



**PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

**2013-14 AND 2014-15 FINANCIAL AND PERFORMANCE  
OUTCOMES  
GENERAL QUESTIONNAIRE**

**DEPARTMENT OF HEALTH AND HUMAN SERVICES /  
DEPARTMENT OF HEALTH**

**Department of Health & Human Services  
Explanatory Note**

Following the 2014 State election, the new Victorian Government announced Machinery-of-government changes on 4 December 2014. On 24 December 2014, via Administrative Arrangements Order No. 460 (issued under the Administrative Arrangements Act 1983), the government renamed the then 'Department of Health' to the 'Department of Health and Human Services' (the Department), to integrate health and social care policies, programs and services to improve the wellbeing of all Victorians. As a consequence of this announcement, the 'Department of Human Services' ceased to exist as at midnight on 31 December 2014. All assets, liabilities, equity and programs of the 'Department of Human Services' were assumed by the 'Department of Health and Human Services' from 1 January 2015.

Due to this, figures relating to the period 2014-15 have been provided as the aggregate view relating to the new Department of Health and Human Services, including any part year contribution from the former Department of Human Services. For periods prior to this, the disaggregated view of the former Department of Health or the former Department of Human Services (as applicable) only is presented to most accurately and transparently present the information. In a limited number of questions, figures have been aggregated across the former departments to enable comparison over the period – where this is the case it has been noted.

As a result of the machinery-of-government changes, outputs relating to Sports and Recreation Victoria from the former 'Department of Transport, Planning and Local Infrastructure' were assumed by the 'Department of Health and Human Services' on 1 January 2015, and net assets relating to an unincorporated joint venture between Monash University and the 'Department of Economic Development, Jobs, Transport and Resources' (named the Australian Regenerative Medical Institute) were assumed by the 'Department of Health and Human Services' at 30 June 2015. The 'Office for Women' was transferred from the former 'Department of Human Services' to the 'Department of Premier and Cabinet' on 1 January 2015. None of these machinery-of-government changes was material, and no information relating to any of these entities has been included in the analysis for periods where these entities were not part of the department.

## SECTION A: Output variances and program outcomes

### Question 1 (departments only)

For the following initiatives that were due to be completed in 2013-14 or 2014-15, please provide details of the outcomes expected to be achieved in the community<sup>1</sup> and the outcomes actually achieved to date. Please quantify outcomes where possible.

Initiative	Source	Actual date of completion (month and year)	Expected outcomes	Actual outcomes
Growing housing associations	2010-11 PEBU p. 159	Not Applicable	Unspecified transfer of public housing stock to the registered housing sector.	Initiative was not funded and did not proceed due to change of government.
Responding to critical needs in child protection <sup>2</sup>	2010-11 BP3 p. 314	30 June 2012	To work with child protection workers to improve case decision making and enhance skills and support the workforce in dealing with difficult high risk cases as well as overview regional case practice.	Delivered outcomes as expected including: provision of clinical and strategic advice to departmental executive officers and government, and delivery of a broad professional development agenda which emphasised evidence informed practice.
Responding to critical needs in child protection <sup>3</sup>	2010-11 BP3 p. 314	June 2012	Assist front line child protection teams across Victoria meet spikes in demand and other acute operational pressures so responses to vulnerable children are maintained during peak times.	Delivered outcomes as expected including improvements in case allocation rates and length of time in phase.

<sup>1</sup> 'Outcomes' are the impact of service delivery on the community rather than a description of the services delivered

<sup>2</sup> This initiative was announced out of the usual budget cycle, on 18 September 2009, and then re-announced in the 2010-11 State Budget. It comprised six different initiatives

<sup>3</sup> This initiative was announced out of the usual budget cycle, on 18 September 2009, and then re-announced in the 2010-11 State Budget. It comprised six different initiatives

Initiative	Source	Actual date of completion (month and year)	Expected outcomes	Actual outcomes
Responding to critical needs in child protection <sup>4</sup>	2010-11 BP3 p. 314	Ongoing	<b>'Kinship Care' model</b> Boost the number of child protection practitioners, and contract case management of 750 cases to Non-Government Organisations (NGOs). Target group: children on court orders, already safely placed with extended family.	Delivered outcomes as expected. This initiative in combination with an additional 101 child protection positions resulted in a reduction in the rate of unallocated cases from approximately 21 per cent in September 2009 to approximately seven per cent in 2011.
Responding to critical needs in child protection <sup>5</sup>	2010-11 BP3 p. 314	December 2011	<b>Recruitment and quality training</b> Additional training for child protection workers to assist in decision-making in dealing with sexual offenders and best practice interventions with infants.	Delivered outcomes as expected including training for all workers, and inclusion of new training content for ongoing training of child protection staff.
		January 2010	<b>Boost capacity of family services</b> Additional funding to Child FIRST to connect an additional 1760 Victorian families to a range of early intervention family support services.	Additional services provided to families, including family services increase from 24,357 in 2008-09 to 28,835 in 2011-12.
Responding to critical needs in child protection <sup>6</sup>	2010-11 BP3 p. 314	Ongoing	<b>Additional child protection worker frontline staff</b> Recruitment of 87 child protection practitioners plus 14 team leaders (6:1) to boost case allocation to the (then) 95 per cent case allocation target.	Full recruitment took approximately 18 months.

<sup>4</sup> This initiative was announced out of the usual budget cycle, on 18 September 2009, and then re-announced in the 2010-11 State Budget. It comprised six different initiatives

<sup>5</sup> This initiative was announced out of the usual budget cycle, on 18 September 2009, and then re-announced in the 2010-11 State Budget. It comprised six different initiatives

<sup>6</sup> This initiative was announced out of the usual budget cycle, on 18 September 2009, and then re-announced in the 2010-11 State Budget. It comprised six different initiatives

Initiative	Source	Actual date of completion (month and year)	Expected outcomes	Actual outcomes
Helping low income Victorians with the rising cost of water	2010-11 BP3 p. 314	<p><b>30 June 2014</b> (Water and Sewerage)<sup>7</sup></p> <p><b>3 May 2011</b> (Water Wise)</p>	Funding provided to address cost of living pressures for households in need by raising the annual cap for water and sewerage concessions; and to assist low income households receive water audits and retrofits through the Water Wise program.	<p>The number of Victorian households that received water and sewerage concessions across the four year period is as follows:</p> <ul style="list-style-type: none"> <li>• 2010-11: 699,308</li> <li>• 2011-12: 699,263</li> <li>• 2012-13: 681,135</li> <li>• 2013-14: 685,220</li> </ul> <p>3,680 water audits were conducted in 2010-11.</p> <p>The Water Wise program was discontinued on 3 May 2011.</p>
Additional support for Community Services Organisations	2010-11 BP3 p. 283	December 2012 (Ongoing)	The additional support for Community Services Organisations provided price indexation and capacity building grants to enable funding certainty associated with the Fair Work Australia Equal Remuneration Order in the Social and Community Services pay equity case.	The additional funding was provided to Community Services Organisations to meet the costs associated with the Social and Community Services pay equity case.

