the Victorian community, the economy and the environment — above and beyond the goods, services and construction works procured.

They were guided by the Victorian Government's *Social procurement framework* (SPF). The SPF applies to the procurement of all goods, services and construction undertaken by or on behalf of the departments with the following objectives:

- > opportunities for Victorian Aboriginal people
- > opportunities for Victorians with disability
- > women's equality and safety
- > opportunities for disadvantaged Victorians
- > supporting safe and fair workplaces
- > environmentally sustainable outputs.

## Social procurement strategy

In their *Social procurement strategy*, the departments committed to achieving the government's social procurement objectives and enhancing the value-for-money outcomes of departmental procurement. In 2021–22, the departments intend to develop separate social procurement strategies.

During 2020–21, social value requirements were applied to a variety of procurement activities, including the procurement of goods, services and construction works.

The departments undertook several activities to support social procurement, including:

- > preparation of social procurement data reporting and case studies for 2020–21 and submission to the Department of Treasury and Finance (DTF)
- > maintenance of up-to-date information about social procurement and Local Jobs First on the departments' intranets
- > a continued relationship with Social Traders Ltd through regular meetings and other communications
- > an increase in the social procurement capability of staff through key business areas of the two departments with procurement responsibilities – Procurement Services, Homes Victoria and the Victoria Health and Human Services Building Authority (now the Victorian Health Building Authority) – working together
- > the updating of procurement policies, processes, templates and contracts to support the implementation of social procurement and Local Jobs First
- > the establishment of a Social Procurement Group across the two departments to foster communication, coordination and capability development
- > regular attendance by staff at the Social Procurement Community of Practice Meetings convened by DTF
- > training by Homes Victoria and Procurement Services staff on the new Industry Capability Network's social procurement reporting platform
- > engagement by Homes Victoria with the construction industry regarding social procurement through the Building Industry Construction Council.

## Social procurement achievements 2020–21

Number of social benefit suppliers engaged during the reporting period	91
Total amount spent with social benefit suppliers during the reporting period	\$9,813,512
Total number of suppliers engaged, which are not social benefit suppliers, that have made social procurement commitments in their procurement contracts with the Victorian Government	10

SPF objective	Metric	Number	\$ (GST exclusive)
Opportunities for Victorian Aboriginal people	Total spend with Victorian Aboriginal businesses		1,826,900
	Number of Victorian Aboriginal businesses engaged	40	
Opportunities for Victorians with disability	Total spend with Victorian social enterprises led by a mission for people with disability and Australian Disability Enterprises		2,943,200
	Number of Victorian social enterprises led by a mission for people with disability and Australian Disability Enterprises engaged	24	
Opportunities for disadvantaged Victorians	Total spend with Victorian social enterprises led by a mission for the disadvantaged <sup>(a)</sup>		1,684,600
	Number of Victorian social enterprises led by a mission for the disadvantaged engaged	9	
Sustainable Victorian social enterprises and Aboriginal business sectors	Total spend with Victorian Aboriginal businesses		1,827,000
	Number of Victorian Aboriginal businesses engaged	40	
	Total spend with other Victorian social enterprises <sup>(b)</sup>		6,888,500
	Number of other Victorian social enterprises engaged	53	
	Percentage of direct Aboriginal supplier engagement (against one per cent government target)		1.11%

(a) Victorians that fall under at least one of five disadvantaged cohorts (long-term unemployed people, disengaged people, single parents, migrants and refugees, and workers in transition).

(b) All types of social enterprises verified by Social Traders Ltd and listed on the map for impact.

## Environmental reporting

### Environmental performance and impacts

The following includes information related to the former Department of Health and Human Services, the current Department of Health and the current Department of Families, Fairness and Housing.

The departments operated a joint financial and corporate services system through 2020–21 so this report reflects combined data for the two departments for the period. Each department has operated separate accounts from 1 July 2021 and will report separately in 2021–22. The departments will reset their office-based and public health environmental indicators in 2021–22 to reflect these changes.

In 2020–21, the departments made good progress on reducing their environmental footprint and managing climate change risks across the sector despite significant challenges caused by COVID-19.

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

### Highlights

Highlights for the period included:

- > reducing annual reported greenhouse gas emissions in the health and human services sector by three per cent or 23,624 tonnes of carbon-dioxide equivalent (CO<sub>2</sub>-e)
- > reducing annual reported greenhouse gas emissions in the public health sector by 1.0 per cent or 8,599 tonnes CO<sub>2</sub>-e
- > commencing development of the *Health and Human Services climate change adaptation action plan 2021–26*. A consultation draft was completed and released on 9 July 2021 for public feedback. The final plan will be delivered early 2022.
- > continuing the implementation of the Regional Health Solar Program. Of the 8.7 megawatt-peak supported through the program, 7.4 megawatt-peak has been installed and is operational. In 2020–21, solar arrays on Victorian public hospitals generated some 9.8 gigawatt-hours of electricity, reducing carbon emissions by some 11,000 tonnes CO<sub>2</sub>-e.
- > contributing to the whole of Victorian Government climate change strategy and emissions reduction pledge, reducing our greenhouse gas emissions from office-based sources by 19 per cent from last year. Over the life of the six-year emissions reduction target, the department reduced its annual office-based emissions by 45 per cent or 12,551 tonnes CO<sub>2</sub>-e from the 2014–15 baseline
- > receiving investment of \$5.3 billion as part of the Big Housing Build to enable Homes Victoria to build 12,000 new affordable homes, including 9,300 social housing dwellings, which will support around 10,000 jobs per year for the next four years as part of Victoria's recovery. New buildings constructed as part of the Big Housing Build will achieve a minimum average seven stars against the Nationwide House Energy Rating Scheme (NatHERS). Many larger developments over three storeys and 100 dwellings will achieve a five-star Green Star rating, which is a level designated as Australian leadership in sustainability. In addition, in many delivery streams, all-electric specification, with efficient appliances and solar photovoltaic systems as standard, is required
- > receiving investment of \$112 million for the Energy Efficiency in Social Housing Program as part of the 2020–21 State Budget, announced in November 2020. The program will upgrade 35,000 social housing dwellings to improve energy efficiency, reduce greenhouse gas emissions and improve thermal comfort for residents. In 2020–21, 1,437 upgrades were completed with a focus on installing efficient reverse-cycle air conditioning to address climate risk in the hottest regions of the state

- > receiving data from Homes Victoria at the time of publication for 403 single-level and low-rise multi-storey properties completed in the 2020–21 financial year, of which:
  - 383 achieved a seven-star NatHERS rating or above
  - 402 included efficient all-electric appliances, including heat pumps for hot water and air conditioning, and rooftop solar photovoltaic panels
- > upgrading 107 high-rise flats, which included improved energy-efficient lighting, the addition of external wall insulation and double-glazed windows
- > completion of the installation of more efficient LED lighting at six high-rise buildings in Richmond and Flemington, along with upgrades to more efficient bulk hot water boilers in two buildings, funded under the government's Building Works stimulus.

## Energy

The departments are committed to reducing energy consumption across operations and to assisting clients to reduce their own energy use.

In 2020–21, the departments:

- > continued installation of solar panels funded through the Regional Health Solar Program. Of the 8.7 megawatt-peak supported through the program, 7.4 megawatt-peak has been installed and is operational
- > progressively captured data on electricity generated by hospital solar arrays. In 2020–21, solar arrays on Victorian public hospitals generated some 9.8 gigawatt-hours of electricity, reducing carbon emissions by some 11,000 tonnes CO<sub>2</sub>-e.
- > received \$40 million of loan funding in the 2020–21 Victorian Budget to upgrade hospital lighting to LEDs and install solar arrays. The departments sought expressions of interest and in the first round approved the procurement of 2.4 megawatt-peak of solar across 32 health facilities and the upgrading of lighting to LEDs at 30 health facilities.
- > facilitated a \$1.69 million extension to the energy performance contract at Warragul Hospital to upgrade engineering infrastructure, install LED lighting and install a 185 kilowatt-peak solar array. The project will reduce annual

carbon emissions by 1,115 tonnes and deliver annual utility savings of \$0.34 million.

- > facilitated Dental Health Services Victoria's replacement of 232 fluorescent lights with LED lighting, reducing lighting electricity use by half, and saving around 30 tonnes CO<sub>2</sub>-e.
- > facilitated Southwest Healthcare's hot water upgrades and installation of solar and variable speed drives, saving around 180 tonnes CO<sub>2</sub>-e.
- > facilitated Ambulance Victoria's installation of LED lighting at its Air Ambulance branch in Essendon Fields and a 16 kilowatt-hour battery at the Sebastopol branch, saving around 150 tonnes CO<sub>2</sub>-e.
- > continued to work with Department of Environment, Land, Water and Planning on the Victorian Renewable Energy Target 2 (VRET2) project, which will see all hospitals and department offices source 100 per cent renewable electricity from 2025
- > completed the tenancy lighting upgrade to LED of 55 Hovell St, Wodonga. The upgrades are expected to reduce electricity usage by 34,000 kWh per annum and reduce emissions by approximately 33 tonnes CO<sub>2</sub>-e per annum
- > completed lighting upgrades at our Morwell office and solar installation at our Footscray offices, with predicted savings of over 150,000 kWh per annum
- > set a target for all newly built public housing dwellings to exceed an average seven-star NatHERS rating and be specified with all-electric appliances and solar photovoltaic panels. A compliance rate of over 95 per cent with these guidelines was achieved.

## Office-based performance

In 2020–21, office-based energy usage reduced by 19 per cent from the previous reporting year. This significant decrease is attributed to the change in workplace arrangements since July 2020, when most staff transitioned to remote working.

## Targets

The departments' 2021–22 environmental management system targets for energy are to:

- > reset objectives and targets post machinery of government changes
- > continue increasing the number of offices with National Australian Built Environment Rating System (NABERS) ratings.

## Water

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

In 2020–21, the departments:

- > continued the development of a monitoring program for collection of pulse water-meter data from eight high-rise public housing buildings to identify water-efficiency opportunities. The program will involve regular review of water-meter data to identify any substantial variations to water consumption and water-efficiency opportunities within the high-rise housing portfolio
- > continued the upgrade of water-efficiency features in 60 high-rise units at 125 Napier St. Fitzroy. The upgrades included four-star Water Efficiency Labelling and Standards (WELS)-rated tapware and three-star WELS-rated toilet cisterns.

## Office-based performance

In 2020–21, office-based water use decreased 4.9 per cent. This decrease is attributed to the change in workplace arrangements since July 2020, when most staff transitioned to remote working.

## Targets

The departments' 2021–22 environmental management system target for water is to reset objectives and targets post machinery of government changes

## Procurement and paper

The departments continue to integrate sustainability into procurement activities, while seeking value-for-money outcomes in business operations. We also continue to implement strategies to reduce the environmental impacts of printing and paper consumption, but the predominant cause for the significant reduction in paper use in 2020–21 was the working from home arrangements for most of the reporting year.

In 2020–21, the departments:

- > ensured that 99 per cent of all office-based paper purchased consisted of 100 per cent recycled content

- > continued to utilise the TRIM electronic record management system and 'follow-me' printing solution to reduce the volume of hardcopy records printed and archived in the workplace
- > reduced office-based paper use by 70 per cent, or 47,219 reams – over 23 million sheets of paper
- > reduced paper use in public hospitals by 12 per cent, or 29,982 reams – nearly 15 million sheets of paper.

## Office-based performance

In 2020–21, paper purchasing and associated emissions reduced by 70 per cent, attributable to COVID-19 and the transition to remote working arrangements.

## Targets

The departments' 2021–22 environmental management system targets for procurement and paper are to:

- > reset objectives and targets post machinery of government changes
- > work with Sustainability Victoria to support the Buy Recycled directory to provide Victorian buyers with products containing recycled content and options to achieve positive environmental outcomes and support organisational sustainability goals

## Waste

The departments are committed to the effective management of waste to reduce operational costs and environmental impacts, as well as potential public health risks to staff, clients and the broader Victorian community.

In 2020–21, the departments:

- > continued the Simply Cups coffee-cup recycling program, diverting a further 20,800 cups from landfill. In total we have collected more than 478,000 cups since 2017
- > continued a collections pilot for recycling of soft plastics at 50 Lonsdale Street, Melbourne. All soft plastics collected were transferred to REDcycle drop-off points for processing.
- > increased public hospital waste generation by 2,669 tonnes, or 7.5 per cent, as a result of the COVID-19 pandemic.

## Office-based performance

In 2020–21, office-based waste generation data was not able to be collected via waste audits as planned and was postponed due to COVID-19 restrictions.

### Targets

The departments' 2021–22 environmental management system targets for waste are to:

- > reset objectives and targets post machinery of government changes
- > expand single stream recycling programs including Simply Cups to other office locations when regular office-based activities are resumed.
- > investigate the cost and availability of soft plastic recycling in 50 Lonsdale St office.

## Sustainable transport

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

In 2020–21, the departments:

- > actively participated in the planning for the Zero Emission Vehicle (ZEV) rollout across government fleet vehicles
- > saw a decrease in vehicle fleet size due to the transfer of 429 vehicles to National Disability Insurance Scheme service providers as part of the transfer of government services
- > continued to implement the Efficient Fleet Procurement Policy, giving preference to fuel-efficient and low-emission vehicles
- > completed a sustainable transport pilot at Eastern Health and Peninsula Health.

In 2020–21, total kilometres travelled and emissions from the office-based vehicle fleet reduced by 40 per cent due to COVID-19 travel restrictions. The overall fleet efficiency also improved due to most of the existing large diesel vehicles in the fleet being transferred.

## Climate change mitigation and adaptation

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

Many of the achievements already discussed in the Environmental reporting section –for example, the Big Housing Build, and the *Health and Human Services climate change adaptation action plan 2021–26* – make substantial contributions to the departments' climate change mitigation and adaptation strategy. In 2020–21, in addition to these achievements, the departments also:

- > published *Tackling climate change and its impacts on health through municipal public health and wellbeing planning: guidance for local government* in September 2020. The purpose of this guidance is to assist councils in meeting their legislative obligations, and to encourage and embed action to tackle climate change and its impacts on health in municipal public health and wellbeing planning. It recognises the important role that councils can play in reducing the risks that climate change poses to the health and wellbeing of all Victorians and in improving public health outcomes
- > in line with the 'tackling climate change and its impacts on health' focus area in the *Victorian public health and wellbeing plan 2019–2023*, , provided support for the inclusion of a Climate and Health pathway in Victoria's Achievement Program. This pathway aims to support Achievement Program members to adapt to climate change and also take climate actions that co-benefit health and wellbeing. The key focus of the Achievement Program is on creating healthier early childhood services, schools and workplaces.

### Targets

The departments' 2021–22 environmental management system targets for climate change mitigation and adaptation are to:

- > continue development of the *Health and Human Services climate change adaptation action plan 2022–26*
- > ensure tackling climate change and its impacts on health is a focus area of the *Victorian public health and wellbeing plan 2019–2023* and the health and wellbeing plans of municipal councils

## Communications and behaviour change

The departments promote sustainable behaviour to all staff and aim to raise awareness of and engagement with environmental issues in order to drive positive environmental outcomes.

In 2020–21, the departments:

- > published an implementation report for the first two years of the *Environmental sustainability strategy 2018–19 to 2022–23* for the health system
- > provided sustainability updates to the health system in August 2020, December 2020 and March 2021, including information on resources prepared by the departments, government policies, programs and legislative changes, climate change and sustainability events
- > released data on the NABERS rating of around 140 public hospitals for each of the years from 2015–16 to 2018–19 inclusive. Based on 2018–19 data, 83 per cent of hospitals had an average or above average energy performance and 76 per cent had an average or above average water rating
- > continued chairing the Australasian Healthcare Infrastructure Alliance Environmentally Sustainable Development sub-group, with sustainability representatives from health jurisdictions around Australia and New Zealand. The discussion focused on the continued application of the NABERS Energy and Water hospital rating tools and the further development of a NABERS Waste tool for hospitals.

## Environmental data

The following information has been prepared in accordance with Financial Reporting Direction (FRD) 24D and the Global Reporting Initiative (G4) environmental category.

The information relates to the departments' impact on living and non-living natural systems, including land, air, water and ecosystems.

FRD24 requires that this report provide information relating to inputs (such as energy and water) and outputs (such as emissions and waste).

In addition, procurement, transport, product and service-related impacts are taken into consideration, as are environmental compliance and expenditure. G4 environmental aspects are partially reported. This includes the indicators for materials (EN1, EN2), energy (EN3, EN5), water (EN8), emissions (EN15, EN18), waste (EN23), products and services (EN27) and transport (EN30). All departmental cost figures include GST, except where otherwise noted.

In 2020–21, the environmental performance reporting data include property and assets used in the delivery of the departments' core functions, including corporate offices, residential housing, and public hospitals and health services. This report includes some disability accommodation clients' residential energy usage and shared base-building energy and water in offices and public housing facilities. All figures have been forecast and adjusted to include the most up-to-date information. Where data was not available or estimated in previous years but has since become available, figures have been adjusted to best represent the building portfolio as at 30 June 2021.

At 30 June 2021, the departments provided their administered services from 72 office locations across the state. In addition, the departments operated from operational centres providing secure services and disability residential services. Public housing energy and water data includes community facilities, general lighting and bulk hot-water equipment and potable water usage in high-rise apartment blocks, low-rise apartment blocks and general rental public housing stock.

Public hospital and health services energy and water data represents a summation of data reported by Victoria's 85 public hospitals and health services, including Ambulance Victoria.

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

## Greenhouse gas emissions

Total greenhouse gas emissions (tonnes CO <sub>2</sub> -e) associated with:	2020–21 estimate	2019–20 estimate	2018–19 estimate
Public hospitals energy use	728,383	744,750	786,446
Housing services energy use	44,002	53,379	63,464
Office-based energy use	12,244	15,094	17,124
Public hospitals nitrous oxide	15,811	15,708	17,523
Vehicle fleet and air travel	2,837	7,008	10,543
Hospital emergency transport	24,465	22,994	23,812
Public hospital waste production	38,607	32,161	33,854
Health services vehicle fleet	5,192	5,453	6,151
Office-based paper and waste production	322	558	744
<b>Total</b>	<b>871,863</b>	<b>897,105</b>	<b>959,661</b>

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

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

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

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

1 gigajoule equates to 1,000 megajoules.

## Staff and building reference data

Description	Government-owned buildings	Leased buildings	Total
Office-based FTE DH		3993	3993
Office-based FTE DFFH	709	5180	5889
Statutory Bodies FTE		626	626
<b>Total FTE</b>			<b>10,508.0</b>
Number of office-based sites	12	63	75
Number of high-rise public housing sites	44		44
Office-based area (m <sup>2</sup> )	22,419	136,419	<b>158,838</b>

FTE (full-time equivalent staff member as of 30 June 2021)

## Energy use

### Office-based

Description	2020–21 estimate	2020–21 estimate	2019–20 estimate	2019–20 estimate	2018–19 estimate	2018–19 estimate
Total energy usage segmented by primary source	Megajoules	Cost (\$M)	Megajoules	Cost (\$M)	Megajoules	Cost (\$M)
Electricity	43,757,229	\$2.43	50,107,150	\$3.14	54,186,574	\$3.47
Green power	0	\$0.00	0	\$0.00	0	\$0.00
Natural gas	20,419,620	\$0.29	17,407,775	\$0.25	19,763,764	\$0.30
<b>Total</b>	<b>64,176,849</b>	<b>\$2.72</b>	<b>67,514,925</b>	<b>\$3.39</b>	<b>73,950,338</b>	<b>\$3.77</b>

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
Total greenhouse gas emissions by primary source	Tonnes CO <sub>2</sub> -e	Tonnes CO <sub>2</sub> -e	Tonnes CO <sub>2</sub> -e
Electricity	11,192	14,197	16,105
Natural gas	1,052	897	1,018
<b>Total</b>	<b>12,244</b>	<b>15,094</b>	<b>17,124</b>

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
Energy used per FTE (megajoules/FTE)	6,107	8,150	8,319
Energy intensity (megajoules/m <sup>2</sup> )	404	427	477
Green power purchased	0.00%	0.00%	0.00%

Office-based electricity data represents 99 per cent of office-based FTE and 97 per cent of total office area.

Office-based gas data represents 77 per cent of office-based FTE and 57 per cent of total office area.

Office-based electricity data includes a 15 per cent estimate and office-based gas data includes a 35 per cent estimate in 2020–21 due to some data being unavailable from energy retailers at the time of reporting.

(\$M) Million

### Housing services

#### Electricity

Description	2020–21 estimate	2020–21 estimate	2019–20 estimate	2019–20 estimate	2018–19 estimate	2018–19 estimate
Total energy usage segmented by primary source	Megajoules	Cost (\$M)	Megajoules	Cost (\$M)	Megajoules	Cost (\$M)
High-rise public housing electricity use	44,888,439	\$2.38	48,517,336	\$2.87	53,328,245	\$3.16
Other public housing electricity use	31,184,771	\$2.16	32,736,869	\$2.45	32,172,003	\$2.30
Disability housing electricity use	7,973,771	\$0.47	23,827,528	\$1.48	40,866,431	\$2.16
Youth and family welfare electricity use	1,441,524	\$0.09	1,911,730	\$0.12	1,888,050	\$0.12
<b>Total electricity</b>	<b>85,488,506</b>	<b>\$5.10</b>	<b>106,993,056</b>	<b>\$6.92</b>	<b>128,254,729</b>	<b>\$7.75</b>

## Gas

Description	2020–21 estimate	2020–21 estimate	2019–20 estimate	2019–20 estimate	2018–19 estimate	2018–19 estimate
<b>Total energy usage segmented by primary source</b>	<b>Megajoules</b>	<b>Cost (\$M)</b>	<b>Megajoules</b>	<b>Cost (\$M)</b>	<b>Megajoules</b>	<b>Cost (\$M)</b>
High-rise public housing natural gas use	298,943,512	\$3.76	324,026,923	\$4.32	304,124,144	\$4.17
Other public housing natural gas use	89,049,530	\$1.30	101,045,145	\$1.54	93,039,490	\$1.38
Disability housing natural gas use	12,385,610	\$0.18	19,830,813	\$0.3	92,258,562	\$1.43
Youth and family welfare natural gas use	1,922,761	\$0.03	2,693,563	\$0.05	2,396,215	\$0.04
<b>Total gas</b>	<b>402,301,413</b>	<b>\$5.27</b>	<b>477,596,444</b>	<b>\$6.21</b>	<b>491,818,411</b>	<b>\$7.02</b>

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
<b>Total greenhouse gas emissions</b>	<b>Tonnes CO<sub>2</sub>-e</b>	<b>Tonnes CO<sub>2</sub>-e</b>	<b>Tonnes CO<sub>2</sub>-e</b>
Electricity	23,272	30,315	38,120
Natural gas	20,731	23,065	25,343
<b>Total greenhouse gas emissions</b>	<b>44,002</b>	<b>53,379</b>	<b>63,464</b>

Housing services energy data represents consumption and cost for common-use areas and base-building services at 2,406 electricity-metered and 399 gas-metered sites.

Housing services electricity data includes a six per cent estimate and housing portfolio gas data includes a 12 per cent estimate in 2020–21 due to some data being unavailable from energy retailers at the time of reporting.

## Public health services

Description	2020–21 estimate	2020–21 estimate	2019–20 estimate	2019–20 estimate	2018–19 estimate	2018–19 estimate
<b>Total energy usage segmented by primary source</b>	<b>Terajoules</b>	<b>Cost (\$M)</b>	<b>Terajoules</b>	<b>Cost (\$M)</b>	<b>Terajoules</b>	<b>Cost (\$M)</b>
Electricity	2,246	\$112.87	2,199	\$111.20	2,242	\$119.39
Natural gas	2,149	\$25.47	2,177	\$25.89	2,128	\$24.17
Co-generation steam	483	\$6.85	516	\$6.91	501	\$6.58
LPG	79	\$1.64	93	\$2.42	99	\$2.40
Diesel	2	\$0.09	3	\$0.09	3	\$0.07
<b>Total</b>	<b>4,959</b>	<b>\$146.92</b>	<b>4,998</b>	<b>\$146.52</b>	<b>4,973</b>	<b>\$152.59</b>

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
<b>Total greenhouse gas emissions</b>	<b>Tonnes CO<sub>2</sub>-e</b>	<b>Tonnes CO<sub>2</sub>-e</b>	<b>Tonnes CO<sub>2</sub>-e</b>
Electricity	589,858	604,443	647,460
Natural gas	110,725	112,187	109,654
Co-generation steam	22,840	22,256	23,156
LPG	4,785	5,620	5,971
Diesel	174	234	205
<b>Total greenhouse gas emissions</b>	<b>728,383</b>	<b>744,740</b>	<b>786,446</b>

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
Energy used per separation (gigajoules/separation)	2.63	2.68	2.56
Energy used per bed day (gigajoules/bed day)	0.72	0.72	0.69
Energy used per unit of floor space (gigajoules/m <sup>2</sup> )	1.38	1.39	1.38
Greenhouse gas emissions per separation (tonnes CO <sub>2</sub> -e/separation)	0.40	0.41	0.41
Greenhouse gas emissions per bed day (tonnes CO <sub>2</sub> -e/bed day)	0.11	0.11	0.11
Greenhouse gas emissions per unit of floor space (tonnes CO <sub>2</sub> -e/m <sup>2</sup> )	0.21	0.21	0.21

Public health services are GST-exempt organisations. Reported cost data for public health services is exclusive of GST. Public health greenhouse gas emission indicators include emissions associated with the use of nitrous oxide in public hospitals.

Public health services energy data includes a three per cent estimate in 2020–21 due to some data being unavailable from energy retailers at the time of reporting.

## Water use

### Office-based

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
Total water used (kilolitres)	54,517	57,304	55,961
Total water usage and sewage charge (\$ million)	\$0.2	\$0.28	\$0.21
Total water used per FTE (litres/FTE)	5,511	7,566	6,959
Water used per unit of office space (litres/m <sup>2</sup> )	278	461.2	478

Office-based water data represents 94 per cent of office-based FTE and 70 per cent of office-based area.

Office-based water data includes a 58 per cent estimate in 2020–21 due to some data being unavailable from water authorities at the time of reporting.

### Housing services

Description	2020–21 estimate	2020–21 estimate	2019–20 estimate	2019–20 estimate	2018–19 estimate	2018–19 estimate
Total water usage and charges segmented by source	Kilolitres	Cost (\$M)	Kilolitres	Cost (\$M)	Kilolitres	Cost (\$M)
High-rise public housing water use	1,043,010	\$3.8	1,140,927	\$4.08	1,139,452	\$4.08
Other public housing water use	64,501	\$0.23	79,354	\$0.28	77,777	\$0.27
Disability housing water use	38,676	\$0.16	47,577	\$0.21	50,268	\$0.22
Youth and family welfare water use	2,389	\$0.01	3,504	\$0.01	3,501	\$0.01
<b>Total water usage and sewage</b>	<b>1,148,575</b>	<b>\$4.20</b>	<b>1,260,238</b>	<b>\$4.59</b>	<b>1,270,998</b>	<b>\$4.58</b>

Housing services water data represents potable water use at 78 water-metered sites.

Housing services water data includes a nine per cent estimate in 2020–21 due to some data being unavailable from water authorities at the time of reporting.

## Public health services

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
Total water used (megalitres)	4,499	4,485	4,631
Total water usage charge (\$ million)	\$18.63	\$18.72	\$18.89
Water used per separation (kilolitres/separation)	2.39	2.41	2.38
Water used per bed day (kilolitres/bed day)	0.66	0.65	0.65
Water used per unit of floor space (kilolitres/m <sup>2</sup> )	1.25	1.25	1.28

Public health services are GST-exempt organisations. Reported cost data for public health services is exclusive of GST.

Public health services water data includes an eight per cent estimate in 2020–21 due to some data being unavailable from water authorities at the time of reporting.

## Waste production

### Office-based

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
<b>Total units of waste disposed of by destination</b>	<b>Kilograms/year</b>	<b>Kilograms/year</b>	<b>Kilograms/year</b>
Landfill	N/A	N/A	208,888
Recycling	N/A	N/A	261,308
Compost	N/A	N/A	24,594
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>494,790</b>

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
<b>Total units of waste disposed of per FTE by destination</b>	<b>Kilograms/FTE/year</b>	<b>Kilograms/FTE/year</b>	<b>Kilograms/FTE/year</b>
Landfill	N/A	N/A	23
Recycling	N/A	N/A	29
Compost	N/A	N/A	3
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>56</b>

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
Recycling rate (per cent)	N/A	N/A	58%
Coffee cups recycled	20,800	58,000	159,765
Greenhouse gas emissions associated with waste to landfill (tonnes of CO <sub>2</sub> -e)	244 <sup>(a)</sup>	301	351

(a) Greenhouse gas emissions associated with waste to landfill for 2020–21 have been estimated using office-based energy as compared to 2019–20 as an indicator of office activity levels and resultant waste generation during 2020–21.

## Public health services

Description	2020–21 estimate	2020–21 estimate	2019–20 estimate	2019–20 estimate	2018–19 estimate	2018–19 estimate
Total units of waste disposed of by stream	Tonnes	Cost (\$M)	Tonnes	Cost (\$M)	Tonnes	Cost (\$M)
Clinical and related waste	6,386	\$9.69	4,772	\$8.06	4,685	\$8.08
Landfill	23,462	\$5.02	22,151	\$4.90	23,659	\$4.98
Recycling	9,329	\$1.76	8,526	\$1.67	9,704	\$1.76
<b>Total</b>	<b>39,177</b>	<b>\$16.47</b>	<b>35,449</b>	<b>\$14.63</b>	<b>38,048</b>	<b>\$14.82</b>

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
Recycling rate (per cent)	28%	28%	29%
Waste produced per patient treated (kilograms/PPT)	3.54	3.29	3.47
Greenhouse gas emissions associated with waste to landfill (tonnes of CO <sub>2</sub> -e)	38,607	32,161	33,854

Public health services are GST-exempt organisations. Reported cost data for public health services is exclusive of GST.

Clinical and related wastes include clinical, sharps, cytotoxic, pharmaceutical, chemical and anatomical waste streams.

Recycling includes batteries, cardboard, co-mingled, e-waste, fluorescent tubes, grease traps, mattresses, metals, mobile phones, organics, PVC, packaging films/plastics, paper, polystyrene, sterilization wrap, toner and printer cartridges, and wood.

Data for some recycling streams was unavailable at the time of printing, so figures reported may not represent the full extent of materials recycled.

Waste produced per patient treated is an aggregation of inpatient bed days, aged care bed days, separations and emergency department presentations.

## Transportation

### Vehicle fleet

Description	Vehicle type					Diesel
	Electric	Hybrid	1–3 cylinder unleaded petrol	4-cylinder unleaded petrol	6-cylinder unleaded petrol	
Commercial	0	0	3	0	0	24
Executive	1	12	0	79	14	21
Passenger bus	0	0	0	3	0	129
Passenger car	0	360	0	278	284	3
<b>Total (1,211 vehicles)</b>	<b>1</b>	<b>372</b>	<b>3</b>	<b>360</b>	<b>298</b>	<b>177</b>

Description	Operational (per cent)	Executive (per cent)
LPG	0%	0.1%
Hybrid	29%	1%
1–3-cylinder unleaded petrol	0.3%	0.3%
4-cylinder unleaded petrol	23%	7%
6-cylinder unleaded petrol	23.5%	1%
Diesel	13%	2%
<b>Total</b>	<b>89%</b>	<b>11%</b>

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
Total energy consumption	Megajoules	Megajoules	Megajoules
LPG	0	0	353,621
Electric	868	0	0
Hybrid	4,304,018	12,513,196	21,353,557
Unleaded petrol	24,659,838	56,413,132	73,557,086
Diesel	6,395,707	15,315,737	30,363,493
State government vehicle pool	1,779,649	2,168,051	2,090,800
<b>Total</b>	<b>37,140,080</b>	<b>86,410,116</b>	<b>127,718,558</b>

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
Total vehicle travel	Kilometres	Kilometres	Kilometres
LPG	0	0	95,765
Electric	19,708	N/A	N/A
Hybrid	2,172,116	7,665,511	9,995,318
Unleaded petrol	7,753,581	14,280,192	19,433,669
Diesel	1,803,557	3,848,963	7,728,698
State government vehicle pool	718,757	840,085	830,763
<b>Total</b>	<b>12,467,719</b>	<b>26,634,751</b>	<b>38,084,213</b>

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
<b>Total greenhouse gas emissions</b>	<b>Tonnes CO<sub>2</sub>-e</b>	<b>Tonnes CO<sub>2</sub>-e</b>	<b>Tonnes CO<sub>2</sub>-e</b>
LPG	0	0	22
Electric	0.24	0	0
Hybrid	300	872	1,488
Unleaded petrol	1,719	3,932	5,127
Diesel	451	1,080	2,141
State government vehicle pool	124.23	151	146
<b>Total</b>	<b>2,594</b>	<b>6,035</b>	<b>8,923</b>

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
<b>Greenhouse gas emissions efficiency</b>	<b>Tonnes of CO<sub>2</sub>-e per 1,000 kilometres</b>	<b>Tonnes of CO<sub>2</sub>-e per 1,000 kilometres</b>	<b>Tonnes of CO<sub>2</sub>-e per 1,000 kilometres</b>
LPG	N/A	N/A	0.227
Electric	0.012		
Hybrid	0.138	0.114	0.149
Unleaded petrol	0.222	0.275	0.264
Diesel	0.25	0.281	0.277
State government vehicle pool	0.172	0.180	0.175
<b>Total (Average)</b>	<b>0.208</b>	<b>0.227</b>	<b>0.234</b>

This data represents all operational and executive fleet vehicles. Energy use, distance travelled, and greenhouse gas emissions transport data is based on a 1 April to 31 March fringe benefit year.

## Public health services

Hospital emergency transport	2020–21 estimate	2020–21 estimate	2019–20 estimate	2019–20 estimate	2018–19 estimate	2018–19 estimate
Total fuel usage segmented by primary source	Fuel volume (kilolitres)	Emissions (tonnes CO <sub>2</sub> -e)	Fuel volume (kilolitres)	Emissions (tonnes CO <sub>2</sub> -e)	Fuel volume (kilolitres)	Emissions (tonnes CO <sub>2</sub> -e)
Gasoline – road vehicles	665	1,539	530	1,226	380	879
Diesel – road vehicles	4,113	11,177	4,047	11,015	4,187	11,396
LPG – road vehicles	0	0	0	0	0	0
Aviation fuel	4,547	11,749	4,162	10,753	4,466	11,538
<b>Total</b>	<b>9,325</b>	<b>24,465</b>	<b>8,739</b>	<b>22,994</b>	<b>9,033</b>	<b>23,812</b>

Data includes road ambulance, air ambulance, emergency support and administrative vehicles and non-emergency patient transport managed by Ambulance Victoria.

