

PARLIAMENT OF VICTORIA

Public Accounts and Estimates Committee



2019-20
Financial and Performance
Outcomes
General Questionnaire

Monash Health

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Introduction – Financial and Performance Outcomes Questionnaire

The Committee's inquiry into the 2019-20 Financial and Performance Outcomes examines:

- the Government's actual expenditure and revenue compared to the budgeted expenditure and revenue
- the actual performance outcomes against the targeted performance outcomes at a departmental/agency level.

The inquiry aims to benefit the Parliament and the community by:

- promoting the accountability, transparency and integrity of the executive and the public sector
- encouraging the effective and efficient delivery of public services and assets.

This questionnaire seeks information on the departmental/agency financials for the 2019-20 financial year, what was achieved during those years and how that compares to expectations.

Timeline and format

Responses to this questionnaire are due by **5.00pm on Monday 1 February 2021**.

Please email the completed questionnaire (in word and pdf) to paec@parliament.vic.gov.au

Please also email a signed copy.

Consistency with the budget papers

Whenever referring to an initiative/program/project that is referred to in the budget papers, please use the same name as is used in the budget papers. This ensures that the Committee can correlate the information provided by the department with the information in the budget papers.

Basis of consolidation

For departments, please use the same basis of consolidation as was used in the budget papers and in the budget portfolio outcomes statement in the department's annual report.

Guidance

Please contact the secretariat should you require guidance in relation to any questions:

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Section A: Output variances and program outcomes

Question 1 (all departments) Completed output initiatives from past budgets

- a) For all initiatives that were completed in 2019-20, please provide details of the outcomes achieved in the community and the outcomes actually achieved to date. Please use initiatives names as specified in *Budget Paper No.3: Service Delivery* and link the initiative to the responsible output(s) and portfolio(s).

Initiative	Year and funding allocated		Actual date of completion (month and year)	Expected outcomes	Actual outcomes	Output(s) and portfolio(s)
	Budget year	Funding allocated				

Question 2 (all departments) Program outcomes

Outcomes reflect the impact on the community of the goods and services provided by a department. The questions in this section all relate to the outcomes that the department contributed to in 2019-20.

- a) Using the format of the table below, please outline the five programs that delivered the most important outcomes in the community¹ achieved by the department in 2019-20 including:
- i. The name of the program
 - ii. The relevant output(s) and portfolio(s) responsible for delivery of the program
 - iii. The program objectives
 - iv. The actual outcome achieved
 - v. The actions taken to deliver the actual outcome (i.e. the most important elements/essential parts that led the Department to deliver the outcome).

Program	Output(s) and portfolio(s)	Program objectives	Description of actual outcome achieved	Description of the actions taken to deliver the actual outcome
1.				
2.				
3.				
4.				
5.				

¹ 'Outcomes' are the impact of service delivery on the community rather than a description of the services delivered. The Committee considers that an outcome could be considered important for a variety of reasons, such as the amount of funding allocated to the program, the public interest in the service or goods being delivered or where particular actions taken by the Department delivered improved outcomes.

- b) Using the format of the table below, please outline the five least performing programs that did not deliver their planned outcomes in the community by the department 2019-20 including:
- i. The name of the program
 - ii. The relevant output(s) and portfolio(s) responsible for delivery of the program
 - iii. The program objectives
 - iv. The actual outcome achieved
 - v. Explanation for not achieving the planned outcome (including a description of what actions were taken to try and achieve the planned outcome).

Program	Output(s) and portfolio(s)	Program objectives	Description of actual outcome achieved	Detailed explanation for not delivering the planned outcome
1.				
2.				
3.				
4.				
5.				

Question 3 (all departments) Treasurer’s advances and other budget supplementation

- a) Please identify all output(s) and portfolio(s) (and relate them to departmental programs) for which the department received additional funding after the initial Budget in 2019-20.

For each output, please quantify the additional funding, indicate the source of the additional funding (e.g. Treasurer’s Advance, unused prior years appropriations under s32 of the *Financial Management Act 1994* (Vic), supplementation through a Temporary Advance under section 35 of the FMA, or any possible sources of funding as listed in the Resource Management Framework, section 4, pg. 58) and explain why additional funding was required after funding was allocated in the Budget.

Output(s) and portfolio(s)	Program	Program objectives	Funding allocated in 2019-20 Budget	Additional funding (\$ million)	Source of additional funding as per the Resource Management Framework	Funding utilised 2019-20	Reasons why additional funding was required
Total 2019-20							

Section B: Asset investment

Question 4 (all departments) Capital expenditure variances, completion date and scope changes – existing projects

Please provide details of all capital asset programs where:

- a) there was a variance between TEI at announcement compared to the revised TEI in the 2019-20 Budget of equal to or greater than $\pm 5\%$ or \$50 million and an explanation for the variance
- b) the estimated completion date at announcement is different to the completion date in the 2019-20 Budget and an explanation for the change
- c) the scope of the project at announcement is different to the scope of the project as it is presented in the 2019-20 Budget.

