



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

**2009-10 and 2010-11 Financial and Performance Outcomes
Questionnaire**

Further Clarification Points

Department of Health

February 2012

Response to the 2009-10 and 2010-11 Financial and Performance Outcomes Questionnaire Part One – Additional information sought by the Committee

Question 1

In regard to Question 1 of the Questionnaire Part One, the Committee was searching for explanations for variations between actual outcomes as quoted in departmental annual reports for 2009-10 and 2010-11 and the original budget figures as quoted in budget papers for the 2009-10 and 2010-11, and *not* variations between actual outcomes as quoted in departmental annual reports for 2009-10 and 2010-11 and ‘expected outcomes’ quoted in 2010-11 and 2011-12 budget papers. The Committee accepts that there was some ambiguity in the wording of the question in the questionnaire.

Can the Department please provide a detailed explanation for all instances where an output cost for 2009-10 or 2010-11 varied from the initial target by greater than ± 10 per cent

Output costs in 2009-10:

Output	Budget target 2009-10 (2009-10 budget papers)	Actual expenditure 2009-10 (2009-10 annual report)	Explanation	Impact on the community of reduced/increased expenditure compared to budget
	(\$ million)	(\$ million)		
Ambulance non-emergency services	86.5	100.3	2009-10 actual outcome reflects additional funding for increased depreciation resulting from the revaluation of Ambulance Service Victoria's assets, additional funding for rural call taking and dispatch, and increased contributions from membership and transport fees.	The community received additional services in accordance with demand: - 0.9% above target for services provided (metro and country road and statewide air) - 5.0% above target for services provided to pensioners. Clinical practice standards were above target: - 98.7 of cases audited statewide met clinical practice standards against 94% target.

Small Rural Services- Aged Care	147.1	164.8	Change in output cost primarily reflects increase in Commonwealth grants paid to health services, and increases in Commonwealth third party revenues collected by health services.	The increase in third party revenue collected by Health Services leads to increased service capacity.
Aged care assessment	39.6	54.8	While the State forecasts expenditure direct to health services, direct Commonwealth funding occurs independently of the State Budget. Change in output costs reflects increase in Commonwealth funding, including increased Commonwealth grants directly to health services.	The increase in third party revenue collected by Health Services leads to increased service capacity.
Aged support services	103.3	129.2	Change in output cost reflects increased Commonwealth grants paid directly to hospital; increase in depreciation as a result of the revaluation of health services' assets; and, the realignment of health initiatives within the Aged and Home Care outputs.	Commonwealth funding paid directly to health services supports the delivery of aged support services. Depreciation is a non-cash expense that does not impact the community.
Health protection	183.3	212.4	It is expected that calls to food safety hotlines will increase resulting from anticipated changes in the Food Act coming into effect on 1 July 2011	The increase expenditure compared to budget had a positive impact on the community as it enabled the Department to respond efficiently to calls to food safety hotlines as a result of anticipated changes in the Food Act.
Public health development, research and support	13.4	14.9	Change in output costs reflects a transfer from the Health Advancement output.	No impact. In line with internal realignments
Drug prevention and control	24.1	27.3	2009-10 actual outcome reflects additional funding for increased depreciation resulting from the revaluation of health services' assets , and funding carried forward from 2008-09 to deliver services and projects in relation to the Victorian	The community has benefited from continued funding of services in particular: - Early intervention pilot program (Commonwealth) - Cannabis and Mental Health campaign

			Alcohol Action Plan, Cannabis and Mental Health campaign and Commonwealth programs	- Victorian Alcohol Action Plan
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Output costs in 2010-11:

Output	Budget target 2010-11 (2010-11 budget papers)	Actual expenditure 2010-11 (2010-11 annual report)	Explanation	Impact on the community of reduced/increased expenditure compared to budget
	(\$ million)	(\$ million)		
Small Rural Services- Aged Care	154.9	185.4	Actual is higher than target due to: i) increased Commonwealth and other contributors towards Residential Aged Care services; and ii) increase in depreciation for health services' assets.	The increase in third party revenue collected by Health Services leads to increased service capacity. Depreciation is a non-cash expense that does not impact the community.
Aged care assessment	43.5	56.5	While the State forecasts expenditure direct to health services, direct Commonwealth funding occurs independently of the State Budget. Change in output costs reflects increase in Commonwealth funding, including increased Commonwealth grants directly to health services.	The increase in third party revenue collected by Health Services leads to increased service capacity.
Aged support services	117.1	135.6	Actual is higher than target primarily due to additional Commonwealth grants paid directly to hospital for aged care packages, supports and training.	Commonwealth funding paid directly to health services supports the delivery of aged support services. Depreciation is a non-cash expense that does not impact the community.
Public health development, research and	8.6	11.9	Actual is higher than target due to: (i) transfer of funding from Aged and	No impact. In line with internal realignments.