Health service vehicle fleet	2020–21 estimate	2020–21 estimate	2019–20 estimate	2019–20 estimate	2018–19 estimate	2018–19 estimate
Total fuel usage segmented by primary source	Fuel volume (kilolitres)	Emissions (tonnes CO <sub>2</sub> -e)	Fuel volume (kilolitres)	Emissions (tonnes CO <sub>2</sub> -e)	Fuel volume (kilolitres)	Emissions (tonnes CO <sub>2</sub> -e)
Gasoline – road vehicles	1,666	3,852	1,822	4,214	2,104	4,866
E10 – road vehicles	17	0	12	0	154	1
Diesel – road vehicles	490	1,333	454	1,236	462	1,256
LPG – road vehicles	4	7	2	3	17	28
<b>Total</b>	<b>2,178</b>	<b>5,192</b>	<b>2,290</b>	<b>5,453</b>	<b>2,737</b>	<b>6,151</b>

Data includes corporate fleet vehicles managed by Ambulance Victoria, Mercy Public Hospitals Inc, St Vincent's Hospital Melbourne Pty Ltd, and public hospitals and health services on the VicFleet vehicle fleet contract. Some public hospitals and health services have not transitioned to the VicFleet contract and are excluded from this data.

## Air travel

Description	2020–21 actual	2019–20 actual	2018–19 actual
Total distance travelled (kilometres)	1,378,885	5,328,191	7,993,873
Base fare cost (\$ million)	N/A	\$1.29	\$1.94
Greenhouse gas emissions (tonnes of CO <sub>2</sub> -e)	243	972	1,620

Air travel data represents all operational and office-based FTE. Base fare cost excludes GST and is not available for 2020–21.

## Commuter travel

Percentage of employees regularly using sustainable travel (public transport, cycling, walking, car-pooling or working from home) to commute

	2020–21 estimate	2019–20 estimate	2018–19 estimate
Central business district	N/A	N/A	96%
Metropolitan	N/A	N/A	67%
Regional/rural	N/A	N/A	45%
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>88%</b>

Sustainable transport data is obtained from the department's annual staff travel survey. Due to the impact of COVID-19, no survey was undertaken in the 2020–21 financial year. Previous results exclude responses from surveyed staff who were on leave or did not travel to work during the survey period.

## Procurement and paper

### Procurement of office products and stationery with environmental considerations from departmental operations

Percentage of expenditure incorporating environmental considerations	2020–21 actual	2019–20 actual	2018–19 actual
Furniture	43%	38%	32%
Kitchen	13%	20%	19%
Facilities solutions	10%	10%	27%
Office products	23%	11%	14%
<b>Total expenditure</b>	<b>25%</b>	<b>16%</b>	<b>19%</b>

Office products and stationery data is obtained from the departments' state purchase contract. Environmental consideration is based on the supplier's Planet Friendly category criteria for procured products.

Results include expenditure on office furniture, coffee and catering supplies, janitorial products, packaging, workplace safety supplies, educational supplies, computer hardware, office technology products, computer consumables, general office products, office filing and storage, office machines and electronics, and writing instruments.

### Paper use from departmental operations

Description	2020–21 actual	2019–20 actual	2018–19 actual
Total units of paper used – A4 equivalent (reams)	20,671	67,890	106,925
Units of paper used per FTE (reams/FTE)	1.97	7.9	10.1
Greenhouse gas emissions associated with paper use (tonnes of CO <sub>2</sub> -e)	78	256	393
<b>Total cost of paper used (\$ million)</b>	<b>\$0.12</b>	<b>\$0.37</b>	<b>\$0.64</b>

Percentage recycled content copy paper purchased	2020–21 actual	2019–20 actual	2018–19 actual
75–100 per cent recycled	99%	98%	98%
50–74 per cent recycled	0%	0%	0%
0–49 per cent recycled	1%	2%	2%
Certified fibre sourcing <sup>(a)</sup>	100%	100%	99%

Paper usage data provided by whole of Victorian Government supplier COS. Data represents all operational and office-based FTE. Total cost of paper used excludes GST.

### Paper use from public health services

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
Total units of paper used – A4 equivalent (reams)	499,187	529,169	567,704
Units of paper used per FTE (reams/FTE)	5.4	5.9	7.3
<b>Total cost of paper used (\$ million)</b>	<b>\$1.88</b>	<b>\$2.07</b>	<b>\$2.06</b>

Percentage recycled content copy paper purchased	2020–21 estimate	2019–20 estimate	2018–19 estimate
75–100 per cent recycled	2%	5%	3%
50–74 per cent recycled	1%	1%	4%
0–49 per cent recycled	97%	94%	93%
Certified fibre sourcing	100%	100%	100%

Public health services are GST-exempt organisations. Reported cost data for public health services is exclusive of GST.

Paper data is sourced from the statewide stationery contract managed by HealthShare Victoria and apportioned by FTE to those health services that do not procure office paper through this contract. FTE is the full-time equivalent staff employed by a public health service as of 30 June for the financial year.

(a) Certified fibre sourcing means that the supplier and/or manufacturer has asserted that the fibre sourced for the paper meets either an international forestry management standard or has a chain-of-custody certification linking the product and fibre sourcing. Accepted certification schemes are the Forestry Stewardship Council, Australian Forestry Standard or other country-specific standards endorsed by the Programme for the Endorsement of Forest Certification.

## National pollutant inventory

The Commonwealth National Pollutant Inventory (NPI) provides the community, industry and government with information on substances emitted to the air, land and water. The inventory tracks the amount, in kilograms, of substances emitted by organisations that trigger the reporting threshold. The table below is an aggregation of substances reported by Victorian public health services through the NPI.

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
<b>Total units of national pollutant inventory substances emitted</b>	<b>Emissions (kilograms)</b>	<b>Emissions (kilograms)</b>	<b>Emissions (kilograms)</b>
Carbon monoxide	NA	62,875	83,649
Oxides of nitrogen	N/A	76,634	126,226
Particulate matter (2.5 µm and 10 µm) <sup>(a)</sup>	N/A	5,413	12,875
Total volatile organic compounds	N/A	4,387	6,536
Sulphur dioxide	N/A	766	916
Other substances <sup>(b)</sup>	NA	2.6	47

2019–20 is the most recent data available from the NPI at the date of this report.

(a) 2.5 µm is included in the 10 µm reported particulate matter (refer for [further information on methodology](https://www.npi.gov.au/resource/national-pollutant-inventory-guide) <<https://www.npi.gov.au/resource/national-pollutant-inventory-guide>>).

(b) Other substances include: arsenic and compounds, beryllium and compounds, cadmium and compounds, chromium (III) compounds, cobalt and compounds, copper and compounds, lead and compounds, manganese and compounds, mercury and compounds, nickel and compounds, polycyclic aromatic hydrocarbon (TEQ), polychlorinated dioxins and furans (B[a]P<sub>eq</sub>), selenium and compounds, sulfur dioxide, total VOC's, zinc and compounds.

## Compliance with DataVic Access Policy

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

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

- > the [Victorian Agency for Health Information – Victorian Health Services Performance](https://vahi.vic.gov.au/reports/victorian-health-services-performance) <<https://vahi.vic.gov.au/reports/victorian-health-services-performance>>
- > [health.vic – Reporting, planning and data](https://www2.health.vic.gov.au/about/reporting-planning-data) <<https://www2.health.vic.gov.au/about/reporting-planning-data>>
- > [health.vic – Public health](https://www2.health.vic.gov.au/public-health) <<https://www2.health.vic.gov.au/public-health>>
- > [Victorian COVID-19 data](https://www.coronavirus.vic.gov.au/victorian-coronavirus-covid-19-data) <<https://www.coronavirus.vic.gov.au/victorian-coronavirus-covid-19-data>>
- > [Health and Human Services – Reports, reviews and data](https://dhhs.vic.gov.au/publications/reports-reviews-data) <<https://dhhs.vic.gov.au/publications/reports-reviews-data>> for corporate information.

The websites above include information about:

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

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

The de-identified datasets include the:

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

- > Elective Surgery Information System, which contains information about elective surgery waiting lists from the major Victorian metropolitan and rural public hospitals
- > Victorian Perinatal Data Collection, which contains information about mothers and babies born in Victoria
- > Victorian Alcohol and Drug Data Collection, which contains information about the clients and activities of government-funded alcohol and drug treatment services
- > Victorian Mental Health Data Collection, which contains information about inpatient, residential, and ambulatory community care provided by gazetted mental health facilities, and associated legal, diagnostic and outcome measurement information
- > Victorian Integrated Non-Admitted Health dataset, which contains information about a range of non-admitted services provided by health services, including specialist clinics (outpatients), health independence programs, community palliative care, and others
- > Community Health Minimum Dataset, which contains information about clients receiving government-funded community health services
- > Dental Health Program Dataset, which contains information about services provided by public dental agencies, including clients, treatments, referrals, and waiting lists
- > Notifiable Infectious Diseases Data, which contains information on conditions that must be reported to the department under the *Public Health and Wellbeing Act 2008*.

Researchers can request access to data via:

- > the [VAHI Data Request Hub](https://vahi.freshdesk.com/support/home) <<https://vahi.freshdesk.com/support/home>>
- > the [Centre for Victorian Data Linkages \(linked data only\)](https://www2.health.vic.gov.au/about/reporting-planning-data/the-centre-for-victorian-data-linkage/for-researchers) <<https://www2.health.vic.gov.au/about/reporting-planning-data/the-centre-for-victorian-data-linkage/for-researchers>>

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

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

## Financial Management Compliance Attestation Statement

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



Euan Wallace  
Secretary  
Department of Health

## Asset management accountability framework maturity assessment

This disclosure summarises the department's assessment of maturity against the requirements of the *Asset management accountability framework* (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the Department of Treasury and Finance [AMAF website](https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework) <<https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework>>.

The department's target maturity rating is 'competence', meaning systems and processes fully in place, consistently applied and systematically meeting the AMAF requirements, including a continuous improvement process to expand system performance above AMAF minimum requirements.

The following text and the charts on the following page summarise the results of the department's AMAF assessment.

### **Leadership and Accountability (requirements 1–19)**

There is no material non-compliance reported in this category. The department has met some of its target maturity level in this category but did not comply with some requirements in the category. A plan for improvement is in place to improve the department's maturity rating in these areas.

### **Planning (requirements 20–23)**

There is no material non-compliance reported in this category. The department has met some of its target maturity level in this category but did not comply with some other requirements. A plan for improvement is in place to improve the department's maturity rating in these areas.

### **Acquisition (requirements 24 and 25)**

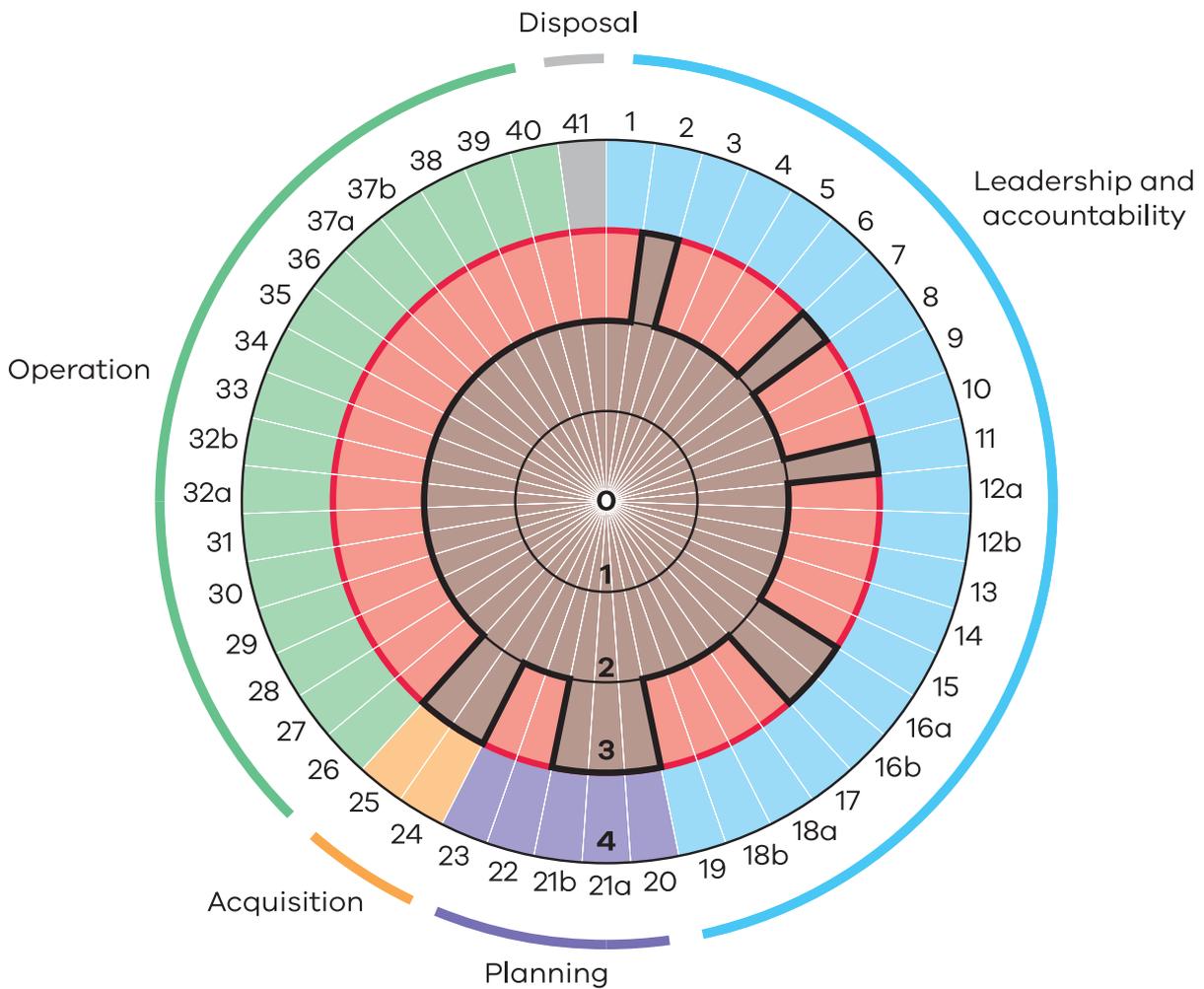
The department has met its target maturity level in this category.

### **Operation (requirements 26–40)**

There is no material non-compliance reported in this category. The department did not comply with the requirements in the areas of monitoring and preventative action and information management. A plan for improvement is in place to improve the department's maturity rating in these areas.

### **Disposal (requirement 41)**

There is no material non-compliance reported in this category, however the department has not met its target maturity level in this category. A plan for improvement is in place to improve the department's maturity rating in these areas.

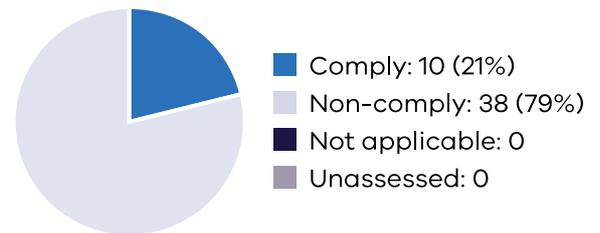


■ Target    
 ■ Overall (actual)

**Scale legend**

Status	Scale	Compliance
Not applicable	N/A	Not applicable
Innocence	0	Non-comply
Awareness	1	Non-comply
Developing	2	Non-comply
Competence	3	Comply
Optimising	4	Comply
Unassessed	N/A	Unassessed

**AMAF compliance**



# Department of Health: Financial statements for the financial year ended 30 June 2021

Declaration in the financial statements	138
Independent auditor's report	139
Comprehensive operating statement for the financial year ended 30 June 2021	141
Balance sheet as at 30 June 2021	142
Cash flow statement for the financial year ended 30 June 2021	143
Statement of changes in equity for the financial year ended 30 June 2021	144
Notes to and forming part of the financial statements for the financial year ended 30 June 2021	145
1. About this report	145
2. Funding delivery of our services	147
3. The cost of delivering services	155
4. Disaggregated financial information by output	163
5. Key assets available to support output delivery	175
6. Other assets and liabilities	183
7. How we financed our operations	188
8. Risks, contingencies and valuation judgements	201
9. Other disclosures	215

## Declaration in the financial statements

The attached financial statements for the Department of Health (the department) have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Cash Flow Statement, Statement of Changes in Equity and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2021 and financial position of the department at 30 June 2021.

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 30 September 2021.



Euan Wallace  
Secretary  
Department of Health

Melbourne  
30 September 2021



Jenny Zahara  
Chief Finance Officer  
Department of Health

Melbourne  
30 September 2021

## Independent auditor's report



Victorian Auditor-General's Office

## Independent Auditor's Report

### To the Secretary of the Department of Health

<b>Opinion</b>	<p>I have audited the financial report of the Department of Health (the department) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2021</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• declaration in the financial statements.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the department as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Key audit matter</b>	<p>I report key audit matters for those entities that are significant to the financial performance and position of the state. Key audit matters are those matters that, in my professional judgement, were of significance in my audit of your financial report of the current period. I have determined that there are no key audit matters to communicate in this report.</p>
<b>Secretary's responsibilities for the financial report</b>	<p>The Secretary of the department is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Secretary determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Secretary is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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

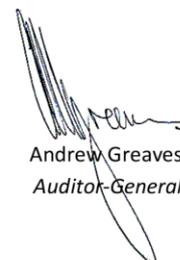
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

MELBOURNE  
5 October 2021



Andrew Greaves  
Auditor-General

## Comprehensive operating statement for the financial year ended 30 June 2021

	Note	2021 \$M	2020 \$M
<b>Revenue and income from transactions</b>			
Output appropriations	2.3	21,551.4	17,600.0
Special appropriations	2.3	1,098.9	1,371.9
Interest income	2.4.1	2.5	6.9
Rental income and income from services	2.4.2	477.5	501.1
Grants	2.4.3	2,549.2	2,514.0
Fair value of assets and services received free of charge or for nominal consideration	2.4.4	0.6	3.6
Other income	2.4.5	18.3	30.9
<b>Total revenue and income from transactions</b>		<b>25,698.4</b>	<b>22,028.4</b>
<b>Expenses from transactions</b>			
Employee benefits	3.1.1(a)	1,500.3	1,200.2
Depreciation and amortisation	5.1.1	345.1	428.1
Interest expense	7.1.2	4.0	7.0
Maintenance		239.6	236.1
Grant and other expense transfers	3.1.2	19,720.7	17,308.0
Capital asset charge	3.1.3	1,427.7	1,319.8
Fair value of assets and services provided free of charge or for nominal consideration	3.1.4	297.2	32.3
Other operating expenses	3.1.5	1,361.5	689.4
Other property management expenses	3.1.6	274.6	199.3
<b>Total expenses from transactions</b>		<b>25,170.7</b>	<b>21,420.3</b>
<b>Net result from transactions (net operating balance)</b>		<b>527.7</b>	<b>608.1</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets <sup>(i)</sup>	9.2(a)	(2.9)	(4.5)
Net gain/(loss) on financial instruments <sup>(ii)</sup>	9.2(b)	1.6	0.4
Impairment of joint venture	9.2(c)	-	(35.0)
Other gains/(losses) from other economic flows	9.2(d)	(12.3)	(23.6)
<b>Total other economic flows included in net result</b>		<b>(13.6)</b>	<b>(62.7)</b>
<b>Net result</b>		<b>513.9</b>	<b>545.4</b>
<b>Other economic flows – other comprehensive income:</b>			
<b>Items that will not be reclassified to net result</b>			
Changes in physical asset revaluation surplus	9.4	4,439.1	(19.2)
Remeasurement of superannuation defined benefit plans	3.1.1(b)	(1.5)	0.3
<b>Total other economic flows – other comprehensive income</b>		<b>4,437.6</b>	<b>(18.9)</b>
<b>Comprehensive result</b>		<b>4,951.5</b>	<b>526.5</b>

The comprehensive operating statement should be read in conjunction with the notes to the financial statements.

Notes:

- (i) 'Net gain/(loss) on non-financial assets' includes unrealised and realised gains/(losses) from revaluations, impairments, and disposals of all physical assets and intangible assets, except when these are taken through the asset revaluation surplus.
- (ii) 'Net gain/(loss) on financial instruments' includes bad and doubtful debts from other economic flows, unrealised and realised gains/(losses) from revaluations, impairments and reversals of impairment, and gains/(losses) from disposals of financial instruments.

## Balance sheet as at 30 June 2021

	Note	2021 \$M	2020 \$M
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	7.3	913.9	597.7
Receivables	6.1	4,654.2	4,244.6
Loans	6.2	118.8	389.5
<b>Total financial assets</b>		<b>5,686.9</b>	<b>5,231.8</b>
<b>Non-financial assets</b>			
Inventories	6.6	638.4	411.8
Non-financial physical assets classified as held for sale	9.3	5.0	9.1
Property, plant and equipment	5.1	33,764.5	28,792.6
Intangible assets	5.2	175.9	134.4
Other non-financial assets	6.3	162.9	286.2
<b>Total non-financial assets</b>		<b>34,746.7</b>	<b>29,634.1</b>
<b>Total assets</b>		<b>40,433.6</b>	<b>34,865.9</b>
<b>Liabilities</b>			
<b>Financial liabilities</b>			
Payables	6.4	2,130.1	1,847.2
Borrowings	7.1	370.6	472.6
Employee related provisions	3.1.1(b)	412.6	484.0
Other provisions	6.5	241.8	124.9
<b>Total financial liabilities</b>		<b>3,155.1</b>	<b>2,928.7</b>
<b>Non-financial liabilities</b>			
Other non-financial liabilities	6.7	2.6	–
<b>Total non-financial liabilities</b>		<b>2.6</b>	<b>–</b>
<b>Total liabilities</b>		<b>3,157.7</b>	<b>2,928.7</b>
<b>Net assets</b>		<b>37,275.9</b>	<b>31,937.2</b>
<b>Equity</b>			
Accumulated surplus/(deficit)		3,714.0	2,145.0
Physical asset revaluations surplus	9.4	4,877.9	7,377.2
Contributed capital		28,684.1	22,415.0
<b>Net worth</b>		<b>37,275.9</b>	<b>31,937.2</b>

The balance sheet should be read in conjunction with the notes to the financial statements.

## Cash flow statement for the financial year ended 30 June 2021

	Note	2021 \$M	2020 \$M
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts of output appropriations		21,503.2	16,894.8
Receipts of special appropriations		1,098.9	1,371.9
Receipts of funds from other authorities		2,673.6	2,358.8
Rent received		476.0	491.4
User charges received – rental properties		4.5	4.8
Interest received		2.6	7.1
Other receipts		19.2	33.5
GST recovered from Australian Taxation Office <sup>(i)</sup>		733.3	601.6
<b>Total receipts</b>		<b>26,511.4</b>	<b>21,764.0</b>
<b>Payments</b>			
Payments of grants and other expense transfers		(20,111.6)	(17,567.2)
Payments for employee benefits		(1,441.9)	(1,216.9)
Payments for supplies and services		(2,028.0)	(1,299.8)
Interest and other costs of finance paid		(5.9)	(9.2)
Capital asset charge payments		(1,427.7)	(1,319.8)
Maintenance		(237.4)	(244.2)
Other property management expenses		(269.4)	(203.7)
<b>Total payments</b>		<b>(25,521.8)</b>	<b>(21,860.8)</b>
<b>Net cash flows from/(used in) operating activities</b>	7.3.1	<b>989.6</b>	<b>(96.9)</b>
<b>Cash flows from investing activities</b>			
Proceeds from the sale of non-financial assets		69.7	105.0
(Purchase)/redemption of short-term investments – term deposits		–	100.0
Client loans repaid		317.6	14.9
Payment for non-financial assets		(1,153.7)	(585.4)
Client loans granted		(47.1)	(308.1)
<b>Net cash flows from/(used in) investing activities</b>		<b>(813.5)</b>	<b>(673.5)</b>
<b>Cash flows from financing activities</b>			
Net receipts/(payments) for advances		(286.0)	307.4
Cash received from activities transferred in – machinery of government changes		1.5	–
Owner contributions by Victorian Government – appropriation for capital expenditure purposes		427.5	269.7
Payments of capital contributions		(10.5)	(61.2)
Repayment of borrowings and principal portion of lease liability <sup>(ii)</sup>		7.7	52.3
<b>Net cash flows from/(used in) financing activities</b>		<b>140.2</b>	<b>568.2</b>
<b>Net increase/(decrease) in cash and deposits</b>		<b>316.3</b>	<b>(202.2)</b>
Cash and deposits at the beginning of the financial year		597.7	799.9
<b>Cash and deposits at the end of the financial year</b>	7.3	<b>913.9</b>	<b>597.7</b>

The cash flow statement should be read in conjunction with the notes to the financial statements.

Notes:

- (i) Goods and services tax (GST) recovered from the Australian Taxation Office is presented on a net basis.
- (ii) The department has recognised cash payments for the principal portion of lease payments as financing activities, cash payments for the interest portion as operating activities consistent with the presentation of interest payments and short-term lease payments for leases and low-value assets as operating activities.

## Statement of changes in equity for the financial year ended 30 June 2021

	Note	Physical asset revaluation surplus \$M	Accumulated surplus/ (deficit) \$M	Contributed capital \$M	Total \$M
<b>Balance at 1 July 2019</b>		<b>7,396.4</b>	<b>1,599.3</b>	<b>22,199.3</b>	<b>31,195.0</b>
Net result for the year		–	545.4	–	545.4
Remeasurement of superannuation defined benefit plans	3.1.1(b)	–	0.3	–	0.3
Changes in physical asset revaluation surplus	9.4	(19.2)	–	–	(19.2)
Administrative restructure – net assets received		–	–	15.5	15.5
Administrative restructure – net liabilities transferred		–	–	3.0	3.0
Capital contribution by Victorian State Government		–	–	267.6	267.6
Capital contributions to agencies		–	–	(61.2)	(61.2)
Capital transferred to administered entity		–	–	(9.2)	(9.2)
<b>Balance at 30 June 2020</b>		<b>7,377.2</b>	<b>2,145.0</b>	<b>22,415.0</b>	<b>31,937.2</b>
Prior period error	9.4	–	55.7	–	55.7
<b>Restated balance at 1 July 2020</b>		<b>7,377.2</b>	<b>2,200.7</b>	<b>22,415.0</b>	<b>31,992.9</b>
Net result for the year		–	513.9	–	513.9
Remeasurement of superannuation defined benefit plans	3.1.1(b)	–	(1.5)	–	(1.5)
Transfer to contributed capital related to machinery of government	9.4	–	(5,937.6)	5,937.6	–
Transfer to accumulated surplus/(deficit) related to machinery of government	9.4	(6,938.4)	6,938.4	–	–
Changes in physical asset revaluation surplus	9.4	4,439.1	–	–	4,439.1
Administrative restructure – net assets received	4.3	–	–	1,289.3	1,289.3
Administrative restructure – net assets transferred	4.3	–	–	(1,285.2)	(1,285.2)
Capital contribution by Victorian State Government		–	–	427.5	427.5
Capital contributions to agencies		–	–	(9.6)	(9.6)
Capital transferred to administered entity		–	–	(90.4)	(90.4)
<b>Balance at 30 June 2021</b>		<b>4,877.9</b>	<b>3,714.0</b>	<b>28,684.1</b>	<b>37,275.9</b>

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

# Notes to and forming part of the financial statements for the financial year ended 30 June 2021

## 1. About this report

On 30 November 2020, the Victorian Government announced the establishment of two new departments effective from 1 February 2021.

The Department of Health and Human Services (DHHS) was renamed the Department of Health (DH). The functions of Child Protection, Prevention of Family Violence, Housing and Disability were transferred to form a new Department of Families, Fairness and Housing (DFFH). This new department is also responsible for the key policy areas of Multicultural Affairs, LGBTQI+ Equality, Veterans, and the offices for Women and Youth from 1 February 2021 following their transfer from the Department of Premier and Cabinet. Details of the administrative arrangement can be found in Note 4.3.

The Department of Health (the department) is a government department of the State of Victoria, established pursuant to an order made by the Premier under the *Public Administration Act 2004*. It is an administrative agency acting on behalf of the Crown.

Its principal address is:

Department of Health  
50 Lonsdale Street  
Melbourne VIC 3000

A description of the nature of its operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

### Basis of preparation

These financial statements cover the Department of Health as an individual reporting entity and include all controlled activities of the department.

Where control of an entity is obtained during the financial year, its results are included in the comprehensive operating statement from the date on which control commenced. Where control ceases during the financial year, the entity's results are included for that part of the period in which control existed. Where entities adopt dissimilar accounting policies and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

In accordance with determinations made by the Assistant Treasurer under s. 53(1)(b) of the *Financial Management Act 1994* (FMA) the Department of Health's financial statements also include the financial information of the following entities:

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

These entities are reported in aggregate and are not controlled by the department.

In preparing financial statements for the department, all material transactions and balances between the above entities are eliminated.

These financial statements are presented in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in the preparation of these financial statements, except for cash flow information, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the department.

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contribution by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Judgements, estimates and assumptions are required to be made about the financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying Australian Accounting Standards (AAS) that have significant effect on the financial statements and estimates are disclosed in the notes under the heading 'Significant judgement'.

The financial statements have been prepared on a going-concern basis.

All amounts in the financial statements have been rounded to the nearest \$1,000,000 unless otherwise stated.

Where applicable, the comparative figures have been restated to align with the presentation in the current year.

A state of emergency was declared in Victoria on 16 March 2020 due to the COVID-19 pandemic. A state of disaster was subsequently declared on 2 August 2020. To contain the spread of the virus and to prioritise the health and safety of our communities, various restrictions were announced and implemented by the state government, which in turn has impacted the manner in which businesses operate, including the department. In response, the department implemented working from home arrangements where appropriate and started putting in place programs and initiatives as part of the state's response to the pandemic.

Where the impact of programs or initiatives put in place as a result of the COVID-19 pandemic is material to the department's results or position, additional disclosures are included in the notes.

## Compliance information

These general purpose financial statements have been prepared in accordance with the FMA and applicable AASs which include Interpretations issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

These annual financial statements were authorised for issue by the Secretary of the Department of Health on 30 September 2021.

## 2. Funding delivery of our services

### Introduction

The department's overall objective is to develop and deliver policies, programs and services that support and enhance the wellbeing of all Victorians.

To enable the department to fulfil its objective and provide outputs as described in section 4 'Disaggregated financial information by output', it receives income (predominantly accrual-based parliamentary appropriations). The department also receives income from the supply of services and tenancy agreements.

### Structure

- 2.1 Summary of revenue and income that funds the delivery of our services
- 2.2 Appropriations
- 2.3 Summary of compliance with annual parliamentary and special appropriations
- 2.4 Revenue and income from transactions
  - 2.4.1 Interest income
  - 2.4.2 Rental income and income from services
  - 2.4.3 Grants
  - 2.4.4 Fair value of assets and services received free of charge or for nominal consideration
  - 2.4.5 Other income
- 2.5 Annotated income agreements

### Impact of COVID-19 on revenue and income

The department has received additional funding from the Victorian and Commonwealth Governments to meet COVID-19-related costs and to provide additional funding to the health agencies and other organisations to assist with their COVID-19 response. Rental income earned in respect of the Housing Assistance output (Note 4.1.2) has been impacted by the COVID-19 pandemic as rent reviews were deferred and rent subsidies were provided to tenants affected by the lockdowns of public housing towers.

### 2.1 Summary of revenue and income that fund the delivery of our services <sup>(i)</sup>

	Note	2021 \$M	2020 \$M
Output appropriations	2.2, 2.3	21,551.4	17,600.0
Special appropriations	2.2, 2.3	1,098.9	1,371.9
Interest income	2.4.1	2.5	6.9
Rental income and income from services	2.4.2	477.5	501.1
Grants	2.4.3	2,549.2	2,514.0
Fair value of assets and services received free of charge or for nominal consideration	2.4.4	0.6	3.6
Other income	2.4.5	18.3	30.9
<b>Total revenue and income from transactions</b>		<b>25,698.4</b>	<b>22,028.4</b>

Note:

(i) Includes COVID-19-related funding from the Victorian and Commonwealth Governments.

Revenue and income that fund delivery of the department's services are accounted for consistently with the requirements of the relevant accounting standards in the following notes.

## 2.2 Appropriations

Once annual parliamentary appropriations are applied by the Treasurer, they become controlled by the department and are recognised as income when applied to the purposes defined under the relevant Appropriations Act.

**Output appropriations:** Income from the outputs the department provides to the government is recognised when those outputs have been delivered and the relevant minister has certified delivery of those outputs in accordance with specified performance criteria.

**Special appropriations:** Under ss. 3.6.11, 4.4.11, 4.6.8, 5.4.6, and 6A.4.4(1) of the *Gambling Regulation Act 2003*, and s. 114 of the *Casino Control Act 1991*, income related to the Hospitals and Charities Fund and Mental Health Fund is recognised when the amounts appropriated for that purpose are due and payable by the department. The department also receives special appropriations for various purposes approved under s. 10 of the *Financial Management Act 1994*.

## 2.3 Summary of compliance with annual parliamentary and special appropriations

The following table discloses the details of the various annual parliamentary appropriations received by the department for the year.

In accordance with accrual output-based management procedures 'provision of outputs' and 'additions to net assets' are disclosed as 'controlled' activities of the department. Administered transactions are those that are undertaken on behalf of the state over which the department has no control or discretion (refer to Note 4.2).