Capital expenditure

Project	Output(s) and portfolio(s) and/or agency responsible for the project	Total actual expenditure spent from announcement to 30 June 2020 (\$ million)	TEI at announcement (\$ million)	Revised TEI 2019-20 Budget (\$ million)	Variance between TEI at announcement compared to Revised TEI in 2019-20 Budget ($\pm 5\%$ or \$50 million) explanation

Completion date

Project	Output(s) and portfolio(s) and/or agency responsible for the project	Estimated completion date at announcement	Revised completion date 2019-20 Budget	Explanation

Scope

Project	Output(s) and portfolio(s) and/or agency responsible for the project	Scope at announcement	Details of scope change(s) and date(s) scope changes occurred

Question 5 (all departments) Details of actual capital expenditure – completed projects (or expected to be completed)

Please provide the following details about asset investment projects that were completed in 2019-20:

- a) Project name, project objectives and Department(s), Output(s) and Portfolio(s) and/or Agency/Agencies responsible for delivery of the project
- b) Total Estimated Investment (TEI) at announcement
- c) Actual cost of project
- d) Estimated completion date at announcement
- e) Actual completion date
- f) Explanations for any variance in capital expenditure and/or completion date.

Project	Original project objectives	Responsible Department(s), Output(s) and Portfolio(s) and/or Agency/Agencies	TEI at announcement (\$ million)	Actual cost of project (\$ million)	Estimated completion date at announcement	Actual completed date	Variance explanation (\$ value variance and/or time variance)

Question 6 (all departments) High-value high-risk projects, gateway reviews and business cases

Under the High Value High Risk (HVHR) Framework, a project will be classified as HVHR if it is a budget funded project that has a Total Estimated Investment (TEI) of over \$250 million. HVHR projects are subject to compulsory Gateway reviews, where Gates 1 through 6 are compulsory for all eligible projects: Gate 2 outlines the development of a business case.

Please list all projects included in the 2019-20 budget papers that were allocated to the department and were classified as HVHR and project objectives. Please also specify which gateway reviews, if any, were completed during 2019-20 and business case details for each project. Please use project names as specified in *Budget Paper No.4: State Capital Program*.

HVHR Project	Original project objectives	Gateway review name/ Date completed	Date business case completed	Business case – publicly available? Y/N	Business case link (URL)

Question 7 (all departments) Public Private Partnership (PPP) expenditure – existing and completed

Please provide the following information related to the department’s PPP projects:

- a) The total estimated PPP investment value, the total actual expenditure from announcement to 30 June 2020, or the actual cost spent to 30 June 2020 (actual cost spent in the respective financial year) and the benefits of using the PPP financing model when delivering/funding a project over other financing methods.
- b) Where the estimated completion date at announcement is different to the completion date in the 2019-20 Budget and an explanation for any variance.
- c) Where the scope of the PPP at announcement is different to the scope of the project as it is presented in the 2019-20 Budget.

Investment value and benefit of using PPP model

Project name	Project objectives	Output(s) and portfolio(s) and/or agency	Total estimated PPP investment value at the start of the project (\$ million)	Total actual expenditure since the announcement to 30 June 2020 (\$ million)	Actual expenditure in year ending 30 June 2020 (\$ million)	Benefits of using PPP model versus other delivery/funding models

Completion date

Project name	Output(s) and portfolio(s) and/or agency	Estimated completion date	Revised estimated completion date	Variance explanation

Scope

Project name	Output(s) and portfolio(s) and/or agency	Original scope	Revised scope	Explanation for scope changes

Section C: Revenue and appropriations

Question 8 (all departments and entities) Revenue – variances from previous year

Please explain any changes equal to or greater than $\pm 10\%$ or \$100 million between the actual result for 2018-19 and 2019-20 for each revenue category detailed in your operating statement. Please also indicate what any additional revenue was used for or how any reduced amounts of revenue affected service delivery and then link it to the relevant output and portfolio.

Please also detail the outcomes in the community² achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

If there were no revenue/income categories for the department/agency for which the 2019-20 expenditure changed from the prior year's expenditure by more than $\pm 10\%$ or \$100 million, you do not need to answer this question. If this is the case, please indicate 'no relevant line items' in the table(s) below.

Revenue category	2018-19 actual (\$ million)	2019-20 actual (\$ million)	Explanations for changes $\pm 10\%$ or \$100 million	How the additional revenue was used/the impact of reduced revenue. If no impact, how was this achieved	Relevant output(s) and portfolio(s)
Government Grants (State) – Operating	1,531	1,741	WIES related revenue, COVID-19 funding, Casey Commissioning and Sustainability Grants.	<ul style="list-style-type: none"> - \$35m WIES revenue to fund activity to 100% of SOP due to COVID19; - \$74m COVID19 Funding to offset incremental COVID19 costs and foregone revenue; - \$30m for commissioning of Casey Hospital Tower expansion - \$72m in Sustainability Grants 	Monash Health
Government grants (State) – Capital	119	140	Capital grants for major projects	<ul style="list-style-type: none"> - \$33m Victorian Heart Hospital 	

²That is, the impact of service delivery on the community rather than a description of the services delivered.

				<ul style="list-style-type: none"> - \$12m Emergency Department and traffic upgrade - \$11m capital for COVID19 - \$7m Electrical Infrastructure and Flood mitigation works - (\$40m) year on year lower for Casey Hospital Tower expansion 	
Other Capital Purpose Income	6	38	Incremental capital allocation	<ul style="list-style-type: none"> - Used for Health Service projects including Electronic Medical Record, infrastructure and critical plant and equipment replacement. 	
Capital Donations	2	5	Donations from fundraising	<ul style="list-style-type: none"> - Funds from donations to be used in line with donor requirements 	
Patient and Revenue Fees	51	37	Reduced activity mainly due to COVID19	<ul style="list-style-type: none"> - Mainly claimed as foregone revenue in COVID19 impacts submission 	
Assets received free of charge	0	4	Assets and consumables received free of charge via COVID19 State Supply Chain	<ul style="list-style-type: none"> - Used for treating COVID19 patients 	
Other Revenue from Operating activities	89	70	Mainly change in non-cash long service leave (LSL) funding and foregone revenue due to COVID19.	<ul style="list-style-type: none"> - LSL Revenue is offset in expenditure. - Foregone revenue was claimed in COVID19 impacts submission 	
Other interest	3	2	Lower income generated on Centralised Banking System deposits due to interest rates.		