<sup>7</sup> The water and sewerage concession is part of the Victorian concessions program which is an entitlement program under the *State Concessions Act 2004*. Funding for this program is ongoing

Initiative	Source	Actual date of completion (month and year)	Expected outcomes	Actual outcomes
Growth in hospital services	2010-11 BP3 p. 306	June 2014	<p>Additional health service capacity including additional emergency and maternity admissions, expansion of critical care including 10 new intensive care beds, growth in renal dialysis, radiotherapy, chemotherapy, improved access to outpatient appointments.</p> <p>Expansion of Victorian Patient Transport Access Scheme (VPTAS) to meet increases in demand.</p> <p>Opening of new Mental Health inpatient facilities and 20 new youth Prevention and Recovery Care Service (PARCS) beds.</p> <p>Expansion of sub-acute, post-acute, palliative care and transition care services.</p> <p>Nine thousand (9000) elective surgery patients over two years.</p>	Additional capacity for health services to increase access to services as expected.
Home and Community Care <i>(Note: This is a joint initiative between the Commonwealth and State. Funding reported is the State component only)</i>	2010-11 BP3 p. 306	Ongoing	<p>Additional funding and hours approved as ongoing.</p> <p>170,000 hours in 2010-11 increasing to 340,000 hours in 2011-12 and ongoing.</p>	Estimated 155,000 hours in 2010-11 increasing to 310,000 hours in 2011-12.
Improving ambulance service delivery – Regional and rural	2010-11 PEBU p. 158	November 2014	<p>Funding was provided for additional ambulance services in regional and rural Victoria, including 10 new Mobile Intensive Care Ambulance (MICA) single-responder units, 40 paramedic scholarships, eight dedicated non-emergency patient transfer crews, and a regional and rural call referral service.</p>	<p>Funding under this initiative was incorporated into the 2011-12 initiative of 340 new ambulance officers. (See 340 new ambulance officers initiative below.)</p> <p><i>Note: As part of the funding redirection, paramedic scholarships and the rural and regional call referral service (as mentioned in the PEBU) were not funded.</i></p>

Initiative	Source	Actual date of completion (month and year)	Expected outcomes	Actual outcomes
Greener government buildings	2010-11 PEBU p. 127	Projects not completed to date	<p><i>West Gippsland Healthcare Group</i></p> <p>The project is expected to result in \$0.6 million in energy, water and operational savings every year, as well as a reduction in 2,525 tonnes of greenhouse gas emissions.</p> <p>\$5.84million investment in energy efficiency including installing 3,624 energy efficient lights, 288 kilowatts of solar panels, a new Building Management System, replacement of laundry equipment and upgrades to engineering infrastructure.</p> <p><i>Austin Health</i></p> <p>The project is expected to result in \$0.09 million electricity savings every year, as well as a reduction in 1,000 tonnes of greenhouse gas emissions.</p> <p>\$0.43 million investment in energy efficiency including installing 3,573 energy efficient lights and variable speed drives on air handling units.</p>	<p>Projects are not complete to date. Expected completion dates are:</p> <p><i>West Gippsland Healthcare Group</i></p> <ul style="list-style-type: none"> <li>• Installation – late 2015</li> <li>• Repayment of loan – late 2022</li> </ul> <p><i>Austin Health</i></p> <ul style="list-style-type: none"> <li>• Installation – early 2016</li> <li>• Repayment of loan – May 2020</li> </ul>
Annual electricity concessions	2011-12 BP3 p. 47	30 June 2015 <sup>8</sup>	<p>Funding provided eligible concession recipients with a 17.5 per cent discount off their household electricity bills all year round.</p>	<p>The number of Victorian households that received the annual electricity concession across the four year period is as follows:</p> <ul style="list-style-type: none"> <li>• 2011-12: 852,404</li> <li>• 2012-13: 880,750</li> <li>• 2013-14: 894,106</li> <li>• 2014-15: 909,195</li> </ul>

<sup>8</sup> The annual electricity concession is part of the Victorian concessions program which is an entitlement program under the *State Concessions Act 2004*. Funding for this program is ongoing

Initiative	Source	Actual date of completion (month and year)	Expected outcomes	Actual outcomes
Better, more transparent services	2011-12 BP3 p. 47	1 March 2013	Establishment of the Commission for Children and Young People.	The Commission for Children and Young People commenced on 1 March 2013.
		30 December 2015	Establish three departmental pilot sites to conduct and evaluate a new case management approach in Geelong, Portland and Dandenong, to trial a client-focused support model.	The pilots were established and show positive results through a client experience survey.
		December 2012 (ongoing)	The additional support for Community Services Organisations provided price indexation and capacity building grants to enable funding certainty associated with the Fair Work Australia Equal Remuneration Order in the Social and Community Services pay equity case.	The additional funding was provided to Community Services Organisations to meet the costs associated with the Social and Community Services pay equity case. The first payment was made on December 2012; however, pay increases awarded in the pay equity case are to be phased in over nine years.
Water and sewerage concessions	2011-12 BP3 p. 119	30 June 2015 <sup>9</sup>	Funding provided to address cost of living pressures for households in need by raising the annual cap for water and sewerage concessions.	The number of Victorian households that received water and sewerage concessions across the four year period is as follows: <ul style="list-style-type: none"> <li>• 2011-12: 699,263</li> <li>• 2012-13: 681,135</li> <li>• 2013-14: 685,220</li> <li>• 2014-15: 687,217</li> </ul>

<sup>9</sup> The water and sewerage concession is part of the Victorian concessions program which is an entitlement program under the *State Concessions Act 2004*. Funding for this program is ongoing

Initiative	Source	Actual date of completion (month and year)	Expected outcomes	Actual outcomes
Hospital operations growth funding – including 800 new hospital beds election commitment	2011-12 BP3 p. 112	June 2015	<p>Maintain and expand hospital activity including implementation of elective surgery funding, addressing non-wage price factors, technology and innovation.</p> <p>Increase the number of hospital beds available by 100, and make additional services available to local communities.</p> <p>Address cost pressures being faced by hospitals and provide for more complex care.</p>	Additional capacity for health services to increase access to services as expected.
Alcohol and other drug strategy – treatment services	2011-12 BP3 p. 112	July 2011 (Ongoing)	<p>This funding secured an ongoing allocation for initiatives funded previously under the Victorian Drug Strategy in 2003-04 and extended for a further four years in 2007-08.</p> <p>The Victorian Drug Strategy comprises a range of core service delivery programs that provide support for individuals, families and communities who experience, or are at risk of experiencing, drug and alcohol related misuse.</p>	This funding enabled continued program delivery for core services as expected.
340 new ambulance officers* (See comments above, re: <i>Improving ambulance service delivery – Regional and rural</i> initiative)	2011-12 BP3 p. 29	November 2014	<p>Improved access to, and delivery of, ambulance services (both emergency and non-emergency) to all Victorians.</p> <p>Improved access to and delivery of Mobile Intensive Care Ambulance (MICA) services to those in rural and regional Victoria.</p>	All 340 officers were deployed by November 2014.