	Appropriations Act			Financial Management Act 1994				Total parliamentary authority \$M	Appropriations applied \$M	Variance \$M
	Annual appropriation \$M	Advance from Treasurer \$M	Section 3(2) \$M	Section 29 <sup>(i)</sup> \$M	Section 30 <sup>(ii)</sup> \$M	Section 32 \$M	Section 35 advances \$M			
<b>2021</b>										
<b>Controlled</b>										
Provision of outputs	19,377.1	1,606.4	–	979.3	28.8	44.9	–	22,036.5	21,551.4	485.1 <sup>(iii)</sup>
Additions to net assets	613.2	2.0	–	19.8	(28.8)	–	–	606.2	424.6	181.6 <sup>(iv)</sup>
<b>Administered</b>										
Payments made on behalf of the state	66.8	–	–	–	–	–	–	66.8	66.8	–
<b>Total</b>	<b>20,057.1</b>	<b>1,608.4</b>	<b>–</b>	<b>999.1</b>	<b>–</b>	<b>44.9</b>	<b>–</b>	<b>22,709.5</b>	<b>22,042.8</b>	<b>666.7</b>
<b>2020</b>										
<b>Controlled</b>										
Provision of outputs	15,590.5	1,431.8	–	847.4	42.1	51.8	–	17,963.6	17,600.0	363.6 <sup>(v)</sup>
Additions to net assets	261.6	243.5	–	3.6	(42.1)	–	–	466.6	266.6	200.0 <sup>(vi)</sup>
<b>Administered</b>										
Payments made on behalf of the state	63.8	0.7	–	–	–	–	–	64.5	64.5	–
<b>Total</b>	<b>15,915.9</b>	<b>1,675.9</b>	<b>–</b>	<b>851.0</b>	<b>–</b>	<b>51.8</b>	<b>–</b>	<b>18,494.6</b>	<b>17,931.1</b>	<b>563.5</b>

Notes:

- (i) Refer to Note 2.5 for further detail.
- (ii) Transfer from the additions to net assets authority to appropriation for provision of outputs mainly relates to capital projects that are delivered via non-portfolio agencies and result in output appropriation costs to the department.
- (iii) The provision of outputs variance of \$485.1 million comprises \$293.8 million relating to funding for services and projects that will be requested in 2021–22 for delivery of these services and projects in that year, and \$191.3 million relating to output appropriation authority not applied in 2020–21. The unapplied authority primarily reflects the change in nature of expenditure from operating to capital that will be funded by depreciation equivalent and funding re-cashflowed to deliver outputs in 2021–22 and outyears.
- (iv) The additions to net assets variance of \$181.6 million comprises \$117.7 million relating to funding for capital projects that will be requested in 2021–22 and outyears for delivery of these capital projects in those years, and \$63.9 million relating to appropriation authority not applied in 2020–21. The unapplied authority reflects utilisation of current year depreciation equivalent instead of additions to net assets.
- (v) The provision of outputs variance of \$363.6 million comprises \$44.9 million relating to funding for services and projects that were sought in 2020–21, and \$318.7 million relating to output appropriation authority not applied in 2019–20. The unapplied authority primarily reflects unutilised Advance to Treasurer, savings and funding re-cashflowed to deliver outputs in 2020–21 and outyears.
- (vi) The additions to net assets variance of \$200 million comprises \$40.3 million relating to funding for capital projects that were sought in 2020–21 and outyears and \$159.7 million relating to appropriation authority not applied in 2019–20. The unapplied authority reflects utilisation of current year depreciation equivalent instead of additions to net assets and unutilised Advance from Treasurer.

The following table discloses the details of compliance with special appropriations:

Authority	Purpose	Appropriation applied	
		2021 \$M	2020 \$M
Section 4.4.11 and 4.6.8 of the <i>Gambling Regulation Act 2003</i>	Contribution to the Hospitals and Charities Fund	152.2	108.7
Section 5.4.6 of the <i>Gambling Regulation Act 2003</i>	Contribution to the Hospitals and Charities Fund and Mental Health Fund	464.4	563.8
Section 114 of the <i>Casino Control Act 1991</i>	Contribution to the Hospitals and Charities Fund	3.9	13.9
Section 3.6.11 of the <i>Gambling Regulation Act 2003</i>	Contribution to the Hospitals and Charities Fund	463.5	675.4
Section 6A.4.4(1) of the <i>Gambling Regulation Act 2003</i>	Contribution to the Hospitals and Charities Fund	3.2	3.9
Section 10 of the <i>Financial Management Act 1994</i>	Access to various Commonwealth grants – provision of outputs	11.7	6.1
<b>Total special appropriations – Provision of outputs</b>		<b>1,098.9</b>	<b>1,371.9</b>
Section 10 of the <i>Financial Management Act 1994</i>	Access to various Commonwealth grants – additions to the net assets	2.9	1.0
<b>Total special appropriations – Additions to net assets</b>		<b>2.9</b>	<b>1.0</b>
<b>Total special appropriations</b>		<b>1,101.8</b>	<b>1,372.9</b>

## 2.4 Revenue and income from transactions

### 2.4.1 Interest income

	2021 \$M	2020 \$M
<b>Interest from financial assets</b>		
– Interest on short-term deposits	2.1	6.4
– Interest from loans	0.4	0.5
<b>Total interest</b>	<b>2.5</b>	<b>6.9</b>

Interest income includes interest received on bank, term deposits and other investments. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

### 2.4.2 Rental income and income from services

	2021 \$M	2020 \$M
Rental income raised	1,013.9	1,025.3
Rental rebates	(532.3)	(521.0)
Rental subsidies – welfare organisations	(10.6)	(10.1)
Shared Home Ownership Scheme – rent raised	1.9	2.0
<b>Total net rent receivable</b>	<b>472.9</b>	<b>496.2</b>
Total user charges – rental properties	4.6	4.8
Rendering of services	–	0.1
<b>Total rental income and income from services</b>	<b>477.5</b>	<b>501.1</b>

**Rental income** arising from tenancy operating agreements is recognised on a straight-line basis over the terms of the ongoing agreements. This is subject to annual review. Rental rebates or subsidies provided to tenants are recognised on a straight-line basis over the term of the agreements. These are subject to bi-annual review.

## Operating leases – lessors

The department provides rental accommodation for a range of clients. These are 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 1997* 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 16.97.

### 2.4.3 Grants

	2021 \$M	2020 \$M
Income recognised under AASB 1058	2,537.0	2,507.9
Revenue recognised under AASB 15	12.2	6.1
<b>Total grants</b>	<b>2,549.2</b>	<b>2,514.0</b>
<b>Represented by:</b>		
<b>Victorian Government</b>		
Department of Treasury and Finance	93.0	101.2
Department of Education and Training	141.0	141.6
Department of Environment, Land, Water and Planning	43.7	3.7
Department of Justice and Community Safety	24.5	11.8
Department of Jobs, Precincts and Regions	43.4	28.9
Department of Premier and Cabinet	9.1	19.2
Department of Transport	(0.1)	0.6
Court Services Victoria	2.9	2.9
Development Victoria	–	6.3
Global Victoria	8.5	–
Other public bodies	0.2	0.4
<b>Commonwealth Government</b>		
National Health Funding Body	2,170.6	2,190.7
<b>Other Australian jurisdictions</b>		
Departments and agencies from other Australian jurisdictions	12.4	6.4
<b>Total grants</b>	<b>2,549.2</b>	<b>2,514.0</b>

## Significant judgement: Grants revenue and income

The department has made judgement on the recognition of grants revenue and income as income of not-for-profit entities where they do not contain sufficiently specific performance obligations. Revenue from grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers is recognised when the department satisfies the performance obligation by providing the relevant services to the agencies. Income from grants to construct the capital assets that are controlled by the department is recognised progressively as the asset is constructed. The progressive percentage costs incurred are used to recognise income because these most closely reflect the progress to completion as costs are incurred as the works are done.

### Grants recognised under AASB 1058

The department has determined that the grant income included in the table above under AASB 1058 has been earned under arrangements that are either not enforceable and/or linked to sufficiently specific performance obligations.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the department has an unconditional right to receive the cash, which usually coincides with receipt of cash. On initial recognition of the asset, the department recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- contributions by owners, in accordance with AASB 1004
- revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15
- a lease liability, in accordance with AASB 16
- a financial instrument, in accordance with AASB 9, or
- a provision, in accordance with AASB 137.

### Grants recognised under AASB 15

Revenue from grants that are enforceable and with sufficiently specific performance obligations are accounted for as revenue from contracts with customers under AASB 15. Revenue is recognised when the department satisfies the performance obligation by providing the relevant services to the relevant organisations. This is recognised based on the consideration specified in the funding agreement and to the extent that it is highly probable a significant reversal of the revenue will not occur. The funding payments are normally received in advance or shortly after the relevant obligation is satisfied.

#### 2.4.4 Fair value of assets and services received free of charge or for nominal consideration

	2021 \$M	2020 \$M
Land received at fair value	–	2.6
Buildings received at fair value	–	0.2
Plant and equipment received at fair value	0.3	0.5
Resources received free of charge	0.3	0.3
<b>Total fair value of assets and services received free of charge or for nominal consideration</b>	<b>0.6</b>	<b>3.6</b>

**Contributions of resources received free of charge or for nominal consideration** are recognised at their fair value when control is obtained over them, irrespective of whether these contributions are subject to restrictions or conditions over their use, unless received from another government department or agency as a consequence of a restructuring of administrative arrangements. In the latter case, such a transfer is recognised at its carrying value.

**Voluntary services:** Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not received as a donation. The department did not receive any voluntary services and does not depend on volunteers to deliver its services.

#### 2.4.5 Other income

	2021 \$M	2020 \$M
State trust accounts	14.5	29.1
Other miscellaneous income	3.8	1.8
<b>Total other income</b>	<b>18.3</b>	<b>30.9</b>

**Other income** includes income received from departmental controlled trust funds and is recognised when the department gains control over the funds. It also includes income received from treasury trusts.

## 2.5 Annotated income agreements

The department is permitted under s. 29 of the *Financial Management Act 1994* to have certain income annotated to the annual appropriation. The income which forms part of a s. 29 agreement is recognised by the department and the receipts paid into the consolidated fund as an administered item. At the point of income recognition, s. 29 provides for an equivalent amount to be added to the annual appropriation.

The following is a listing of annotated income agreements under s. 29 of the *Financial Management Act 1994* approved by the Treasurer:

	2021 \$M	2020 \$M
<b>User charges, or sales of goods and services</b>		
Albury Wodonga Health (Capital)	1.6	1.6
Albury Wodonga Health (Output)	118.0	113.7
Community Residential Units Accommodation charges; includes full Board and Lodging Model (Output)	8.5	9.2
Department of Veteran Affairs Hospital Services (Output)	63.5	89.5
Health Technology Services (Output)	7.7	5.1
Revenue for Services Provided for the National Disability Insurance Agency (Output)	6.4	8.9
Seniors Card Directory Advertising (Output)	0.3	0.3
Transport Accident Commission Agreement (Output)	174.2	28.9
	<b>380.2</b>	<b>257.1</b>
<b>Asset sales</b>		
Proceeds from sale of land and buildings (Capital)	1.2	1.6
	<b>1.2</b>	<b>1.6</b>
<b>Commonwealth specific purpose payments</b>		
National Partnership Agreements		
Adult Public Dental Services (Output)	26.9	26.9
COVID-19 Domestic and Family Violence Response (Output)	24.3	7.2
Community Health and Hospitals Program – Victorian Children’s Colorectal Service (Output)	2.4	–
Community Health and Hospitals Program – Geelong Women’s and Children’s Hospital (Capital)	5.0	–
Community Health and Hospitals Program – Wodonga Hospital (Capital)	2.5	–
Community Health and Hospitals Program – Redevelopment of Rosebud Hospital (Capital)	5.0	–
Community Health and Hospitals Program – Expand Cancer Infrastructure in the West Gippsland Region (Capital)	4.5	–
Encouraging More Clinical Trials in Australia (Output)	–	0.2
Essential Vaccines (Output)	3.9	3.5
Expansion of the BreastScreen Australia Program (Output)	3.9	3.8
Family Law Information Sharing (Output)	0.3	0.3
Health Services – National Bowel Cancer Screening Program (Output)	2.2	2.2
Health Services – OzFoodNet (Output)	0.3	0.3
Health Services – Vaccine-Preventable Diseases Surveillance Program (Output)	0.2	0.2
Health Services – Victorian Cytology Service (Output)	10.6	10.5
Statewide Enhancements to Regional Cancer Services (Capital)	–	0.5
National Housing and Homelessness Agreement (Output)	413.1	405.4
Lymphoedema Compression Garment Scheme (Output)	1.0	–
Specialist Dementia Care Program (Output)	0.7	0.4

	2021 \$M	2020 \$M
<b>Other</b>		
Aged Care Assessment (Output)	31.9	31.4
National Rural Generalist Pathway (Output)	0.7	–
Regional Assessment Services (Output)	34.8	34.3
Human Quarantine Services (Output)	0.1	0.1
Mental Health Professional Online Development	0.2	0.2
National Reform Agenda for Organ and Tissue Donation (Output)	7.8	9.9
Continuity of Support Services for Clients Over 65 (Output)	33.3	53.1
Unattached Refugee Children (Output)	0.8	1.0
Women’s Safety Measures – Keeping Women Safe in Their Homes (Output)	0.9	1.0
Women’s Safety Measures – Local Support Coordinator (Output)	0.2	0.1
	<b>617.7</b>	<b>592.3</b>
<b>Total annotated income agreements</b>	<b>999.1</b>	<b>851.0</b>

## 3. The cost of delivering services

### Introduction

This section provides an account of the expenses incurred by the department in delivering services and outputs. In section 2 'Funding delivery of our services', the funds that enable the provision of services were disclosed and in this note the costs associated with the provision of services are recorded. Section 4 'Disaggregated financial information by output' discloses aggregated information in relation to the income and expenses by output.

### Structure

- 3.1 Expenses incurred in delivery of services
  - 3.1.1 Employee benefits
  - 3.1.2 Grants and other expense transfers
  - 3.1.3 Capital asset charge
  - 3.1.4 Fair value of assets and services provided free of charge or for nominal consideration
  - 3.1.5 Other operating expenses
  - 3.1.6 Other property management expenses

### Impact of COVID-19 on expenses

The department has provided additional funding to the health agencies and other organisations to assist with the COVID-19 response, allocated additional resources to attend to COVID-19 public queries and contact tracing and also implemented work from home arrangements where appropriate.

### 3.1 Expenses incurred in the delivery of services

	Note	2021 \$M	2020 \$M
Employee benefits	3.1.1(a)	1,500.3	1,200.2
Grant and other expense transfers	3.1.2	19,720.7	17,308.0
Capital asset charge	3.1.3	1,427.7	1,319.8
Maintenance		239.6	236.1
Fair value of assets and services provided free of charge or for nominal consideration	3.1.4	297.2	32.3
Other operating expenses	3.1.5	1,361.5	689.4
Other property management expenses	3.1.6	274.6	199.3
<b>Total expenses incurred in delivery of services</b>		<b>24,821.6</b>	<b>20,985.1</b>

#### 3.1.1 Employee benefits

##### 3.1.1(a) Employee benefits in the comprehensive operating statement

	2021 \$M	2020 \$M
Defined contribution superannuation expense	93.0	77.0
Defined benefit superannuation expense	6.5	7.5
Termination benefits	23.7	18.1
Salaries and wages, annual leave and long service leave	1,377.1	1,097.6
<b>Total employee benefits</b>	<b>1,500.3</b>	<b>1,200.2</b>

Employee benefits include all costs related to employment, including salaries and wages, leave entitlements, fringe benefits tax, termination benefits, payroll tax and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. Excluding former employees of the Director of Housing, the department does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance discloses in its annual financial statements the net defined

benefit cost related to the members of these plans as an administered liability (on behalf of the state as the sponsoring employer).

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the department is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

### 3.1.1(b) Employee benefits in the balance sheet

Provision is made for benefits accruing to employees in respect of annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	2021 \$M	2020 \$M
<b>Current provisions</b>		
Annual leave		
Unconditional and expected to be settled within 12 months	84.9	91.2
Unconditional and expected to be settled after 12 months	42.4	49.5
Maternity leave		
Unconditional and expected to be settled within 12 months	11.1	5.2
Long service leave		
Unconditional and expected to be settled within 12 months	16.6	21.4
Unconditional and expected to be settled after 12 months	147.4	193.1
Superannuation		
Unconditional and expected to be settled within 12 months	2.5	2.6
Provisions for on-costs		
Unconditional and expected to be settled within 12 months	15.7	17.3
Unconditional and expected to be settled after 12 months	30.4	38.1
<b>Total current provisions for employee benefits</b>	<b>351.0</b>	<b>418.4</b>
<b>Non-current provisions</b>		
Conditional long service leave entitlements	28.2	31.1
Superannuation	28.9	29.6
Provisions for on-costs	4.5	4.9
<b>Total non-current provisions for employee benefits</b>	<b>61.6</b>	<b>65.6</b>
<b>Total provisions for employee benefits</b>	<b>412.6</b>	<b>484.0</b>

### Reconciliation of movement in on-cost provision

	2021 \$M
<b>Opening balance</b>	<b>60.3</b>
Net movement in provisions recognised	(7.4)
Unwind of discount and effect of changes in the discount rate	(2.3)
<b>Closing balance</b>	<b>50.6</b>
Current	46.1
Non-current	4.5

**Annual leave and sick leave:** Liabilities for annual leave and on-costs are recognised as part of the provisions for employee benefits as 'current liabilities', because the department does not have an unconditional right to defer settlements of these liabilities.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as the department does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the comprehensive operating statement as it is taken.

Employment on-costs such as payroll tax, workers' compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

**Unconditional LSL** is disclosed as a current liability; even where the department does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at present value where the department does not expect to wholly settle within 12 months. The components of current LSL liability are measured at nominal value where the department expects to settle within 12 months.

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

Any gain or loss following the revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

### Provisions for superannuation – Defined benefit obligation

The department reports a liability for unfunded superannuation in respect of former employees of the Director of Housing for the shortfall of superannuation benefits paid to former housing staff who retired or resigned on or before 14 December 1987 or were employed by the Director of Housing as at 14 December 1987 and retired or resigned prior to or on 30 June 1994.

This liability represents the shortfall between the total net assets of the superannuation fund at 30 June 2021 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 2021 is set out below. The amount expensed in respect of unfunded superannuation represents the contributions made by the department to the superannuation fund, adjusted by the movement in the liability or asset.

	2021 \$M	2020 \$M
<b>Reconciliation of the superannuation liability in the balance sheet</b>		
Defined benefit obligation	31.4	32.2
<b>Net liability/(asset)</b>	<b>31.4</b>	<b>32.2</b>
<b>Total obligation and liability in the balance sheet</b>	<b>31.4</b>	<b>32.2</b>
<b>Represented by:</b>		
Current liability	2.5	2.6
Non-current liability	28.9	29.6
<b>Total liability</b>	<b>31.4</b>	<b>32.2</b>
<b>Principal actuarial assumptions</b>		
Discount rate	2.0%	1.0%
Expected return on plan assets	6.8%	6.8%
Expected rate of salary increase	3.4%	2.3%
Inflation	1.9%	0.8%

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each asset class and allowing for the correlations of the investment returns between asset classes. The returns used for each asset class are net of investment tax (where applicable) and investment fees.

**Reconciliation of opening and closing balances of the present value of the defined benefit obligation**

Movements in the present value of the defined benefit obligation in the current period were as follows:

	2021 \$M	2020 \$M
<b>Opening balance of defined benefit obligation</b>	<b>32.2</b>	<b>34.7</b>
Interest cost	0.3	0.5
Actuarial losses/(gains)	1.5	(0.3)
Benefits paid	(2.6)	(2.7)
<b>Closing balance of defined benefit obligation</b>	<b>31.4</b>	<b>32.2</b>

**Reconciliation of opening and closing balances of the fair value of plan assets**

Movements in the present value of the plan assets in the current period were as follows:

	2021 \$M	2020 \$M
Contributions from the employer	2.6	2.7
Benefits paid	(2.6)	(2.7)
<b>Closing balance of plan assets</b>	<b>-</b>	<b>-</b>

**Superannuation expense recognised in the comprehensive operating statement**

	2021 \$M	2020 \$M
Interest cost	0.3	0.5
Actuarial losses/(gains)	1.5	(0.3)
<b>Total expense recognised in respect of defined benefit plans</b>	<b>1.8</b>	<b>0.2</b>

Net actuarial gains or losses reflect the change in superannuation liability that arises due to differences between the assumptions used to calculate the superannuation expense from transactions and actual outcomes. The effect of any change in actuarial assumptions during the period is also included. Net actuarial gains or losses are recognised in the period in which they occur.

**3.1.1(c) Superannuation contributions**

Employees of the department are entitled to receive superannuation benefits and the department contributes to both defined benefit and defined contribution plans. The defined benefit plan(s) provide benefits based on years of service and final average salary.

As noted in note 3.1.1(a), other than former employees of the Director of Housing, the defined benefit liability is recognised in the Department of Treasury and Finance as an administered liability. However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the department.

	Paid contribution for the year		Contribution outstanding at year end	
	2021 \$M	2020 \$M	2021 \$M	2020 \$M
<b>Defined benefit plans</b>				
State superannuation fund	6.5	6.4	0.2	0.8
Other	-	0.3	-	-
<b>Defined contribution plans</b>				
VicSuper	52.3	44.1	2.9	-
Other	37.7	32.9	-	-
<b>Total</b>	<b>96.5</b>	<b>83.7</b>	<b>3.1</b>	<b>0.8</b>

### 3.1.2 Grants and other expense transfers

	2021 \$M	2020 \$M
State contributions to the Administrator of the Victoria Health Funding Pool	5,628.4	6,239.3
<b>Public health services and hospitals <sup>(i)</sup></b>		
Monash Health	785.7	532.1
Melbourne Health	519.3	386.7
Alfred Health	432.8	266.2
Austin Health	350.8	184.9
Western Health	324.7	228.1
Eastern Health	328.2	193.9
Peter MacCallum Cancer Centre	316.9	227.1
The Royal Children's Hospital	281.8	210.3
Barwon Health	260.2	168.2
Dental Health Services Victoria	250.7	211.1
Northern Health	219.8	102.3
Peninsula Health	214.1	112.8
Bendigo Health	211.8	150.5
Albury Wodonga Health	176.6	164.5
Ballarat Health Services	143.9	123.7
Goulburn Valley Health	113.7	151.6
Latrobe Regional Hospital	78.4	60.3
The Royal Women's Hospital	77.8	59.9
Northeast Health Wangaratta	56.1	20.6
South West Healthcare	49.1	36.8
Central Highlands Rural Health	33.3	26.3
Mildura Base Public Hospital	37.6	–
Wimmera Health Care Group	32.2	13.4
The Royal Victorian Eye and Ear Hospital	47.1	32.8
Other public health services and hospitals with payments totalling less than \$30 million	681.9	509.8
	<b>11,652.9</b>	<b>10,413.4</b>
<b>Denominational hospitals <sup>(ii)</sup></b>		
St Vincent's Hospital (Melbourne) Limited	223.8	144.7
Mercy Hospitals Victoria Limited	105.3	67.3
Other denominational hospitals with payments totalling less than \$30 million	3.6	2.7
	<b>332.7</b>	<b>214.7</b>
<b>Ambulance services</b>		
Ambulance Victoria	939.6	857.6
	<b>939.6</b>	<b>857.6</b>
<b>Other state government agencies</b>		
Victorian Institute of Forensic Mental Health	86.0	69.8
Victorian Health Promotion Foundation	41.3	41.2
Other state government agencies with payments totalling less than \$30 million	111.8	2.2
	<b>239.1</b>	<b>113.2</b>
<b>Local councils</b>		
Casey City Council	10.8	9.8
Wyndham City Council	8.2	7.5
City of Greater Dandenong	7.2	6.5
City of Greater Geelong	6.9	6.7
Hume City Council	6.5	6.4
Whittlesea City Council	6.3	6.6
Brimbank City Council	6.0	5.5
Melton Shire Council	5.5	5.6

	2021 \$M	2020 \$M
City of Kingston	5.3	4.7
Other local councils with payments totalling less than \$5 million	116.7	107.7
	<b>179.4</b>	<b>167.0</b>
<b>Commonwealth Government</b>		
National Blood Authority	117.0	115.0
Other Commonwealth Government with payments totalling less than \$30 million	(0.7)	50.1
	<b>116.3</b>	<b>165.1</b>
<b>Non-government agencies and individuals</b>		
Home@Scope Pty Ltd	236.6	238.9
Anglicare Victoria	143.9	137.0
Wesley Mission Victoria	141.5	126.3
Epworth Healthcare	106.7	61.3
Life Without Barriers	124.1	137.8
Berry Street Victoria Incorporated	106.3	104.2
Salvation Army Property Trust	104.2	78.8
Mackillop Family Services Limited	102.0	81.7
Launch Housing Limited	95.9	45.6
Victorian Aboriginal Child Care Agency	77.0	56.8
Cohealth Ltd	65.9	38.7
Melba Support Services	70.9	81.2
Cabrini Health Limited	44.6	48.2
Australian Red Cross Society Victoria	54.5	3.0
Ramsay Health Care	32.3	48.5
Optia Ltd	55.6	64.9
BreastScreen Victoria Inc	53.4	51.6
Aruma	43.4	59.5
Eastern Access Community Health Inc	42.6	28.8
The University of Melbourne	37.6	32.1
Melbourne City Mission Inc	35.4	32.5
Yarra Community Housing Ltd	32.9	10.4
Latrobe Community Health Service	32.8	25.3
IPC Health	45.2	17.0
St Vincent's Private Hospital	41.8	37.4
Client/assistance payments	807.1	727.6
Other non-government agencies with payments totalling less than \$30 million	3,526.5	3,001.9
	<b>6,260.7</b>	<b>5,377.1</b>
<b>Total grants and other expense transfers</b>	<b>19,720.7</b>	<b>17,308.0</b>

## Notes:

- (i) As defined in schedules 1 and 5 of the *Health Services Act 1988*.  
(ii) As defined in schedule 2 of the *Health Services Act 1988*.

Transactions in which the department provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant and other expense transfers'.

Grants can either be operating or capital in nature.

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as grants, subsidies and other transfer payments to public health services, public and denominational hospitals, other state government agencies, local councils and non-government agencies and individuals and the state contribution to the National Health Funding Pool.

State funds in the National Health Funding Pool are paid to health agencies for Activity Based Funding initiatives.

There are, however, a range of grant payments that remain out of scope for National Health Reform, such as aged care subsidies, home and community care payments and community-based drug and alcohol services that continue to be paid directly to health agencies.

### 3.1.3 Capital asset charge

	2021 \$M	2020 \$M
Capital asset charge	1,427.7	1,319.8

A **capital asset charge** is a charge levied on the written down value of controlled non-current physical assets in a department's balance sheet. It aims to attribute a cost of capital used in service delivery to the department outputs. Imposing this charge provides incentives for the department to identify and dispose of underutilised or surplus non-current physical assets.

The capital asset charge is calculated on the budgeted carrying amount of applicable non-financial physical assets.

### 3.1.4 Fair value of assets and services provided free of charge or for nominal consideration

	2021 \$M	2020 \$M
Land at fair value	1.6	–
Buildings at fair value	0.4	–
Resources provided free of charge <sup>(i)</sup>	295.2	32.3
<b>Total fair value of assets and services provided free of charge or for nominal consideration</b>	<b>297.2</b>	<b>32.3</b>

Note:

(i) Figures include the transfers of personal protective equipment to health services and other agencies under the State Supply Arrangement set up in response to the COVID-19 pandemic.

**Contributions of resources provided free of charge or for nominal consideration** are recognised at their fair value when the recipient obtains control over the resources, irrespective of whether restrictions or conditions are imposed over the use of the contributions. The exception to this would be when the resource is provided to another government department (or agency) as a consequence of a restructuring of administrative arrangements, in which case such a transfer will be recognised at carrying value.

**Voluntary services:** Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been sold if not donated.

### 3.1.5 Other operating expenses

	2021 \$M	2020 \$M
Accommodation and property services <sup>(i)</sup>	129.5	63.7
Administrative costs	843.5	372.4
Short-term lease expenses	13.4	6.9
Variable lease expenses	0.4	2.3
Information, communications and technology costs	298.9	199.9
Medicines and drugs / pharmacy supplies	10.2	9.9
Direct care operating costs	65.5	34.3
<b>Total other operating expenses</b>	<b>1,361.5</b>	<b>689.4</b>

Note:

(i) Figures relate to the office accommodation-related costs.

**Other operating expenses** generally represent the day-to-day running costs incurred in normal operations. They also include bad debts expense from transactions that are mutually agreed.

The following lease payments are recognised on a straight-line basis:

- Short-term leases – leases with a term 12 months or less
- Low-value leases – leases where the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

Variable lease payments that are not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate and which are not, in substance fixed) such as those based on performance or usage of the underlying asset, are recognised in the comprehensive operating statement (except for payments which have been included in the carrying amount of another asset) in the period in which the event or condition that triggers those payments occurs.

### 3.1.6 Other property management expenses

	2021 \$M	2020 \$M
Rates to local authorities	116.1	118.8
Tenant utilities and other expenses	158.5	80.5
<b>Total other property management expenses</b>	<b>274.6</b>	<b>199.3</b>

**Other property management expenses** generally include all costs and incidental expenses associated with the management of Director of Housing properties.

## 4. Disaggregated financial information by output

### Introduction

The department is predominantly funded by accrual-based parliamentary appropriations for the provision of outputs. This section provides a description of the departmental outputs delivered during the year ended 30 June 2021 along with the objectives of those outputs.

This section disaggregates revenue and expenses that enables the delivery of services (described in section 2 ‘Funding delivery of our services’) by output and records the allocation of expenses incurred (described in section 3 ‘The cost of delivering services’) also by output, which form part of controlled balances of the department.

It also provides information on items administered in connection with these outputs.

Judgement is required in allocating income and expenditure to specific outputs. For the period under review there were no amounts unallocated.

The distinction between controlled and administered items is based on whether the department has the ability to deploy the resources in question for its own benefit (controlled items) or whether it does so on behalf of the state (administered). The department remains accountable for transactions involving administered items, but it does not recognise these items in its financial statements.

### Structure

- 4.1 Departmental outputs
  - 4.1.1 Departmental outputs – Descriptions and objectives
  - 4.1.2 Departmental outputs – Controlled income and expenses
- 4.2 Administered (non-controlled) items
  - 4.2.1 Administered income and expenses
  - 4.2.2 Administered assets and liabilities
  - 4.2.3 Administered grants and other expense transfers
- 4.3 Restructuring of administrative arrangements

## 4.1 Departmental outputs

### 4.1.1 Departmental outputs – Descriptions and objectives

#### Department of Health output groups

##### Output group 1: Acute Health Services

The Acute Health Services output group includes a range of timely and high-quality acute hospital inpatient, ambulatory, emergency, community-based and specialist services.

##### Output group 2: Ambulance Services

The Ambulance Services output group includes emergency and non-emergency ambulance services.

##### Output group 3: Mental Health

The Mental Health output group includes the provision of a range of inpatient, community-based residential and ambulatory services which treat and support people with a mental illness and their families and carers, identify mental illness early, and seek to reduce its impact through providing timely acute care services and appropriate longer-term accommodation and support for those living with a mental illness.

##### Output group 4: Ageing, Aged and Home Care

The Ageing, Aged and Home Care output group encompasses 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

The Primary, Community and Dental Health output group includes a range of in-home, community-based (including maternal and child health services), community, primary health and dental services designed to promote health and wellbeing and prevent the onset of more serious illnesses.

### **Output group 6: Small Rural Services**

The Small Rural Services output group 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, multipurpose services and public sector residential aged care services.

### **Output group 7: Public Health**

The Public Health output group encompasses 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**

The Drug Services output group includes programs and services aimed at promoting and protecting health by reducing death, disease and social harm caused by the use and misuse of licit and illicit drugs.

## **Department of Families, Fairness and Housing output groups**

### **Output group 9: Disability Services**

The Disability Services output group includes 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 and provide excellent community services to meet clients' needs.

### **Output group 10: Child Protection and Family Services**

The Child Protection and Family Services output group funds statutory child protection services, family support and early parenting services, family violence and sexual assault services, placement care services and specialist support services to ensure the safety and wellbeing of adolescents and children at risk of harm, abuse and neglect.

### **Output group 11: Concessions to Pensioners and Beneficiaries**

Concessions to Pensioners and Beneficiaries output group includes the development and coordination of the delivery of concessions and relief grants to eligible consumers and concession card holders.

This output provides reductions in the price of energy, water, and municipal rates to eligible consumers and concession card holders. It also provides trustee services for people on a low income or those who are subject to an order by the Victorian Civil and Administrative Tribunal, and other social and community services, including the provision of emergency relief for individuals or families who are experiencing immediate and personal distress due to a financial or domestic crisis.

### **Output group 12: Empowering Individuals and Communities**

The Empowering Individuals and Communities output group comprises:

- The Community Participation output, which funds programs that support community participation, including neighbourhood houses, Men's Sheds, community support projects and programs for people with a disability.
- The Senior Programs and Participation output, which supports broader community planning processes to facilitate community planning and response approach aimed at enabling older Victorians to fully participate and engage in the community.
- The Support to Veterans in Victoria output, which provides coordination of veteran-related issues at a state level, especially in relation to commemoration, education programs, grant programs, research and veteran welfare.
- The LGBTIQ+ Equality Policy and Programs output, which provides programs and services to promote equality for LGBTIQ+ Victorians and to support these communities' economic, social and civic participation.
- The Women's Policy output, which provides initiatives that support gender equality and better outcomes for women across all areas of their lives including economic security, safety, leadership, health and wellbeing.
- The Primary Prevention of Family Violence output, which provides initiatives that support primary prevention of family violence and violence against women.
- The Youth output, which leads and coordinates whole of government policy advice and delivers a range of initiatives for young people aged between 12 and 25 years to enable them to gain a range of skills and experience and to actively participate in their local communities.
- The Multicultural Affairs Policy and Program output, which provides policy advice on multicultural affairs and social cohesion in Victoria, including settlement coordination for newly arrived migrants and refugees, and delivers a range of programs to directly support Victoria's multicultural communities.

**Output group 13: Family Violence Service Delivery**

The Family Violence Service Delivery output group leads and coordinates whole of government family violence policy, and implements and delivers the government's family violence reform agenda. This includes establishing and operating Support and Safety Hubs, implementing information-sharing legislation, and delivering risk assessment and management programs.

**Output group 14: Housing Assistance**

The Housing Assistance output group, through the provision of homelessness services, crisis and transitional accommodation and long-term, adequate, affordable and accessible housing assistance, coordinated with support services where required, home renovation assistance and the management of the home loan portfolio, aims to make a positive difference for Victorians experiencing disadvantage by providing excellent housing and community services to meet clients' needs. This output provides:

- housing assistance for low-income families, older people, singles, youth and other households. It responds to the needs of clients through the provision of appropriate accommodation, including short-term and long-term properties that assist in reducing and preventing homelessness, and
- housing support services to people who are homeless or at risk of homelessness, in short-term housing or crisis situations. Support will assist clients in accessing and maintaining tenancies in appropriate accommodation. Services provided will assist in the prevention and overall reduction of homelessness.