Question 9 (all departments and entities) Revenue – variances from budget to actual

Please explain any variances equal to or greater than ±10% or \$100 million between the initial budget estimate (not the revised estimate) and the actual result for 2019-20 for each revenue category detailed in your operating statement. Please also indicate what any additional revenue was used for or how any reduced amounts of revenue affected service delivery and then link it to the relevant output and portfolio.

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

Revenue category	2019-20 Budget estimate (\$ million)	2019-20 actual (\$ million)	Explanations for changes ±10% or \$100 million	How the additional revenue was used/the impact of reduced revenue. If no impact, explain why	Relevant output(s) and portfolio(s)
Other Capital purpose income	7	38	Incremental capital allocation	- Capital Income used for Health Service projects including EMR, infrastructure and critical plant and equipment	Monash Health
Capital Donations	0	5	Donations from fundraising	- Incremental funds from donations to be used in line with donor requirements	
Patient and Resident Fees	54	36	Reduced activity mainly due to COVID19	- Mainly claimed as foregone revenue in COVID19 impacts submission	
Private Practice Fees	12	10	Reduced activity mainly due to COVID19	- Claimed as foregone revenue in COVID19 impacts submission	
Commercial Activities	136	122	Reduced activity mainly due to COVID19	- Claimed as foregone revenue in COVID19 impacts submission	

Assets received free of charge	0	4	Assets and consumables received free of charge via COVID19 State Supply Chain	- Treating COVID19 patients	
Other Interest	3	2	Lower income generated on Centralised Banking System deposits due to interest rates		

Section D: Expenses

Question 10 (all departments and entities) Expenses changed from previous year

Please explain any changes equal to or greater than $\pm 10\%$ or \$100 million with regards to the actual result for 2018-19 and 2019-20 for each category of expenses detailed in your operating statement. Please explain any changes equal to or greater than $\pm 10\%$ or \$100 million with regards to the actual result for 2019-20 and the initial budget estimate (not the revised budget). Please also detail the outcomes in the community³ achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

Expenses category	2018-19 Actual \$ million	2019-20 Actual \$ million	Explanations for variances $\pm 10\%$ or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses. If no impact, how was this achieved
Employee Expenses	1,511	1,653	<ul style="list-style-type: none"> - Increase in Effective Full Time equivalent heads of 4.4%, includes incremental COVID19 EFT (273 of a 522 Increase) - Enterprise Bargaining Agreement and associated on-costs increase of ~5% 	Additional EFT to support COVID-19 response. EBA expenditure delivered against EBA requirements
Finance Costs	5	8	<ul style="list-style-type: none"> - Interest expense on Casey Hospital Lease 	Met lease requirements
PPP Operating Expenses	7	9	<ul style="list-style-type: none"> - Increase in lease costs for Casey Hospital Tower Expansion (project completed in April 2020) 	
Other Non-Operating Expenses	12	10	<ul style="list-style-type: none"> - FY19 included a prior year adjustment 	N/A

³That is, the impact of service delivery on the community rather than a description of the services delivered.

Depreciation and Amortisation	73	119	- Depreciation of Casey Hospital Tower expansion and Electronic Medical Record	Met accounting standards
Finance Costs	7	8	- Interest expense on Casey Hospital Lease	Met lease requirements
Other Non-Operating Expenses	7	10	- Sundry Capital purchases increase versus budget due to COVID19 expenses	N/A

Question 11 Expenses/interventions related to COVID-19 pandemic response

For the year 2019-20, please outline the programs and/or initiatives that were announced as part of the Victorian Government’s response to the COVID-19 pandemic in the order of the highest amount allocated.

Please indicate if the department made use of emergency advances and retroactive funding approvals.

Please note whether there are identified performance measures in the budget papers related to the announced programs. If not, please explain where progress is being reported.

a) On budget

Name of the program/initiative	Program/initiative objectives	Expenditure as at 30 June 2020	Output/Portfolio	Use of emergency advances/ retroactive funding approvals – Yes or No	Performance measures for the program/Initiative (including where published)	Explanation
N/A						

b) Off budget

Name of the program/initiative	Program/initiative objectives	Expenditure as at 30 June 2020	Output/Portfolio	Use of emergency advances/ retroactive funding approvals – Yes or No	Performance measures for the program/Initiative (including where published)	Explanation
COVID19 operational impacts	See split below	\$74m	Monash Health	Yes		See split below
Foregone Revenue	WIES / activity based funding	\$16				
	Patient Fees	\$9m				
	Car parking and rental income	\$4m				
	Donations	\$3m				
	Other	\$3m				
S&W	Casual pay maintenance and special COVID19 leave	\$4m				
	Salaries & Wages for designated wards, Intensive Care Unit, Emergency Department and Fever Clinics.	\$24m				
	Impact on ability to deliver productivity initiatives	\$1m				
Other Expenses	Includes set up costs, running of	\$5m				

	fever clinics, increased consumables (other than PPE)					
	Impact on ability to deliver productivity initiatives	\$5m				
Capital / Infrastructure Funding	See split below	\$30m	Monash Health	Yes		
	ICU Equipment funding	\$16m				
	Emergency Department Resuscitation Unit	\$2m				
	ICU Infrastructure	\$2m				
	Other Capital requirements	\$10m				

c) What additional budgetary control and tracking/traceability measures were introduced by the department in 2019-20 to ensure COVID-19 programs/initiatives were deployed effectively and in line with the intended purpose?