Initiative	Source	Actual date of completion (month and year)	Expected outcomes	Actual outcomes
Health and Community Care (HACC)	2011-12 BP3 p. 112	Ongoing	540,000 hours of service.	519,231 hours of service.
Waiting list and emergency department reform	2011-12 BP3 p. 29	30 June 2015 (CHI & HIRC)	Improving the transparency of reporting, supporting improvements in practice, and providing additional workforce capacity and capability.	Establishment of the Hospital Performance website to assist health services to improve the transparency of performance reporting, including elective surgery reporting. The Commission for Hospital Improvement (CHI) and Health Innovation and Reform Council (HIRC) were established. Care coordinators facilitate patient flow and continuity of care across acute, ambulatory and community settings.
National Partnership Agreement on Preventative Health – chronic disease prevention in Victoria	2011-12 BP3 p. 112	June 2014	<p>Healthy Together Victoria initiative to tackle overweight and obesity and related chronic preventable diseases.</p> <p>The NPAPH performance benchmarks were detailed in the agreement for assessment at June 2016 and December 2017.</p>	<p>The National Partnership Agreement on Preventive Health (NPAPH) funding was cancelled in the 2014 Commonwealth Budget. The cancellation of the NPAPH resulted in a loss of \$52.104 million in facilitation payments and potential \$37.434 million of reward money (a total of \$89.538 million).</p> <p>Healthy Together Victoria continued, using residual NPAPH funding, allowing the continuation of approximately 24 service agreements/contracts that were not due to expire until June 2015.</p> <p>Baseline health surveillance was collected in 2012-13 with post measures to be collected in 2016-17.</p>
Boost to Ballarat Health Service	2011-12 BP3 p. 29	December 2016	To provide for additional health services in Ballarat, including providing an additional 20 doctors and 80 nurses at Ballarat Base Hospital, and the recruitment of 10 General Practitioners to fill vacancies in the Ballarat area.	Capital component 'Ballarat Hospital- additional beds, ambulatory care and helipad' funded in the 2012-13 Budget. Minor delays due to the discovery of asbestos have pushed the anticipated completion date out from June 2016 to December 2016.
Home and Community Care (HACC) matching	2011-12 BP3 p. 112	Ongoing	Additional funding and hours approved as ongoing. 200,000 hours in 2011-12 increasing to 400,000 hours in 2012-13 and ongoing.	182,000 in 2011-12 increasing to 365,000 in 2012-13.

<b>Initiative</b>	<b>Source</b>	<b>Actual date of completion (month and year)</b>	<b>Expected outcomes</b>	<b>Actual outcomes</b>
Health services winter demand capacity enhancement	2014-15 BP3 p. 19	June 2015	Increasing metropolitan and regional health service capacity during the winter months, and improving patient access to services.	Almost 13,000 additional separations Weighted Inlier Equivalent Separations (WIES) were achieved across the state.

**Question 2 (departments only)**

Please identify all outputs for which the department received additional funding after the initial budget (as described in *BFMG-42: Budget Supplementation*) in 2013-14 or 2014-15. For each output, please quantify the additional funding, indicate the source of the additional funding (e.g. 'Treasurer's Advance', 'appropriations that would otherwise be unapplied', 'accumulated surplus') and explain why additional funding was required:

(a) in 2013-14

<b>Output</b>	<b>Additional funding (\$ million)</b>	<b>Source of funding</b>	<b>Reasons why additional funding was required</b>
Admitted Services	5.4	Appropriations that would otherwise be unapplied	Increases in quarterly services payments for Casey, Royal Women's Hospital and Royal Children's Hospital Public Private Partnership Projects.
Health Protection	8.0	Appropriations that would otherwise be unapplied	Funds required in relation to the Peter Doherty Institute – Infection and Immunity project.

(b) in 2014-15

<b>Output</b>	<b>Additional funding<sup>10</sup> (\$ million)</b>	<b>Source of funding</b>	<b>Reasons why additional funding was required</b>
Admitted Services	25.1	Appropriations that would otherwise be unapplied	New initiatives to meet the Government's election commitments, and the full year effect of initiatives announced in previous budgets, for example, Ebola virus disease preparation, increases in quarterly services payments for hospital Public Private Partnership projects.
Ambulance Emergency Services	3.3	Appropriations that would otherwise be unapplied	New initiatives to meet the Government's election commitments, and the full year effect of initiatives announced in previous budgets.
Child Protection and Family Services	12.6	Appropriations that would otherwise be unapplied	New initiatives to meet the Government's election commitments, and the full year effect of initiatives announced in previous budgets, for example, strengthening responses to family violence, Betrayal of Trust Report, Family Violence Package, counselling services for children and women.
Clinical care	2.5	Appropriations that would otherwise be unapplied	New initiatives to meet the Government's election commitments, and the full year effect of initiatives announced in previous budgets.
Community Health Care	0.2	Appropriations that would otherwise be unapplied	New initiatives to meet the Government's election commitments, and the full year effect of initiatives announced in previous budgets.
Disability Services	1.1	Appropriations that would otherwise be unapplied	New initiatives to meet the Government's election commitments, and the full year effect of initiatives announced in previous budgets.
Drug Prevention and Control	2.1	Appropriations that would otherwise be unapplied	New initiatives to meet the Government's election commitments, and the full year effect of initiatives announced in previous budgets, including Government strategy to address ice use.

<sup>10</sup> The 2014-15 additional funding aggregates additional funding for the Department of Health & Human Services and the former Department of Human Services for the six months pre-Machinery-of-Government

Sports and Recreation	8.4	Appropriations that would otherwise be unapplied	New initiatives to meet the Government's election commitments, and the full year effect of initiatives announced in previous budgets, including Simonds Stadium (Operating costs) – Kardinia Park Trust, Simmonds Stadium (Strategic Infrastructure Program) and Shooting Sports Facility Program.
Health Protection	1.6	Appropriations that would otherwise be unapplied	New initiatives to meet the Government's election commitments, and the full year effect of initiatives announced in previous budgets, including Hazelwood Health Study.
Housing Assistance	1.0	Appropriations that would otherwise be unapplied	New initiatives to meet the Government's election commitments, and the full year effect of initiatives announced in previous budgets, including Support Services to people who are experiencing, or at risk of experiencing, family violence.
Psychiatric Disability Rehabilitation and Support Services	4.1	Appropriations that would otherwise be unapplied	New initiatives to meet the Government's election commitments, and the full year effect of initiatives announced in previous budgets, including National Disability Insurance Scheme – Barwon Trial Support.
Residential Aged Care	1.9	Appropriations that would otherwise be unapplied	New initiatives to meet the Government's election commitments, and the full year effect of initiatives announced in previous budgets.
Seniors Programs and Participation	0.3	Appropriations that would otherwise be unapplied	New initiatives to meet the Government's election commitments, and the full year effect of initiatives announced in previous budgets, including Seniors Participation Action Plan.
Youth Justice Custodial Services	0.2	Appropriations that would otherwise be unapplied	New initiatives to meet the Government's election commitments, and the full year effect of initiatives announced in previous budgets.
Small Rural services – Acute Health	1.2	Appropriations that would otherwise be unapplied	New initiatives to meet the Government's election commitments, and the full year effect of initiatives announced in previous budgets.

**Question 3 (Department of Treasury and Finance only)**

This question does not apply to your department.