**Output group 15: Shared Services**

Shared Services output group reflects the range of corporate services that the department provides to the Department of Education and Training. These costs are included across the outputs of the Department of Education and Training. This output group is shared between the Department of Health and the Department of Families, Fairness and Housing. Further details on the objectives of each output can be found in Budget Paper No. 3 Service Delivery.

## 4.1.2 Departmental outputs – Controlled income and expenses

Year ended 30 June 2021	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Elimination	Total
Output group <sup>(i)</sup>	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
<b>Income from transactions</b>																	
Output appropriations	9,622.9	869.0	1,224.9	558.4	709.8	356.1	1,363.6	198.4	2,150.1	1,708.0	820.2	290.2	345.9	1,333.9	–	–	21,551.4
Special appropriations	919.5	33.0	23.8	13.5	27.4	5.0	7.9	4.4	63.9	–	–	0.5	–	–	–	–	1,098.9
Interest income	–	–	–	–	–	–	–	–	–	–	–	–	–	2.5	–	–	2.5
Rental income and income from services	–	–	–	–	–	–	–	–	–	–	–	–	–	477.5	–	–	477.5
Grants	1,707.1	–	453.5	–	4.0	131.4	78.8	103.1	10.4	12.8	–	10.4	1.0	53.8	1.8	(18.9)	2,549.2
Other income	7.7	–	3.5	0.7	–	(0.3)	2.6	–	0.3	–	0.2	0.6	–	3.9	75.5	(76.4)	18.3
Fair value of assets and services received free of charge or for nominal consideration	–	–	–	–	–	–	1.5	–	0.7	–	–	–	–	0.3	–	(2.0)	0.6
<b>Total revenue and income from transactions</b>	<b>12,257.2</b>	<b>902.0</b>	<b>1,705.7</b>	<b>572.6</b>	<b>741.2</b>	<b>492.2</b>	<b>1,454.4</b>	<b>305.9</b>	<b>2,225.4</b>	<b>1,720.8</b>	<b>820.4</b>	<b>301.7</b>	<b>346.9</b>	<b>1,871.9</b>	<b>77.3</b>	<b>(97.3)</b>	<b>25,698.4</b>
<b>Expenses from transactions</b>																	
Employee benefits	179.9	1.6	43.0	21.3	28.6	6.2	285.7	11.3	244.9	430.7	11.1	26.5	40.7	142.6	26.2	–	1,500.3
Depreciation and amortisation	22.0	0.1	12.4	0.9	5.0	–	2.7	0.3	8.4	12.9	0.4	0.4	13.7	265.8	0.1	–	345.1
Interest expense	2.6	–	–	–	–	–	–	–	–	0.5	–	–	–	0.9	–	–	4.0
Maintenance	0.8	–	–	–	–	–	–	–	12.5	5.9	–	0.2	–	220.2	–	–	239.6
Fair value of assets and services provided free of charge or for nominal consideration	294.8	–	–	–	–	–	–	–	0.7	1.7	–	–	–	2.0	–	(2.0)	297.2
Other operating expenses	203.9	0.4	40.3	9.0	30.3	0.8	666.4	15.3	97.7	197.7	6.1	15.0	31.6	72.0	51.4	(76.4)	1,361.5
Grants and other expense transfers	10,191.6	841.2	1,484.2	429.5	614.6	402.7	550.1	267.3	1,815.0	1,058.8	803.1	256.4	277.7	747.1	0.2	(18.9)	19,720.7
Capital asset charge	1,121.9	27.4	84.8	61.0	29.1	35.8	2.5	6.8	40.3	14.6	–	–	3.5	–	–	–	1,427.7
Other property management expenses	–	–	–	–	–	–	0.1	–	0.3	0.2	–	–	–	274.0	–	–	274.6
<b>Total expenses from transactions</b>	<b>12,017.5</b>	<b>870.7</b>	<b>1,664.7</b>	<b>521.7</b>	<b>707.6</b>	<b>445.5</b>	<b>1,507.5</b>	<b>301.0</b>	<b>2,219.8</b>	<b>1,723.0</b>	<b>820.7</b>	<b>298.5</b>	<b>367.2</b>	<b>1,724.6</b>	<b>77.9</b>	<b>(97.3)</b>	<b>25,170.7</b>
<b>Net result from transactions (net operating balance)</b>	<b>239.7</b>	<b>31.3</b>	<b>41.0</b>	<b>50.9</b>	<b>33.6</b>	<b>46.7</b>	<b>(53.1)</b>	<b>4.9</b>	<b>5.6</b>	<b>(2.2)</b>	<b>(0.3)</b>	<b>3.2</b>	<b>(20.3)</b>	<b>147.3</b>	<b>(0.6)</b>	<b>–</b>	<b>527.7</b>
<b>Other economic flows included in net result</b>																	
Net gain/(loss) on non-financial assets	(0.1)	–	–	–	–	–	0.1	–	(0.5)	1.2	–	–	–	(3.6)	–	–	(2.9)
Net gain/(loss) on financial instruments	0.5	–	–	–	–	–	–	–	0.8	0.3	–	–	–	–	–	–	1.6
Impairment of joint venture	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other gains/(losses) from other economic flows	(16.3)	0.1	0.7	0.5	0.3	0.2	1.0	0.1	(3.1)	2.6	–	0.3	0.4	0.9	–	–	(12.3)
<b>Total other economic flows included in net result</b>	<b>(15.9)</b>	<b>0.1</b>	<b>0.7</b>	<b>0.5</b>	<b>0.3</b>	<b>0.2</b>	<b>1.1</b>	<b>0.1</b>	<b>(2.8)</b>	<b>4.1</b>	<b>–</b>	<b>0.3</b>	<b>0.4</b>	<b>(2.7)</b>	<b>–</b>	<b>–</b>	<b>(13.6)</b>
<b>Net result</b>	<b>223.8</b>	<b>31.4</b>	<b>41.7</b>	<b>51.4</b>	<b>33.9</b>	<b>46.9</b>	<b>(52.0)</b>	<b>5.0</b>	<b>2.8</b>	<b>1.9</b>	<b>(0.3)</b>	<b>3.5</b>	<b>(19.9)</b>	<b>144.6</b>	<b>(0.6)</b>	<b>–</b>	<b>513.9</b>

Note:

(i) Refer to Note 4.1.1 for output definitions.

Year ended 30 June 2020	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Elimination	Total
Output group <sup>(i)</sup>	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
<b>Income from transactions</b>																	
Output appropriations	8,305.1	854.5	1,142.7	536.3	618.3	334.2	335.7	173.8	2,056.2	1,505.5	752.8	61.9	276.7	646.2	–	–	17,600.0
Special appropriations	1,135.7	48.0	34.7	20.4	39.9	7.3	10.8	6.3	68.8	–	–	–	–	–	–	–	1,371.9
Interest income	–	–	–	–	–	–	–	–	–	–	–	–	–	6.9	–	–	6.9
Rental income and income from services	–	–	–	–	–	–	–	–	–	–	–	–	–	501.1	–	–	501.1
Grants	1,733.7	–	368.7	0.5	0.4	128.7	123.2	88.5	8.8	6.8	–	0.5	13.0	49.8	2.6	(11.2)	2,514.0
Other income	22.7	–	2.3	0.8	–	–	2.2	–	1.6	–	0.2	–	–	0.4	0.7	–	30.9
Fair value of assets and services received free of charge or for nominal consideration	–	–	–	–	–	–	–	–	0.5	–	–	–	–	3.1	–	–	3.6
<b>Total revenue and income from transactions</b>	<b>11,197.2</b>	<b>902.5</b>	<b>1,548.4</b>	<b>558.0</b>	<b>658.6</b>	<b>470.2</b>	<b>471.9</b>	<b>268.6</b>	<b>2,135.9</b>	<b>1,512.3</b>	<b>753.0</b>	<b>62.4</b>	<b>289.7</b>	<b>1,207.5</b>	<b>3.3</b>	<b>(11.2)</b>	<b>22,028.4</b>
<b>Expenses from transactions</b>																	
Employee benefits	154.8	1.6	41.6	7.6	22.8	7.2	80.5	11.0	298.5	397.4	10.7	7.1	39.0	118.4	2.0	–	1,200.2
Depreciation and amortisation	23.1	0.4	13.0	2.1	5.5	0.1	3.6	0.7	18.1	18.4	0.4	0.2	8.6	333.8	0.1	–	428.1
Interest expense	0.7	–	0.2	0.3	0.1	–	0.5	0.1	1.3	2.5	–	–	0.1	1.2	–	–	7.0
Maintenance	0.2	–	0.4	–	0.1	–	–	–	11.1	6.0	–	–	–	218.3	–	–	236.1
Fair value of assets and services provided free of charge or for nominal consideration	31.6	–	–	–	–	–	–	–	0.6	0.1	–	–	–	–	–	–	32.3
Other operating expenses	176.1	0.8	19.4	19.4	95.3	3.6	74.1	7.3	74.4	132.9	4.1	1.1	27.1	52.0	1.8	–	689.4
Grants and other expense transfers	9,163.4	807.1	1,344.9	416.6	512.5	380.4	326.5	246.3	1,698.5	947.1	737.6	53.9	210.0	474.4	–	(11.2)	17,308.0
Capital asset charge	1,028.1	26.4	83.6	55.4	26.4	35.8	2.5	4.3	39.9	14.6	–	–	2.8	–	–	–	1,319.8
Other property management expenses	–	–	–	–	–	–	–	–	0.4	0.2	–	–	–	198.7	–	–	199.3
<b>Total expenses from transactions</b>	<b>10,578.0</b>	<b>836.3</b>	<b>1,503.1</b>	<b>501.4</b>	<b>662.7</b>	<b>427.1</b>	<b>487.7</b>	<b>269.7</b>	<b>2,142.8</b>	<b>1,519.2</b>	<b>752.8</b>	<b>62.3</b>	<b>287.6</b>	<b>1,396.8</b>	<b>3.9</b>	<b>(11.2)</b>	<b>21,420.3</b>
<b>Net result from transactions (net operating balance)</b>	<b>619.2</b>	<b>66.2</b>	<b>45.3</b>	<b>56.6</b>	<b>(4.1)</b>	<b>43.1</b>	<b>(15.8)</b>	<b>(1.1)</b>	<b>(6.9)</b>	<b>(6.8)</b>	<b>0.2</b>	<b>0.1</b>	<b>2.1</b>	<b>(189.3)</b>	<b>(0.6)</b>	<b>–</b>	<b>608.1</b>
<b>Other economic flows included in net result</b>																	
Net gain/(loss) on non-financial assets	0.1	–	–	–	–	–	0.1	–	(0.1)	1.0	–	–	–	(5.6)	–	–	(4.5)
Net gain/(loss) on financial instruments	0.3	–	0.1	0.1	–	–	–	–	(0.1)	–	–	–	–	–	–	–	0.4
Impairment of joint venture	(35.0)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(35.0)
Other gains/(losses) from other economic flows	(7.2)	(0.1)	(0.8)	(0.8)	(0.4)	(0.3)	(0.5)	(0.2)	(5.2)	(3.5)	(0.1)	–	(0.2)	(4.3)	–	–	(23.6)
<b>Total other economic flows included in net result</b>	<b>(41.8)</b>	<b>(0.1)</b>	<b>(0.7)</b>	<b>(0.7)</b>	<b>(0.4)</b>	<b>(0.3)</b>	<b>(0.4)</b>	<b>(0.2)</b>	<b>(5.4)</b>	<b>(2.5)</b>	<b>(0.1)</b>	<b>–</b>	<b>(0.2)</b>	<b>(9.9)</b>	<b>–</b>	<b>–</b>	<b>(62.7)</b>
<b>Net result</b>	<b>577.4</b>	<b>66.1</b>	<b>44.6</b>	<b>55.9</b>	<b>(4.5)</b>	<b>42.8</b>	<b>(16.2)</b>	<b>(1.3)</b>	<b>(12.3)</b>	<b>(9.3)</b>	<b>0.1</b>	<b>0.1</b>	<b>1.9</b>	<b>(199.2)</b>	<b>(0.6)</b>	<b>–</b>	<b>545.4</b>

Note:

(i) Refer to Note 4.1.1 for output definitions.

## 4.2 Administered (non-controlled) items

Administered income includes taxes, fees and fines and the proceeds from the sale of administered surplus land and buildings. Administered expenses include payments made on behalf of the state and payments into the consolidated fund. Administered assets include government income earned but yet to be collected. Administered liabilities include government expenses incurred but yet to be paid. Except as otherwise disclosed, administered resources are accounted for on an accrual basis using the same accounting policies adopted for recognition of the departmental items in the financial statements. Both the controlled department financial statements and these administered items are consolidated into the financial statements of the state.

The department does not gain control over assets arising from taxes, fines and regulatory fees, consequently no income is recognised in the department's financial statements. The department collects these amounts on behalf of the state. Accordingly, the amounts are disclosed as income in the schedule of Administered Items.

### 4.2.1 Administered income and expenses

Year ended 30 June 2021	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total
Output group <sup>(i)(ii)</sup>	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
<b>Administered income from transactions</b>																
Commonwealth contribution to the national health reform	4,750.2	–	690.0	–	0.3	131.4	115.6	13.5	–	–	–	–	–	–	–	5,701.0
State contribution to the national health reform	5,450.2	–	178.2	–	–	–	–	–	–	–	–	–	–	–	–	5,628.4
State contribution to the National Disability Insurance Agency	–	–	–	–	–	–	–	–	1,260.3	–	–	–	–	–	–	1,260.3
Commonwealth grants	1,047.6	–	0.2	66.7	–	–	5.1	–	35.6	0.8	–	–	1.1	–	–	1,157.1
Sales of goods and services	344.9	–	12.5	–	3.8	2.5	–	0.6	14.9	0.3	–	0.1	–	–	–	379.6
Appropriations – payments made on behalf of the state	–	–	–	50.1	–	–	–	–	16.7	–	–	–	–	–	–	66.8
Interest income	0.1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.1
Fees	–	–	–	–	–	–	10.5	0.8	–	–	–	–	–	–	–	11.3
Grants	137.4	–	–	–	–	–	–	–	611.0	7.1	0.3	–	–	–	–	755.8
Other	8.4	8.7	–	–	0.4	–	0.1	–	0.1	15.1	–	–	4.0	–	–	36.8
Fair value of assets and services received free of charge or for nominal consideration	–	–	–	–	–	–	–	–	3.2	–	–	0.1	–	–	–	3.3
<b>Total administered revenue and income from transactions</b>	<b>11,738.8</b>	<b>8.7</b>	<b>880.9</b>	<b>116.8</b>	<b>4.5</b>	<b>133.9</b>	<b>131.3</b>	<b>14.9</b>	<b>1,941.8</b>	<b>23.3</b>	<b>0.3</b>	<b>0.2</b>	<b>5.1</b>	<b>–</b>	<b>–</b>	<b>15,000.5</b>

Year ended 30 June 2021	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total
Output group <sup>(i)(ii)</sup>	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
<b>Administered expenses from transactions</b>																
Grants and other expense transfers	9,885.9	–	449.5	50.1	–	–	–	–	2,032.9	7.1	0.9	–	–	–	–	12,426.4
Employee benefits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other operating expenses	0.1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.1
Payments into the consolidated fund	409.9	9.4	9.1	30.6	2.8	2.2	2.7	0.8	51.3	15.7	–	0.1	5.1	–	–	539.7
Payment from the national health funding pool to the departmental controlled entity	1,486.1	–	418.7	–	0.3	131.4	120.7	13.5	–	–	–	–	–	–	–	2,170.7
Fair value of assets and services provided free of charge or for nominal consideration	–	–	–	–	–	–	–	–	3.3	0.1	–	–	–	–	–	3.4
<b>Total administered expenses from transactions</b>	<b>11,782.0</b>	<b>9.4</b>	<b>877.3</b>	<b>80.7</b>	<b>3.1</b>	<b>133.6</b>	<b>123.4</b>	<b>14.3</b>	<b>2,087.5</b>	<b>22.9</b>	<b>0.9</b>	<b>0.1</b>	<b>5.1</b>	<b>–</b>	<b>–</b>	<b>15,140.3</b>
<b>Total administered net result from transactions</b>	<b>(43.2)</b>	<b>(0.7)</b>	<b>3.6</b>	<b>36.1</b>	<b>1.4</b>	<b>0.3</b>	<b>7.9</b>	<b>0.6</b>	<b>(145.7)</b>	<b>0.4</b>	<b>(0.6)</b>	<b>0.1</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(139.8)</b>
<b>Administered other economic flows included in net result</b>																
Net gain/(loss) on non-financial assets	0.1	0.1	–	–	–	–	–	–	–	(0.1)	–	–	0.3	–	–	0.4
Other gains/(losses) from other economic flows	(9.3)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(9.3)
<b>Total administered other economic flows</b>	<b>(9.2)</b>	<b>0.1</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(0.1)</b>	<b>–</b>	<b>–</b>	<b>0.3</b>	<b>–</b>	<b>–</b>	<b>(8.9)</b>
<b>Administered net result</b>	<b>(52.4)</b>	<b>(0.6)</b>	<b>3.6</b>	<b>36.1</b>	<b>1.4</b>	<b>0.3</b>	<b>7.9</b>	<b>0.6</b>	<b>(145.7)</b>	<b>0.3</b>	<b>(0.6)</b>	<b>0.1</b>	<b>0.3</b>	<b>–</b>	<b>–</b>	<b>(148.7)</b>

Notes:

(i) Refer to Note 4.1.1 for output group definitions.

(ii) Output group 14 Housing Assistance and output group 15 Shared Services are not applicable for administered activities.



Year ended 30 June 2020	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total
Output group <sup>(i)(ii)</sup>	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Fair value of assets and services provided free of charge or for nominal consideration	–	–	1.8	–	–	–	–	–	7.1	–	–	–	–	–	–	8.9
<b>Total administered expenses from transactions</b>	<b>12,270.6</b>	<b>–</b>	<b>782.6</b>	<b>131.7</b>	<b>4.4</b>	<b>141.4</b>	<b>122.9</b>	<b>14.1</b>	<b>1,316.2</b>	<b>10.9</b>	<b>17.6</b>	<b>0.1</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>14,812.5</b>
<b>Total administered net result from transactions</b>	<b>8.0</b>	<b>–</b>	<b>(1.8)</b>	<b>–</b>	<b>0.3</b>	<b>–</b>	<b>0.1</b>	<b>–</b>	<b>333.2</b>	<b>(0.5)</b>	<b>(0.3)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>338.9</b>
<b>Administered other economic flows included in net result</b>																
Net gain/(loss) on non-financial assets	(0.1)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(0.1)
Other gains/(losses) from other economic flows	–	–	–	–	–	–	–	–	4.5	–	–	–	–	–	–	4.5
<b>Total administered other economic flows</b>	<b>(0.1)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>4.5</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>4.4</b>
<b>Administered net result</b>	<b>7.9</b>	<b>–</b>	<b>(1.8)</b>	<b>–</b>	<b>0.3</b>	<b>–</b>	<b>0.1</b>	<b>–</b>	<b>337.7</b>	<b>(0.5)</b>	<b>(0.3)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>343.3</b>

Notes:

(i) Refer to Note 4.1.1 for output group definitions.

(ii) Output group 14 Housing Assistance and output group 15 Shared Services are not applicable for administered activities.

#### 4.2.2 Administered assets and liabilities

	2021 \$M	2020 \$M
<b>Administered assets</b>		
<b>Financial assets</b>		
Cash and deposits	–	51.6
Trust funds	3.4	3.4
Receivables	713.9	912.2
Loans	–	3.3
<b>Total administered assets</b>	<b>717.3</b>	<b>970.5</b>
<b>Administered liabilities</b>		
<b>Financial liabilities</b>		
Amounts payable to the consolidated fund	203.1	354.4
Payables	510.8	609.4
Other	3.4	6.7
<b>Total administered liabilities</b>	<b>717.3</b>	<b>970.5</b>
<b>Total administered net assets</b>	<b>–</b>	<b>–</b>

#### 4.2.3 Administered grants and other expense transfers

	2021 \$M	2020 \$M
<b>Public health services, public and denominational hospitals <sup>(i)</sup></b>		
Monash Health	1,398.1	1,377.8
Alfred Health	723.7	814.1
Eastern Health	780.3	798.8
Melbourne Health	715.4	742.4
Austin Health	647.7	674.8
Western Health	661.5	649.4
Northern Health	487.4	521.3
St Vincent's Hospital (Melbourne) Limited	458.4	470.3
Peninsula Health	472.1	466.2
Barwon Health	467.9	470.6
The Royal Children's Hospital	458.2	460.4
Mercy Hospitals Victoria Limited	353.3	355.1
Bendigo Health	297.8	293.3
Ballarat Health Services	268.6	277.1
The Royal Women's Hospital	223.2	219.0
Latrobe Regional Hospital	195.6	185.3
Goulburn Valley Health	194.0	177.5
Peter MacCallum Cancer Centre	149.5	169.7
South West Healthcare	140.0	136.1
Albury Wodonga Health	136.7	130.3
Northeast Health Wangaratta	110.5	119.0
The Royal Victorian Eye and Ear Hospital	99.6	94.0
Mildura Base Public Hospital	86.6	–
West Gippsland Health Care Group	82.3	77.6
Wimmera Health Care Group	62.0	67.7
Bairnsdale Regional Health Service	65.9	64.0

	2021 \$M	2020 \$M
Echuca Regional Health	61.4	60.9
Central Gippsland Health Service	62.3	59.9
Bass Coast Health	52.9	54.5
Djerriwarrh Health Services	45.7	49.3
Western District Health Service	45.1	45.6
Swan Hill District Health	41.4	43.6
Other public health services, public and denominational hospitals with payments totalling less than \$30 million	238.4	336.9
	<b>10,283.3</b>	<b>10,462.3</b>
<b>Commonwealth government</b>		
National Disability Insurance Agency	2,083.0	1,300.6
<b>Other</b>		
Cross Border with other jurisdictions	52.1	313.3
Other organisations with payments totalling less than \$10 million	8.0	35.0
<b>Total grants and other expense transfers</b>	<b>12,426.4</b>	<b>12,111.2</b>

Note:

(i) As defined in schedules 1, 2 and 5 of the *Health Services Act 1988*.

### 4.3 Restructuring of administrative arrangements

The Victorian Government issued an administrative order restructuring some of its activities via machinery of government changes. As part of the machinery of government restructure:

The Department of Health transferred the Medical Research function to the Department of Jobs, Precincts and Regions effective from 1 July 2020. The net assets transferred by the department for this function are at the carrying amount of those assets in the department's balance sheet immediately before the transfer:

Function	Transferor	Transferee	\$M
Medical Research	Department of Health and Human Services (now Department of Health)	Department of Jobs, Precincts and Regions	2.7

The Department of Health transferred the Child Protection, Prevention of Family Violence, Housing and Disability functions to the Department of Families, Fairness and Housing effective from 1 February 2021.

The Department of Premier and Cabinet transferred the Fairer Victoria and Family Violence, Respect Victoria, Victorian Multicultural Commission, and Victorian Veterans Council to the Department of Families, Fairness and Housing effective from 1 February 2021.

The net assets transferred by the departments for these functions are at the carrying amount of those assets in the departments' respective balance sheets immediately before the transfers:

Function	Transferor	Transferee	\$M
Child Protection, Prevention of Family Violence, Housing and Disability	Department of Health and Human Services (now Department of Health)	Department of Families, Fairness and Housing	1,282.4
Fairer Victoria and Family Violence	Department of Premier and Cabinet	Department of Families, Fairness and Housing	5.6
Respect Victoria	Department of Premier and Cabinet	Department of Families, Fairness and Housing	0.7
Victorian Multicultural Commission	Department of Premier and Cabinet	Department of Families, Fairness and Housing	–
Victorian Veterans Council	Department of Premier and Cabinet	Department of Families, Fairness and Housing	0.5

As a result of a determination made by the Assistant Treasurer under s. 53(1)(b) of the *Financial Management Act 1994*, the Department of Health's financial statements include the financial transactions and balances relating to the:

- Child Protection, Prevention of Family Violence, Housing and Disability functions for the period 1 July 2020 to 30 June 2021.
- Fairer Victoria and Family Violence, Respect Victoria, Victorian Multicultural Commission, and Victorian Veterans Council for the period 1 February 2021 to 30 June 2021.

The net asset transfers were treated as a contribution of capital by the state.

	<b>DFFH 2021 Transfer in \$M</b>	<b>DH 2021 Transfer out \$M</b>	<b>2021 Net transfer \$M</b>
<b>Assets</b>			
Cash and deposits	82.7	(81.2)	1.5
Prepayment	38.3	(37.5)	0.8
Receivables	546.7	(536.7)	10.0
Property, plant and equipment	1,229.9	(1,228.6)	1.4
Intangibles assets	56.5	(56.5)	–
Other non-financial assets	1.5	(1.5)	–
<b>Liabilities</b>			
Borrowings	(24.8)	24.7	(0.2)
Payables	(238.2)	234.1	(4.1)
Employee related provisions	(328.7)	323.4	(5.3)
Other liabilities	(74.6)	74.6	–
<b>Net assets recognised/(transferred)</b>	<b>1,289.3</b>	<b>(1,285.2)</b>	<b>4.1</b>
<b>Net capital contribution from the Crown</b>			<b>4.1</b>

Portfolio agencies that provide services relating to the above functions or policy areas also moved from the Department of Health and Human Services or the Department of Premier and Cabinet to the Department of Families, Fairness and Housing.

Accordingly, responsibility for the Director of Housing, which is a public non-financial corporation, moved from the Department of Health and Human Services to the Department of Families, Fairness and Housing portfolio effective from 1 February 2021. However, there is no financial reporting impact of this change in 2020–21 financial statements of the Department of Health as the Department of Families, Fairness and Housing and the Director of Housing continue to be included in the department's financial report under s. 53(1)(b) of the *Financial Management Act 1994*.

## 5. Key assets available to support output delivery

### Introduction

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

### Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 8.3 in connection with how those fair values were determined.

### Structure

- 5.1 Total property, plant and equipment
  - 5.1(a) Total right-of-use assets
  - 5.1(b) Total service concession assets
    - 5.1.1 Depreciation and amortisation
    - 5.1.2 Carrying values by 'purpose' groups
    - 5.1.3 Reconciliation of movements in carrying values of property, plant and equipment
- 5.2 Intangible assets
- 5.3 Investments accounted for using the equity method
  - 5.3.1 Details of joint venture

### 5.1 Total property, plant and equipment <sup>(i)</sup>

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2021 \$M	2020 \$M	2021 \$M	2020 \$M	2021 \$M	2020 \$M
Land at fair value	23,080.8	18,525.1	(1.6)	(0.8)	23,079.2	18,524.3
Buildings at fair value	9,952.9	10,060.0	(206.4)	(409.7)	9,746.5	9,650.3
Plant, equipment and vehicles at fair value	39.2	54.6	(32.9)	(43.0)	6.3	11.6
Motor vehicles at fair value	28.2	41.9	(1.7)	(11.7)	26.5	30.2
Assets under construction at cost	906.0	576.2	–	–	906.0	576.2
<b>Net carrying amount</b>	<b>34,007.1</b>	<b>29,257.8</b>	<b>(242.6)</b>	<b>(465.2)</b>	<b>33,764.5</b>	<b>28,792.6</b>

Note:

(i) AASB 16 has been applied for the first time from 1 July 2019.

The following tables are subsets of land, buildings, plant and equipment, motor vehicles and assets under construction by right-of-use assets and service concessions assets.

#### 5.1(a) Total right-of-use assets

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2021 \$M	2020 \$M	2021 \$M	2020 \$M	2021 \$M	2020 \$M
Land at fair value	10.6	11.6	(1.6)	(0.8)	9.0	10.8
Buildings at fair value	97.4	62.7	(37.9)	(18.1)	59.5	44.6
Plant and equipment at fair value	8.2	6.0	(5.0)	(2.5)	3.2	3.5
Motor vehicles at fair value	28.2	41.9	(1.7)	(11.7)	26.5	30.2
<b>Net carrying amount</b>	<b>144.4</b>	<b>122.2</b>	<b>(46.2)</b>	<b>(33.1)</b>	<b>98.2</b>	<b>89.1</b>

	Land \$M	Buildings \$M	Plant and equipment \$M	Motor vehicles \$M	Total \$M
<b>Opening balance – 1 July 2020</b>	10.8	44.6	3.5	30.2	89.1
Additions	–	8.9	–	5.7	14.6
Transfers	–	–	–	0.4	0.4
Lease modifications	(1.0)	29.0	2.2	–	30.1
Disposals	–	(0.8)	–	(3.4)	(4.3)
Depreciation	(0.8)	(22.1)	(2.5)	(6.4)	(31.8)
<b>Closing balance – 30 June 2021</b>	<b>9.0</b>	<b>59.5</b>	<b>3.2</b>	<b>26.5</b>	<b>98.2</b>
<b>Opening balance – 1 July 2019 <sup>(i)</sup></b>	11.5	572.5	4.7	36.1	624.8
Additions	–	27.7	1.3	15.1	44.1
Transfers <sup>(ii)</sup>	–	(527.3)	–	(4.9)	(532.2)
Lease modifications	0.1	11.8	–	–	11.9
Disposals	–	(0.5)	–	(7.3)	(7.8)
Depreciation	(0.8)	(39.6)	(2.5)	(8.8)	(51.7)
<b>Closing balance – 30 June 2020</b>	<b>10.8</b>	<b>44.6</b>	<b>3.5</b>	<b>30.2</b>	<b>89.1</b>

Notes:

- (i) This balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019 along with the transfer from finance lease assets (recognised under AASB 117 at 30 June 2019) to right-of-use assets (recognised under AASB 16 at 1 July 2019).
- (ii) In October 2019, the department transferred the right-of-use asset to the Department of Treasury and Finance Shared Service Provider.

### 5.1(b) Total service concession assets

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2021 \$M	2020 \$M	2021 \$M	2020 \$M	2021 \$M	2020 \$M
Land at fair value	429.1	430.4	–	–	429.1	430.4
Buildings at fair value	570.0	594.1	(47.3)	(26.0)	522.7	568.1
Plant and equipment at fair value	–	7.0	–	(5.6)	–	1.4
Intangible assets at fair value	–	2.4	–	(0.2)	–	2.2
Assets under construction	–	56.6	–	–	–	56.6
<b>Net carrying amount</b>	<b>999.1</b>	<b>1,090.5</b>	<b>(47.3)</b>	<b>(31.8)</b>	<b>951.8</b>	<b>1,058.7</b>

#### Initial recognition

Items of property, plant and equipment, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal consideration, the cost is the asset's fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The cost of leasehold improvements is capitalised and depreciated over the shorter of the remaining term of the leases or their estimated useful lives.

#### Right-of-use asset acquired by lessees – Initial measurement

The department recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date, plus
- any initial direct costs incurred, and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

### **Service concession assets (under AASB 1059 – Service Concession Arrangements: Grantors) – Initial measurement**

The department initially recognises service concession assets and service concession assets under construction, including land, buildings, equipment and intangible assets, at current replacement cost in accordance with the cost approach to fair value in AASB 13 *Fair Value Measurement*. Where existing assets and assets under construction, including land, buildings, equipment and intangible assets, meet the definition of service concession assets under AASB 1059, the department reclassifies the existing assets as service concession assets and measures the assets at current replacement cost in accordance with the cost approach to fair value in AASB 13 as at the date of reclassification.

### **Subsequent measurement**

Property, plant and equipment as well as right-of-use assets under leases and service concession assets are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised on the following page by asset category.

### **Right-of-use asset – Subsequent measurement**

The department depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

### **Service concession assets – Subsequent measurement**

Service concession assets are subject to revaluation as required by FRD 103I. As at 30 June 2021, no revaluation is required. When revalued, the fair value of service concession assets will be determined as follows.

**Non-specialised land and non-specialised buildings** are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

**Specialised land and specialised buildings:** The market approach is used for specialised land, although it may be adjusted for a community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants.

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

**Vehicles** are valued using the current replacement cost method. The department acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in the department who set the relevant depreciation rates during use to reflect the utilisation of the vehicles.

Fair value for **plant and equipment** is determined using the current replacement cost method.

Refer to Note 8.3.2 for additional information on fair value determination of property, plant and equipment.

### **Impairment of property, plant and equipment**

The recoverable amount of primarily non-cash generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 does not apply to such assets that are regularly revalued.

### 5.1.1 Depreciation and amortisation

#### Charge for the period

	2021 \$M	2020 \$M
<b>Buildings</b>	<b>243.6</b>	<b>321.3</b>
Health and Welfare	15.2	12.6
Housing	228.4	308.7
<b>Plant, equipment and vehicles</b>	<b>2.3</b>	<b>3.2</b>
Health and Welfare	2.3	3.0
Housing	–	0.3
<b>Intangible assets</b>	<b>44.3</b>	<b>25.7</b>
Health and Welfare	25.8	17.5
Housing	18.5	8.2
<b>Right-of-use assets</b>	<b>31.8</b>	<b>51.8</b>
Land	0.8	0.9
Buildings	22.1	39.6
Plant and equipment	2.5	2.5
Motor vehicles	6.4	8.8
<b>Service concession assets</b>	<b>25.5</b>	<b>27.1</b>
Buildings	25.2	25.9
Plant and equipment	0.2	1.0
Intangible assets	0.1	0.2
<b>Aggregate depreciation and amortisation allocated</b>	<b>347.5</b>	<b>429.1</b>
Less depreciation and amortisation capitalised to carrying amount of other assets during the year	(2.4)	(1.0)
<b>Total depreciation and amortisation</b>	<b>345.1</b>	<b>428.1</b>

All buildings, plant, equipment, vehicles and other non-current physical assets that have finite useful lives are depreciated. The exceptions to this rule include items under assets held for sale and land.

Depreciation is calculated on a straight-line basis at rates that allocate the asset value, less any estimated residual value, over its estimated useful life.