Quarterly COVID19 templates are prepared and submitted to KPMG (acting for DHHS). These templates provide detailed impacts of COVID19 and are reviewed by KPMG to ensure they are consistent with Department COVID19 guidelines. Appropriate authority was received before COVID19 initiatives were implemented.

Question 12 (all departments and entities) Changes to service delivery from savings initiatives

For each of the savings initiatives detailed in the 2016-17 Budget, 2017-18 Budget, 2018-19 Budget, and 2019-20 Budget, please provide the following details of the impact on service delivery:

- a) Savings target in the 2016-17, 2017-18, 2018-19 and 2019-20 Budgets and the amount of the savings target allocated to the department/entity
- b) Actual savings achieved in 2016-17, 2017-18, 2018-19 and 2019-20 and the actions taken to achieve the savings target allocated and their impact, including the link to the relevant output and portfolio impacted.

Savings initiative in the Budget \$ million	Savings target allocated to the department/entity in 2019-20	Actual savings achieved in 2019-20 \$ million	Actions taken to achieve the allocated savings target	What was the impact as a result of the measures taken to achieve the savings target? <i>(e.g. frontline and/or other areas of business that saw the impact)</i> If no impact, how was this achieved	Which output(s) and portfolio(s) were impacted (if relevant)
2016-17	\$28.9m	Refer note below	<ul style="list-style-type: none"> • Savings built into budget by Department. • Monitored on a regular basis and adjusted as & when full year forecasts are prepared. 	<ul style="list-style-type: none"> • There are a high number of initiatives that are implemented across the Health Service to assist with budget delivery. • No major impact to the Health Service occurred as each initiative is managed within the relevant department in conjunction with ensuring the continued delivery of high quality care. 	N/A

Comment

Each year Monash Health have a number of cost savings initiatives built into the budget by Program and Department which are necessary to deliver a balanced result. Throughout the year these initiatives can be impacted by a number of factors and can also be substituted with other initiatives. In the main, the assumption is that if the Health Service has delivered its budget overall, the initiatives have been delivered. The only year that Monash Health missed the SOP Operating Result was in 2018/19 when it reported a deficit.

Question 13 (all departments) Achievement of reprioritisation of existing resources

The 2019-20 Budget includes targets for ‘reprioritisation and revenue offsets’ to fund new initiatives (2019-20 Budget Paper No.2, p.57). This is in addition to any savings or efficiencies resulting from expenditure reduction measures. For the department (including all controlled entities),⁴ please indicate:

- a) what areas of expenditure (including projects and programs if appropriate) the funding was reprioritised from (i.e. what the funding was initially provided for)
- b) what areas of expenditure were the funds actually spent on
- c) for each area of expenditure (or project or program), how much funding was reprioritised in each year
- d) the impact of the reprioritisation (in terms of service delivery) on those areas.

Area of expenditure originally funded	Area of expenditure actually funded	Value of funding reprioritised in 2019-20 (\$ million)	Impact of reprioritisation of funding (if no impact, how was this achieved)	Output(s) and portfolio(s) impacted (if relevant)

⁴ That is, please provide this information for the Department on the same basis of consolidation as is used in the budget papers.

Question 14 (all departments) Contractors, Consultants and Labour Hire Arrangements

Please indicate how much the department spent on contractors, consultants and labour hire arrangements during 2017-18, 2018-19 and 2019-20. Labour hire arrangements include the cost of engaging the labour recruiting firm, plus additional costs paid to the labour recruiting firm for the provision of the services of the contractor. Please also explain variances equal to or greater than $\pm 10\%$ between years and list the business areas impacted and how.

2017-18 Actual \$ million	2018-19 Actual \$ million	2019-20 Actual \$ million	Explanation for variances (year on year) $\pm 10\%$	Which business areas were impacted/benefitted and how?	Please link your response to relevant output(s) and portfolio(s)

Question 15 (PNFC and PFC entities only) Dividends and other amounts paid to the general government sector

Please detail the type and value of dividends, amounts equivalent to dividends, non-dividend grants, and capital repatriations paid by your agency to the general government sector in 2019-20, explaining the reasons for any significant changes over that period and the impact of any changes on the entity.

Please provide the economic funding ratio or accounting funding ratio as applicable at 30 June 2020. Please provide details of the methodology used for the ratio calculation.

Type of dividend paid	2019-20 Budget (\$ million) <i>BP 5, pg. 22</i>	2019-20 Actual (\$ million)	Explanations for variances $\pm 10\%$ or \$100 million	Impact on the agency. If no impact, how was this achieved	Funding ratio at 30 June 2020

Economic funding ratio / accounting funding ratio as at 30 June 2020	Details of the methodology

Section E: Overall financial performance

Question 16 (all departments) Impact of COVID-19 on financial performance – 2019-20

Please outline and quantify, where possible, the impacts of the COVID-19 pandemic on the department/agency's financial performance.