**SECTION B: Asset investment (departments only)****Question 4**

Please provide the following details about each of the selected asset investment projects:

Project	Estimated expenditure in 2013-14 (2013-14 budget papers) (\$ million)	Actual expenditure in 2013-14 (\$ million)	Explanation for any variances greater than $\pm 10$ per cent or \$100 million between estimated and actual expenditure	Estimated completion date in 2013-14 budget papers	Estimated completion date in 2014-15 budget papers	Explanation for any changes to the estimated completion date
Improving hospital services – subacute (statewide)	57.97	73.424	Actual expenditure in 2013-14 represents unspent cashflow in 2012-13 (and not reflected in the May 13 State Budget)	mid 2014	Qtr 4, 2014-15	Several projects are also being undertaken concurrently with existing state funded projects.
Box Hill Hospital – redevelopment (Box Hill)	158.9	189.978	Project cashflow accelerated ahead of schedule.	late 2015	Qtr 2, 2015-16	No change
Numurkah Hospital – reinstatement of acute services (Numurkah)	3.5	2.757	Works commenced on site early January 2014. Invoice delays resulted in an underspend for the project.	late 2015	Qtr 2, 2015-16	No change
Waurm Ponds Community Hospital (Waurm Ponds)	2.04	0.332	The State entered into an exclusive negotiation process with Epworth Healthcare, resulting in a change in Total Estimated Investment (TEI) and recashflow for the project.	early 2017	Qtr 3, 2016-17	No change

Project	Estimated expenditure in 2013-14 (2013-14 budget papers) (\$ million)	Actual expenditure in 2013-14 (\$ million)	Explanation for any variances greater than $\pm 10$ per cent or \$100 million between estimated and actual expenditure	Estimated completion date in 2013-14 budget papers	Estimated completion date in 2014-15 budget papers	Explanation for any changes to the estimated completion date
Health and Medical Precinct and Community-Based Ambulatory Care Centre (metro)	1.64	0	Department exploring opportunities for public, Non-Government Organisation (NGO), private and other health service providers to group together to provide an integrated service delivery to local residents, delaying expenditure.	late 2016	Qtr 2, 2016-17	No change
Northern Hospital Inpatient Capacity Expansion (Epping)	1.25	2.745	Project has accelerated faster than originally cashflowed. Construction works commenced in June 2014.	mid 2016	Qtr 4, 2015-16	No change
Bendigo Hospital – redevelopment (Bendigo)	168.0 <i>Revised in 2013-14 State Budget 18 million<sup>11</sup></i>	3.488	In August 2013 the project Total Estimated Investment (TEI) had been adjusted to be delivered under the Public Private Partnership (PPP) project. The Enabling works Stage 1 project was also being delivered in conjunction with the main hospital development.	late 2016	Qtr 2, 2016-17	No change

<sup>11</sup> Where two numbers have been provided in the 'budget' column, the first is the original annual budget as published in Budget Paper No. 4. The second number represents the revised budget approved by the Treasurer prior to budget update of that same year. Examples of why budgets would be revised during a financial year include: recashflows due to delays or as a result of more detailed planning, reductions in Total Estimated Investment (TEI) resulting from favourable tender outcomes which may be transferred to other projects or a revision of cashflow to accommodate receipt of funding from other sources

Project	Estimated expenditure in 2013-14 (2013-14 budget papers) (\$ million)	Actual expenditure in 2013-14 (\$ million)	Explanation for any variances greater than ±10 per cent or \$100 million between estimated and actual expenditure	Estimated completion date in 2013-14 budget papers	Estimated completion date in 2014-15 budget papers	Explanation for any changes to the estimated completion date
Werribee Mercy Hospital mental health expansion (Werribee)	3.7	2.02	The staging and decanting requirements between Stage 1 and Stage 2 resulted in an underspend for the project.	mid 2016	Qtr 2, 2016-17	The staging and decanting requirements between Stage 1 and Stage 2 resulted in a shift in cashflow and revised timelines for the project.
Monash Children's Hospital (Clayton)	TBC 2.7 <sup>12</sup>	4.381	This initiative includes the planning and development project announced in 2011-12 and 2012-13.	late 2016	Qtr 2, 2016-17	No change
Rural capital support (rural)	24.7	12.754	Several of the larger allocations involving building works are now being managed through departmental capital works processes resulting in unspent cashflow for the project.	mid 2015	Qtr 4, 2014-15	No change
Kerang District Health – residential aged care redevelopment (Kerang)	9.53	5.325	Project is being delivered in conjunction with the Commonwealth's Health and Hospitals Fund 3 (HHF3) component. Actual expenditure reported represents State expenditure only.	mid 2015	Qtr 2, 2015-16	No change

<sup>12</sup> Where two numbers have been provided in the 'budget' column, the first is the original annual budget as published in Budget Paper No. 4. The second number represents the revised budget approved by the Treasurer prior to budget update of that same year. Examples of why budgets would be revised during a financial year include: recashflows due to delays or as a result of more detailed planning, reductions in Total Estimated Investment (TEI) resulting from favourable tender outcomes which may be transferred to other projects or a revision of cashflow to accommodate receipt of funding from other sources



Project	Estimated expenditure in 2013-14 (2013-14 budget papers) (\$ million)	Actual expenditure in 2013-14 (\$ million)	Explanation for any variances greater than $\pm 10$ per cent or \$100 million between estimated and actual expenditure	Estimated completion date in 2013-14 budget papers	Estimated completion date in 2014-15 budget papers	Explanation for any changes to the estimated completion date
Maroondah Hospital – expansion (Ringwood East)	15.6	11.452	Project is being delivered in conjunction with the Commonwealth's National Partnership Agreement funding.	mid 2014	Qtr 2, 2014-15	No change
Royal Children's Hospital ICT investment (Parkville)	18.03	2.306	The Royal Children's Hospital (RCH) initially delayed the commencement of the project until after the move to the new hospital had been completed and bedded down. Once this had occurred a project team was established and the business case refreshed.	mid 2015	Qtr 4, 2016-17	The refreshed business case for the project has also resulted in a revised completion date.
Barwon Health/Geelong Health – expanding health capacity (Geelong)	9.0	12.059	Project cashflow accelerated ahead of schedule	late 2014	Qtr 2, 2014-15	No change
Upgrade and build ambulance stations (non-metro various)	5.0	4.951	Not required.	late 2015	Qtr 2, 2015-16	No change
Improving ambulance service delivery – outer metropolitan Melbourne (metro)	11.52	8.877	Delays in procuring land at some sites delayed the commencement of some projects.	mid 2015	Qtr 4, 2014-15	No change
Swan Hill Hospital – Aged care redevelopment (Swan Hill)	11.50	0.458	Difficulties associated with developing an acceptable solution that could be accommodated on a constrained site caused delays resulting in an underspend.	late 2014	Qtr 2, 2014-15	No change

Project	Estimated expenditure in 2013-14 (2013-14 budget papers) (\$ million)	Actual expenditure in 2013-14 (\$ million)	Explanation for any variances greater than $\pm 10$ per cent or \$100 million between estimated and actual expenditure	Estimated completion date in 2013-14 budget papers	Estimated completion date in 2014-15 budget papers	Explanation for any changes to the estimated completion date
Radiotherapy Services in South West Victoria – stage 2 (Warrnambool)	5.0	0.631	This initiative is combined with the \$5 million initiative announced in the 2012-13 State Budget. This project is a non-standard procurement approach which has required a different cashflow profile to the traditional lump sum procurement approach which was considered when the project was originally funded.	mid 2017	Qtr 1, 2016-17	This change is a publication error and has been rectified in the 2015-16 Budget Papers. Estimated date of completion is Qtr 4, 2016-17.
Kilmore and District Hospital – redevelopment (Kilmore)	6.0	6.967	Project cashflow reflects prior year carryover.	late 2014	Qtr 3, 2014-15	Initial delays in commencing construction resulted in a shift in cashflow.
Geelong Hospital – major upgrade (Geelong)	20.34	29.861	Expenditure reflects revised Commonwealth cashflow.	late 2015	Qtr 2, 2015-16	No change