Typical estimated useful lives for the different asset classes for the current and prior year are included in the table below:

Asset class	2021	2020
Buildings	5 to 85 years	5 to 85 years
Plant, equipment and vehicles	3 to 15 years	3 to 15 years
Intangible assets	3 to 20 years	3 to 20 years

The estimated useful lives, residual value and depreciation method are reviewed at the end of each annual reporting period. Estimated useful lives for buildings, and plant, equipment and vehicles remain unchanged since June 2020.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where the department obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

5.1.2 Carrying values by 'purpose' groups <sup>(i)</sup>

Nature-based classification	Health and Welfare		Housing		Total	
	2021 \$M	2020 \$M	2021 \$M	2020 \$M	2021 \$M	2020 \$M
<b>Land at fair value</b>						
Rental property	–	–	21,599.2	17,325.6	21,599.2	17,325.6
Community services	1,045.5	761.1	–	–	1,045.5	761.1
Right-of-use land	–	–	10.6	11.6	10.6	11.6
Service concession land	429.1	430.4	–	–	429.1	430.4
<i>Less accumulated depreciation</i>	–	–	(1.6)	(0.8)	(1.6)	(0.8)
<i>Less allowance for Shared Home Ownership Scheme equity conversion</i>	–	–	(3.6)	(3.6)	(3.6)	(3.6)
<b>Total land at fair value</b>	<b>1,474.6</b>	<b>1,191.5</b>	<b>21,604.6</b>	<b>17,332.8</b>	<b>23,079.2</b>	<b>18,524.3</b>
<b>Buildings at fair value</b>						
Rental property	–	–	8,800.4	8,902.4	8,800.4	8,902.4
Other property – regional offices	–	–	2.8	3.5	2.8	3.5
Community services	484.2	499.2	–	–	484.2	499.2
Right-of-use buildings	16.9	8.2	80.5	54.5	97.4	62.7
Service concession buildings	570.0	594.1	–	–	570.0	594.1
<i>Less accumulated depreciation</i>	(75.7)	(94.7)	(130.7)	(315.0)	(206.4)	(409.7)
<i>Less allowance for Shared Home Ownership Scheme equity conversion</i>	–	–	(1.9)	(1.9)	(1.9)	(1.9)
<b>Total buildings at fair value</b>	<b>995.4</b>	<b>1,006.8</b>	<b>8,751.1</b>	<b>8,643.5</b>	<b>9,746.5</b>	<b>9,650.3</b>
<b>Plant, equipment and vehicles at fair value</b>						
Plant, equipment and vehicles	28.8	39.3	2.2	2.3	31.0	41.6
Right-of-use plant and equipment	8.2	6.0	–	–	8.2	6.0
Service concession plant and equipment	–	7.0	–	–	–	7.0
<i>Less accumulated depreciation</i>	(30.7)	(40.7)	(2.2)	(2.3)	(32.9)	(43.0)
	<b>6.3</b>	<b>11.6</b>	<b>–</b>	<b>–</b>	<b>6.3</b>	<b>11.6</b>
Right-of-use motor vehicles	28.2	41.9	–	–	28.2	41.9
<i>Less accumulated depreciation</i>	(1.7)	(11.7)	–	–	(1.7)	(11.7)
	<b>26.5</b>	<b>30.2</b>	<b>–</b>	<b>–</b>	<b>26.5</b>	<b>30.2</b>
<b>Total plant, equipment and vehicles at fair value</b>	<b>32.8</b>	<b>41.8</b>	<b>–</b>	<b>–</b>	<b>32.8</b>	<b>41.8</b>

	Health and Welfare		Housing		Total	
	2021 \$M	2020 \$M	2021 \$M	2020 \$M	2021 \$M	2020 \$M
<b>Nature-based classification</b>						
<b>Assets under construction at cost</b>						
Rental property	–	–	630.5	451.1	630.5	451.1
Other property	275.0	67.8	0.5	0.6	275.5	68.4
Service concession assets under construction	–	56.7	–	–	–	56.7
<b>Total assets under construction at cost</b>	<b>275.0</b>	<b>124.5</b>	<b>631.0</b>	<b>451.7</b>	<b>906.0</b>	<b>576.2</b>
<b>Net carrying amount of property, plant and equipment</b>	<b>2,777.8</b>	<b>2,364.6</b>	<b>30,986.7</b>	<b>26,428.0</b>	<b>33,764.5</b>	<b>28,792.6</b>

Note:

- (i) Property, plant and equipment are classified primarily by the purpose for which the assets are used, according to one of six purpose groups based upon government purpose classifications. All assets within a purpose group are further subcategorised according to the asset nature (for example buildings, plant and equipment), with each subcategory being classified as a separate class of asset for financial reporting purposes.

### 5.1.3 Reconciliation of movements in carrying values of property, plant and equipment

2021	Land at fair value \$M	Buildings at fair value \$M	Plant, equipment and vehicles at fair value \$M	Motor vehicles at fair value \$M	Assets under construction at cost \$M	Total \$M
<b>Balance at 1 July 2020</b>	<b>18,524.3</b>	<b>9,650.3</b>	<b>11.6</b>	<b>30.2</b>	<b>576.2</b>	<b>28,792.6</b>
Machinery of government transfer in/(out)	–	–	–	0.2	1.2	1.4
Additions	94.7	28.7	0.7	5.7	828.8	958.6
Administrative instrument transfers	(1.3)	(78.4)	(3.1)	–	(3.5)	(86.3)
Disposals	(32.5)	(26.4)	–	(3.4)	–	(62.3)
Net revaluation increments/(decrements)	4,467.4	(30.8)	–	–	2.4	4,439.1
Depreciation and amortisation	(0.8)	(290.9)	(5.0)	(6.4)	–	(303.1)
Fair value of assets received free of charge or for nominal considerations	–	–	–	0.2	–	0.2
Fair value of assets provided free of charge or for nominal considerations	(1.6)	(0.4)	–	–	(0.1)	(2.1)
Transfers in/(out) of assets under construction	29.7	469.8	–	–	(499.5)	–
Transfers between classes	–	–	–	(0.5)	–	(0.5)
Transfers to provision for equity reduction	(0.2)	(0.1)	–	–	–	(0.2)
Transfers (to)/from assets held for sale	0.5	(4.4)	–	0.5	–	(3.3)
Other changes	(1.1)	29.0	2.1	–	0.5	30.5
<b>Balance at 30 June 2021</b>	<b>23,079.2</b>	<b>9,746.6</b>	<b>6.3</b>	<b>26.5</b>	<b>906.0</b>	<b>33,764.5</b>

2020	Land at fair value \$M	Buildings at fair value \$M	Plant, equipment and vehicles at fair value \$M	Motor vehicles at fair value \$M	Assets under construction at cost \$M	Total \$M
<b>Balance at 1 July 2019</b>	<b>18,514.9</b>	<b>9,797.6</b>	<b>11.6</b>	<b>36.1</b>	<b>458.0</b>	<b>28,818.2</b>
Recognition of right-of-use assets on initial application of AASB 16	11.5	569.6	4.7	–	–	585.9
<b>Adjusted balance at 1 July 2019</b>	<b>18,526.4</b>	<b>10,367.2</b>	<b>16.3</b>	<b>36.1</b>	<b>458.0</b>	<b>29,404.1</b>
Machinery of government transfer in/(out)	–	–	–	–	(0.8)	(0.8)
Additions	–	30.1	2.3	15.2	354.5	402.1
Administrative instrument transfers	7.0	(522.6)	–	(6.8)	–	(522.4)
Disposals	(19.7)	(50.7)	–	(7.3)	–	(77.6)
Net revaluation increments/(decrements)	(4.4)	(14.8)	–	–	–	(19.2)
Asset impairment	–	–	–	–	1.0	1.0
Depreciation and amortisation	(0.9)	(386.8)	(6.7)	(8.8)	–	(403.2)
Fair value of assets received free of charge or for nominal considerations	2.5	0.2	–	0.1	–	2.8
Fair value of assets provided free of charge or for nominal considerations	–	–	(0.3)	(0.4)	–	(0.7)
Transfers in/(out) of assets under construction	16.7	219.9	–	–	(236.6)	–
Transfers (to)/from assets held for sale	(3.6)	(3.9)	–	2.3	–	(5.2)
Other changes	0.1	11.7	–	–	–	11.8
<b>Balance at 30 June 2020</b>	<b>18,524.3</b>	<b>9,650.3</b>	<b>11.6</b>	<b>30.2</b>	<b>576.2</b>	<b>28,792.6</b>

## 5.2 Intangible assets <sup>(i)</sup>

	2021 \$M	2020 \$M
<b>Gross carrying amount</b>		
<b>Opening balance</b>	265.2	213.4
Administrative instrument transfers	(2.2)	–
Additions from internal development	88.1	51.8
<b>Closing balance</b>	351.1	265.2
<b>Accumulated amortisation and impairment</b>		
<b>Opening balance</b>	(130.8)	(104.9)
Amortisation of intangible produced assets	(44.4)	(25.9)
<b>Closing balance</b>	(175.2)	(130.8)
<b>Net book value at end of financial year</b>	175.9	134.4

Note:

(i) Intangible assets comprise computer software.

### Initial recognition

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

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

### Subsequent measurement

Intangible produced assets with finite useful lives, are amortised as an 'expense from transactions' on a straight-line basis over their useful lives. Produced intangible assets have useful lives of between 3 and 20 years.

Service concession intangible assets recognised by applying AASB 1059 are subsequently measured at fair value (current replacement cost).

### Impairment of intangible assets

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

## 5.3 Investments accounted for using the equity method

The department had an interest in a joint venture with Monash University in the Australian Regenerative Medical Institute (ARMI). This investment was accounted for at cost however the investment was impaired as at 30 June 2020 due to commencement of termination proceedings.

### 5.3.1 Details of joint venture

ARMI was established to construct and operate a facility which will promote Victoria as a global leader in regenerative medical research, foster and develop existing research collaboration on domestic and overseas projects, and provide a major site for undergraduate and postgraduate training programs. In accordance with the Joint Venture Agreement, either party of the joint venture may terminate the joint venture from June 2020. Monash University commenced termination proceedings in June 2020 and accordingly the Joint Venture investment has been impaired to its fair value of nil. The Joint Venture has been formally deregistered as at 1 October 2020.

Name of entity	Country of incorporation	Measurement method	Ownership interest (%)		Published fair value (\$M)	
			2021	2020	2021	2020
<b>Joint venture</b>						
ARMI	Australia	Equity method	–	20	–	–

## 6. Other assets and liabilities

### Introduction

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

### Structure

- 6.1 Receivables
- 6.2 Loans
  - 6.2.1 Ageing analysis of contractual loans
- 6.3 Other non-financial assets
- 6.4 Payables
  - 6.4.1 Maturity analysis of contractual payables
- 6.5 Other provisions
  - 6.5.1 Reconciliation of movements in other provisions
- 6.6 Inventories
- 6.7 Other non-financial liabilities

### 6.1 Receivables

	2021 \$M	2020 \$M
<b>Current receivables</b>		
<i>Contractual</i>		
Tenants in arrears	12.3	15.0
Other receivables	357.3	483.5
<i>Less allowance for impairment losses of contractual receivables</i>	(27.7)	(10.8)
	341.9	487.7
<i>Statutory</i>		
Amounts owing from Victorian Government	1,634.4	1,310.6
GST input tax credit recoverable	50.4	62.7
	1,684.8	1,373.3
<b>Total current receivables</b>	<b>2,026.7</b>	<b>1,861.0</b>
<b>Non-current receivables</b>		
<i>Statutory</i>		
Amounts owing from Victorian Government	2,627.5	2,383.6
	2,627.5	2,383.6
<b>Total non-current receivables</b>	<b>2,627.5</b>	<b>2,383.6</b>
<b>Total receivables</b>	<b>4,654.2</b>	<b>4,244.6</b>

**Contractual receivables** are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The department holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.

**Statutory receivables** do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The department applies AASB 9 for initial measurement of the statutory receivables and, as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction costs. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

Details about the department's impairment policies, the department's exposure to credit risks and the calculation of the loss allowance are set out in Note 8.1.3.

## 6.2 Loans

	2021 \$M	2020 \$M
<b>Current loans</b>		
<i>Contractual</i>		
Fixed interest home loans	0.6	0.7
Indexed interest home loans	8.0	8.2
Other loans	13.5	316.1
<b>Total current loans</b>	<b>22.1</b>	<b>325.0</b>
<b>Non-current loans</b>		
<i>Contractual</i>		
Fixed interest home loans	1.0	1.2
Indexed interest home loans	1.8	3.0
Community housing loans	20.2	20.2
Other loans	74.1	40.5
<b>Total non-current loans</b>	<b>97.1</b>	<b>64.9</b>
<b>Less allowance for impairment losses of contractual loans</b>		
Fixed interest home loans	(0.1)	(0.1)
Indexed interest home loans	(0.3)	(0.3)
<b>Total allowance for impairment losses of contractual loans</b>	<b>(0.4)</b>	<b>(0.4)</b>
<b>Total loans</b>	<b>118.8</b>	<b>389.5</b>

The department has housing-related loans and loans and advances to health agencies.

The housing-related loans relate to loan programs that have ceased. The majority of housing loans are secured by a registered mortgage. However, there are a small number of loans that are on terms in contracts of sale. The title remains in the name of the vendor, Director of Housing as successor in title to the Housing Commission, until the amount owing under the contract of sale is paid in full. Some mortgage relief and home renovation loans are subject to an unregistered mortgage with a caveat on the title noting the Director of Housing as having an interest in the property. The Home Renovation Service loan program did not require security for loans of \$10,000 or less.

Cash advances were paid in 2019–20 to health agencies for the purpose of providing funding to meet July 2020 payroll and supplier payments. Health agencies were required to repay this cash advance in 2020–21.

Loans are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.

**Defaults and breaches:** During the current and prior year, there were no defaults and breaches of any of the loans.

### 6.2.1 Ageing analysis of contractual loans

	Carrying amount \$M	Not past due \$M	Past due			
			Less than 1 month \$M	1–3 months \$M	3 months – 1 year \$M	1–5 years \$M
<b>2021</b>						
Loans	118.8	118.8	–	–	–	–
<b>Total</b>	<b>118.8</b>	<b>118.8</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>2020</b>						
Loans	389.5	389.5	–	–	–	–
<b>Total</b>	<b>389.5</b>	<b>389.5</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

### 6.3 Other non-financial assets

	2021 \$M	2020 \$M
Prepayments	162.9	286.2
<b>Total other non-financial assets</b>	<b>162.9</b>	<b>286.2</b>

Prepayments represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period.

### 6.4 Payables

	2021 \$M	2020 \$M
<b>Current payables</b>		
<i>Statutory</i>		
FBT payable	–	0.2
<i>Contractual</i>		
Employee benefits payable	59.0	24.3
Supplies and services	287.8	162.2
Amounts payable to government agencies	681.2	670.5
Concession payments to pensioners	111.4	93.9
Tenants in advance	26.7	24.5
Capital works	4.2	9.6
Other	(3.9)	10.3
<b>Total current payables</b>	<b>1,166.4</b>	<b>995.5</b>
<b>Non-current payables</b>		
<i>Contractual</i>		
Amounts payable to government agencies	962.9	850.9
Other	0.8	0.8
<b>Total non-current payables</b>	<b>963.7</b>	<b>851.7</b>
<b>Total payables</b>	<b>2,130.1</b>	<b>1,847.2</b>

Payables consist of:

- **contractual payables**, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the department prior to the end of the reporting period that are unpaid, and
- **statutory payables**, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and are not included in financial liabilities at amortised cost, because they do not arise from a contract.

Payables for supplies and services have an average credit period of 30 days.

The terms and conditions of amounts payable to the government and agencies vary according to the particular agreements and as they are not legislative payables, they are not classified as financial instruments.

### 6.4.1 Maturity analysis of contractual payables <sup>(i)</sup>

	Carrying amount \$M	Nominal amount \$M	Maturity dates				
			Less than 1 month \$M	1–3 months \$M	3 months – 1 year \$M	1–5 years \$M	5+ years \$M
<b>2021</b>							
Payables	2,130.1	2,130.1	767.8	103.4	295.2	0.9	962.8
<b>Total</b>	<b>2,130.1</b>	<b>2,130.1</b>	<b>767.8</b>	<b>103.4</b>	<b>295.2</b>	<b>0.9</b>	<b>962.8</b>
<b>2020</b>							
Payables	1,847.0	1,847.0	526.5	217.5	251.4	0.8	850.8
<b>Total</b>	<b>1,847.0</b>	<b>1,847.0</b>	<b>526.5</b>	<b>217.5</b>	<b>251.4</b>	<b>0.8</b>	<b>850.8</b>

Note:

(i) Maturity analysis is presented using the contractual undiscounted cash flows.

### 6.5 Other provisions

	2021 \$M	2020 \$M
<b>Current provisions</b>		
NDIS service providers' leave	79.3	–
Insurance claims	46.6	43.5
Make-good provision	1.2	1.0
<b>Total current provisions</b>	<b>127.1</b>	<b>44.5</b>
<b>Non-current provisions</b>		
NDIS service providers' leave	33.1	–
Insurance claims	75.2	76.9
Make-good provision	6.4	3.5
<b>Total non-current provisions</b>	<b>114.7</b>	<b>80.4</b>
<b>Total other provisions</b>	<b>241.8</b>	<b>124.9</b>

Other provisions are recognised when the department has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time, value of money and risks specific to the provision.

#### 6.5.1 Reconciliation of movements in other provisions

	Make-good 2021 \$M	Insurance claims 2021 \$M	NDIS providers' leave 2021 \$M	Total 2021 \$M
<b>Opening balance</b>	<b>4.5</b>	<b>120.4</b>	<b>–</b>	<b>124.9</b>
Additional provisions recognised	3.1	–	112.4	115.5
Reductions arising from payments/claims handling expenses/other sacrifices of future economic benefits	–	(46.0)	–	(46.0)
Actuarial revaluations of insurance claims liability inclusive of risk margin	–	46.6	–	46.6
Unwind of discount and effect of changes in the discount rate	–	0.8	–	0.8
<b>Closing balance</b>	<b>7.6</b>	<b>121.8</b>	<b>112.4</b>	<b>241.8</b>

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

The **make-good** provision is recognised in accordance with the lease agreement over the building facilities. The department must remove any leasehold improvements from the leased building and restore the premises to its original condition at the end of the lease term.

**Insurance claims:** The department engaged the Victorian Managed Insurance Authority (VMIA) under a claims administration agreement to manage non-medical indemnity claims resulting from public healthcare incidents occurring on or after 1 July 2005. These claims are managed by VMIA on behalf of the department under a service level agreement. VMIA has engaged an independent actuary to determine these liability provisions in accordance with the Institute of Actuaries of Australia's professional standard PS300. The estimation of outstanding claims liabilities is based on actuarial modelling including analysis of claims experience, loss trends, risk exposure data and industry data.

The **NDIS service providers' leave** provision is recognition of the outstanding amount of employee leave benefits owed to the five non-government NDIS service providers from the direct employment transfer of former departmental staff to these providers as part of the transfer of government disability services. The department's obligation and schedule to pay the new non-government NDIS service providers for transferred employee leave benefit balances was agreed in the transfer commercial contracts signed with these providers. The direct employment transfer of the former departmental disability staff occurred on 31 December 2020.

## 6.6 Inventories

	2021 \$M	2020 \$M
<b>Current inventories</b>		
<b>Supplies and consumables:</b>		
At cost	638.4	411.8
<b>Total current inventories</b>	<b>638.4</b>	<b>411.8</b>
<b>Total inventories</b>	<b>638.4</b>	<b>411.8</b>

Inventories include goods, principally personal protective and other equipment, for distribution at zero or nominal cost to assist in the response to COVID-19.

Inventories held for distribution are measured at cost, adjusted for any loss of service potential.

## 6.7 Other non-financial liabilities

	2021 \$M	2020 \$M
PPP-related non-financial liabilities	2.6	–
<b>Total other non-financial liabilities</b>	<b>2.6</b>	<b>–</b>

The non-financial liabilities relate to the New Footscray Hospital Project.

## 7. How we financed our operations

### Introduction

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

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances).

Notes 8.1 and 8.3 provide additional, specific financial instrument disclosures.

### Structure

- 7.1 Borrowings
  - 7.1.1 Maturity analysis of borrowings
  - 7.1.2 Interest expense
- 7.2 Leases
  - 7.2.1 Leases
- 7.3 Cash flow information and balances
  - 7.3.1 Reconciliation of net result for the period to net cash flow from operating activities
- 7.4 Trust account
  - 7.4.1 Trust account balances
  - 7.4.2 Trust account – Legislative references and nature
- 7.5 Commitments for expenditure
  - 7.5.1 Total commitments payable
  - 7.5.2 Public private partnership (PPP) commitments
  - 7.5.3 AASB 1059 Service Concession Arrangements: Grantors

### 7.1 Borrowings

	2021 \$M	2020 \$M
<b>Current borrowings</b>		
Advances from Victorian Government	46.9	366.1
Lease liabilities	38.4	35.1
<b>Total current borrowings</b>	<b>85.3</b>	<b>401.2</b>
<b>Non-current borrowings</b>		
Advances from Victorian Government	57.1	23.0
PPP-related financial liabilities	175.4	–
Lease liabilities	52.8	48.4
<b>Total non-current borrowings</b>	<b>285.3</b>	<b>71.4</b>
<b>Total borrowings</b>	<b>370.6</b>	<b>472.6</b>

Borrowings are classified as financial instruments. All interest-bearing liabilities are initially recognised at the fair value of the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether the department has categorised its interest-bearing liabilities as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'. The classification depends on the nature and purpose of the interest-bearing liabilities. The department determines the classification of interest-bearing liabilities at initial recognition.

**Defaults and breaches:** During the current and previous financial year, there were no defaults or breaches of required conditions in relation to any of the borrowings.

**Advances from Victorian Government** are advances from the Department of Treasury and Finance. These advances are non-interest bearing.

**Lease liabilities** are secured by the assets leased. Leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

**Public private partnership (PPP)-related financial liabilities** arise on uncommissioned PPPs where either a service concession asset or an item of property, plant and equipment is in construction.

### 7.1.1 Maturity analysis of borrowings

	Carrying amount \$M	Nominal amount \$M	Maturity dates				
			Less than 1 month \$M	1–3 months \$M	3 months – 1 year \$M	1–5 years \$M	5+ years \$M
<b>2021</b>							
Advances from Victorian Government	104.0	104.0	41.2	–	5.7	57.1	–
PPP-related financial liabilities	175.4	322.6	0.3	–	–	0.4	321.9
Lease liabilities	91.2	96.3	8.8	5.6	25.3	48.9	7.7
<b>Total</b>	<b>370.6</b>	<b>522.9</b>	<b>50.3</b>	<b>5.6</b>	<b>31.0</b>	<b>106.4</b>	<b>329.6</b>
<b>2020</b>							
Advances from Victorian Government	389.1	389.1	57.2	–	308.9	23.0	–
Lease liabilities	83.5	88.8	5.6	8.8	22.4	43.1	8.9
<b>Total</b>	<b>472.6</b>	<b>477.9</b>	<b>62.8</b>	<b>8.8</b>	<b>331.3</b>	<b>66.1</b>	<b>8.9</b>

### 7.1.2 Interest expense

	2021 \$M	2020 \$M
Interest on lease liabilities	1.5	7.0
Interest on PPP-related financial liabilities	2.5	–
<b>Total interest expense</b>	<b>4.0</b>	<b>7.0</b>

'Interest expense' includes costs incurred in connection with the borrowing of funds and includes interest on bank overdrafts and short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings and interest component of finance leases repayments.

Interest expense is recognised in the period in which it is incurred.

The department recognises borrowing costs immediately as an expense, even where they are directly attributable to the acquisition, construction or production of a qualifying asset.

## 7.2 Leases

### 7.2.1 Leases

Information about leases for which the department is a lessee is presented below.

#### The department's leasing activities

The department leases various IT data centres, equipment and motor vehicles. The lease contracts are typically made for fixed periods of 1 to 5 years. The department leases some office accommodation which are short-term leases of 12 months or less. The department has elected not to recognise right-of-use assets and lease liabilities for these leases.

The department entered into various printing contracts. The payments are based on consumption. The department considers these printing payments as variable lease payments.

In October 2019, the department agreed to the Centralised Accommodation Management with the Department of Treasury and Finance Shared Service Provider (SSP). Following this agreement, the right-of-use asset and lease liability recognised for the accommodation leases at that date were derecognised and transferred to SSP as a transfer through equity, in accordance with the requirements of FRD 119A *Transfers through contributed capital*. From November 2019, accommodation has been recognised as an expense (refer to Note 3.1.5 Other operating expenses) and the commitment for the service payments has been disclosed (refer to Note 7.5 Commitments).

The Director of Housing leases various properties for the social housing program. These lease contracts are typically made for a fixed period of 2 to 5 years.

### Leases at significantly below-market terms and conditions

The Director of Housing entered into a number of land leases with lease term ranging from 5 years to indefinite. These lease contracts specify lease payments of \$1 per annum. In accordance with FRD 103I *Non-financial physical assets*, the below-market leases are recognised at cost.

#### 7.2.1(a) Right-of-use assets

Right-of-use assets are presented in Note 5.1(a).

#### 7.2.1(b) Amounts recognised in the comprehensive operating statement

The following amounts relating to leases are recognised in the comprehensive operating statement:

	2021 \$M	2020 \$M
<b>Amounts recognised in the comprehensive operating statement</b>		
Interest expense on lease liabilities	1.5	7.0
Expenses relating to short-term leases	13.4	6.9
Variable lease payments, not included in the measurement of lease liabilities	0.4	2.3
<b>Total amount recognised in the comprehensive operating statement</b>	<b>15.3</b>	<b>16.2</b>

#### 7.2.1(c) Amounts recognised in the cash flow statement

The following amounts relating to leases are recognised in the cash flow statement:

	2021 \$M	2020 \$M
<b>Total cash outflow for leases</b>	<b>49.9</b>	<b>61.3</b>

For any new contracts entered into, the department considers whether a contract is or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the department assesses whether the contract meets three key evaluations:

- whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the department and for which the supplier does not have substantive substitution rights
- whether the department has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract, and the department has the right to direct the use of the identified asset throughout the period of use, and
- whether the department has the right to make decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

### Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

### Recognition and measurement of leases as a lessee

#### Lease liability – initial measurement

Lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the department's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments)
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee, and
- payments arising from purchase and termination options reasonably certain to be exercised.

### Lease liability – subsequent measurement

Subsequent to initial measurement, the lease liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

### Short-term leases and leases of low-value assets

The department has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these types of leases are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term.

### Below-market/peppercorn leases

Right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable the department to further its objectives, are initially and subsequently measured at cost. These right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

### Presentation of right-of-use assets and lease liabilities

The department presents right-of-use assets as 'property, plant and equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

## 7.3 Cash flow information and balances

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes and are readily convertible to known amounts of cash with an insignificant risk of changes in value.

	2021 \$M	2020 \$M
<b>Total cash and deposits disclosed in the balance sheet</b>		
Short-term deposits <sup>(i)</sup>	705.7	482.1
Cash at bank <sup>(i)(ii)</sup>	38.4	(29.3)
Funds held in trust	169.7	145.1
Cash advances	0.1	(0.2)
<b>Balance as per cash flow statement</b>	<b>913.9</b>	<b>597.7</b>

Notes:

- (i) Cash and short-term deposits include funds held by the Director of Housing in the Central Banking System as well as funds that have been committed to a number of significant projects and are expected to be expensed in 2021–22 (as disclosed in Note 7.5).
- (ii) Cash at bank was in overdraft due to timing difference of salary payment withdrawn on 30 June 2020 and the replenishment from the Department of Treasury and Finance on 1 July 2020.

Due to the state's investment policy and funding arrangements, the department does not hold a large cash reserve in its bank accounts. Cash received from generation of income is generally paid into the state's bank account ('public account'). Similarly, departmental expenditure, including in the form of cheques drawn for the payments to its suppliers and creditors, are made via the public account. The public account remits to the department the cash required upon presentation of cheques by the department's suppliers or creditors.

### 7.3.1 Reconciliation of net result for the period to net cash flow from operating activities

	2021 \$M	2020 \$M
<b>Net result for the period</b>	513.9	545.4
<b>Non-cash movements</b>		
(Gain)/loss on sale of non-financial assets	3.0	4.5
Depreciation and amortisation	345.1	428.3
Impairment of joint venture	–	35.0
Change in net market values of VMIA liability	47.4	40.6
Other income from investing activities	–	(1.4)
Net gain/(loss) on financial instruments	(1.6)	(0.4)
Other gains or losses from other economic flows	12.4	23.6
Resources (received)/provided free of charge	296.6	28.5
<b>Movements in assets and liabilities</b>		
(Increase)/decrease in receivables	(440.0)	(929.3)
(Increase)/decrease in prepayments	122.8	(271.2)
Increase/(decrease) in payables	325.3	413.1
Increase/(decrease) in provisions	(8.8)	(1.5)
(Increase)/decrease in inventories	(226.6)	(412.0)
<b>Net cash flows from/(used in) operating activities</b>	<b>989.6</b>	<b>(96.9)</b>

**Restructuring of administrative arrangements:** The administrative restructuring is not reflected in the cash flow statement.

## 7.4 Trust account

### 7.4.1 Trust account balances

The department has responsibility for transactions and balances relating to trust funds held on behalf of third parties external to the department. Funds managed on behalf of third parties are not recognised in these financial statements as they are managed on a fiduciary and custodial basis, and therefore are not controlled by the department.

Any earnings on the funds held pending distribution are also applied to the trust funds under management as appropriate.

The following is a listing of trust account balances relating to trust accounts controlled and administered by the department. During 2020–21, there were no trust accounts closed.

	2021						2020					
	Opening balance as at 1 July 2020 \$M	Machinery of government transfer in/(out) \$M	Total receipts \$M	Total payments \$M	Non cash movement \$M	Closing balance as at 30 June 2021 \$M	Opening balance as at 1 July 2019 \$M	Machinery of government transfer in/(out) \$M	Total receipts \$M	Total payments \$M	Non cash movement \$M	Closing balance as at 30 June 2020 \$M
<b>Controlled trusts</b>												
Casey Hospital Escrow Account	6.8	–	–	–	(1.5)	5.3	6.8	–	–	–	–	6.8
Health State Managed Fund	2.2	–	1,908.5	1,908.5	–	2.2	2.2	–	1,698.1	1,697.5	(0.6)	2.2
Hospital and Charities Fund	–	–	1,481.3	1,465.0	(14.5)	1.8	155.9	–	1,664.1	1,912.2	92.2	–
Intellectually Handicapped Children's Amenities Fund	0.1	–	–	–	–	0.1	0.1	–	–	–	–	0.1
Mental Health Fund	2.1	–	63.9	63.9	–	2.1	2.1	–	63.9	63.9	–	2.1
Public Health Fund	0.2	–	2,698.1	2,511.8	(123.4)	63.1	0.2	–	1,493.0	1,023.6	(469.3)	0.2
Treasury Trust	64.4	0.6	65.1	42.8	(0.7)	86.6	74.8	–	47.9	57.5	(0.8)	64.4
Inter-Departmental Transfer Trust	65.8	(2.0)	360.2	349.7	(74.6)	(0.3)	71.2	2.1	265.8	278.5	5.2	65.8
Vehicle Lease Trust Account	10.3	–	1.5	0.1	–	11.7	31.0	–	2.1	22.7	(0.1)	10.3
Victorian Health Promotion Fund	–	–	41.3	41.3	–	–	–	–	40.7	40.7	–	–
Departmental Suspense Account	–	2.4	(0.4)	0.4	–	1.6	–	–	–	–	–	–
Victorian Veterans Fund	–	0.5	–	0.1	–	0.4	–	–	–	–	–	–
Anzac Day Proceeds Fund	–	–	0.5	0.2	–	0.3	–	–	–	–	–	–
<b>Total controlled trusts</b>	<b>151.9</b>	<b>1.5</b>	<b>6,620.0</b>	<b>6,383.8</b>	<b>(214.8)</b>	<b>174.9</b>	<b>344.3</b>	<b>2.1</b>	<b>5,275.7</b>	<b>5,096.7</b>	<b>(373.4)</b>	<b>151.9</b>

	2021						2020					
	Opening balance as at 1 July 2020 \$M	Machinery of government transfer in/(out) \$M	Total receipts \$M	Total payments \$M	Non cash movement \$M	Closing balance as at 30 June 2021 \$M	Opening balance as at 1 July 2019 \$M	Machinery of government transfer in/(out) \$M	Total receipts \$M	Total payments \$M	Non cash movement \$M	Closing balance as at 30 June 2020 \$M
<b>Administered trusts</b>												
National Disability Insurance Scheme Trust Account	–	–	1,871.2	2,016.2	145.0	–	73.1	–	1,577.8	1,231.8	(419.1)	–
National Health Funding Pool – Victoria State Pool Account	–	–	12,506.0	12,506.1	0.1	–	–	–	13,071.0	13,071.0	–	–
Public Service Commuter Club	(0.7)	–	0.7	0.1	–	(0.1)	(1.0)	–	1.8	1.5	–	(0.7)
Revenue Suspense Account	3.8	–	0.2	–	–	4.0	3.4	–	0.4	–	–	3.8
Victorian Natural Disasters Relief Fund	–	–	7.4	8.0	–	(0.6)	–	–	25.4	25.4	–	–
<b>Total administered trusts</b>	<b>3.1</b>	<b>–</b>	<b>14,385.5</b>	<b>14,530.4</b>	<b>145.1</b>	<b>3.3</b>	<b>75.5</b>	<b>–</b>	<b>14,676.3</b>	<b>14,329.7</b>	<b>(419.1)</b>	<b>3.1</b>

## 7.4.2 Trust account – Legislative references and nature

### Controlled trusts

#### Casey Hospital Escrow Account

Established to manage and control payments to the contractor for the completion of the Casey Hospital refurbishment.

#### Health State Managed Fund

Established under the *Health (Commonwealth State Funding Arrangements) Act 2012* for the purpose of receiving funding for block grants, teaching, training and research.

#### Hospitals and Charities Fund

Established under the *Health Services Act 1988* to record funding for health service agencies. Monies are paid into the fund from the *Gambling Regulation Act 2003*, *Casino Control Act 1991* and s. 10 of the *Financial Management Act 1994*.

#### Intellectually Handicapped Children's Amenities Fund

Established under the *Intellectually Disabled Persons Act 1986* which was then repealed by the *Disability Act 2006*. The trust was established to meet the cost of the provision of amenities for children under the age of 16 years in the care of the department.