Line item in the Comprehensive operating statement for the financial year ended 30 June 2020	Budget 2019-20	Actual 2019-20	Explanation of the impact caused by COVID-19 pandemic
Total revenue and income from transactions			
Total expenses from transactions			
Net result from transactions (net operating balance)			

Section F: Public sector workforce

Question 17 (all departments and entities) Full Time Equivalent (FTE) staff by level and category

Please fully complete the table below, providing actual FTE staff numbers at 30 June 2018, at 30 June 2019 and 30 June 2020 (broken down by the categories listed below) for the department. Please include specific categories as relevant to the department/entity and where relevant, provide a description of what categories constitute 'other'. Please provide figures consolidated on the same basis as the expenditure for the department in the budget papers and detail which, if any, entities are included in the FTE numbers provided.

Category	30 June 2018 Actual FTE number	30 June 2019 Actual FTE number	30 June 2020 Actual FTE number
Secretary			
EO-1			
EO-2			
EO-3			
VPS Grade 7 (STS)			
VPS Grade 6			
VPS Grade 5			
VPS Grade 4			
VPS Grade 3			
VPS Grade 2			
VPS Grade 1			
Government Teaching Service			
Health services	11,480	12,105	12,911
Police			
Nurses/Midwives			
Allied health professionals			
Child protection			
Disability development and support			
*Youth custodial officers			
*Custodial officers			
**Other			
Total	11,480	12,105	12,911

***Please provide a breakdown for Youth custodial and Custodial officers by level (for example, YW1, YW2, YW3, YW4, YW5 and YW6).**

****Other includes:**

Numbers include FTE for the following entities:

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Question 18 (all departments and entities) Salary by employment category

In the table below, please detail the salary costs for 2017-18, 2018-19 and 2019-20, broken down by ongoing, fixed-term and casual, and explain any variances equal to or greater than ±10% or \$100 million between the years for each category.

Employment category	Gross salary 2017-18 (\$ million)	Gross salary 2018-19 (\$ million)	Gross salary 2019-20 (\$ million)	Explanation for any year-on-year variances ±10% or \$100 million
Ongoing	1,115	1,242	1,375	Increase in EFT of 4.4%, includes incremental COVID19 EFT (273 of the 522 Increase) EBA and associated on-costs increase of ~5%
Fixed-term				
Casual	89	98	89	
Total	1,204	1,340	1,464	

Question 19 (all departments and entities) Executive salary increases

Please detail the number of executives who received increases in their base remuneration in 2019-20, breaking that information down according to what proportion of their salary the increase was, and explaining the reasons for executives' salaries increasing in each bracket.

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2019-20, apart from increases outlined in employment agreements			Reasons for these increases
	Female	Male	Self-described	
0-3%				All movements in line with employment agreements
3-5%				
5-10%				
10-15%				
greater than 15%				

Section G: Government decisions impacting on the finances

Question 20 (all departments and entities) Commonwealth Government decisions

Please identify any Commonwealth Government decisions during 2019-20 which had not been anticipated/not been concluded before the finalisation of the State budget in 2019-20 and their impact(s) on the department's/entity's finances or activities during those years (including new funding agreements, discontinued agreements and changes to funding levels). Please quantify the impact on income and expenses where possible.

Commonwealth Government decision	Impact(s) in 2019-20	
	on income (\$ million)	on expenses (\$ million)
N/A		

Question 21 (all departments and entities) Commonwealth and National Cabinet decisions

Please identify any Commonwealth and National Cabinet decisions during 2019-20 which had not been anticipated/not been concluded before the finalisation of the State Budget in 2019-20 and their impact(s) on the department's/entity's finances or activities during those years (including new funding agreements, discontinued agreements and changes to agreements). Please quantify the impact on income and expenses where possible.

Commonwealth Government decision	Impact in 2019-20	
	on income (\$ million)	on expenses (\$ million)
N/A		

National Cabinet decision	Impact in 2019-20	
	on income (\$ million)	on expenses (\$ million)
N/A		

Section H: General

Question 22 (all departments and entities) Reviews/studies undertaken

- a) Please list all internal⁵ and external reviews/studies, established, commenced or completed by or on behalf of the department/agency in 2019-20 and provide the following information:
- i. Name of the review/study and which portfolio and output/agency is responsible
 - ii. Reasons for the review/study
 - iii. Terms of reference/scope of the review/study
 - iv. Timeline for the review/study
 - v. Anticipated outcomes of the review/study
 - vi. Estimated cost of the review/study and final cost (if completed)
 - vii. Final cost if completed
 - viii. Where completed, whether the review/study is publicly available and where.

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for the review	Terms of reference/scope	Timeline	Anticipated outcomes	Estimated cost (\$)	Final cost if complete (\$)	Publicly available (Y/N) and URL
Accounts Receivable Internal Audit Ernst & Young	Internal Audit Services	As part of a five year contract from 1 July 2016 to 30 June 2021: <ul style="list-style-type: none"> • Develop annual internal audit plans for Monash Health and Jessie McPherson Private Hospital • Manage delivery of 	Reported February 2020	Understanding of the full end-to-end process and identification of any internal control deficiencies	33,425	33,425	N

⁵ Internal reviews do not include internal costings. Internal reviews/studies include any reviews or studies undertaken by your department and not given to external consultants. Internal reviews/studies do not include inquiries carried out by Parliamentary Committees or reviews undertaken by integrity agencies.