Project	Estimated expenditure in 2013-14 (2013-14 budget papers) (\$ million)	Actual expenditure in 2013-14 (\$ million)	Explanation for any variances greater than $\pm 10$ per cent or \$100 million between estimated and actual expenditure	Estimated completion date in 2013-14 budget papers	Estimated completion date in 2014-15 budget papers	Explanation for any changes to the estimated completion date
Frankston Hospital – emergency department redevelopment (Frankston)	12.0	16.369	This initiative is being delivered in conjunction with another construction project at Frankston Hospital. Timelines and cashflows have been revised to reflect both projects and to coordinate site improvements.	mid 2015	Qtr 1, 2015-16	This initiative is being delivered in conjunction with another construction project at Frankston Hospital. Timelines and cashflows have been revised to reflect both projects and to coordinate site improvements.
Charlton Hospital – reconstruction (Charlton)	7.0	12.664	Project's cashflow accelerated faster in the earlier years than originally participated.	late 2014	Qtr 2, 2014-15	No change
Frankston Hospital – inpatient expansion (Frankston)	12.0	18.644	This initiative is being delivered in conjunction with another construction project at Frankston Hospital. Timelines and cashflows have been revised to reflect both projects and to coordinate site works.	late 2014	Qtr 2, 2014-15	This initiative is being delivered in conjunction with another construction project at Frankston Hospital. Timelines and cashflows have been revised to reflect both projects and to coordinate site works.
Ballarat Hospital – additional beds, ambulatory care and helipad (Ballarat)	25.11	10.722	The detailed design of the project led to a number of early/enabling works which were required prior to constructions works commencing.	mid 2016	Qtr 2, 2016-17	No change
Services Connect (statewide)	3.0	0.367	Refinement of scope in response to partnership trials impacted expenditure. Expenditure to date represents establishment of contact and processing centre to facilitate sector trials and activity-based costing modelling.	mid 2014	Qtr 4, 2014-15	Refinement of scale and scope of trial.

Project	Estimated expenditure in 2013-14 (2013-14 budget papers) (\$ million)	Actual expenditure in 2013-14 (\$ million)	Explanation for any variances greater than $\pm 10$ per cent or \$100 million between estimated and actual expenditure	Estimated completion date in 2013-14 budget papers	Estimated completion date in 2014-15 budget papers	Explanation for any changes to the estimated completion date
Fire risk management – Children and people with a disability (statewide)	6.75	3.3	The start time for undertaking the works was delayed due to a requirement to refine the documentation and ensure fire safety compliance prior to works being tendered.	mid 2014	Qtr 4, 2014-15	The works that were originally planned to be undertaken were delayed. The consultants originally managing the project had not completed all documentation to the required standard resulting in the delay in start time and expected completion.
Youth Justice Centres – Increasing capacity and improving infrastructure (statewide)	18.75	21.3	The estimate was based on an original program, however, the contractor, once in possession of the site, identified an actual delivery program which exceeded original expectations. Due to increased work activity and requirements to procure ancillary items the forecast expenditure was exceeded for the first year. Department of Treasury and Finance (DTF) representatives were part of the project Steering Committee and were kept updated of the changes as construction progressed. The Department of Treasury and Finance (DTF) advised the adjustment could be carried out internally because the overall project cost was not affected.	late 2015	Qtr 2, 2015-16	No change
Echuca Hospital – redevelopment (Echuca)	23.18	21.936	Not required.	mid 2015	Qtr 4, 2014-15	No change
Expanding accommodation with support (statewide)	5.5	2.6	Variance is due to redirection of funds to other initiatives.	mid 2014	Qtr 4, 2014-15	Revised completion date due to redirection of funds.

Project	Estimated expenditure in 2013-14 (2013-14 budget papers) (\$ million)	Actual expenditure in 2013-14 (\$ million)	Explanation for any variances greater than $\pm 10$ per cent or \$100 million between estimated and actual expenditure	Estimated completion date in 2013-14 budget papers	Estimated completion date in 2014-15 budget papers	Explanation for any changes to the estimated completion date
Gippsland Cancer Centre – expansion (Traralgon)	4.5	7.587	Project cashflow accelerated ahead of schedule.	late 2014	Qtr 2, 2014-15	No change
Royal Victorian Eye and Ear Hospital redevelopment (Melbourne)	TBC 26.5 <sup>13</sup>	15.431	Project includes contribution from the hospital. Initial start-up delays in mobilising the site and procuring trade contractors had resulted in an underspend for the project. Funds were carried over into 2014-15.	late 2017	Qtr 2, 2017-18	No change
Castlemaine Hospital – upgrade (Castlemaine)	5.0	6.924	Project cashflow accelerated ahead of schedule.	early 2015	Qtr 3, 2014-15	No change
Northern Hospital emergency department expansion (Epping)	12.56	10.661	This represents accelerated cashflow in 2012-13, reducing expenditure in 2013-14. This accelerated expenditure was not predicted at the time the 2013-14 Budget Papers were being prepared.	mid 2015	Qtr 4, 2014-15	No change
Carlton redevelopment – 246 units/sites (North-West metro)	40.15	36.4	Nil required	mid 2017	Qtr 2, 2018-19	Social Housing units have been delivered. Dwellings remaining are either private, aged care or independent living homes.

<sup>13</sup> Where two numbers have been provided in the 'budget' column, the first is the original annual budget as published in Budget Paper No. 4. The second number represents the revised budget approved by the Treasurer prior to budget update of that same year. Examples of why budgets would be revised during a financial year include: recashflows due to delays or as a result of more detailed planning, reductions in Total Estimated Investment (TEI) resulting from favourable tender outcomes which may be transferred to other projects or a revision of cashflow to accommodate receipt of funding from other sources

Project	Estimated expenditure in 2013-14 (2013-14 budget papers) (\$ million)	Actual expenditure in 2013-14 (\$ million)	Explanation for any variances greater than $\pm 10$ per cent or \$100 million between estimated and actual expenditure	Estimated completion date in 2013-14 budget papers	Estimated completion date in 2014-15 budget papers	Explanation for any changes to the estimated completion date
Norlane redevelopment – 164 units/sites (Barwon South-West)	13.86	11.3	The variation reflects slower than anticipated start-up of the project.	13.86	Qtr 4 2015-16	Original estimate reflected actual build completion, not contractual completion. New estimate reflects contractual completion.
Westmeadows redevelopment – 144 units/sites (North-West metro)	14.6	7.9	Civil works and in particular the construction of large retaining walls have delayed the construction program.	mid 2016	Qtr 4 2018-19	Difficulties in acquiring the land through a Land Exchange with City of Hume delayed the entire project.
Heidelberg redevelopment – 600 units/sites (North-West metro)	11.75	7.6	The actual expenditure reflects re-phasing due to slower than anticipated start-up of the project.	mid 2022	Qtr 4 2021-22	Nil required