#### Mental Health Fund

Established under the *Gaming Regulation Act 2003* for the establishment and maintenance of mental health services and residential institutions and facilities, for the administration of the *Mental Health Act 1986* and for the administration of the *Disability Act 2006*.

#### Public Health Fund

Established by the Assistant Treasurer in accordance with the National Health Reform Agreement to allow the Department of Health to access public health funding contributions paid by the Commonwealth through the National Health Funding Pool and apply the funding to deliver public health activities managed by the state.

#### Treasury Trust

Established to record the receipt and disbursement of unclaimed monies and other funds held in trust.

#### Inter-Departmental Transfer Trust

Established under s. 19 of the *Financial Management Act 1994* by the Assistant Treasurer to record inter-departmental transfers when no other trust arrangement exists.

#### Vehicle Lease Trust Account

Established to record transactions relating to the government's vehicle pool and fleet management business.

#### Victorian Health Promotion Fund

Established under s. 32 of the *Tobacco Act 1987*, prior to the abolition by the High Court in July 1997 of taxes on tobacco products. Following the High Court decision, the Act was amended and the source of funding was specified by the Treasurer under s. 32(3a).

#### Departmental Suspense Account

Short-term clearing account pending correct identification of payments.

#### Victorian Veterans Fund

Established under s. 20 of the *Veterans Act 2005* to educate Victorians about Victoria's involvement in Australia's war and service history, to honour or commemorate the service or sacrifice of veterans, to assist the education of veterans' dependants and any other purpose agreed in writing by the Minister for Veterans. The Victorian Veterans Council may invest any part of the Victorian Veterans Fund not immediately required for the purposes of the Victorian Veterans Fund in any manner approved by the Treasurer.

#### Anzac Day Proceeds Fund

Established under s. 4A of the *ANZAC Day Act 1958* to receive funds as required to be paid by the *ANZAC Day Act 1958* and the *Racing Act 1958* and to be credited to the Victorian Veterans Fund.

**Administered trusts****National Disability Insurance Scheme Trust Account**

Established in accordance with a memorandum of understanding (MOU) between Department of Health and Human Services, Department of Education and Training, Taxi Services Commission, and Department of Treasury and Finance. The trust is used solely to manage the state's payments to the NDIA, as required under the bilateral agreement between the Commonwealth and Victoria that outlines the transition to the National Disability Insurance Scheme.

**National Health Funding Pool – Victoria State Pool Account**

Established under the *Health (Commonwealth State Funding Arrangements) Act 2012* to record funding made available by the Commonwealth and the state under the National Health Reform Agreement.

**Public Service Commuter Club**

Established to record the receipt of amounts associated with the Public Service Commuter Club Scheme and deductions from club members' salaries as well as to record payment to the Public Transport Corporation.

**Revenue Suspense Account**

Short-term clearing account pending correct identification of receipts.

**Victorian Natural Disasters Relief Fund**

Established for the purpose of granting assistance to persons who suffer losses as a result of flood, bushfires and other natural disasters.

## 7.5 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

### 7.5.1 Total commitments payable <sup>(i)</sup>

	2021 \$M	2020 \$M
The following commitments have not been recognised as liabilities in the financial statements.		
<b>(a) Capital expenditure commitments <sup>(ii)</sup></b>		
Less than 1 year	837.3	399.8
Longer than 1 year and not longer than 5 years	214.8	345.9
Longer than 5 years	–	–
<b>Total capital commitments</b>	<b>1,052.1</b>	<b>745.7</b>
<b>(b) Accommodation expenses payable <sup>(ii)(iii)</sup></b>		
Less than 1 year	32.5	101.3
Longer than 1 year and not longer than 5 years	–	104.7
Longer than 5 years	–	–
<b>Total accommodation expenses payable</b>	<b>32.5</b>	<b>206.0</b>
<b>(c) Other expenditure commitments <sup>(ii)</sup></b>		
Less than 1 year	570.8	345.9
Longer than 1 year and not longer than 5 years	198.8	169.4
Longer than 5 years	11.2	37.2
<b>Total other expenditure commitments</b>	<b>780.8</b>	<b>552.5</b>
<b>Total commitments other than PPP</b>	<b>1,865.4</b>	<b>1,504.2</b>
<b>(d) PPP funding commitments</b>		
<b>1. The Royal Women's Hospital</b>		
Less than 1 year	50.4	50.6
Longer than 1 year and not longer than 5 years	211.0	204.5
Longer than 5 years	397.3	461.9
<b>Total The Royal Women's Hospital commitments</b>	<b>658.7</b>	<b>717.0</b>
<b>2. Monash Health</b>		
Less than 1 year	24.7	23.9
Longer than 1 year and not longer than 5 years	128.4	122.0
Longer than 5 years	106.5	135.8
<b>Total Monash Health commitments</b>	<b>259.6</b>	<b>281.7</b>
<b>3. The Royal Children's Hospital</b>		
Less than 1 year	165.0	159.1
Longer than 1 year and not longer than 5 years	650.7	655.3
Longer than 5 years	2,088.3	2,295.3
<b>Total The Royal Children's Hospital commitments</b>	<b>2,904.0</b>	<b>3,109.7</b>
<b>4. Peter MacCallum Cancer Centre</b>		
Less than 1 year	136.4	171.6
Longer than 1 year and not longer than 5 years	604.0	561.1
Longer than 5 years	1,537.9	1,651.3
<b>Total Peter MacCallum Cancer Centre commitments</b>	<b>2,278.3</b>	<b>2,384.0</b>

	2021 \$M	2020 \$M
<b>5. Bendigo Health</b>		
Less than 1 year	68.4	67.3
Longer than 1 year and not longer than 5 years	306.3	290.0
Longer than 5 years	1,452.2	1,543.3
<b>Total Bendigo Health commitments</b>	<b>1,826.9</b>	<b>1,900.6</b>
<b>Total PPP funding commitments</b>	<b>7,927.5</b>	<b>8,393.0</b>
<b>(e) Uncommissioned PPP commitments</b>		
<b>1. New Footscray Hospital</b>		
Less than 1 year	–	–
Longer than 1 year and not longer than 5 years	639.3	–
Longer than 5 years	5,733.2	–
<b>Total New Footscray Hospital commitments</b>	<b>6,372.5</b>	<b>–</b>
<b>2. New social, affordable, specialist disability and private housing in Flemington, Brighton and Prahran</b>		
Less than 1 year	13.5	–
Longer than 1 year and not longer than 5 years	73.7	–
Longer than 5 years	665.0	–
<b>Total New social, affordable, specialist disability and private housing in Flemington, Brighton and Prahran commitments</b>	<b>752.2</b>	<b>–</b>
<b>Total uncommissioned PPP commitments</b>	<b>7,124.7</b>	<b>–</b>
<b>Total commitments for expenditure (inclusive of GST)</b>	<b>16,917.6</b>	<b>9,897.2</b>
Less GST recoverable from the ATO	1,364.9	876.6
<b>Total commitments for expenditure (exclusive of GST)</b>	<b>15,552.7</b>	<b>9,020.6</b>

## Notes:

- (i) For future finance lease and non-cancellable operating lease payments that are recognised on the balance sheet, refer to Note 7.2 Leases.
- (ii) GST is not included in some of the above commitments as they relate to either input taxed or exempt goods and services.
- (iii) The department has an occupancy agreement, ending on 31 October 2021, with the Department of Treasury and Finance Shared Service Provider for office accommodation at various locations across Victoria and other related services, including management fee, repairs and maintenance, cleaning, security, utilities, etc. A significant judgement was made that the occupancy agreement is a service contract (rather than a 'lease' as defined in AASB 16 Leases). The cost for the accommodation and other related services are expensed (refer to Note 3.1.5 Other operating expenses) based on the agreed payments as per the occupancy agreement.

**Public private partnership funding commitments**

The Minister for Health entered into six long-term contracts with various private sector consortiums for the design, construction, maintenance and financing of hospital infrastructure assets, one for the Royal Women's Hospital, the Royal Children's Hospital, the Victorian Comprehensive Cancer Centre and Bendigo Hospital, and two for Casey Hospital. These arrangements are referred to as public private partnerships (PPP).

The respective health agency is the operator of the PPP infrastructure assets and consequently recognises the associated assets, finance lease liabilities, transactions and commitments to the private sector provider in their own financial statements. For additional information relating to these balances, transactions and commitments (including present value information) refer to the relevant health agencies' financial reports.

In the table above, the department has disclosed the total nominal amounts due to the private sector consortiums, as the department has agreed to fund these amounts on behalf of the relevant health sector agencies to satisfy the terms of the PPP arrangements. These amounts include the principal, interest, maintenance and ancillary services payments required over the remaining terms of the contracts. These payments will be funded via appropriation revenue and will be recognised as a grant expense to the health agency.

**7.5.2 Public private partnership (PPP) commitments**

The department sometimes enters into arrangements with private sector participants to design and construct or upgrade assets used to provide public services. These arrangements usually include the provision of operational and maintenance services for a specified period of time. These arrangements are often referred to as public private partnerships (PPP).

PPPs usually take one of two main forms. In the more common form, the department pays the operator over the arrangement period, subject to specified performance criteria being met. At the date of commitment to the principal provisions of the arrangement, these estimated periodic payments are allocated between a component related to the design and construction or upgrading of the asset and components related to the ongoing operation and maintenance of the asset. The former component is accounted for as either a lease, a service concession arrangement or construction of an item of property, plant and equipment. The remaining components are accounted for as commitments for operating costs, which are expensed in the comprehensive operating statement as they are incurred. The other, less common, form of PPP is one in which the department grants to an operator, for a specified period of time, the right to collect fees from users of the PPP asset, in return for which the operator constructs the asset and has the obligation to supply agreed-upon services, including maintenance of the asset for the period of the concession. These private sector entities typically lease land, and sometimes state works, from the department and construct infrastructure. At the end of the concession period, the land and state works, together with the constructed facilities, will be returned to the department.

*AASB 1059 Service Concession Arrangements: Grantors* applies to arrangements where an operator provides public services, using a service concession asset, on behalf of the state and importantly, the operator manages at least some of the public service at its own discretion. The state must also control the asset for AASB 1059 to apply. This means that certain PPP arrangements will not be within the scope of AASB 1059 and will continue to be accounted for as either leases or assets being constructed by the state and conversely, certain arrangements that are not PPPs (such as certain external service arrangements) could be captured within the scope of AASB 1059. The department has determined which arrangements should be accounted for under AASB 1059 and details of these are included in Note 7.5.3 below.

	Liability	Capital contribution	Other commitments	Total commitments
	Discounted value	Nominal value	Present value	Nominal value
	\$M	\$M	\$M	\$M
<b>PPP commitments <sup>(i)</sup></b>				
<b>2021</b>				
<b>Uncommissioned PPPs <sup>(ii)(iii)(iv)</sup></b>				
New Footscray Hospital <sup>(v)</sup>	1,646.1	573.0	1,335.0	6,372.5
New social, affordable, specialist disability and private housing in Flemington, Brighton and Prahran <sup>(vi)</sup>	223.3	50.0	38.0	752.2
<b>Total uncommissioned PPPs</b>	<b>1,869.4</b>	<b>623.0</b>	<b>1,373.0</b>	<b>7,124.7</b>
<b>Total commitments for PPPs</b>	<b>1,869.4</b>	<b>623.0</b>	<b>1,373.0</b>	<b>7,124.7</b>

Notes:

- (i) The discounted values of the minimum lease payments for uncommissioned PPPs have been discounted to the projects' expected dates of commissioning, and the present values of other commitments have been discounted to 30 June of the respective financial years. After adjusting for GST, the discounted values of minimum lease payments reflect the expected impact on the balance sheet when the PPPs are commissioned.
- (ii) The discounted values of the minimum lease payments have not been totalled for the uncommissioned PPPs due to individual PPPs having different expected dates of commissioning.
- (iii) The total commitments will not equal the sum of the PPP-related liabilities and other commitments because they are discounted, whereas total commitments are at nominal value.
- (iv) For uncommissioned PPPs relating to service concessions or recognised as assets under construction under AASB 116 *Property, Plant and Equipment*, the asset and liability are recognised progressively during the construction term and therefore not recognised in the table above.
- (v) On 10 March 2021, the State Government of Victoria entered into a PPP contract with Plenary Health to deliver the New Footscray Hospital Project. The contract expires on 9 September 2050. The department will be reimbursed by Victoria University for the state contribution relating to the construction of the Victoria University project components. It has been determined that this arrangement represents the construction of an item of property, plant and equipment in the scope of AASB 116 *Property, Plant and Equipment*.
- (vi) On 18 May 2021, the department entered into an arrangement with Building Communities (Vic) Limited to deliver new social, affordable, specialist disability accommodation and private housing at sites in Flemington, Brighton and Prahran through a Ground Lease Model. The term of the arrangement is 40 years. The project was procured and will be delivered as a PPP under the Partnerships Victoria Framework. Under this model, Building Communities (Vic) Limited is responsible for the design, construction, financing and management of social, affordable and private dwellings at each site.

### 7.5.3 AASB 1059 Service Concession Arrangements: Grantors

For arrangements within the scope of AASB 1059, at initial recognition the department records a service concession asset (SCA) at current replacement cost in accordance with the cost approach to fair value under AASB 13 *Fair Value Measurement*, with a related liability, which could be a financial liability, an accrued revenue liability (referred to as the 'Grant Of A Right To The Operator' or GORTO liability) or a combination of both.

The nature of the liability and subsequent accounting depends on the consideration exchanged in the arrangement between the department and the operator.

The department initially recognised the liability at the same amount as the SCA, adjusted by the amount of any consideration from the department to the operator, or from the operator to the department.

Exception to this occurs when the department reclassifies an existing asset to a SCA. When this occurs, no liability is recognised unless additional consideration is provided to the operator. Instead, the department recognises a SCA and a corresponding liability for the amounts spent on the upgrade/expansion work.

A **financial liability** is recognised where the department has a contractual obligation to pay the operator for providing the SCA. It is measured in accordance with AASB 9 *Financial Instruments* and is recognised as a borrowing (Note 7.1). The liability is increased by interest charges (Note 7.1.2), based on the interest rate implicit in the arrangement. Where the interest rate is not specified in the arrangement, the prevailing market rate of interest for a similar instrument with similar credit ratings is used. The liability is reduced by any payments made by the department to the operator as required by the contract.

The department has arrangements in place with two private hospitals and other non-public entities, where the private hospitals and non-public entities operate the department-owned assets including land, buildings and equipment to deliver health services to the general public. The department maintains the ownership and control of the assets throughout the arrangements and does not incur any related liability.

## 8. Risks, contingencies and valuation judgements

### Introduction

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

### Structure

- 8.1 Financial instruments specific disclosures
  - 8.1.1 Financial instruments: categorisation
  - 8.1.2 Financial instruments: net holding gain/(loss) on financial instruments by category
  - 8.1.3 Financial risk management objectives and policies
- 8.2 Contingent assets and contingent liabilities
- 8.3 Fair value determination
  - 8.3.1 Fair value determination of financial assets and liabilities
  - 8.3.2 Fair value determination of non-financial physical assets

### 8.1 Financial instruments specific disclosures

#### Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the department's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Guarantees issued on behalf of the department are financial instruments because, although authorised under statute, terms and conditions for each financial guarantee may vary and are subject to an agreement.

#### Categories of financial assets

**Financial assets at amortised cost** are recognised if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the department to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The department recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables)
- term deposits
- loan receivables.

#### Categories of financial liabilities

**Financial liabilities at amortised cost** are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initially recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method. The department recognises the following liabilities in this category:

- payables (excluding statutory payables)
- borrowings (including lease liabilities).

**Offsetting financial instruments:** Financial instrument assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the department has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where the department does not have a legally enforceable right to offset recognised amounts, because the right to offset is

enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

**Derecognition of financial assets:** A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the department retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement, or
- the department has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset, or
  - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the department has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the department's continuing involvement in the asset.

**Derecognition of financial liabilities:** A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

### 8.1.1 Financial Instruments: categorisation

2021	Cash and deposits \$M	Financial assets at amortised cost (AC) \$M	Financial liabilities at amortised cost (AC) \$M	Total \$M
<b>Contractual financial assets</b>				
Cash and deposits	913.9	–	–	913.9
Receivables <sup>(i)</sup>	–	341.9	–	341.9
Loans	–	118.8	–	118.8
<b>Total contractual financial assets</b>	<b>913.9</b>	<b>460.7</b>	<b>–</b>	<b>1,374.6</b>
<b>Contractual financial liabilities</b>				
Payables <sup>(i)</sup>	–	–	2,130.1	2,130.1
Borrowings <sup>(i)</sup>	–	–	329.4	329.4
<b>Total contractual financial liabilities</b>	<b>–</b>	<b>–</b>	<b>2,459.5</b>	<b>2,459.5</b>
2020	Cash and deposits \$M	Financial assets at amortised cost (AC) \$M	Financial liabilities at amortised cost (AC) \$M	Total \$M
<b>Contractual financial assets</b>				
Cash and deposits	597.7	–	–	597.7
Receivables <sup>(i)</sup>	–	487.7	–	487.7
Loans	–	389.5	–	389.5
<b>Total contractual financial assets</b>	<b>597.7</b>	<b>877.2</b>	<b>–</b>	<b>1,474.9</b>
<b>Contractual financial liabilities</b>				
Payables <sup>(i)</sup>	–	–	1,847.0	1,847.0
Borrowings <sup>(i)</sup>	–	–	415.4	415.4
<b>Total contractual financial liabilities</b>	<b>–</b>	<b>–</b>	<b>2,262.4</b>	<b>2,262.4</b>

Note:

- (i) The total amounts disclosed here exclude statutory amounts, for example, amounts owing to/from Victorian Government and GST input tax credit recoverable and taxes payable. Refer to Note 6.1 for the breakdown of contractual and statutory receivables, Note 6.4 for the breakdown of contractual and statutory payables, and Note 7.1 for the breakdown of borrowings.

### 8.1.2 Financial Instruments: net holding gain/(loss) on financial instruments by category

	Total interest income/ (expense) \$M	Total \$M
<b>2021</b>		
<b>Contractual financial assets</b>		
Cash and deposits	–	–
Receivables <sup>(i)</sup>	–	–
Loans	0.4	0.4
Short-term investments – term deposits	2.1	2.1
<b>Total contractual financial assets</b>	<b>2.5</b>	<b>2.5</b>
<b>Contractual financial liabilities</b>		
Payables <sup>(i)</sup>	–	–
Borrowings	(4.0)	(4.0)
<b>Total contractual financial liabilities</b>	<b>(4.0)</b>	<b>(4.0)</b>
<b>2020</b>		
<b>Contractual financial assets</b>		
Cash and deposits	–	–
Receivables <sup>(i)</sup>	–	–
Loans	0.5	0.5
Short-term investments – term deposits	6.4	6.4
<b>Total contractual financial assets</b>	<b>6.9</b>	<b>6.9</b>
<b>Contractual financial liabilities</b>		
Payables <sup>(i)</sup>	–	–
Borrowings	(7.0)	(7.0)
<b>Total contractual financial liabilities</b>	<b>(7.0)</b>	<b>(7.0)</b>

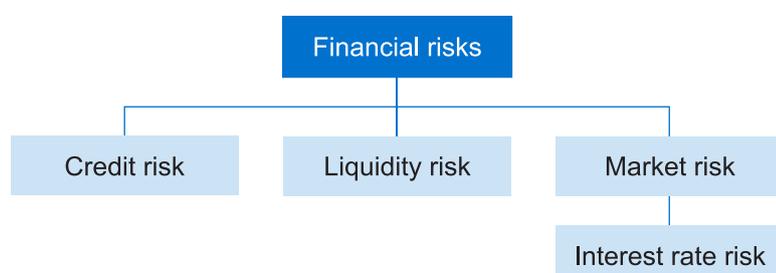
Note:

(i) The total amounts disclosed here exclude statutory amounts, for example, amounts owing to/from Victorian Government and GST input tax credit recoverable and taxes payable.

The net holding gains or losses disclosed above are determined as follows:

- for cash and cash equivalents, loans and receivables, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest income, and minus any impairment recognised in the net result
- for financial liabilities measured at amortised cost, the net gain or loss is the interest expense.

### 8.1.3 Financial risk management objectives and policies



As a whole, the department's financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability, are disclosed in Note 8.3.1.

The main purpose in holding financial instruments is to prudentially manage the department's financial risks within the government policy parameters.

The department's main financial risks include credit risk, liquidity risk and interest rate risk. The department manages these financial risks in accordance with its financial risk management policy.

The department uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the accountable officer of the department.

### 8.1.3.1 Financial instruments: credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. The department's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the department. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the department's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Victorian Government and home loan recipients, it is the department's policy to only deal with entities with high credit ratings of a minimum triple-B rating and to obtain sufficient collateral or credit enhancements, where appropriate.

In addition, the department does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, the department's policy is to only deal with banks with high credit ratings.

Provision of impairment for financial assets is calculated based on past experience, and current and expected changes in client credit ratings, or based on the assumptions about risk of default and expected credit loss rates. Tenant loans are made up of small amounts therefore the likelihood of default is considered immaterial.

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial report statements, net of any allowances for losses, represents the department's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to the department's credit risk profile in 2020–21.

#### Credit quality of contractual financial assets

	Financial institutions double-A credit rating Total \$M	Government agencies triple-A credit rating Total \$M	Government agencies double-A credit rating Total <sup>(i)</sup> \$M	Credit ratings not disclosed \$M	Total \$M
<b>2021</b>					
Cash and deposits (not assessed for impairment due to materiality)	743.0	–	170.9	–	913.9
Contractual receivables applying the simplified approach for impairment <sup>(ii)(iii)</sup>	–	–	251.8	90.1	341.9
Loans <sup>(iii)</sup>	–	–	87.5	31.3	118.8
Statutory receivables (with no impairment loss recognised)	4,312.3	–	–	–	4,312.3
<b>Total financial assets</b>	<b>5,055.3</b>	<b>–</b>	<b>510.2</b>	<b>121.4</b>	<b>5,686.9</b>
<b>2020</b>					
Cash and deposits (not assessed for impairment due to materiality)	452.2	145.5	–	–	597.7
Contractual receivables applying the simplified approach for impairment <sup>(ii)(iii)</sup>	–	382.5	–	105.2	487.7
Loans <sup>(iii)</sup>	–	323.5	–	66.0	389.5
Statutory receivables (with no impairment loss recognised)	3,756.9	–	–	–	3,756.9
<b>Total financial assets</b>	<b>4,209.1</b>	<b>851.5</b>	<b>–</b>	<b>171.2</b>	<b>5,231.8</b>

## Notes:

- (i) State of Victoria credit rating was downgraded from AAA to AA as at 30 June 2021.
- (ii) The total amounts disclosed here exclude statutory amounts, for example, amounts owing from Victorian Government, GST input tax credit recoverable and other taxes payable.
- (iii) The carrying amounts consist of amounts due from numerous counterparties for which no credit ratings have been disclosed due to impracticability.

**Impairment of financial assets under AASB 9**

The department records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment includes the department's contractual receivables and statutory receivables.

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

**Contractual receivables at amortised cost**

The department applies the AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. The department has grouped contractual receivables on shared credit risk characteristics and days past due and selected the expected credit loss rate based on the department's past history, existing market conditions, as well as forward-looking estimates at the end of financial year.

On this basis, the department determines the loss allowance at the end of financial year as follows:

	Gross amount \$M	Not past due and not impaired <sup>(i)</sup> \$M	Past due				Total \$M
			Less than 1 month \$M	1–3 months \$M	3 months – 1 year \$M	1–5 years \$M	
<b>2021</b>							
<b>Expected loss rate</b>		–	19%	34%	52%	76%	
Gross carrying amount of contractual receivables	369.6	299.1	26.1	18.3	14.1	12.0	
<b>Loss allowance</b>		–	5.0	6.3	7.3	9.1	27.7
<b>2020</b>							
<b>Expected loss rate</b>		–	3%	9%	18%	90%	
Gross carrying amount of contractual receivables	498.5	424.1	34.6	20.2	13.6	6.0	
<b>Loss allowance</b>		–	1.1	1.8	2.5	5.4	10.8

## Note:

- (i) The amounts disclosed here include repayments of borrowings that are not scheduled to be repaid in the next 12 months.

The average credit period for receivables is 30 days.

Reconciliation of movement in the loss allowance for contractual receivables is shown as follows:

	2021 \$M	2020 \$M
<b>Balance at beginning of the year</b>	(10.8)	(13.1)
Increase in provision recognised in the net result	(20.3)	(2.5)
Reversal of provision of receivables written off during the year as uncollectible	3.4	4.8
<b>Balance at the end of the year</b>	(27.7)	(10.8)

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

### Statutory receivables at amortised cost

The department's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

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

#### 8.1.3.2 Financial instruments: liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. The department operates under the government's fair payments policy of settling financial obligations within 30 days and, in the event of a dispute, of making payments within 30 days from the date of resolution.

The department is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. The department manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations
- holding investments and other contractual financial assets that are readily tradeable in the financial markets
- careful maturity planning of its financial obligations based on forecasts of future cash flows
- a high credit rating for the State of Victoria (Moody's Investor Services, Standard & Poor's double-A, which assists in accessing debt market at a lower interest rate).

The department's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The carrying amount detailed in Notes 6.4.1 and 7.1.1, of contractual financial liabilities recorded in the financial statements, represents the department's maximum exposure to liquidity risk.

#### 8.1.3.3 Financial instruments: market risk

The department's exposure to market risk is primarily through interest rate risk. The department's exposure to other price risks is insignificant. Objectives, policies and processes used to manage the risk are disclosed below.

#### Sensitivity disclosure analysis and assumptions

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the department believes the following movements are 'reasonably possible' over the next 12 months:

- A shift of +0.5% and –0.5% (2020: +0.5% and –0.5%) in market interest rates (AUD) from year-end cash deposits.

Several loan programs have loans with interest rates linked to movement in the consumer price index (CPI). The total balances outstanding under these programs have reduced to a level that any changes to the CPI have a limited impact on the amount of interest charged and no new lending is made under these programs.

The tables that follow show the impact on the department's net result and equity for each category of financial instrument held by the department at the end of the reporting period, if the above movements were to occur.

#### Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The department does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The department has minimal exposure to cash flow interest rate risks through cash and deposits and term deposits.

Exposure to interest rate risk is insignificant and might arise primarily through the department's interest-bearing assets. Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest-bearing financial instruments. For financial liabilities, the department mainly incurs financial liabilities with relatively even maturity profiles.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and the department's sensitivity to interest rate risk are set out in the table that follows.

## Interest rate exposure of financial instruments

	Weighted average effective interest rate %	Carrying amount \$M	Interest rate exposure		
			Fixed interest rate \$M	Variable interest rate \$M	Non- interest bearing \$M
<b>2021</b>					
<b>Financial assets</b>					
Cash and deposits	0.1%	913.9	–	775.0	138.9
Receivables <sup>(i)</sup>		341.9	–	–	341.9
Loans	3.8%	118.8	1.7	9.4	107.7
<b>Total financial assets</b>		<b>1,374.6</b>	<b>1.7</b>	<b>784.4</b>	<b>588.5</b>
<b>Financial liabilities</b>					
Payables <sup>(i)</sup>		2,130.1	–	–	2,130.1
Borrowings <sup>(i)</sup>	2.3%	329.4	266.4	–	63.0
<b>Total financial liabilities</b>		<b>2,459.5</b>	<b>266.4</b>	<b>–</b>	<b>2,193.1</b>
<b>2020</b>					
<b>Financial assets</b>					
Cash and deposits	0.6%	597.7	–	489.8	107.9
Receivables <sup>(i)</sup>		487.7	–	–	487.7
Loans	3.2%	389.5	1.5	10.9	377.1
<b>Total financial assets</b>		<b>1,474.9</b>	<b>1.5</b>	<b>500.7</b>	<b>972.7</b>
<b>Financial liabilities</b>					
Payables <sup>(i)</sup>		1,847.0	–	–	1,847.0
Borrowings <sup>(i)</sup>	2.6%	415.4	83.5	–	331.9
<b>Total financial liabilities</b>		<b>2,262.4</b>	<b>83.5</b>	<b>–</b>	<b>2,178.9</b>

Note:

(i) The carrying amounts disclosed here exclude statutory amounts, for example, amounts owing to/from Victorian Government and GST input tax credit recoverable and taxes payable.

## Interest rate risk sensitivity analysis

	Carrying amount \$M	Interest rate risk		Consumer Price Index (CPI)	
		–0.50% Net result \$M	+0.50% Net result \$M	–0.25% Net result \$M	1.50% Net result \$M
<b>2021</b>					
<b>Contractual financial assets</b>					
Cash and deposits <sup>(i)</sup>	913.9	(3.9)	3.9	–	–
Receivables <sup>(ii)(iii)</sup>	341.9	–	–	–	–
Loans <sup>(iii)</sup>	118.8	–	–	–	0.1
<b>Total impact</b>	<b>1,374.6</b>	<b>(3.9)</b>	<b>3.9</b>	<b>–</b>	<b>0.1</b>
<b>Contractual financial liabilities</b>					
Payables <sup>(iii)</sup>	2,130.1	–	–	–	–
Borrowings <sup>(iv)</sup>	329.4	–	–	–	–
<b>Total impact</b>	<b>2,459.5</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

	Carrying amount \$M	Interest rate risk		Consumer Price Index (CPI)	
		–0.50% Net result \$M	+0.50% Net result \$M	–0.25% Net result \$M	1.50% Net result \$M
<b>2020</b>					
<b>Contractual financial assets</b>					
Cash and deposits <sup>(i)</sup>	597.7	(2.4)	2.4	–	–
Receivables <sup>(ii)(iii)</sup>	487.7	–	–	–	–
Loans <sup>(iii)</sup>	389.5	(0.1)	0.1	–	0.2
<b>Total impact</b>	<b>1,474.9</b>	<b>(2.5)</b>	<b>2.5</b>	<b>–</b>	<b>0.2</b>
<b>Contractual financial liabilities</b>					
Payables <sup>(iii)</sup>	1,847.0	–	–	–	–
Borrowings <sup>(iv)</sup>	415.4	–	–	–	–
<b>Total impact</b>	<b>2,262.4</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

## Notes:

- (i) All cash and deposits are held in Australian dollars and were held on deposits at fixed and variable interest rates. This item is not subject to any other identified risk sensitivities.
- (ii) The carrying amount is denominated in Australian dollars and is non-interest bearing. This item is not subject to the identified risk sensitivities.
- (iii) The total amounts disclosed here exclude statutory amounts, for example, amounts owing to/from Victorian Government and GST input tax credit recoverable and taxes payable.
- (iv) Borrowings are denominated in Australian dollars. \$91.4 million (2020: \$83.5 million) relates to lease liabilities, \$175.4 million (2020: \$0.0) relates to PPP financial liabilities.

## 8.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a disclosure and, if quantifiable, are stated at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

### Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

	2021 \$M	2020 \$M
<b>Quantifiable contingent assets</b>		
Details and estimates of contingent assets are as follows:		
(a) Bank guarantee held for:		
– building contracts	22.5	16.9
(b) Letter of comfort held for Community Chef recallable grant	–	6.4
(c) Litigation for the recovery of costs in relation to defective construction work	–	2.1
(d) Reimbursement claim for the work undertaken by the landlord to Orange Door site	1.0	0.2
<b>Total</b>	<b>23.5</b>	<b>25.6</b>

### Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or
- present obligations that arise from past events but are not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations, or
  - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

	2021 \$M	2020 \$M
<b>Quantifiable contingent liabilities</b>		
(a) The department has estimated that potential liability exists in respect of a number of legal actions instigated by clients and their representatives, employees and others, and other contractual liabilities.	43.6	38.4
<b>Total</b>	<b>43.6</b>	<b>38.4</b>

### Non-quantifiable contingent liabilities

In response to the concerns of some health services, the department has undertaken to provide certain health services adequate cash flow support to enable these health services to meet their current and future obligations as and when they fall due in the 2021–22 financial year, should this be required. In line with processes already established by the department, it is expected that each health service that has been pledged this support will:

- continue to provide monthly advice on its financial position, including the likelihood of any short-term liquidity issues
- commit to achieve the agreed budget targets, and all other requirements of their service agreements or statement of priorities in 2021–22.

The department has other potential obligations which arise from legal actions and that are non-quantifiable at this time.

## 8.3 Fair value determination

### Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of the department.

This section sets out information on how the department determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through ‘other comprehensive income’
- land, buildings, plant and equipment

In addition, the fair values of other assets and liabilities which are carried at amortised cost also need to be determined for disclosure purposes.

The department determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

### Fair value hierarchy

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The department determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer-General Victoria (VGV) is the department’s independent valuation agency. The department, in conjunction with VGV, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

### How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value)
- which level of the fair value hierarchy was used to determine the fair value
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
  - a reconciliation of the movements in fair values from the beginning of the year to the end
  - details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for financial instruments (refer Note 8.3.1) and non-financial physical assets (refer Note 8.3.2).

#### 8.3.1 Fair value determination of financial assets and liabilities

The fair values and net fair values of financial assets and liabilities are determined as follows:

- Level 1 – the fair value of financial instruments with standard terms and conditions and traded in active markets are determined with reference to quoted market prices
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The department currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair values, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2020–21 reporting period.

The fair value of the financial instruments is the same as the carrying amounts.