		internal audit plans Provide regular status reports					
Capital Works Project Management Internal Audit Ernst & Young	Internal Audit Services	As part of a five year contract from 1 July 2016 to 30 June 2021: <ul style="list-style-type: none"> Develop annual internal audit plans for Monash Health and Jessie McPherson Private Hospital Manage delivery of internal audit plans Provide regular status reports 	Reported May 2020	Examine end-to-end capital planning processes and supporting governance structures.	33,425	33,425	N
Cyber Security Internal Audit Ernst & Young	Internal Audit Services	As part of a five year contract from 1 July 2016 to 30 June 2021: <ul style="list-style-type: none"> Develop annual internal audit plans for Monash Health and Jessie McPherson Private Hospital Manage delivery of internal audit plans Provide regular status 	Reported February 2020	Understanding of the full end-to-end process and identification of any internal control deficiencies	26,740	26,240	N

		reports					
Community Health Access and Waitlist Ernst & Young	Internal Audit Services	As part of a five year contract from 1 July 2016 to 30 June 2021: <ul style="list-style-type: none"> Develop annual internal audit plans for Monash Health and Jessie McPherson Private Hospital Manage delivery of internal audit plans Provide regular status reports	Reported November 2019	Examine key Community Health access and waitlist processes related to consistent, transparent and timely access to community services in line with industry best practice.	32,088	31,448	N
Compliance with the Standing Directions of the Minister for finance, including purchasing cards Ernst & Young	Key legislation and regulatory requirements impacting Monash Health annual audit	To examine the processes that Monash Health has established to foster compliance with key Standing Direction requirements in accordance with management's Standing Directions self-assessment schedule and the Standing Directions.	Reported July 2020	Identification of any compliance deficiencies	20,055	17,381	N
HPV Compliance internal	Internal Audit Services - to assess	3 year recurrent audit schedule published by HPV	Reported November 2020	Ensure compliance with HPV	33,425	26,740	N

Audit Ernst & Young	compliance with HPV policies.	to ensure compliance with the 5 HPV policies under the HPV Compliance Framework established for Victorian health services.		policies			
Mental Health Audit Ernst & Young	To fulfil complaints commissioner obligations.	Aimed to assist management with satisfying requirement of remedial actions prescribed by the mental health complaints commissioner under s243 (4) (e) of the Act.	July 2020	Ensure compliance with complaints commissioner requirements	37,436	37,436	N
FBT Return Review Ernst & Young	Review of Monash Health prepared FBT return prior to lodgement	Aimed at providing security that all major tax issues have been addressed.	June 2020	FBT return lodgment	11,800	11,800	N
Audit of Financial Statements VAGO	Audit of Monash Health Financial Statements	Aimed at providing assurance that financial statements are free from material misstatement.	September 2020	Audit Opinion	337,000	337,000	Y

b) Please outline the Department's/Agencies in house skills/capabilities/expertise to conduct reviews/studies/evaluations/data analysis of the programs and services for which the Department/Agency is responsible.

Monash Health does not have an internal audit department with the resources required to undertake the internal audits and reviews performed by EY and noted above.

Question 23 (all departments) Annual reports – performance measure targets and objective indicators

- a) Please provide the following information on performance measures that did not meet their 2019-20 targets.

- b) Please provide the following information for objective indicators where data was not available at publication of the annual report

Question 24 (all departments and entities) Challenges experienced by department/agency

Please list a minimum of five main challenges/risks faced by the department/agency in 2019-20.

A significant challenge may be any matter or strategy that impacted the department/agency, whether it arose externally or internally or as a result of new policy or legislation.

	Challenge experienced	Internal/ External	Causes of the challenge	Action taken to manage the challenge/risk
1.	Growing demand in surgery, obstetrics, and community based services	External	<p>High population growth, with complex health care needs across south eastern growth corridor of Melbourne.</p> <p>Protracted deferment of specialist clinic appointments and non-urgent elective surgery (as a result of the COVID response) leading to wait list growth.</p>	<ul style="list-style-type: none"> • A Telehealth model of pregnancy care was introduced in March 2020, which was shown to deliver high quality care, improved access and overall increased patient satisfaction. • Activation of telehealth models as an alternative approach to face to face specialist clinic appointments. • Waitlist monitoring to identify patients at risk of deterioration whilst waiting for care. • Commissioning and progressive operationalisation of the Casey Hospital Expansion took place in May 2020, aligning with service growth and clinical demand requirements. • Site based reconfiguration and service planning initiatives progressed at Dandenong, Casey Hospitals, Cranbourne and Pakenham Hospitals to ensure that service profiles align to current and future needs. • The Community Assessment and Response Team (CART) model of care was developed and deployed. This model aims to support patients' transitions out of hospital, reduce avoidable emergency department presentations and preventing conditions from worsening in the community.
2.	Growing demand in mental health services	External	<p>High population growth, with complex health care needs across south eastern growth corridor of Melbourne.</p> <p>Rising demand for acute mental health care potentially</p>	<ul style="list-style-type: none"> • Commissioning of the Monash Medical Centre Clayton Emergency Hub (including a 28-day community follow up model for people following mental health related emergency presentations). • Redesign of the Monash Health community mental health model of care and suicide prevention model.