support			(ii) transfer of funding from health protection output for research projects.	
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Question 2

The Committee notes that, for the asset investment project entitled 'HealthSMART', the Total Estimated Investment (TEI) given in the Department's response to Question 19 of Questionnaire Part One was \$26.9 million, with the note that there was no change in the TEI. Can the Department give explanations for the following three TEI figures for this project that have been recently published:

- \$26.9 million (in the 2010-11 budget papers)
- \$186.4 million (in the 2011-12 budget papers)
- \$351.4 million, with a further cost pressure of an additional \$80 million (in the *Victorian Financial and Economic Statement*)

The amount of \$26.9 million is described as 'HealthSMART Shared Information & Communication Technology (ICT) Operations Statewide'. This funding stream was made available as part of the 2008/09 budget cycle for the refresh of HealthSMART technical infrastructure that supports the various HealthSMART core enterprise applications. This amount is extra to the original 2003/04 HealthSMART budget

The amount of \$186.4 million is made up of the two capital commitments for HealthSMART - \$159 million allocated in 2003/2004 and \$26.9 million allocated in 2008/2009.

The amount of \$351.4 million refers to the total budget for HealthSMART (includes \$159 million made available in the 2003/04 budget cycle). The additional amount of up to \$80 million refers to that amount which would fund the remaining six in scope Clinical System health services. This amount of \$351.4 million does not include the 2008/09 allocation of \$26.9 million.

Question 3

In response to Question 39 in Questionnaire Part One, the Committee was advised that the last update performed for the *Growing Victoria Together* indicators relevant to the Department was in May 2010 for the 2010-11 budget papers.

- (a) Can the Department please confirm that there have been no updated measurements of the *Growing Victoria Together* outcomes for any indicators relevant to the Department from May 2010 up to November 2010?

There have been no updated measurements of the *Growing Victoria Together* outcomes for any indicators relevant to the department, other than those reported in the department's annual reports, and Budget Paper 3.

- (b) If there have been further assessments performed against target please advise of the updated indicators (outcomes achieved) available for the measures below.

Not applicable.

Question 4

In response to Question 40 in the Questionnaire Part One, where the Committee requested quantitative or qualitative data to demonstrate outcomes achieved, the Department has in every case responded ‘Not applicable’.

(a) Can the Department please explain why this question is not applicable?

Please refer to table below

(b) If quantitative and qualitative data is not being used, how is the Department measuring achievement of the above programs and activities?

Please refer to table below

Planned outcome to be achieved	Description of actual outcome achieved	Quantitative or qualitative data to demonstrate outcome	Other agencies involved	Relationship to major government strategy
1. Respond to flood emergency	The department’s flood response included: extensive communication campaign on mosquitoes, Murray Valley Encephalitis, clean up advice, mould issues and floodwater contamination of drinking water supplies	<p>(a) Given the incident was separate to that of routine business, quantitative or qualitative data to demonstrate the outcome is was unavailable, arbitrary, or completely insufficient in fully demonstrating the outcome of the incident.</p> <p>(b) The department is measuring the achievement of the above programs and activities by achieving the following reductions to public health risk:</p> <ul style="list-style-type: none"> • No reported cases water borne disease • No reported cases of Murray Valley Encephalitis (MVE) • Positive feedback from stakeholders involved. 	Department of Human Services, Department of Sustainability and Environment	Protecting the health of all Victorians

Planned outcome to be achieved	Description of actual outcome achieved	Quantitative or qualitative data to demonstrate outcome	Other agencies involved	Relationship to major government strategy
<p>2. Release of the Victorian Health Services Performance website</p>	<p>A revised website was released providing new information about:</p> <ul style="list-style-type: none"> • real time hospital bypass status and when the Hospital Early Warning System (HEWS) is activated • estimated median time to treatment for non-urgent emergency department patients • rates of Elective Surgery Hospital Initiated Postponements • number of emergency department mental health patients waiting longer than 8 hours for admission • number of emergency department patients with a length of stay greater than 24 hours • ambulance attendances (arrivals at emergency department by ambulances) • proportion of ambulance patient transfers within 40 minutes • number of hours on Hospital Early Warning System 	<p>The actual outcome is a tangible product i.e in this case a new website, that is publicly available - and released within the advised time-frames. As such, it was considered that 'not applicable' was an appropriate response, and the description of actual outcome achieved was considered sufficient.</p> <p>The number of measures that are reported upon has increased, as has the frequency of reporting. These two aspects may both be considered as measures of achievement.</p>	<p>None</p>	<p>The government's commitment to increasing transparency and accountability in public reporting by supplementing the reporting of output performance through annual reports with the establishment of a new Health Service Performance website</p>
<p>3. Develop Victorian Public Health and Wellbeing Plan as required by Section 49 <i>Public Health and Wellbeing Act 2008</i></p>	<p>Plan developed and launched in Parliament on 1 September 2011</p>	<p>Not applicable as the Plan was launched in 2011-12.</p> <p>As the planned outcome was the production of a specific plan, the measure has been achieved.</p>	<p>Consultations occurred with a range of experts and health sector stakeholders</p>	<p>The Plan complements the Victorian Health Priorities Framework 2012–2022</p>