### 8.3.2 Fair value determination of non-financial physical assets

#### Fair value measurement hierarchy

2021	Carrying amount \$M	Fair value measurement at the end of reporting period using:		
		Level 1 <sup>(i)</sup> \$M	Level 2 <sup>(i)</sup> \$M	Level 3 <sup>(i)</sup> \$M
<b>Land at fair value</b>				
Non-specialised land	22,346.5	–	22,346.5	–
Specialised land	723.7	–	77.2	646.5
<b>Total land at fair value</b>	<b>23,070.2</b>	<b>–</b>	<b>22,423.7</b>	<b>646.5</b>
<b>Buildings at fair value</b>				
Non-specialised building	8,995.5	–	8,995.5	–
Specialised building	645.1	–	0.9	644.2
<b>Total buildings at fair value</b>	<b>9,640.6</b>	<b>–</b>	<b>8,996.4</b>	<b>644.2</b>
<b>Plant, equipment and vehicles at fair value</b>				
Plant and equipment	2.7	–	–	2.7
Motor vehicles	0.3	–	–	0.3
<b>Total plant, equipment and vehicles at fair value</b>	<b>3.1</b>	<b>–</b>	<b>–</b>	<b>3.1</b>

2020	Carrying amount \$M	Fair value measurement at the end of reporting period using:		
		Level 1 <sup>(i)</sup> \$M	Level 2 <sup>(i)</sup> \$M	Level 3 <sup>(i)</sup> \$M
<b>Land at fair value</b>				
Non-specialised land	17,920.8	–	17,920.8	–
Specialised land	592.7	–	77.2	515.5
<b>Total land at fair value</b>	<b>18,513.5</b>	<b>–</b>	<b>17,998.0</b>	<b>515.5</b>
<b>Buildings at fair value</b>				
Non-specialised building	8,885.6	–	8,885.6	–
Specialised building	704.6	–	1.0	703.6
<b>Total buildings at fair value</b>	<b>9,590.2</b>	<b>–</b>	<b>8,886.6</b>	<b>703.6</b>
<b>Plant, equipment and vehicles at fair value</b>				
Plant and equipment	11.0	–	3.4	7.6
Motor vehicles	0.4	–	–	0.4
<b>Total plant, equipment and vehicles at fair value</b>	<b>11.4</b>	<b>–</b>	<b>3.4</b>	<b>8.0</b>

Note:

(i) Classified in accordance with the fair value hierarchy. The department, in conjunction with the VGV, monitors the changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

There was a transfer of \$2.8 million from level 3 specialised buildings to level 2 non-specialised buildings in 2020–21 due to the reclassification of property type.

**Non-specialised land and non-specialised buildings** are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

Director of Housing land and buildings are primarily held in Level 2 as it is considered that each residential dwelling assessed has an active and liquid market. As such, the market value of each residential asset has been determined by reference to the current property market for similar assets.

**Specialised land and specialised buildings:** The market approach is used for specialised land, although this may be adjusted for a community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible,

legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land with a CSO adjustment would primarily be classified as Level 3 assets.

For the majority of the department's specialised buildings, the current replacement cost method is used, adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are primarily classified as Level 3 fair value measurements.

The last scheduled revaluation of the department's land and buildings was performed by the VGV in June 2019. For the financial year ended 30 June 2021, in compliance with FRD 103I *Non-financial physical assets*, the department conducted an annual assessment of the fair value of land and buildings by applying the VGV indices. Management regards the VGV indices to be a reliable and relevant data set to form the basis of their estimates. Whilst these indices are applicable at 30 June 2021, the fair value of land and buildings will continue to be subjected to the impacts of COVID-19 in future accounting periods.

As a result of the machinery of government changes in 2020–21, separate assessments were performed for the Department of Health and for the Department of Families, Fairness and Housing. Land and buildings of the Director of Housing, which are included into the department's financial statements under s. 53(1)(b) of the *Financial Management Act 1994*, were assessed as part of the Department of Families, Fairness and Housing portfolio.

For the Department of Health, the cumulative impact of the VGV indices on the fair value since the last scheduled revaluation is an increase of 4.9% for land assets and an increase of 3.6% for buildings. As the accumulated movement was less than the 10% material threshold as defined in FRD 103I, no managerial revaluation was required. The land and building balances are considered to be sensitive to market conditions. To trigger a managerial revaluation:

- an additional increase of 5.1% or a decrease of 14.9% in the land indices would be required.
- an additional increase of 6.4% or a decrease of 13.6% in the building indices would be required.

For the Department of Families, Fairness and Housing and Director of Housing, the cumulative impact of the VGV indices on the fair value of land assets since the last scheduled revaluation is an increase of 24.8%. The movement exceeds the 10% material threshold, which triggered a managerial revaluation on land assets. Total land value increased by \$4.5 billion as a result of the managerial revaluation. The cumulative impact of the VGV indices on the fair value of building assets is an increase of 7.7%. As the movement is less than 10%, a managerial revaluation on buildings is not required. To trigger a managerial revaluation, an additional increase of 2.3% or a decrease of 17.7% in the building indices would be required.

**Vehicles** are valued using the current replacement cost method. The department acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in the department who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

**Plant and equipment** is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2021.

For all assets measured at fair value, the current use is considered the highest and best use.

## Reconciliation of Level 3 fair value movements

	Specialised land \$M	Specialised buildings \$M	Plant and equipment \$M	Motor vehicles \$M	Total \$M
<b>2021</b>					
<b>Opening balance</b>	<b>515.5</b>	<b>703.6</b>	<b>7.6</b>	<b>0.4</b>	<b>1,227.2</b>
Additions	93.6	–	–	–	93.6
Capitalisation of work in progress	2.9	58.6	0.7	–	62.2
Disposals	(0.4)	(0.1)	–	–	(0.4)
Administrative instrument transfers	(1.3)	(78.4)	(3.1)	–	(82.7)
Transfers in/(out) of Level 3	–	(2.8)	–	–	(2.8)
<b>Gains or losses recognised in net result</b>					
Depreciation	–	(35.1)	(2.5)	(0.1)	(37.7)
<b>Subtotal of gains or losses recognised in net result</b>	<b>–</b>	<b>(35.1)</b>	<b>(2.5)</b>	<b>(0.1)</b>	<b>(37.7)</b>
<b>Gains or losses recognised in other economic flows – other comprehensive income</b>					
Net revaluation increments/(decrements)	36.1	(1.7)	–	–	34.5
<b>Subtotal of gains or losses recognised in other economic flows</b>	<b>36.1</b>	<b>(1.7)</b>	<b>–</b>	<b>–</b>	<b>34.5</b>
<b>Closing balance</b>	<b>646.5</b>	<b>644.2</b>	<b>2.7</b>	<b>0.3</b>	<b>1,293.8</b>
	Specialised land \$M	Specialised buildings \$M	Plant and equipment \$M	Motor vehicles \$M	Total \$M
<b>2020</b>					
<b>Opening balance</b>	<b>502.3</b>	<b>741.6</b>	<b>10.8</b>	<b>0.8</b>	<b>1,255.6</b>
Additions	7.3	0.8	1.1	–	9.2
Capitalisation of work in progress	–	0.6	–	–	0.6
Disposals	–	–	(0.1)	(0.2)	(0.3)
Administrative instrument transfers	6.1	4.7	–	–	10.8
<b>Gains or losses recognised in net result</b>					
Depreciation	–	(39.2)	(4.1)	(0.1)	(43.4)
<b>Subtotal of gains or losses recognised in net result</b>	<b>–</b>	<b>(39.2)</b>	<b>(4.1)</b>	<b>(0.1)</b>	<b>(43.4)</b>
<b>Gains or losses recognised in other economic flows – other comprehensive income</b>					
Net revaluation increments/(decrements)	(0.2)	(5.0)	–	–	(5.2)
<b>Subtotal of gains or losses recognised in other economic flows</b>	<b>(0.2)</b>	<b>(5.0)</b>	<b>–</b>	<b>–</b>	<b>(5.2)</b>
<b>Closing balance</b>	<b>515.5</b>	<b>703.6</b>	<b>7.6</b>	<b>0.4</b>	<b>1,227.2</b>

**Description of significant unobservable inputs to Level 3 valuations**

	Valuation technique	Significant unobservable inputs
<b>Non-specialised land</b>	Market approach	Not applicable
<b>Specialised land</b>	Market approach	Community service obligation (CSO) adjustment (rate 10–40%)
<b>Non-specialised buildings</b>	Market approach	Not applicable
<b>Specialised buildings</b>	Current replacement cost	Direct cost per square metre Useful life of specialised buildings
<b>Plant and equipment</b>	Current replacement cost	Useful life of equipment
<b>Vehicles</b>	Current replacement cost	Useful life of vehicles

Significant unobservable inputs have remained unchanged since June 2020.

**Non-financial physical assets classified as held for sale**

The following table provides the fair value measurement hierarchy of the department's non-financial physical assets held for sale.

	Carrying amount \$M	Fair value measurement at the end of reporting period using:		
		Level 1 <sup>(i)</sup> \$M	Level 2 <sup>(i)</sup> \$M	Level 3 <sup>(i)</sup> \$M
<b>2021</b>				
<b>Land held for sale</b>				
Specialised land	1.5	–	1.5	–
<b>Total land held for sale</b>	<b>1.5</b>	<b>–</b>	<b>1.5</b>	<b>–</b>
<b>Buildings held for sale</b>				
Specialised building	3.1	–	3.1	–
<b>Total buildings held for sale</b>	<b>3.1</b>	<b>–</b>	<b>3.1</b>	<b>–</b>

	Carrying amount \$M	Fair value measurement at the end of reporting period using:		
		Level 1 <sup>(i)</sup> \$M	Level 2 <sup>(i)</sup> \$M	Level 3 <sup>(i)</sup> \$M
<b>2020</b>				
<b>Land held for sale</b>				
Specialised land	6.0	–	6.0	–
<b>Total land held for sale</b>	<b>6.0</b>	<b>–</b>	<b>6.0</b>	<b>–</b>
<b>Buildings held for sale</b>				
Specialised building	2.5	–	2.5	–
<b>Total buildings held for sale</b>	<b>2.5</b>	<b>–</b>	<b>2.5</b>	<b>–</b>

Note:

(i) Classified in accordance with the fair value hierarchy.

There have been no transfers between levels during 2020–21.

## 9. Other disclosures

### Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

### Structure

- 9.1 Ex-gratia expenses
- 9.2 Other economic flows included in net result
- 9.3 Non-financial assets held for sale
- 9.4 Reserves
- 9.5 Entities included in the Department of Health financial statements pursuant to section. 53(1)(b) of the FMA
- 9.6 Responsible persons
- 9.7 Remuneration of executives
- 9.8 Related parties
- 9.9 Remuneration of auditors
- 9.10 Subsequent events
- 9.11 Other accounting policies
- 9.12 Australian Accounting Standards issued that are not yet effective
- 9.13 Glossary of technical terms
- 9.14 Style conventions

### 9.1 Ex-gratia expenses

Ex-gratia expenses are the voluntary payments of money or other non-monetary benefit (for example a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability of or claim against the entity.

There were no ex-gratia expense items greater than or equal to \$5,000 in the current and previous year.

## 9.2 Other economic flows included in net result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates and the effects of changes in actuarial assumptions
- other revaluations on the value of outstanding insurance claims and liabilities
- bad debt expenses.

	2021 \$M	2020 \$M
<b>(a) Net gain/(loss) on non-financial assets</b>		
<b>Revenue from disposal of non-financial physical assets</b>		
Land	38.3	33.5
Buildings	22.4	54.1
Shared home ownership scheme	1.7	2.1
Miscellaneous assets	4.9	9.5
<b>Total revenue from disposal of non-financial physical assets</b>	<b>67.3</b>	<b>99.3</b>
<b>Costs on disposal of non-financial physical assets</b>		
Land	40.0	45.0
Buildings	24.3	48.3
Shared home ownership scheme	1.7	2.1
Community services properties	0.5	1.0
Miscellaneous assets	3.7	7.4
<b>Total costs on disposal of non-financial physical assets</b>	<b>70.2</b>	<b>103.8</b>
<b>Net gain/(loss) on non-financial assets</b>	<b>(2.9)</b>	<b>(4.5)</b>
<b>(b) Net gain/(loss) on financial instruments</b>		
Net gain/(loss) on financial instruments and statutory receivables/payables	1.6	0.4
<b>Total net gain/(loss) on financial instruments</b>	<b>1.6</b>	<b>0.4</b>
<b>(c) Impairment of joint venture</b>		
Impairment of joint venture	–	(35.0)
<b>Total impairment of joint venture</b>	<b>–</b>	<b>(35.0)</b>
<b>(d) Other gains/(losses) from other economic flows</b>		
Net gain/(loss) arising from revaluation of long service leave liability	8.0	(6.9)
Revaluation and adjustments of insurance claims	(0.5)	(12.6)
Bad debt expenses	(19.8)	(4.1)
<b>Total other gains/(losses) from other economic flows</b>	<b>(12.3)</b>	<b>(23.6)</b>

## 9.3 Non-financial assets held for sale

In addition to the assets and liabilities disclosed above, the following non-financial assets held for sale exist at the reporting date:

	2021 \$M	2020 \$M
<b>Non-financial assets classified as held for sale</b>		
Buildings held for sale	3.1	2.5
Land held for sale	1.5	6.0
Plant, equipment and vehicles	0.4	0.5
<b>Total non-financial assets classified as held for sale</b>	<b>5.0</b>	<b>9.1</b>

## Measurement of non-financial physical assets

Non-financial physical assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

This condition is regarded as met only when:

- the asset is available for immediate sale in the current condition
- the sale is highly probable and the asset sale is expected to be completed within 12 months from the date of classification.

These non-financial physical assets, related liabilities and financial assets are measured at the lower of carrying amount and fair value less costs to sell, and are not subject to depreciation or amortisation.

## 9.4 Reserves

	2021 \$M	2020 \$M
<b>Accumulated surplus / (deficit)</b>		
Balance at beginning of financial year	2,145.0	1,599.3
Prior period error <sup>(i)</sup>	55.7	–
<b>Restated balance at beginning of financial year</b>	<b>2,200.7</b>	<b>1,599.3</b>
Net result for the year	513.9	545.4
Remeasurement of superannuation defined benefit plans	(1.5)	0.2
Transfer to contributed capital related to machinery of government	(5,937.6)	–
Transfer from physical asset revaluation surplus related to machinery of government	6,938.4	–
<b>Balance at the end of financial year</b>	<b>3,714.0</b>	<b>2,145.0</b>
<b>Physical asset revaluation surplus</b>		
Balance at beginning of financial year	7,377.2	7,396.4
Revaluation increments/(decrements) of land and buildings <sup>(ii)</sup>	4,439.1	(19.2)
Transfer to accumulated surplus/(deficit) related to machinery of government	(6,938.4)	–
<b>Balance at the end of financial year</b>	<b>4,877.9</b>	<b>7,377.2</b>
<b>Contributed capital</b>		
Balance at beginning of financial year	22,415.0	22,199.3
Machinery of government transfer in/out	4.1	18.5
Transfer from accumulated surplus/(deficit) related to machinery of government	5,937.6	–
Capital contributions to health agencies	(9.6)	(61.2)
Capital contributions by Victorian State Government	427.5	267.6
Capital transferred to administered entity	(90.4)	(9.2)
<b>Balance at the end of financial year</b>	<b>28,684.1</b>	<b>22,415.0</b>
<b>Total equity</b>	<b>37,275.9</b>	<b>31,937.2</b>
<b>Physical asset revaluation surplus – represented by:</b>		
– Land	4,283.8	6,353.0
– Building	594.2	1,024.2
<b>Total physical assets revaluation surplus</b>	<b>4,877.9</b>	<b>7,377.2</b>

Notes:

(i) The prior period error relates to:

- The capitalisation of land amounting to \$54.3 million which was purchased for the New Footscray Hospital Project and had been incorrectly expensed as capital grants
- The capitalisation of payments that had been previously expensed less capitalised items that should have been expensed which results in a net increase to intangible assets of \$3.07 million.

(ii) Movements in the physical asset revaluation reserve arise from the revaluation of land and buildings and the impairment of land and buildings that were previously revalued.

## 9.5 Entities included in the Department of Health financial statements pursuant to section 53(1)(b) of the FMA

The financial information of the following entities has been included into the department's 2020–21 financial statements pursuant to a determination made by the Assistant Treasurer under s. 53(1)(b) of the *Financial Management Act 1994*:

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

The financial effects of each of those entities, except the Department of Families, Fairness and Housing and the Director of Housing, were trivial to the financial statements, both individually and in aggregate. Therefore, those entities are reported in aggregate, together with the Department of Health in the table below.

	Department of Health and other section 53(1)(b) entities		Department of Families, Fairness and Housing		Director of Housing		Eliminations and adjustments		Total	
	2021 \$M	2020 \$M	2021 \$M	2020 \$M	2021 \$M	2020 \$M	2021 \$M	2020 \$M	2021 \$M	2020 \$M
Total revenue and income from transactions	21,918.4	20,832.0	2,005.4	–	1,871.9	1,207.5	(97.3)	(11.1)	25,698.4	22,028.4
Total expenses from transactions	21,550.8	20,034.7	1,992.5	–	1,724.6	1,396.7	(97.3)	(11.1)	25,170.7	21,420.3
Net result from transactions	367.6	797.3	12.9	–	147.3	(189.2)	–	–	527.7	608.1
Total assets	6,336.8	7,839.1	2,354.6	–	31,889.9	27,031.1	(147.7)	(4.3)	40,433.6	34,865.9
Total liabilities	2,220.1	2,759.0	861.7	–	223.5	173.4	(147.7)	(3.7)	3,157.7	2,928.7

## 9.6 Responsible persons

In accordance with the Directions of the Assistant Treasurer under the *Financial Management Act 1994* the following disclosures are made for the responsible persons for the reporting period.

### Names

The persons who held the positions of ministers and accountable officers in the department were as follows:

Relevant office	Minister or accountable officer	Period
Minister for Ambulance Services	The Hon. Jenny Mikakos MP	1 July 2020 to 26 September 2020
	The Hon. Martin Foley MP	26 September 2020 to 30 June 2021
Minister for Health	The Hon. Jenny Mikakos MP	1 July 2020 to 26 September 2020
	The Hon. Martin Foley MP	26 September 2020 to 30 June 2021
Minister for the Coordination of Health and Human Services: COVID-19	The Hon. Jenny Mikakos MP	1 July 2020 to 26 September 2020
	The Hon. Martin Foley MP	26 September 2020 to 9 November 2020
Minister for Mental Health	The Hon. Martin Foley MP	1 July 2020 to 29 September 2020
	The Hon. James Merlino MP	29 September 2020 to 30 June 2021
Minister for Housing	The Hon. Richard Wynne MP	1 July 2020 to 30 June 2021
Minister for Child Protection	The Hon. Luke Donnellan MP	1 July 2020 to 30 June 2021
Minister for Disability, Ageing and Carers	The Hon. Luke Donnellan MP	1 July 2020 to 30 June 2021
Minister for Multicultural Affairs	The Hon. Ros Spence MP	1 February 2021 to 30 June 2021
Minister for Youth	The Hon. Ros Spence MP	1 February 2021 to 30 June 2021
Minister for Prevention of Family Violence	The Hon. Gabrielle Williams MP	1 July 2020 to 30 June 2021
Minister for Women	The Hon. Gabrielle Williams MP	1 February 2021 to 30 June 2021
Minister for Equality	The Hon. Martin Foley MP	1 February 2021 to 30 June 2021
Minister for Veterans	The Hon. Shaun Leane MP	1 February 2021 to 30 June 2021
Secretary, Department of Health and Human Services	Kym Peake	1 July 2020 to 16 November 2020
	Euan Wallace	28 November 2020 to 31 January 2021
Secretary, Department of Health	Euan Wallace	1 February 2021 to 30 June 2021
Secretary, Department of Families, Fairness and Housing <sup>(i)</sup>	Sandy Pitcher	1 February 2021 to 30 June 2021
Director of Housing under the <i>Housing Act 1983</i>	Ben Rimmer	1 July 2020 to 30 June 2021

Note:

- (i) Sandy Pitcher was appointed as a Secretary-designate of the Department of Families, Fairness and Housing on 14 December 2020 before the establishment of the department on 1 February 2021.

The persons who acted in the positions of ministers and accountable officers in the department were as follows:

Relevant office	Acting minister or accountable officer	Period
Minister for Ambulance Services	The Hon. James Merlino MP	18 January 2021 to 30 January 2021
Minister for Health	The Hon. James Merlino MP	18 January 2021 to 30 January 2021
Minister for Mental Health	The Hon. Martin Foley MP	27 December 2020 to 10 January 2021
Minister for Housing	The Hon. Gabrielle Williams MP	1 January 2021 to 8 January 2021
	The Hon. Luke Donnellan MP	9 January 2021 to 26 January 2021
Minister for Child Protection	The Hon. Richard Wynne MP	19 December 2020 to 31 December 2020
	The Hon. Gabrielle Williams MP	1 January 2021 to 8 January 2021
	The Hon. Ros Spence MP	2 April 2021 to 5 April 2021
	The Hon. Gabrielle Williams MP	6 April 2021 to 7 April 2021
	The Hon. Gabrielle Williams MP	10 April 2021 to 14 April 2021
	The Hon. Gabrielle Williams MP	26 June 2021 to 30 June 2021

Relevant office	Acting minister or accountable officer	Period
Minister for Disability, Ageing and Carers	The Hon. Richard Wynne MP	19 December 2020 to 31 December 2020
	The Hon. Gabrielle Williams MP	1 January 2021 to 8 January 2021
	The Hon. Martin Foley MP	2 April 2021 to 5 April 2021
	The Hon. Gabrielle Williams MP	6 April 2021 to 7 April 2021
	The Hon. Gabrielle Williams MP	10 April 2021 to 14 April 2021
	The Hon. Gabrielle Williams MP	26 June 2021 to 30 June 2021
Minister for Multicultural Affairs	The Hon. Gabrielle Williams MP	27 June 2021 to 30 June 2021
Minister for Youth	The Hon. Gabrielle Williams MP	27 June 2021 to 30 June 2021
Minister for Prevention of Family Violence	The Hon. Luke Donnellan MP	11 January 2021 to 24 January 2021
Secretary, Department of Health and Human Services	Euan Wallace	16 November 2020 to 27 November 2020
	Terry Symonds	1 January 2021 to 3 January 2021
Secretary, Department of Health	Jacinda de Witts	10 March 2021 to 21 March 2021
Secretary, Department of Families, Fairness and Housing	Argiri Alisandratos	12 April 2021 to 16 April 2021
	Ben Rimmer	16 June 2021 to 25 June 2021
Director of Housing under the <i>Housing Act 1983</i>	Sherri Bruinhout	11 January 2021 to 16 January 2021
	Chris Hotham	18 January 2021 to 29 January 2021
	David Snadden	14 April 2021 to 19 April 2021
	David Snadden	16 June 2021 to 25 June 2021

## Remuneration

Remuneration received or receivable by the accountable officers in connection with the management of the department during the reporting period was in the range:

Income band	Department of Health 30 June 2021 <sup>(i)(ii)</sup>	Department of Families, Fairness and Housing 30 June 2021 <sup>(ii)</sup>	Department of Health and Human Services 30 June 2020 <sup>(iii)</sup>
\$40,000 – \$49,999	–	–	1
\$90,000 – \$99,999	–	–	1
\$200,000 – \$209,999	–	1	–
\$220,000 – \$229,999	–	1	–
\$250,000 – \$259,999	–	–	1
\$280,000 – \$289,999	1	–	–
\$390,000 – \$399,999	1	–	–
\$570,000 – \$579,999	–	–	1
\$700,000 – \$709,999	1	–	–
<b>Total</b>	<b>3</b>	<b>2</b>	<b>4</b>

Notes:

(i) The figures include the Department of Health and the former Department of Health and Human Services.

(ii) The remuneration of the Director of Housing is disclosed in the Department of Health (including the former Department of Health and Human Services) for the period 1 July 2020 – 31 January 2021 and in the Department of Families, Fairness and Housing for the period 1 February 2021 – 30 June 2021.

(iii) There were 3 people occupying Director of Housing position in 2019–20.

## 9.7 Remuneration of executives

The number of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalent provides a measure of full-time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

**Short-term employee benefits** include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

**Post-employment benefits** include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

**Other long-term benefits** include long service leave, other long service benefit or deferred compensation.

**Termination benefits** include termination of employment payments, such as severance packages.

**Share-based payments** are cash or other assets paid or payable as agreed between the entity and the employee, provided specific vesting conditions, if any, are met.

Remuneration of executive officers (including Key Management Personnel disclosed in Note 9.8)	Department of Health <sup>(i)(ii)</sup>	Department of Families, Fairness and Housing	Department of Health and Human Services
	2021 \$M	2021 \$M	2020 \$M
Short-term employee benefits	56.0	15.4	47.6
Post-employment benefits	5.0	1.2	4.1
Other long-term benefits	1.4	0.4	1.2
Termination benefits	0.5	0.2	0.3
<b>Total remuneration <sup>(iii)</sup></b>	<b>62.9</b>	<b>17.1</b>	<b>53.2</b>
<b>Total number of executives <sup>(iii)</sup></b>	<b>376</b>	<b>190</b>	<b>288</b>
<b>Total annualised employee equivalent (AEE) <sup>(iii)(iv)</sup></b>	<b>247.2</b>	<b>173.1</b>	<b>228.6</b>

Notes:

(i) The figures include the Department of Health and the former Department of Health and Human Services.

(ii) Remuneration of KMPs seconded from other departments are not included.

(iii) Total figures for 2020–21 include the remuneration of the CFO who delivered services, as an executive officer to the department but is employed by the Department of Treasury and Finance. In 2019–20, the remuneration of the CFO was reported by the Department of Treasury and Finance. Comparatives have not been restated to include these numbers.

(iv) Annualised employee equivalent is based on the time fraction worked over the reporting period.

## 9.8 Related parties

The department is a wholly owned and controlled entity of the State of Victoria.

The following Administrative Offices have been included into the department's financial statements under s. 45(4) of the *Financial Management Act 1994*:

- Family Safety Victoria
- Mental Health Reform Victoria
- Safer Care Victoria
- Victorian Agency for Health Information (abolished as an Administrative Office and became part of the Department of Health on 1 February 2021).

The following entities have been included into the department's financial statements pursuant to the determination made by the Assistant Treasurer under section 53(1)(b) of the *Financial Management Act 1994*:

- Director of Housing
- Mental Health Tribunal
- Commission for Children and Young People
- Disability Worker Registration Board
- Victorian Disability Worker Commission
- Department of Families, Fairness and Housing
- Respect Victoria
- Victorian Multicultural Commission
- Victorian Veterans Council.

Related parties of the department, and the abovementioned Administrative Offices and entities include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over)
- all Cabinet ministers and their close family members

- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

### Significant transactions with government-related entities

The department received funding and made payments to the Consolidated Fund of \$22,650.3 million (2020: \$18,971.9 million) and \$539.7 million (2020: \$405.0 million) respectively.

Refer to Note 3.1.2 for other government-related entity transactions.

**Key management personnel** of the department include the Portfolio Ministers, The Hon. Martin Foley MP, The Hon. Luke Donnellan MP and The Hon. James Merlino MP; the Secretary, Euan Wallace; and members of the senior executive team, which includes:

Entity	Key management personnel	Position title	Period
Department of Health	Jodie Geissler	Deputy Secretary, Commissioning and System Improvement	1 March 2021 to 30 June 2021
Department of Health	Katherine Whetton	Deputy Secretary, Mental Health	1 February 2021 to 30 June 2021
Department of Health	Nick Chiam	Deputy Secretary, Public Health	1 February 2021 to 26 March 2021
Department of Health	Louise McKinlay	Deputy Secretary, Public Health	27 March 2021 to 19 June 2021
Department of Health	Zoe Wainer	Deputy Secretary, Public Health	20 June 2021 to 30 June 2021
Department of Health	Jeroen Weimar	Deputy Secretary, COVID-19 Response	1 February 2021 to 30 June 2021
Department of Health	Chris Hotham	Deputy Secretary, Health Infrastructure	1 February 2021 to 30 June 2021
Department of Health	Peter Breadon	Deputy Secretary, Reform and Planning	1 February 2021 to 30 June 2021
Department of Health	Greg Stenton	Deputy Secretary, Corporate Services	1 February 2021 to 30 June 2021
Department of Health	Jacinda de Witts	Deputy Secretary, Regulatory, Risk, Integrity and Legal	1 February 2021 to 30 June 2021
Department of Health	Lance Emerson	Chief Executive Officer, Victorian Agency for Health Information	1 February 2021 to 30 June 2021
Department of Health	Jenny Zahara	Chief Finance Officer	1 February 2021 to 30 June 2021
Department of Health	Beth Gubbins	Deputy Chief Finance Officer	1 February 2021 to 30 June 2021

**Key management personnel** of the former Department of Health and Human Services include the Portfolio Ministers, The Hon. Jenny Mikakos MP, The Hon. Martin Foley MP, The Hon. Richard Wynne MP, The Hon. Gabrielle Williams MP, The Hon. Luke Donnellan MP and The Hon. James Merlino MP; the Secretaries, Kym Peake and Euan Wallace; and members of the senior executive team, which includes:

<b>Entity</b>	<b>Key management personnel</b>	<b>Position title</b>	<b>Period</b>
Department of Health and Human Services	Greg Stenton	Deputy Secretary, Corporate Services and Legal and Executive Services	1 July 2020 to 16 August 2020
		Deputy Secretary, Corporate Services	17 August 2020 to 31 January 2021
Department of Health and Human Services	Ben Rimmer	Associate Secretary and Deputy Secretary, Housing	1 July 2020 to 31 January 2021
Department of Health and Human Services	Chris Hotham	Deputy Secretary, Infrastructure	1 July 2020 to 31 January 2021
Department of Health and Human Services	Melissa Skilbeck	Deputy Secretary, Regulation, Health Protection and Emergency Management	1 July 2020 to 31 January 2021
Department of Health and Human Services	Terry Symonds	Deputy Secretary, Health and Wellbeing	1 July 2020 to 31 January 2021
Department of Health and Human Services	Chris Asquini	Deputy Secretary, Community Services Operations	1 July 2020 to 31 January 2021
Department of Health and Human Services	Amity Durham	Deputy Secretary, Strategy and Planning	1 July 2020 to 31 January 2021
Department of Health and Human Services	Argiri Alisandratos	Deputy Secretary, Children, Families, Communities and Disability	1 July 2020 to 31 January 2021
Department of Health and Human Services	Nick Chiam	Deputy Secretary, Organisational Transformation	1 July 2020 to 31 January 2021
Department of Health and Human Services	Jacinda de Witts	Deputy Secretary, COVID-19 Public Health	1 July 2020 to 6 September 2020
		Deputy Secretary, Legal and Executive Services	7 September 2020 to 31 January 2021
Department of Health and Human Services	Annalise Bamford	Assistant Deputy Secretary, COVID-19 Public Health	1 July 2020 to 16 August 2020
Department of Health and Human Services	Jodie Geissler	Associate Secretary, COVID-19	1 July 2020 to 31 July 2020
Department of Health and Human Services	Ben Fielding	Deputy Secretary, Health and Wellbeing	31 August 2020 to 31 January 2021
Department of Health and Human Services	Katherine Whetton	Deputy Secretary, Policy and Strategy, COVID-19	28 October 2020 to 13 December 2020
Department of Health and Human Services	Kate Houghton	Deputy Secretary, Policy and Strategy, COVID-19	20 July 2020 to 4 October 2020
Department of Health and Human Services	Jeremi Moule	Deputy Secretary, Intelligence and Corporate, COVID-19	20 July 2020 to 4 October 2020

Entity	Key management personnel	Position title	Period
Department of Health and Human Services	Sandy Pitcher	Deputy Secretary, Case Contact and Outbreak Management, COVID-19	20 July 2020 to 13 December 2020
Department of Health and Human Services	Euan Wallace	Deputy Secretary, Case Contact and Outbreak Management, COVID-19	20 July 2020 to 15 November 2020
Department of Health and Human Services	Nicola Quin	Deputy Secretary, COVID-19 Intelligence and Corporate	6 August 2020 to 13 December 2020
Department of Health and Human Services	Brigid Monagle	Deputy Secretary, Policy and Strategy, COVID-19	5 October 2020 to 13 December 2020
Department of Health and Human Services	Andrew Minack	Deputy Secretary, COVID-19 Intelligence and Corporate	5 October 2020 to 13 December 2020
Department of Health and Human Services	Jeroen Weimar	Deputy Secretary, Community Engagement and Testing, COVID-19	15 July 2020 to 13 December 2020
		Deputy Secretary, COVID-19	14 December 2020 to 31 January 2021
Department of Health and Human Services	Julie Walsh	Deputy Secretary, Policy and Strategy, COVID-19	14 September 2020 to 11 January 2021
Department of Health and Human Services	Jenny Zahara	Chief Finance Officer	1 July 2020 to 31 January 2021
Department of Health and Human Services	Beth Gubbins	Deputy Chief Finance Officer	1 July 2020 to 31 January 2021

**Key management personnel** of the Administrative Offices included pursuant to s. 45(4) of the *Financial Management Act 1994* into the department's financial statements include:

Entity	Key management personnel	Position title	Period
Victorian Agency for Health Information	Lance Emerson	Chief Executive Officer	1 July 2020 to 31 January 2021
Safer Care Victoria	Euan Wallace	Chief Executive Officer	1 July 2020 to 19 July 2020
Safer Care Victoria	Ann Maree Keenan	Acting Chief Executive Officer	20 July 2020 to 3 January 2021
Safer Care Victoria	Robyn Hudson	Acting Chief Executive Officer	4 January 2021 to 15 January 2021
Safer Care Victoria	Ann Maree Keenan	Acting Chief Executive Officer	16 January 2021 to 30 May 2021
Safer Care Victoria	Robyn Hudson	Acting Chief Executive Officer	31 May 2021 to 30 June 2021
Family Safety Victoria	Eleri Butler	Chief Executive Officer	1 July 2020 to 30 June 2021
Mental Health Reform Victoria	Pam Anders	Chief Executive Officer	1 July 2020 to 30 June 2021

**Key management personnel** of the entities included pursuant to s. 53(1)(b) of the *Financial Management Act 1994* into the department's financial statements include:

<b>Entity</b>	<b>Key management personnel</b>	<b>Position title</b>	<b>Period</b>
Mental Health Tribunal	Matthew Carroll	President	1 July 2020 to 30 June 2021
Commission for Children and Young People	Liana Buchanan	Principal Commissioner	1 July 2020 to 30 June 2021
Commission for Children and Young People	Justin Mohamed	Commissioner for Aboriginal Children and Young People	1 July 2020 to 30 June 2021
Victorian Multicultural Commission	Vivienne Nguyen	Chairperson	1 February 2021 to 30 June 2021
Respect Victoria	Melanie Eagle	Board Chair	1 February 2021 to 30 June 2021
Respect Victoria	Tracey Gaudry	Chief Executive Officer	1 February 2021 to 7 May 2021
Respect Victoria	Amy Prendergast	Acting Chief Executive Officer	8 May 2021 to 30 June 2021
Respect Victoria	Andi Diamond	Board Director	1 February 2021 to 30 June 2021
Respect Victoria	Kate Fitz-Gibbon	Board Director	1 February 2021 to 30 June 2021
Respect Victoria	Rod Jackson	Board Director	1 February 2021 to 30 June 2021
Respect Victoria	Julia Mason	Board Director	1 February 2021 to 30 June 2021
Respect Victoria	Wei Leng Kwok	Board Director	1 February 2021 to 30 June 2021
Respect Victoria	Liana Papoutsis	Board Director	1 February 2021 to 30 June 2021
Respect Victoria	Steve Walsh	Board Director	1 February 2021 to 30 June 2021
Victorian Veterans Council	Roger Clifton	Chair	1 February 2021 to 30 June 2021
Disability Worker Registration Board	Melanie Eagle	Chairperson	1 July 2020 to 30 June 2021
Victorian Disability Worker Commission	Dan Stubbs	Victorian Disability Worker Commissioner	1 July 2020 to 30 June 2021
Department of Families, Fairness and Housing	The Hon. Richard Wynne MP	Minister for Housing	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	The Hon. Luke Donnellan MP	Minister for Child Protection	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	The Hon. Luke Donnellan MP	Minister for Disability, Ageing and Carers	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	The Hon. Ros Spence MP	Minister for Multicultural Affairs	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	The Hon. Ros Spence MP	Minister for Youth	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	The Hon. Gabrielle Williams MP	Minister for Prevention of Family Violence	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	The Hon. Gabrielle Williams MP	Minister for Women	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	The Hon. Martin Foley MP	Minister for Equality	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	The Hon. Shaun Leane MP	Minister for Veterans	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	Sandy Pitcher	Secretary	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	Ben Rimmer	Associate Secretary and Chief Executive Officer, Homes Victoria	1 February 2021 to 30 June 2021

<b>Entity</b>	<b>Key management personnel</b>	<b>Position title</b>	<b>Period</b>
Department of Families, Fairness and Housing	Nicola Quin	Deputy Chief Executive Officer, Homes Victoria	19 April 2021 to 30 June 2021
Department of Families, Fairness and Housing	Chris Asquini	Deputy Secretary, Community Services Operations	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	Argiri Alisandratos	Deputy Secretary, Children, Families, Communities and Disability	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	Brigid Monagle	Deputy Secretary, Fairer Victoria	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	Annette Lancy	Deputy Secretary, Readiness, Response and Emergency Management	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	Andrew Minack	Deputy Secretary, Corporate and Delivery Services	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	Christina Dickinson	Deputy Secretary, Strategy and Regulation	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	Louise Perry	Chief of Engagement and Reform	14 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	Jenny Zahara	Interim Chief Finance Officer	1 February 2021 to 11 April 2021
Department of Families, Fairness and Housing	Cynthia Lahiff	Chief Finance Officer	12 April 2021 to 30 June 2021

## Remuneration of key management personnel

The compensation detailed below excludes the salaries and benefits the Portfolio Ministers received. The Ministers' remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and are reported within the Department of Parliamentary Services' Financial Report.