			linked to the COVID-19 pandemic.	
3.	Growing demand in emergency departments	External	High population growth, with complex health care needs across south eastern growth corridor of Melbourne.	<ul style="list-style-type: none"> • Commissioning of the Monash Medical Centre Clayton Emergency Hub (including a 28-day community follow up model for people following mental health related emergency presentations). • Progression on the planning of the Casey Hospital Emergency Department Expansion. • Construction of new Emergency Department at Monash Medical Centre towards project completion in early 2022.
4.	Workforce challenges	External	<p>There is a national shortage of critical care, general and mental health nurses.</p> <p>In 2020, rapid scaling of the critical care workforce was required as part of the COVID-19 pandemic response. This workforce was required to support expanded ICU capacity in the context of a surge of admissions.</p> <p>Extensive furlough of healthcare workers associated with Monash Health and community COVID-19 exposures.</p> <p>Workforce fatigue associated with extensive PPE requirements, new models of care, social distancing requirements and prolonged lockdown.</p>	<ul style="list-style-type: none"> • Recruitment of RUSONs in appropriately supervised workforce roles, such as screening clinics and as supernumerary COVID ward nursing supports. • Scaling of the critical care nursing training program as part of COVID response. • Continuation of established mental health nursing workforce training programs (run in partnership with Monash University). • Commencement of an earlier graduate to bolster workforce capacity over the Christmas / New Year leave period. • Scaling and embedding of workforce support and initiatives aimed at improving workforce retention and reducing burnout associated with COVID pandemic.

<p>5.</p>	<p>Ageing and insufficient capital investment to support service needs, including:</p> <ul style="list-style-type: none"> • Ageing engineering infrastructure impacting on clinical service continuity and patient and staff safety and wellbeing • Older engineering infrastructure with limited flexibility to supporting changing requirements and innovative models of care • Increased reactive maintenance requirements and risk of asset failure across critical assets 		<ul style="list-style-type: none"> • Technology changes • New models of care • Growth of demand and patient acuity • Access to capital funding for: <ul style="list-style-type: none"> ○ inpatient beds; ○ modernisation of facilities; development of specialist clinics and equipment. • Cyclical maintenance requirements and replacements 	<ul style="list-style-type: none"> • Preparation of clinical service plans for growth and reconfiguration of clinical services across organisation • Development of project business cases seeking capital funding for service delivery expansion and asset replacement/renewal. • Development of Asset Management Plans forecasting longer term investment requirements. • Utilisation of enterprise risk framework to assess and prioritise investment requirements for asset maintenance and replacement • Progressive alignment of asset management strategy towards the requirements of the Asset Management Accountability Framework
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Question 25 (all departments) Newly created bodies

Please list all newly created bodies (authorities, offices, commissions, boards and/or councils) created within the department in 2019-20 and provide the following information:

- Date body created
- Expenditure in relevant financial year
- FTE staff at end of relevant financial year
- purpose/function(s) of the body.

Name of the body	Date body created	Expenditure in 2019-20	FTE staff	Purpose/function(s) of the body	Who the head of the newly created body directly reports to

Section I: Implementation of previous recommendations

Question 26 (relevant departments only)

Please provide an update on the status of the implementation of each of the below recommendations that were made by the Committee in its *Report on the 2017-18 and 2018-19 Financial and Performance Outcomes* and supported by the Government. Please delete those lines that are not relevant to the department.

Department	Recommendations supported by Government	Actions taken at 31 January 2021

Section J: Department of Treasury and Finance only

Question 27 (DTF only) Revenue certification

The Resource Management Framework outlines that on receipt of a revenue certification invoice, DTF assesses actual departmental output performance against agreed performance measures based on output delivery. In the event that assessment at output level may be deemed inappropriate, DTF and the department may agree on alternative, suitable and appropriate performance information that could be used as the basis for revenue certification.⁶

Please detail all outputs which DTF assessed as not having met their measures for 2019-20, indicating for each:

- a) the relevant Department, output and portfolio
- b) the performance measure(s) not met
- c) the reasons provided by the Department for the performance measure(s) not being met
- d) the amount of the initial invoice
- e) the amount of revenue certified
- f) the evidence base used for the revenue certification.

Department	Output(s) and portfolio(s)	Performance measure(s) not met	Reason for not meeting the measure(s)	Initial invoice (\$ million)	Revenue certified (\$ million)	Evidence used for approving the invoice or not approving the invoice

⁶ Resource Management Framework, pg.101

Question 28 (DTF only) Net cash flows from investments in financial assets for policy purposes – General Government Sector (GGS)

Financial assets include cash, investments, loans and placements. This question seeks to ascertain the variance behind the estimated value of the financial assets held versus the actual value of the financial assets and the projects that contributed to the variance.

Regarding the ‘net cash flows from investments in financial assets for policy purposes’ in the GGS cash flow statement for 2019-20, please provide:

- a) the top five projects that contributed to the variance recorded in each year
- b) the initial budget estimate (not the revised estimate) for net cash flow in 2019-20 (source: 2019-20 BP 5, pg. 12) and the actual net cash flow in 2019-20 (source: 2019-20 Financial Report, pg. 39)
- c) an explanation for variances between budget estimate and actual net cash flow.

	Project name	Department	Output(s) and portfolio(s)	Estimated net cash flow in 2019-20	Actual net cash flow in 2019-20	Variance explanation
1.						
2.						
3.						
4.						
5.						
	Other					
	Total net cash flow					

Question 29 (DTF only) Purchases of non-financial assets – General Government Sector (GGS)

Regarding the ‘purchases of non-financial assets’ by the GGS in 2019-20 (source: 2019-20 BP 5, pg. 33), please compare the initial budget estimate for each department to the actual value of ‘purchases of non-financial assets’ (source: 2019-20 Financial Report, pg. 57) for each department, explaining any variances equal to or greater than ±10% or \$100 million (please fill all blank spaces) and then link it to the relevant output and portfolio. For variance greater than ±10% or \$100 million, please provide a breakdown of the non-financial asset purchased.