Project	Estimated expenditure in 2014-15 (2014-15 budget papers) (\$ million)	Actual expenditure in 2014-15 (\$ million)	Explanation for any variances greater than ±10 per cent or \$100 million between estimated and actual expenditure	Estimated completion date in 2014-15 budget papers	Estimated completion date in 2015-16 budget papers	Explanation for any changes to the estimated completion date
Medical equipment replacement (statewide)	35.0 33.5 <sup>14</sup>	32.176	Changes to project cashflow adjusted at Budget update. Variance less than 10 per cent.	Qtr 4, 2014-15	Qtr 4, 2014-15	No change  The fund was fully allocated during 2014-15. Actual expenditure is based on the procurement plans submitted by the Health Services, some invoices for payment were not received or paid before the end of 2014-15.
Transitional Mental Health Service (statewide)	6.0 3.736	4.271	Changes to project cashflow adjusted at Budget update. Variance less than 10 per cent.	Qtr 4, 2016-17	Qtr 4, 2016-17	No change
Northern Hospital inpatient capacity expansion (Epping)	10.3 8.8	7.975	Changes to project cashflow adjusted to reflect accelerated expenditure in 2013-14. Variance less than 10 per cent.	Qtr 4, 2015-16	Qtr 4, 2015-16	No change
Royal Victorian Eye and Ear Hospital redevelopment (Melbourne)	23.3	33.256	Project cashflow accelerated ahead of schedule due to discovery of a large quantity of asbestos and its subsequent removal.	Qtr 2, 2017-18	Qtr 2, 2018-19	Issues with the removal of asbestos from the building have created delays in the project.
Barwon Health – North (Geelong)	3.4 0.38	0.075	Changes to project cashflow adjusted at Budget update. Variance less than 10 per cent.	Qtr 4, 2018-19	Qtr 4, 2018-19	No change

<sup>14</sup> Where two numbers have been provided in the 'budget' column, the first is the original annual budget as published in Budget Paper No. 4. The second number represents the revised budget approved by the Treasurer prior to budget update of that same year. Examples of why budgets would be revised during a financial year include: recashflows due to delays or as a result of more detailed planning, reductions in Total Estimated Investment (TEI) resulting from favourable tender outcomes which may be transferred to other projects or a revision of cashflow to accommodate receipt of funding from other sources

Project	Estimated expenditure in 2014-15 (2014-15 budget papers) (\$ million)	Actual expenditure in 2014-15 (\$ million)	Explanation for any variances greater than $\pm 10$ per cent or \$100 million between estimated and actual expenditure	Estimated completion date in 2014-15 budget papers	Estimated completion date in 2015-16 budget papers	Explanation for any changes to the estimated completion date
Boort Hospital redevelopment (Boort)	2.2	1.599	Delay in expenditure reflects tender process and is not predicted to impact on project timelines.	Qtr 4, 2016-17	Qtr 4, 2016-17	No change
Radiotherapy Services in south-west Victoria (Warrnambool)	8.4	1.8	This initiative is combined with the \$5 million initiative announced in the 2012-13 State Budget. This project is a non-standard procurement approach which has required a different cashflow profile to the traditional lump sum procurement approach which was considered when the project was originally funded.	Qtr 1, 2016-17	Qtr 4, 2016-17	The date published in 2014-15 Budget Papers was an error and has been corrected in the 2015-16 Budget Papers.
Latrobe Regional Hospital redevelopment – stage 2A (Latrobe)	2.5	2.387	Less than 10 per cent variance.	Qtr 4, 2017-18	Qtr 4, 2017-18	No change
Werribee Mercy Hospital mental health expansion (Werribee)	19.0 5.1 <sup>15</sup>	6.856	Changes to project cashflow adjusted at Budget update. Variance less than 10%.	Qtr 2, 2016-17	Qtr 2, 2016-17	No change

<sup>15</sup> Where two numbers have been provided in the 'budget' column, the first is the original annual budget as published in Budget Paper No. 4. The second number represents the revised budget approved by the Treasurer prior to budget update of that same year. Examples of why budgets would be revised during a financial year include: recashflows due to delays or as a result of more detailed planning, reductions in Total Estimated Investment (TEI) resulting from favourable tender outcomes which may be transferred to other projects or a revision of cashflow to accommodate receipt of funding from other sources



Project	Estimated expenditure in 2014-15 (2014-15 budget papers) (\$ million)	Actual expenditure in 2014-15 (\$ million)	Explanation for any variances greater than ±10 per cent or \$100 million between estimated and actual expenditure	Estimated completion date in 2014-15 budget papers	Estimated completion date in 2015-16 budget papers	Explanation for any changes to the estimated completion date
Ballarat Hospital – additional beds, ambulatory care and helipad (Ballarat)	9.9 11.7 <sup>16</sup>	12.459	Changes to project estimated expenditure adjusted at Budget update to reflect underspend in 2013-14 and estimated expenditure. Variance less than 10 per cent.	Qtr 2, 2016-17	Qtr 4, 2015-16	Minor delays due to the discovery of asbestos have pushed the anticipated completion date out from June 2016 to December 2016. Components of the project, including the helipad are already complete and operational.
Charlton Hospital – reconstruction (Charlton)	13.0 7.471	7.309	Project is co-funded with the Commonwealth under the Natural Disaster Relief Arrangements and Victorian Managed Insurance Authority (VMIA) regarding settlement of the hospital's insurance claim. Practical completion achieved in October 2014. Variance less than 10 per cent.	Qtr 2, 2014-15	Qtr 2, 2015-16	No change
Frankston Hospital – emergency department redevelopment (Frankston)	19.4	17.766	Variance less than 10 per cent.	Qtr 1, 2015-16	Qtr 1, 2015-16	No change

<sup>16</sup> Where two numbers have been provided in the 'budget' column, the first is the original annual budget as published in Budget Paper No. 4. The second number represents the revised budget approved by the Treasurer prior to budget update of that same year. Examples of why budgets would be revised during a financial year include: recashflows due to delays or as a result of more detailed planning, reductions in Total Estimated Investment (TEI) resulting from favourable tender outcomes which may be transferred to other projects or a revision of cashflow to accommodate receipt of funding from other sources

Project	Estimated expenditure in 2014-15 (2014-15 budget papers) (\$ million)	Actual expenditure in 2014-15 (\$ million)	Explanation for any variances greater than ±10 per cent or \$100 million between estimated and actual expenditure	Estimated completion date in 2014-15 budget papers	Estimated completion date in 2015-16 budget papers	Explanation for any changes to the estimated completion date
Geelong Hospital – major upgrade (Geelong)	30.4 33.8 <sup>17</sup>	45.151	The Total Estimated Investment (TEI) of this initiative has changed to reflect additional improvements at Geelong Hospital improvements (redirected from Waurn Ponds). Project cashflow accelerated ahead of schedule.	Qtr 2, 2015-16	Qtr 2, 2015-16	No change
Engineering infrastructure replacement (statewide)	25.0 22.5	21.833	Changes to project cashflow adjusted at Budget update. Variance less than 10 per cent. Spend is based on the procurement plans submitted by the Health Services. Health services are in the process of procuring or installing the equipment.	Qtr 4, 2014-15	Qtr 4, 2014-15	No change
Bendigo Hospital – redevelopment (Bendigo)	14.6	10.088	Estimated expenditure reflects revised cashflow to reflect the private partnership contract. The childcare centre was completed in November 2014. Project's actual expenditure slightly lower than originally anticipated.	Qtr 2, 2016-17	Qtr 2, 2016-17	No change

<sup>17</sup> Where two numbers have been provided in the 'budget' column, the first is the original annual budget as published in Budget Paper No. 4. The second number represents the revised budget approved by the Treasurer prior to budget update of that same year. Examples of why budgets would be revised during a financial year include: recashflows due to delays or as a result of more detailed planning, reductions in Total Estimated Investment (TEI) resulting from favourable tender outcomes which may be transferred to other projects or a revision of cashflow to accommodate receipt of funding from other sources