Planned outcome to be achieved	Description of actual outcome achieved	Quantitative or qualitative data to demonstrate outcome	Other agencies involved	Relationship to major government strategy
<p>4. Development of the Healthy Workers and Healthy Children Implementation Plans as part of the National Partnership Agreement on Preventive Health</p>	<p>Implementation plans were approved by the Commonwealth in May</p>	<p>As the planned outcomes are the production of specific plans the measure is either achieved or not achieved.</p>	<p>Healthy workers – a number of large employers, identified using intelligence from the Victorian Population Health Survey, WorkHealth check data and Victorian Employers' Chamber of Commerce and Industry, will be invited to participate in a four-year strategy to develop as health promoting organisations</p> <p>Healthy children – the Department of Education and Early Childhood Development will be extensively involved in delivery the programs associated with this implementation plan as well as selected community groups</p>	<p>Implementation plans are consistent with the Victorian Health Priorities Framework 2012–2022 and The Victorian Public Health and Wellbeing Plan</p>
<p>5. Victorian Health Priorities Framework 2012–2022</p>	<p><i>Victorian Health Priorities Framework 2012-2022</i> and the accompanying technical paper, the <i>Metropolitan Health Plan 2012</i> were released on 12 May 2011.</p>	<p>The Victorian Health Priorities Framework: Metropolitan Health Plan was delivered and made available to the Public in May 2011 and can be accessed via the Department of Health website.</p> <p>Qualitative data within the document has informed framework priorities and government focus.</p>	<p>The department worked with the Department of Planning and Community Development in order to include (and continue to update) population projections and demographics. Population data was also sourced from the department's population modelling areas, spatial analysis team and the Population Health Survey, 2008.</p> <p>Health care providers, consumers, carers and other interested parties were invited to submit written feedback on the Victorian Health Plan.</p> <p>See http://www.health.vic.gov.au/healthplan2022/</p>	<p>The framework articulates the long-term planning and development priorities for Victoria's health services throughout the next decade. It is the basis for three supporting plans:</p> <p>Metropolitan Health Plan</p> <p>Rural and Regional Health Plan</p> <p>Health Capital and Resources Plan</p>

Question 5

The Committee has noted for Questions 45 and 46 of the Questionnaire Part One, not all parts of the question were answered. For the following programs/projects, please indicate whether the program/project is an output or asset initiative, the budgeted expenditure and what the actual expenditure was in 2010-11. If this information is not available, please explain why not.

Program/project	Output or asset delivery	Budgeted 2010-11 expenditure	Actual 2010-11 expenditure	Reasons why it was curtailed, deferred or discontinued
		(\$ million)	(\$ million)	
Go for Your Life: - Kids – Go For Your Life - Health Advancement: Go For Your Life – Enabling Resources - Health Advancement: Go For Your Life – Motivating Victorians for Better Health - Health Advancement: Go For Your Life – Healthy and Active Children and Families - Community Education Program	Output	3.32	2.48	The department has reviewed the <i>Go for Your Life</i> program within a broader prevention framework. Results from this review highlighted serious deficiencies. The Baillieu Government is developing new approaches to promote healthy lifestyles, through a new coordinated approach to prevention

Program/project	Output or asset delivery	Budgeted 2010-11 expenditure	Actual 2010-11 expenditure	Reasons why it was introduced
		(\$ million)	(\$ million)	
Small Scale Community Support Fund Commitments	Output	0.40	0.00	Election commitment to provide grant for maintenance Community Support Fund allocated funds in 2010-11; not transferred to the Department of Health until 2011-12. This money has since been distributed to organisations.

Government Responses to the Committee's Report on the 2008-09 Financial and Performance Outcomes – Additional information sought by the Committee

Question 6

Recommendation 46 of the *Report on the 2008-09 Financial and Performance Outcomes* stated that 'The Department of Health ensure that milestones have been established for all targets set out in Victoria's Cancer Action Plan 2008-11 where feasible.' The Government in response stated that 'Milestones will be confirmed for

all targets identified in Victoria's Cancer Action Plan 2008-11. Can you please indicate whether or not this has been completed?

Milestones have been established for all appropriate targets identified in *Victoria's Cancer Action Plan 2008-11*, including the UV protection strategy and regional research projects which were referred to in the *PAEC Report on the 2008-09 Financial and Performance Outcomes*.