Compensation of KMPs	Department of Health <sup>(i)(ii)</sup>		Department of Families, Fairness and Housing		Administrative Offices <sup>(iii)</sup>		Other section 53 <sup>(iv)</sup>	
	2021 \$M	2020 \$M	2021 \$M	2020 \$M	2021 \$M	2020 \$M	2021 \$M	2020 \$M
Short-term employee benefits	5.2	3.8	1.5	–	1.1	1.3	1.2	0.7
Post-employment benefits	0.3	0.2	0.1	–	0.1	0.1	0.1	0.1
Other long-term benefits	0.2	0.1	–	–	–	–	–	–
Termination benefits	0.5	–	–	–	–	–	0.1	–
<b>Total <sup>(v)(vi)</sup></b>	<b>6.2</b>	<b>4.1</b>	<b>1.6</b>	<b>–</b>	<b>1.2</b>	<b>1.4</b>	<b>1.4</b>	<b>0.8</b>

Notes:

- (i) The figures include the Department of Health and the former Department of Health and Human Services.
- (ii) Remuneration of KMPs seconded from other departments are not included.
- (iii) This includes remuneration of KMPs for Victorian Agency for Health Information, Safer Care Victoria, Family Safety Victoria and Mental Health Reform Victoria.
- (iv) This includes remuneration of KMPs for Mental Health Tribunal, Commission for Children and Young People, Victorian Multicultural Commission, Respect Victoria, Victorian Veterans Council, Disability Worker Registration Board, and Victorian Disability Worker Commission. The remuneration of the Director of Housing is disclosed in the Department of Health (including the former Department of Health and Human Services) for the period 1 July 2020 – 31 January 2021 and in the Department of Families, Fairness and Housing numbers for the period 1 February 2021 – 30 June 2021.
- (v) Total figures for 2020–21 include the remuneration of the CFO who delivered services, as an executive officer to the department but is employed by the Department of Treasury and Finance. In 2019–20, the remuneration of the CFO was reported by the Department of Treasury and Finance. Comparatives have not been restated to include these numbers.
- (vi) Note that KMPs are also reported in the disclosure of remuneration of accountable officers (refer to Note 9.6) and in the disclosure of remuneration of executive officers (refer to Note 9.7).

## Transactions and balances with key management personnel and other related parties

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

Outside of normal citizen-type transactions, there were no material related party transactions that involved key management personnel, their close family members and their personal business interests with the department, the Administrative Offices or its s. 53(1)(b) entities.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

## 9.9 Remuneration of auditors

	2021 \$	2020 \$
Victorian Auditor-General's Office – audit of the financial report	633,500	546,500

## 9.10 Subsequent events

On 29 September 2021, the Department of Health was made aware that WorkSafe had charged the department with 58 breaches of the *Occupational Health and Safety Act 2004* in relation to Operation Soteria, Victoria's first hotel quarantine program. The maximum penalty faced by the department for each of these charges is \$1.636 million. The department has not yet determined the liability that may arise from this event and it is not included in the quantifiable contingent liabilities in Note 8.2.

## 9.11 Other accounting policies

### Contributions by owners

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and therefore do not form part of the income and expenses of the department.

Additions to net assets that have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

## 9.12 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2020–21 reporting period. These accounting standards have not been applied to the financial statements. The state is reviewing its existing policies and assessing the potential implications of these accounting standards, which include:

- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*

This standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted. However, the AASB has recently issued AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date* to defer the application by one year to periods beginning on or after 1 January 2023. The department will not early adopt the standard.

The department is in the process of analysing the impacts of this standard. However, it is not anticipated to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on the department's reporting.

- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C)*
- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments*
- AASB 2020-7 *Amendments to Australian Accounting Standards – Covid-19 – Rent Related Concessions: Tier 2 Disclosures*
- AASB 2020-8 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*
- AASB 2020-9 *Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments*.

## 9.13 Glossary of technical terms

The following is a summary of the major technical terms used in this report.

**Actuarial gains or losses on superannuation defined benefit plans** are changes in the present value of the superannuation defined benefit liability resulting from:

- experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred)
- the effects of changes in actuarial assumptions.

**Administered item** generally refers to a department lacking the capacity to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

**Amortisation** is the expense that results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an 'other economic flow'.

**Borrowings** refers to interest-bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, finance leases and other interest-bearing arrangements. Borrowings also include non-interest-bearing advances from government that are acquired for policy purposes.

**Capital asset charge** is a charge levied on the written-down value of controlled non-current physical assets in a department's balance sheet which aims to: attribute to agency outputs the opportunity cost of capital used in service delivery; and provide incentives to departments to identify and dispose of underutilised or surplus assets in a timely manner.

**Commitments** include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

**Comprehensive result** is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

**Controlled item** generally refers to the capacity of a department to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

**Current grants** are amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

**Depreciation** is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

**Effective interest method** is the method used to calculate the amortised cost of a financial asset or liability and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or, where appropriate, a shorter period.

**Employee benefits expenses** includes all costs related to employment including salaries and wages, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

**Ex-gratia expenses** mean the voluntary payment of money or other non-monetary benefit (for example a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

**Finance lease** is a lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

**Financial asset** is any asset that is:

- cash
- an equity instrument of another entity
- 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
- a contract that will or may be settled in the entity's own equity instruments and is:
  - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments, or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

**Financial instrument** is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial liability** is any liability that is:

- a contractual or statutory obligation:
  - to deliver cash or another financial asset to another entity, or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity, or
- a contract that will or may be settled in the entity's own equity instruments and is:
  - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments, or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

**Financial statements** comprise:

- a balance sheet as at the end of the year
- a comprehensive operating statement for the year
- a statement of changes in equity for the year
- a statement of cash flows for the year
- notes, comprising a summary of significant accounting policies and other explanatory information
- comparative information in respect of the preceding year as specified in paragraphs 38 of AASB 101 *Presentation of Financial Statements*
- a balance sheet as at the beginning of the preceding year when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraph 41 of AASB 101.

**Grants and other expense transfers** are transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

**General government sector** comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those that are mainly non-market in nature, those that are largely for collective consumption by the community and those that involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

**Grants for on-passing** are grants paid to one institutional sector (for example a state general government entity) to be passed on to another institutional sector (for example local government or a private non-profit institution).

**Intangible assets** represent identifiable non-monetary assets without physical substance.

**Interest expense** represents costs incurred in connection with the borrowings. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of lease repayments, service concession financial liabilities and amortisation of discounts or premiums in relation to borrowings.

**Interest income** includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

**Investment properties** are properties held to earn rentals or for capital appreciation or both. Investment properties exclude properties held to meet service delivery objectives of the State of Victoria.

**Joint ventures** are contractual arrangements between the department and one or more other parties to undertake an economic activity that is subject to joint control and where all (or the respective) parties have rights to the net assets of the arrangement. Joint control only exists when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

**Leases** are rights conveyed in a contract, or part of a contract, to use an asset (the underlying asset) for a period of time in exchange for consideration.

**Net acquisition of non-financial assets** (from transactions) is the purchase (and other acquisition) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. Includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write-offs, impairment write-downs and revaluations.

**Net financial liabilities** are calculated as liabilities less financial assets, other than equity in public non-financial corporations (PNFC) and public financial corporations (PFC). This measure is broader than net debt as it includes significant liabilities, other than borrowings (for example accrued employee liabilities such as superannuation and long service leave entitlements). For the PNFC and PFC sectors, it is equal to negative net financial worth.

**Net financial worth** is equal to financial assets minus liabilities. It is a broader measure than net debt as it incorporates provisions made (such as superannuation, but excluding depreciation and bad debts) as well as holdings of equity. Net financial worth includes all classes of financial assets and liabilities, only some of which are included in net debt.

**Net operating balance** or **net result from transactions** is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

**Net result** is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as other economic flows – other comprehensive income.

**Net worth** is calculated as assets less liabilities, which is an economic measure of wealth.

**Non-financial assets** are all assets that are not financial assets. It includes inventories, land, buildings, plant and equipment, and intangible assets.

**Non-financial public sector** represents the consolidated transactions and assets and liabilities of the general government and PNFC sectors. In compiling statistics for the non-financial public sector, transactions and debtor/creditor relationships between sub-sectors are eliminated to avoid double counting.

**Non-produced assets** are assets needed for production that have not themselves been produced. They include land, subsoil assets, and certain intangible assets. Non-produced intangibles are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

**Operating result** is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner movements in equity'. Refer also 'net result'.

**Other economic flows included in net result** are changes in the volume or value of an asset or liability that do not result from transactions. In simple terms, other economic flows are changes arising from market remeasurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; actuarial gains and losses arising from defined benefit superannuation plans; fair value changes of financial instruments.

**Other economic flows – other comprehensive income** comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards. They include changes in physical asset revaluation surplus; share of net movement in revaluation surplus of associates and joint ventures; and gains and losses on remeasuring available-for-sale financial assets.

**Other operating expenses** generally represent cost of goods sold and the day to day running costs, including maintenance costs, incurred in the normal operations of the department.

**Payables** include short and long-term accounts payable, grants, taxes and interest payable.

**Produced assets** include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films and research and development costs (which do not include the start-up costs associated with capital projects).

**Public financial corporations (PFC)** are bodies primarily engaged in the provision of financial intermediation services or auxiliary financial services. They are able to incur financial liabilities on their own account (for example by taking deposits, issuing securities or providing insurance services). Estimates are not published for the public financial corporation sector.

**Public non-financial corporation (PNFC)** sector comprises bodies mainly engaged in the production of goods and services (of a non-financial nature) for sale in the market place at prices that aim to recover most of the costs involved (for example water and port authorities). In general, PNFCs are legally distinguishable from the governments which own them.

**Receivables** includes amounts owing from government through appropriation receivable, short and long-term accounts receivable, accrued investment income, grants, taxes and interest receivable.

**Rental income and income from services** includes rental income under operating leases and income from the provision of services.

**Service Concession Arrangement** is a contract effective during the reporting period between a grantor and an operator in which:

- the operator has the right of access to the service concession asset (or assets) to provide public services on behalf of the grantor for a specified period of time
- the operator is responsible for at least some of the management of the public services provided through the asset and does not act merely as an agent on behalf of the grantor, and
- the operator is compensated for its services over the period of the service concession arrangement.

**Transactions** are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (for example assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

## 9.14 Style conventions

### 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 2020–21 model report for Victorian Government departments. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the department's annual reports.

# Appendices

## Portfolio budget outcomes

The portfolio budget outcomes provide a comparison between the actual financial statements of all general government sector entities within the portfolio and the forecast financial information published in Budget Paper No. 5 *Statement of Finances 2021–22* (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 2020–21.

The portfolio budget outcomes have been prepared on a consolidated basis for the period 1 July 2020 to 30 June 2021 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.

Machinery of government changes occurred, effective from 1 February 2021, where:

- > the Department of Health and Human Services was renamed the Department of Health, and the new Department of Families, Fairness and Housing was created, and
- > the Department of Health transferred the Child Protection, Prevention of Family Violence, Housing and Disability functions to the Department of Families, Fairness and Housing.

These changes were reflected in the 2020–21 Revised Budget.

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 (including the formerly named Department of Health and Human Services up to 31 January 2021)
- > public hospitals and public health services
- > multipurpose services
- > Ambulance Victoria

- > Health Purchasing Victoria
- > Victorian Assisted Reproductive Treatment Authority
- > Victorian Institute of Forensic Mental Health
- > Mental Health Tribunal
- > Tweddle Child and Family Health Service
- > The Queen Elizabeth Centre
- > Victorian Health Promotion Foundation
- > Disability Services Commissioner (1 July 2020 to 31 January 2021)
- > Victorian Disability Workers Commission (1 July 2020 to 31 January 2021)
- > Disability Worker Registration Board (1 July 2020 to 31 January 2021)
- > Commission for Children and Young People (1 July 2020 to 31 January 2021)

The portfolio budget outcomes statements include funding from the Commonwealth Government and revenue from the sale of services attributed to the department from the state government. They also include income and expenses associated with National Health Reform funding as well as National Disability Insurance Scheme funding, which are reported in the department's administered accounts.

## Funding arrangements under National Health Reform

The 2020–21 administered items statement reflects the funding contributions from the State and Commonwealth through the National Health Reform Agreement. The arrangement provides for Commonwealth funding to health services to be overseen by the Administrator of the National Health Funding Pool via Victoria's State Pool Account, which is reported in the department's administered accounts.

The administered accounts also include the Victorian contribution to activity-based funding for health services and the payment of the Commonwealth contribution to block-funded services, and public health funding, provided to the department's controlled entity.

## Funding arrangements under the National Partnership on COVID-19 Response

The National Partnership on COVID-19 Response utilises funding mechanisms established through the National Health Reform Agreement to provide a Commonwealth contribution for the response to the COVID-19 outbreak. The arrangement provides for Commonwealth funding to be overseen by the Administrator of the National Health Funding Pool through Victoria's State Pool Account, which is reported in the department's administered accounts.

Funding under the agreement includes hospital services payments, state public health payments, and private hospital financial viability payments (private hospital financial viability is 100 per cent Commonwealth funded).

The administered accounts also include the Victorian contribution to health service payments for activity and the payment of the Commonwealth contribution to state public health payments provided to the department's controlled entity.

## Funding arrangements under the National Disability Insurance Scheme

Funding arrangements under the National Disability Insurance Scheme are reported in the department's administered accounts up to 31 January 2021.

The arrangement provided for contributions from the department's controlled entity and from other departments to be administered via the National Disability Insurance Scheme trust fund reported in the department's administered account. Grant payments were made to the National Disability Insurance Agency from the trust fund.

Effective from 1 February 2021 portfolio responsibility for these arrangements was transferred to the new Department of Families, Fairness and Housing.

## Financial performance – operating statement

In 2020–21, the portfolio recorded an actual net result from transactions of \$708 million surplus compared with a 2020–21 published budgeted deficit of \$490 million.

The variance between the budgeted and actual surplus is mainly due to differences in the timing for expensing consumables, such as personal protective equipment in response to the COVID-19 pandemic. The published budget assumes that all such items were purchased and consumed in the same year, however a significant amount was still held as inventory at 30 June.

## Financial position – balance sheet

Total assets are \$199 million higher than the published budget. This is mostly attributed to cash and deposits held by health agencies and inventories on hand at 30 June 2021 which relate to consumables such as personal protective equipment purchased in response to the COVID-19 pandemic. These amounts are offset by property, plant and equipment transferred to the Department of Families, Fairness and Housing. Total liabilities are \$209 million lower than the published budget. This is primarily due to machinery of government changes that included employee leave provisions transferring to the Department of Families, Fairness and Housing.

## Cash flows

The overall cash position at the end of the 2020–21 financial year was \$2,763 million, which is \$780 million greater than the published budget for 2020–21.

The variance is mainly driven by cash held in portfolio health agencies as at 30 June 2021.

Detailed financial results for the 2020–21 portfolio budget and actual results are included in the following pages.

## Comprehensive operating statement for the financial year ended 30 June 2021

	2020–21 Actual \$M	2020–21 Revised budget <sup>(a)</sup> \$M	2020–21 Published budget \$M	Variation to published budget %	Notes
<b>Net result from continuing operations</b>					
<b>Income from transactions</b>					
Output appropriations	19,011	18,409	20,207	(5.9)	(b)
Special appropriations	1,072	1,117	1,100	(2.5)	
Interest	20	19	46	(57.1)	
Sales of goods and services	1,798	1,814	1,877	(4.2)	(c)
Grants	8,706	9,056	8,409	3.5	
Fair value of assets and services received free of charge or for nominal consideration	5	37	–	–	
Other income	775	737	756	2.6	
<b>Total income from transactions</b>	<b>31,389</b>	<b>31,189</b>	<b>32,395</b>	<b>(3.1)</b>	
<b>Expenses from transactions</b>					
Employee benefits	14,706	14,718	14,987	(1.9)	
Depreciation and amortisation	1,329	1,306	1,279	3.9	
Interest expense	187	194	200	(6.4)	
Grants and other transfers	3,607	3,582	4,549	(20.7)	
Capital asset charge	1,403	1,403	1,428	(1.7)	
Other operating expenses	9,448	10,004	10,442	(9.5)	(d)
<b>Total expenses from transactions</b>	<b>30,681</b>	<b>31,208</b>	<b>32,884</b>	<b>(6.7)</b>	
<b>Net result from transactions (net operating balance)</b>	<b>708</b>	<b>(19)</b>	<b>(490)</b>	<b>–</b>	
<b>Other economic flows included in net result</b>					
Net gain/(loss) on non-financial assets	14	–	(3)	(543.8)	
Net gain/(loss) on financial instruments and statutory receivables/payables	(16)	(26)	(26)	(39.4)	
Other gains/(losses) from other economic flows	224	(8)	(8)	(3,026.1)	
<b>Total other economic flows included in net result</b>	<b>222</b>	<b>(33)</b>	<b>(37)</b>	<b>(708.2)</b>	
<b>Net result</b>	<b>930</b>	<b>(52)</b>	<b>(526)</b>	<b>(276.7)</b>	
<b>Other economic flows – other comprehensive income</b>					
Adjustment to accumulated surplus/(deficit) due to a change in accounting policy	88	–	–	–	
Changes in non-financial asset revaluation surplus	312	9	9	3,384.9	
Financial assets available-for-sale reserve	3	–	–	–	
Other	68	–	–	–	
<b>Total other economic flows – other comprehensive income</b>	<b>471.6</b>	<b>9.0</b>	<b>9.0</b>	<b>5,166.9</b>	
<b>Comprehensive result</b>	<b>1,401</b>	<b>(43)</b>	<b>(517)</b>	<b>(370.9)</b>	

(a) The 2020–21 Revised Budget reflects the impact of the machinery of government changes whereby the Child Protection, Prevention of Family Violence, Housing and Disability functions were transferred to the Department of Families, Fairness and Housing effective 1 February 2021.

- (b) Actual output appropriation reflects the machinery of government changes as well as policy initiatives approved after the Revised Budget, including funding in response to the COVID-19 pandemic.
- (c) Sales of goods and services mainly relate to private patient revenue in hospitals and health services that was lower than anticipated as a result of the COVID-19 pandemic.
- (d) Other operating expenses are impacted by the timing of consumables such as personal protective equipment being expensed in hospitals and health services in response to the COVID-19 pandemic. Consumables not expensed as at 30 June 2021 are held as inventories on the balance sheet.

## Balance sheet as at 30 June 2021

	2020–21 Actual \$M	2020–21 Revised budget <sup>(a)</sup> \$M	2020–21 Published budget \$M	Variation to published budget %	Notes
<b>Assets</b>					
<b>Financial assets</b>					
Cash and deposits	2,763	1,773	1,983	39.4	
Receivables	4,220	3,904	4,007	5.3	
Other financial assets	470	440	440	6.8	
Investments accounted for using equity method	1	1	1	(0.7)	
<b>Total financial assets</b>	<b>7,455</b>	<b>6,118</b>	<b>6,431</b>	<b>15.9</b>	
<b>Non-financial assets</b>					
Inventories	778	837	118	558.7	(b)
Non-financial assets classified as held for sale including disposal group assets	–	1	3	–	
Property, plant and equipment	20,318	19,976	21,985	(7.6)	
Investment properties	141	135	135	4.2	
Intangible assets	475	305	406	17.0	
Other	287	139	177	62.3	
<b>Total non-financial assets</b>	<b>21,999</b>	<b>21,394</b>	<b>22,823</b>	<b>(3.6)</b>	
<b>Total assets</b>	<b>29,453</b>	<b>27,512</b>	<b>29,254</b>	<b>0.7</b>	
<b>Liabilities</b>					
Payables	2,887	2,534	2,779	3.9	
Borrowings	3,333	3,398	3,410	(2.3)	
Provisions	3,935	3,782	4,176	(5.8)	
<b>Total liabilities</b>	<b>10,156</b>	<b>9,714</b>	<b>10,365</b>	<b>(2.0)</b>	
<b>Net assets</b>	<b>19,297</b>	<b>17,798</b>	<b>18,889</b>	<b>2.2</b>	
<b>Equity</b>					
Accumulated surplus/(deficit)	3,844	2,492	2,018	90.5	
Reserves	10,507	10,414	10,414	0.9	
Contributed capital	4,947	4,893	6,458	(23.4)	
<b>Total equity</b>	<b>19,298</b>	<b>17,798</b>	<b>18,889</b>	<b>2.2</b>	

(a) The 2020–21 Revised Budget reflects the impact of the machinery of government changes whereby the Child Protection, Prevention of Family Violence, Housing and Disability functions were transferred to the Department of Families, Fairness and Housing effective 1 February 2021.

(b) Inventories on hand as at 30 June 2021 relate to consumables such as personal protective equipment purchased in response to the COVID-19 pandemic and not yet consumed.

## Statement of cash flows for the financial year ended 30 June 2021

	2020–21 Actual \$M	2020–21 Revised budget <sup>(a)</sup> \$M	2020–21 Published budget \$M	Variation to published budget %
<b>Cash flows from operating activities</b>				
<b>Receipts</b>				
Receipts from government	21,001	20,535	22,945	(8.5)
Receipts from other entities	9,061	9,437	8,883	2.0
Interest received	17	19	45	(63.6)
Other receipts	686	792	821	(16.4)
<b>Total receipts</b>	<b>30,766</b>	<b>30,783</b>	<b>32,695</b>	<b>(5.9)</b>
<b>Payments</b>				
Payments of grants and other transfers	(3,607)	(3,582)	(4,549)	(20.7)
Payments to suppliers and employees	(23,701)	(24,733)	(24,805)	(4.5)
Capital asset charge	(1,403)	(1,403)	(1,428)	(1.7)
Interest and other costs of finance	(187)	(194)	(200)	(6.6)
<b>Total payments</b>	<b>(28,897)</b>	<b>(29,912)</b>	<b>(30,982)</b>	<b>(6.7)</b>
<b>Net cash flows from / (used in) operating activities</b>	<b>1,868</b>	<b>871</b>	<b>1,712</b>	<b>9.1</b>
<b>Cash flows from investing activities</b>				
Net investment	80	6	6	1,259.3
Payments for non-financial assets	(1,305)	(1,221)	(1,952)	(33.2)
Proceeds from sale of non-financial assets	24	3	3	686.5
Net loans to other parties	33	33	35	(5.1)
<b>Net cash flows from/ (used in) investing activities</b>	<b>(1,167)</b>	<b>(1,179)</b>	<b>(1,908)</b>	<b>(38.8)</b>
<b>Cash flows from financing activities</b>				
Owner contributions by state government	268	119	230	16.6
Repayment of leases and service concession liabilities	(230)	(178)	(191)	20.7
Net borrowings	(390)	(271)	(273)	42.8
<b>Net cash flows from/ (used in) financing activities</b>	<b>(352)</b>	<b>(331)</b>	<b>(234)</b>	<b>50.6</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>349</b>	<b>(639)</b>	<b>(429)</b>	<b>(181.3)</b>
Cash and cash equivalents at the beginning of the financial year	2,415	2,412	2,412	0.1
<b>Cash and cash equivalents at the end of the financial year</b>	<b>2,763</b>	<b>1,773</b>	<b>1,983</b>	<b>39.3</b>

(a) The 2020–21 Revised Budget reflects the impact of the machinery of government changes whereby the Child Protection, Prevention of Family Violence, Housing and Disability functions were transferred to the Department of Families, Fairness and Housing effective 1 February 2021.

## Statement of changes in equity for the financial year ended 30 June 2021

	2020–21 Actual \$M	2020–21 Revised budget <sup>(a)</sup> \$M	2020–21 Published budget \$M	Variation to published budget %
Accumulated funds	2,544	2,544	2,544	–
Adjustment due to change in accounting policy	88	–	–	–
Transactions with owners in their capacity as owners	281	–	–	–
Comprehensive result	930	(52)	(526)	(276.7)
<b>Accumulated surplus/(deficit)</b>	<b>3,844</b>	<b>2,492</b>	<b>2,018</b>	<b>90.5</b>
Net contributions by owners	6,225	6,225	6,225	–
Transactions with owners in their capacity as owners	(1,278)	(1,332)	233	(648.6)
<b>Contributions by owners</b>	<b>4,947</b>	<b>4,893</b>	<b>6,458</b>	<b>(23.4)</b>
Physical asset revaluation reserve	9,984	9,984	9,984	–
Transactions with owners in their capacity as owners	42	9	9	367.8
Comprehensive result	–	–	–	–
<b>Physical asset revaluation reserve</b>	<b>10,026</b>	<b>9,993</b>	<b>9,993</b>	<b>0.3</b>
Financial assets available-for-sale reserve	421	421	421	–
Other reserves	60	–	–	–
<b>Other reserves</b>	<b>481</b>	<b>421</b>	<b>421</b>	<b>14.3</b>
<b>Changes in equity</b>	<b>19,298</b>	<b>17,798</b>	<b>18,889</b>	<b>2.2</b>

(a) The 2020–21 Revised Budget reflects the impact of the machinery of government changes whereby the Child Protection, Prevention of Family Violence, Housing and Disability functions were transferred to the Department of Families, Fairness and Housing effective 1 February 2021.

## Administered items statement for the financial year ended 30 June 2021

	2020–21 Actual \$M	2020–21 Revised budget <sup>(a)</sup> \$M	2020–21 Published budget \$M	Variation to published budget %	Notes
<b>Administered income</b>					
Appropriations – Payments made on behalf of the state	50	50	67	(25.0)	
Interest	–	3	3	(100.0)	
Sales of goods and services	383	295	339	12.9	
Grants	13,974	14,681	14,678	(4.8)	(b)
Other income	37	33	34	10.0	
<b>Total administered income</b>	<b>14,444</b>	<b>15,062</b>	<b>15,120</b>	<b>(4.5)</b>	
<b>Administered expenses</b>					
Grants and other transfers	13,413	14,120	13,959	(3.9)	(c)
Payments into consolidated fund	507	424	476	6.5	
Expenses on behalf of the state	861	855	958	(10.2)	
<b>Total administered expenses</b>	<b>14,780</b>	<b>15,399</b>	<b>15,393</b>	<b>(4.0)</b>	
<b>Income less expenses</b>	<b>(336)</b>	<b>(337)</b>	<b>(272)</b>	<b>23.3</b>	
<b>Other economic flows included in net result</b>					
Net gain/(loss) on non-financial assets	(9)	2	8	(216.9)	
<b>Total other economic flows included in net result</b>	<b>(9)</b>	<b>2</b>	<b>8</b>	<b>(216.9)</b>	
<b>Net result</b>	<b>(345)</b>	<b>(335)</b>	<b>(264)</b>	<b>30.4</b>	
<b>Total other economic flows – other comprehensive income</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
<b>Comprehensive result</b>	<b>(345)</b>	<b>(335)</b>	<b>(264)</b>	<b>30.4</b>	
<b>Administered assets</b>					
Cash and deposits	4	3	3	26.0	
Receivables	513	447	524	(2.1)	
Other financial assets	–	–	3	–	
<b>Total administered assets</b>	<b>517</b>	<b>450</b>	<b>531</b>	<b>(2.6)</b>	
<b>Administered liabilities</b>					
Payables	511	434	434	17.7	
Provisions	–	–	7	–	
<b>Total administered liabilities</b>	<b>511</b>	<b>434</b>	<b>441</b>	<b>15.9</b>	
<b>Net assets</b>	<b>6</b>	<b>16</b>	<b>90</b>	<b>(93.0)</b>	

(a) The 2020–21 Revised Budget reflects the impact of the machinery of government changes whereby the Child Protection, Prevention of Family Violence, Housing and Disability functions were transferred to the Department of Families, Fairness and Housing effective 1 February 2021.

(b) Administered grant income mainly reflect grants received from Commonwealth and the state government for health activity and in response to the COVID-19 pandemic.

(c) Administered grant expenses mainly relate to grants to health services for health activity and in response to the COVID-19 pandemic.

## Disclosure index

This annual report is prepared in accordance with all relevant Victorian legislation and pronouncements. This index facilitates identification of the department's compliance with statutory disclosure requirements.

### Report of operations

Ministerial directions	Requirement	Page
<b>Charter and purpose</b>		
FRD 22H	Manner of establishment and the relevant ministers	9, 145, 72
FRD 22H	Purpose, functions, powers and duties	8, 115
FRD 8D	Departmental objectives, indicators and outputs	11
FRD 22H	Key initiatives and projects	37
FRD 22H	Nature and range of services provided	8
<b>Management and structure</b>		
FRD 22H	Organisational structure	75
<b>Financial and other information</b>		
FRD 8D	Performance against output performance measures	51
FRD 8D	Budget portfolio outcomes	232
FRD 10A	Disclosure index	239
FRD 12B	Disclosure of major contracts	102
FRD 15E	Executive officer disclosures	88
FRD 22H	Employment and conduct principles	78
FRD 22H	Occupational health and safety policy	98
FRD 22H	Summary of the financial results for the year	68
FRD 22H	Significant changes in financial position during the year	69
FRD 22H	Major changes or factors affecting performance	69
FRD 22H	Subsequent events	10, 227
FRD 22H	Application and operation of <i>Freedom of Information Act 1982</i>	112
FRD 22H	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	111
FRD 22H	Statement on National Competition Policy	111
FRD 22H	Application and operation of the <i>Public Interest Disclosures Act 2012</i>	113
FRD 22H	Application and operation of the <i>Carers Recognition Act 2012</i>	114
FRD 22H	Details of consultancies over \$10,000	105
FRD 22H	Details of consultancies under \$10,000	105
FRD 22H	Disclosure of government advertising expenditure	103
FRD 22H	Disclosure of ICT expenditure	111
FRD 22H	Statement of availability of other information	115
FRD 24D	Reporting of office-based environmental impacts	118
FRD 25D	Local Jobs First	101
FRD 29C	Workforce data disclosures	80
SD 5.2	Specific requirements under Standing Direction 5.2	138

<b>Ministerial directions</b>	<b>Requirement</b>	<b>Page</b>
<b>Compliance attestation and declaration</b>		
SD 5.1.4	Attestation for compliance with Ministerial Standing Direction	135
SD 5.2.3	Declaration in report of operations	6

## Financial statements

<b>Ministerial directions</b>	<b>Requirement</b>	<b>Page</b>
<b>Declaration</b>		
SD 5.2.2	Declaration in financial statements	138
<b>Other requirements under Standing Directions 5.2</b>		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	146
SD 5.2.1(a)	Compliance with standing directions	137–231
SD 5.2.1(b)	Compliance with model financial report	137–231
<b>Other disclosures as required by Financial Reporting Directions in notes to the financial statements</b>		
FRD 9B	Departmental disclosure of administered assets and liabilities by activity	172
FRD 11A	Disclosure of ex-gratia expenses	215
FRD 13	Disclosure of parliamentary appropriations	149
FRD 21C	Disclosures of responsible persons, executive officers and other personnel (contactors with significant management responsibilities) in the financial report	219
FRD 103I	Non-financial physical assets	211
FRD 110A	Cash flow statements	143
FRD 112D	Defined benefit superannuation obligations	157
FRD 114C	Financial instruments – general government entities and public non-financial corporations	201

## Legislation

<b>Act</b>	<b>Page</b>
<i>Building Act 1993</i>	111
<i>Carers Recognition Act 2012</i>	114
<i>Cemeteries and Crematoria Act 2003</i>	114
<i>Disability Act 2006</i>	114
<i>Financial Management Act 1994</i>	6, 68, 77, 138, 145
<i>Freedom of Information Act 1982</i>	112
<i>Local Jobs First Act 2003</i>	101
<i>Occupational Health and Safety Act 2004</i>	10, 98, 227
<i>Public Administration Act 2004</i>	7, 78, 145
<i>Public Health and Wellbeing Act 2008</i>	39, 43, 115, 134
<i>Public Interest Disclosures Act 2012</i>	113