Project	Estimated expenditure in 2014-15 (2014-15 budget papers) (\$ million)	Actual expenditure in 2014-15 (\$ million)	Explanation for any variances greater than ±10 per cent or \$100 million between estimated and actual expenditure	Estimated completion date in 2014-15 budget papers	Estimated completion date in 2015-16 budget papers	Explanation for any changes to the estimated completion date
Rural capital support (rural)	18.2 16.196 <sup>18</sup>	13.794	Grant funds for the project were allocated fully in 2014-15, however, several of the larger allocations involving building works are being managed through departmental capital works processes rather than allocated direct to health services as grants. Cashflow reflects construction schedules for these projects.	Qtr 4, 2014-15	Qtr 4, 2015-16	Grant funds for the project were fully allocated in 2014-15, however, several of the larger allocations involving building works are being managed through departmental capital works processes rather than allocated direct to health services as grants. Revised timeline reflects construction schedules for these projects.
Numurkah Hospital – reinstatement of acute services (Numurkah)	8.4	1.671	This project is co-funded with the Commonwealth's Health and Hospitals Fund (HHF). Expenditure against Commonwealth's cashflow has resulted in an underspend against the state component.	Qtr 2, 2015-16	Qtr 2, 2015-16	No change

<sup>18</sup> Where two numbers have been provided in the 'budget' column, the first is the original annual budget as published in Budget Paper No. 4. The second number represents the revised budget approved by the Treasurer prior to budget update of that same year. Examples of why budgets would be revised during a financial year include: recashflows due to delays or as a result of more detailed planning, reductions in Total Estimated Investment (TEI) resulting from favourable tender outcomes which may be transferred to other projects or a revision of cashflow to accommodate receipt of funding from other sources

Project	Estimated expenditure in 2014-15 (2014-15 budget papers) (\$ million)	Actual expenditure in 2014-15 (\$ million)	Explanation for any variances greater than $\pm 10$ per cent or \$100 million between estimated and actual expenditure	Estimated completion date in 2014-15 budget papers	Estimated completion date in 2015-16 budget papers	Explanation for any changes to the estimated completion date
Waurm Ponds Community Hospital (Waurm Ponds)	8.7 3.72 <sup>19</sup>	3.785	The Total Estimated Investment (TEI) of this initiative has changed to reflect post negotiations with Epworth Health. Funding from the Waurm Ponds Community Hospital has been redirected to fund Geelong Hospital improvements and additional funds for Barwon North. The 2014-15 State Budget has been adjusted to reflect the change in TEI and cashflow estimates.	Qtr 3, 2016-17	Qtr 4, 2015-16	Change in estimated completion date reflects new method of project delivery, via purchased services rather than a capital solution.
Frankston Hospital – inpatient expansion (Frankston)	20.4 14.11	9.427	This initiative is being delivered in conjunction with another construction project at Frankston Hospital. Timelines and cashflows have been revised to reflect both projects and to coordinate site works.	Qtr 2, 2014-15	Qtr 1, 2015-16	This initiative is being delivered in conjunction with another construction project at Frankston Hospital. Timelines and cashflows have been revised to reflect both projects and to coordinate site works.
Monash Children's Hospital (Clayton)	47.0 34.283	36.177	Changes to project cashflow adjusted at Budget update. Variance less than 10 per cent.	Qtr 2, 2016-17	Qtr 2, 2016-17	No change
Expanding accommodation with support (statewide)	2.8	1.4	Variance is due to redirection of funds to other initiatives.	Qtr 4, 2014-15	Qtr 4, 2015-16	Revised completion date due to redirection of funds.

<sup>19</sup> Where two numbers have been provided in the 'budget' column, the first is the original annual budget as published in Budget Paper No. 4. The second number represents the revised budget approved by the Treasurer prior to budget update of that same year. Examples of why budgets would be revised during a financial year include: recashflows due to delays or as a result of more detailed planning, reductions in Total Estimated Investment (TEI) resulting from favourable tender outcomes which may be transferred to other projects or a revision of cashflow to accommodate receipt of funding from other sources

Project	Estimated expenditure in 2014-15 (2014-15 budget papers) (\$ million)	Actual expenditure in 2014-15 (\$ million)	Explanation for any variances greater than ±10 per cent or \$100 million between estimated and actual expenditure	Estimated completion date in 2014-15 budget papers	Estimated completion date in 2015-16 budget papers	Explanation for any changes to the estimated completion date
Maroondah Hospital – expansion (Ringwood East)	0.5	0	Project is being delivered in conjunction with the Commonwealth's National Partnership Agreement funding. Reported expenditure reflects the recashflow of State funds to accommodate Commonwealth payments.	Qtr 2, 2014-15	Qtr 1, 2015-16	Works to create on grade car parking had been delayed by property related issues including a lease on an existing building. The car park works are now expected to occur in 2015-16.
Barwon Health/Geelong Health – expanding health capacity (Geelong)	8.0	0.165	Changes to project cashflow adjusted at Budget update. Variance less than 10 per cent.	Qtr 2, 2014-15	Qtr 1, 2016-17	Revised timelines and cashflow reflect other works at Barwon Health and staging to optimise site works.
Royal Children's Hospital ICT investment (Parkville)	4.4 13.869 <sup>20</sup>	13.87	Changes to project cashflow adjusted at Budget update. Variance less than 10 per cent.	Qtr 4, 2016-17	Qtr 4, 2016-17	No change
Box Hill Hospital – redevelopment (Box Hill)	109.0 67.1	54.95	Revised estimated expenditure reduced to reflect accelerated expenditure in 2013-14 (not reflected in 2014-15 Budget Papers). In September 2014 the new hospital commenced service delivery. Variance is due to June invoices not received or paid in 2014-15.	Qtr 2, 2015-16	Qtr 2, 2015-16	No change

<sup>20</sup> Where two numbers have been provided in the 'budget' column, the first is the original annual budget as published in Budget Paper No. 4. The second number represents the revised budget approved by the Treasurer prior to budget update of that same year. Examples of why budgets would be revised during a financial year include: recashflows due to delays or as a result of more detailed planning, reductions in Total Estimated Investment (TEI) resulting from favourable tender outcomes which may be transferred to other projects or a revision of cashflow to accommodate receipt of funding from other sources

Project	Estimated expenditure in 2014-15 (2014-15 budget papers) (\$ million)	Actual expenditure in 2014-15 (\$ million)	Explanation for any variances greater than ±10 per cent or \$100 million between estimated and actual expenditure	Estimated completion date in 2014-15 budget papers	Estimated completion date in 2015-16 budget papers	Explanation for any changes to the estimated completion date
Health and Medical Precinct and Community-based Ambulatory Care Centre (metro)	9.5 0.2 <sup>21</sup>	0.124	Changes to project estimated expenditure adjusted at Budget update to reflect underspend in 2013-14 and estimated expenditure. Variance less than 10 per cent.	Qtr 2, 2016-17	Qtr 2, 2016-17	No change
Swan Hill Hospital – aged care redevelopment (Swan Hill)	6.442 2.0	3.644	Changes to project estimated expenditure adjusted at Budget update to reflect underspend from 2013-14 and anticipated spend in 2014-15. Cashflow slightly accelerated at the end of 2014-15.	Qtr 2, 2014-15	Qtr 3, 2015-16	Revised completion date reflects project delays in 2013-14.
Fire risk management – children and people with a disability (statewide)	3.1	3.6	The programming of the works was accelerated to make up time, due to the previous year's delayed start.	Qtr 4, 2014-15	Qtr 4, 2015-16	The works that were originally planned to be undertaken were delayed (refer previous year's comments). All the documents have since been completed and all scheduled works are active and progressing.