By department	Types of non-financial assets	Initial budget estimate 2019-20 \$ million	Actual 2019-20 \$ million	Variance (%)	Variance explanation	Relevant Output(s) and portfolio(s)
Department of Health and Human Services						
Department of Economic Development, Jobs, Transport and Resources						
Department of Education and Training						
Department of Justice and Community Safety						
Department of Environment, Land, Water and Planning						
Court Services Victoria						
Department of Premier and Cabinet						
Department of Treasury and Finance						
Parliamentary Departments						

Question 30 (DTF only) Revenue initiatives

Regarding the revenue initiatives announced in the 2019-20 Budget, please provide an explanation for the variances equal to or greater than $\pm 10\%$ or \$100 million between budget estimates and the actual results.

Initiative	2019-20 budget estimate (\$ million)	2019-20 actual (\$ million)	Explanation for any variance $\pm 10\%$ or \$100 million

Question 31 (DTF only) Expenses by departments – General Government Sector (GGS)

Regarding expenses of the GGS in 2019-20 (source: 2019-20 BP 5, pg. 32), please compare the initial budget estimates (not the revised estimate) for each department to the actual expenses for each department (source: 2019-20 Financial Report, pg. 57), explaining any variances equal to or greater than ±10% or \$100 million (please fill all blank spaces) and then link it to the relevant output and portfolio.

By department	Initial budget estimate 2019-20 \$ million	Actual 2019-20 \$ million	Variance (%)	Variance explanation	Relevant output(s) and portfolio(s)
Department of Health and Human Services					
Department of Economic Development, Jobs, Transport and Resources					
Department of Education and Training					
Department of Justice and Community Safety					
Department of Environment, Land, Water and Planning					
Court Services Victoria					
Department of Premier and Cabinet					
Department of Treasury and Finance					
Parliamentary Departments					

Question 32 (DTF only) Economic variables

Please indicate the estimated and actual result for the following economic variables. For the estimate, please use the initial estimate used in preparing the 2019-20 budget papers. For any variance equal to or greater than ± 0.5 percentage points, please provide an explanation for the variance. Please fill all blank spaces.

Economic variable	Budget estimate 2019-20	Actual 2019-20 result	Variance	Explanation for variances equal to or greater than ± 0.5 percentage points
Real gross state product				
Labour force participation rate				
Unemployment rate – overall				
Unemployment rate – male				
Unemployment rate – female				
Underemployment rate				
Youth unemployment				
Youth underemployment				
Consumer price index				
Wage price index				
Population				
Household consumption				
Property prices				
Property volume				
Employee expenses				

Question 33 (DTF only) COVID-19 pandemic response

a) What fiscal rules did Victoria have in place in 2019-20 and were any suspended or modified due to the pandemic? If so, which ones?

b) Some jurisdictions created fiscal space using provisions to reallocate spending across budget programs. To what extent did this occur in Victoria in 2019-20? Please provide some examples.

c) Did DTF introduce additional monitoring and reporting requirements of departments in 2019-20 due to additional COVID-19 expenditure? If so, please provide details of the requirements.

d) Will DTF produce a special appendix of all potential liabilities (on and off budget) for COVID-19 related measures?

e) What have been the financial management implications of the declaration of the state of emergency and state of disaster during the COVID-19 pandemic?

f) What risks associated with the emergency budgetary response have been identified by DTF and its insurers? How were these risks actively managed in 2019-20?

Question 34 (DTF only) Resource Management Framework – Funding reviews

Section 6.2 of the May 2020 updated Resource Management Framework outlines the funding review policy of the evaluation stage of the Integrated Management Cycle.

Section 6.2 states that ‘the requirements and guidance for doing reviews are currently under review’ and that ‘Departments will be advised when this policy is updated’. Please provide an update of the review and the status of the policy.

Question 35 (all departments and entities) Enterprise Bargaining Agreement (EBAs)

Please list the Enterprise Bargaining Agreement (EBAs) concluded in 2019-20 that had an impact for the department/agency. For each EBA, please show the number of employees affected and the growth in employee expenses attributable to the EBA.

Enterprise Bargaining Agreement	Number of employees affected	Number of employees as a % of department/entity	Growth in employee expenses attributable to the EBA (\$ million)	Growth in employee expenses attributable to the EBA (\$ million) as a % of total employee expenses

Section K: Treasury Corporation of Victoria only

Question 36 Dividends

- a) Please explain the factors that have been involved in the negotiations with the Treasurer, in relation to the amount of dividends paid by the Treasurer Corporation of Victoria (TCV) in 2018-19 and 2019-20.

	Dividends paid in 2018-19	Dividends paid in 2019-20
Amount of dividends paid (\$ million)		
Factors that have been involved in the negotiations with the Treasurer to determine the amount of dividends paid.		

Question 37 Commodity risk management

- a) Please provide details of how the COVID-19 pandemic impacted on TCV's Commodity Risk Management.

Question 38 Foreign exchange risk management

a) Please provide details of how the COVID-19 pandemic impacted on TCV's Foreign Risk Management.

Question 39 Public Private Partnership (PPP) projects

a) Please indicate how many PPP projects (and which ones) TCV provided 'project advisory services' for in 2019-20. For each project, please also specify if the project is a newly confirmed engagement or if it was for a project that was already underway.

b) Please indicate how many business cases TCV provided (and which clients these were for) as part of its 'project advisory services' in 2019-20. For each business case, also specify if the project forms part of the Department of Treasury and Finance's Gateway Review Process.

Business case provided by TCV	Client	Gateway Review Process – Y/N