<sup>21</sup> Where two numbers have been provided in the 'budget' column, the first is the original annual budget as published in Budget Paper No. 4. The second number represents the revised budget approved by the Treasurer prior to budget update of that same year. Examples of why budgets would be revised during a financial year include: recashflows due to delays or as a result of more detailed planning, reductions in Total Estimated Investment (TEI) resulting from favourable tender outcomes which may be transferred to other projects or a revision of cashflow to accommodate receipt of funding from other sources

Project	Estimated expenditure in 2014-15 (2014-15 budget papers) (\$ million)	Actual expenditure in 2014-15 (\$ million)	Explanation for any variances greater than $\pm 10$ per cent or \$100 million between estimated and actual expenditure	Estimated completion date in 2014-15 budget papers	Estimated completion date in 2015-16 budget papers	Explanation for any changes to the estimated completion date
Youth justice centres – increasing capacity and improving infrastructure (statewide)	20.6	24.0	The contractor accelerated the delivery program and spent more than was originally anticipated for 2014-15.	Qtr 2, 2015-16	Qtr 4, 2015-16	An extension to the cashflow to the financial year 2015-16 had been approved and has been noted in the 2013-14 State Capital Program papers released within the 2013-14 State Budget. The building reached practical completion in May 2015; however, the defect liability period will finish in June 2016.
Services Connect (statewide)	2.5	1.053	Continued refinement of scope in response to partnership trials, coupled with change environments and other emerging policy and technology initiatives at State and Commonwealth levels impacted expenditure.  Expenditure includes costs related to the development of the Services Connect Interim Platform (SCIP) to support trials and development of the Single Client View (SCV) business case.	Qtr 4, 2014-15	Qtr 4, 2015-16	Refinement of scale and scope of trial.

Project	Estimated expenditure in 2014-15 (2014-15 budget papers) (\$ million)	Actual expenditure in 2014-15 (\$ million)	Explanation for any variances greater than ±10 per cent or \$100 million between estimated and actual expenditure	Estimated completion date in 2014-15 budget papers	Estimated completion date in 2015-16 budget papers	Explanation for any changes to the estimated completion date
Echuca Hospital – redevelopment (Echuca)	3.0 0 <sup>22</sup>	0	Changes to project estimated expenditure adjusted at Budget update to reflect anticipated spend in 2014-15. The project is co-funded with the Commonwealth through a National Partnership Agreement and the Health and Hospitals Fund. Expenditure of state funds accelerated in 2013-14. Actual expenditure in this table excludes Commonwealth expenditure in 2013-14 for this project.	Qtr 4, 2014-15	Qtr 4, 2014-15	No change
Carlton redevelopment – 246 units/ sites (Carlton)	1.4	2.6	To take advantage of the strong residential market, Living Carlton Consortium has accelerated the start of Stage 6 of the Carlton Redevelopment.	Qtr 2, 2018-19	Qtr 4, 2018-19	The increase in yield has extended the selling period and the overall length of the project.
Westmeadows redevelopment – 144 units/sites (Westmeadows)	7.2	6.4	Delays in obtaining required Planning Permits impacted on expenditure.	Qtr 4, 2018-19	Qtr 4, 2018-19	Nil required

<sup>22</sup> Where two numbers have been provided in the 'budget' column, the first is the original annual budget as published in Budget Paper No. 4. The second number represents the revised budget approved by the Treasurer prior to budget update of that same year. Examples of why budgets would be revised during a financial year include: recashflows due to delays or as a result of more detailed planning, reductions in Total Estimated Investment (TEI) resulting from favourable tender outcomes which may be transferred to other projects or a revision of cashflow to accommodate receipt of funding from other sources



<b>Project</b>	<b>Estimated expenditure in 2014-15 (2014-15 budget papers)</b> <b>(\$ million)</b>	<b>Actual expenditure in 2014-15</b> <b>(\$ million)</b>	<b>Explanation for any variances greater than ±10 per cent or \$100 million between estimated and actual expenditure</b>	<b>Estimated completion date in 2014-15 budget papers</b>	<b>Estimated completion date in 2015-16 budget papers</b>	<b>Explanation for any changes to the estimated completion date</b>
Norlane redevelopment – 164 units/sites (Norlane)	10.9	9.7	The variation reflects delays in obtaining statutory approvals for Town Planning and Drainage.	Qtr 4, 2015-16	Qtr 4, 2016-17	Extended completion date is due the recent approval to proceed with the Corio component of the New Norlane project.
Victorian Youth Foyers – third youth foyer – Shepparton (Shepparton)	6.7	2.1	Delay in commencement of construction impacted on anticipated expenditure.	Qtr 2, 2015-16	Qtr 3, 2015-16	Delay in commencement of construction.
Heidelberg redevelopment – 600 units/sites (Heidelberg)	19.0	18.0	Nil required	Qtr 4, 2021-22	Qtr 4, 2022-23	Original estimate reflected actual build completion, not contractual completion. New estimate reflects contractual completion.

### Question 5

Please provide the following details for all of the asset projects listed below, which were expected to be completed in 2013-14 or 2014-15:

Project	TEI in the 2013-14 or 2014-15 budget papers (\$ million)	Total actual investment (\$ million)	Explanation for any variances greater than $\pm 10$ per cent or \$100 million	Impact of any variances	Estimated completion date	Actual completion date	Explanation for any variance in completion date
BreastScreen Victoria – digital technology roll-out (statewide)	10	10	Variance less than 10 per cent.		mid 2014	July 2014	No change
Monash Children's Hospital – acute and intensive care services expansion (Clayton)	10.98	9.375 (expenditure includes contribution from Ronald McDonald House \$350,000) Include contribution from Monash Children's	Construction works completed. Project is being delivered in conjunction with the Monash Children's Hospital project.		mid 2013	March 2013	No change
My Future My Choice (MFMC) – stage 2 (statewide)	13.78	8.037	The Total Estimated Investment (TEI) for this project includes a component of revenue received from properties sold to fund the program. All projects were delivered within budget.		mid 2014	mid 2014	No change
Sunshine Hospital critical care services (Sunshine)	15.1	14.1	Total Estimated Investment (TEI) reduced and redirected to fund the new Cardiology Service at Sunshine Hospital. Approved in July 2014.		mid 2014	December 2014	Minor delays were experienced early in the project. This was reflected in a revised timeline for completion.

Project	TEI in the 2013-14 or 2014-15 budget papers (\$ million)	Total actual investment (\$ million)	Explanation for any variances greater than $\pm 10$ per cent or \$100 million	Impact of any variances	Estimated completion date	Actual completion date	Explanation for any variance in completion date
Securing Our Health System – medical equipment replacement (statewide)	35	35	Variance less than 10 per cent.		mid 2013	June 2014	Revised completion date reflects delays between payments and receipt of equipment. All funds were allocated prior to the end of the financial year, however the timeline reflects the actual delivery of equipment.
Securing Our Health System – statewide infrastructure replacement (statewide)	25	25	Variance less than 10 per cent.		mid 2014	December 2014	Revised completion date reflects delays between grants being allocated to health services and works being completed.
Coleraine Hospital – redevelopment (Coleraine)	25.8	24.7	Variance less than 10 per cent.		early 2014	March 2014	No change
Warrnambool Hospital – redevelopment stage 1C (Warrnambool)	26.2	25.036	Variance less than 10 per cent.		mid 2013	July 2012	Works accelerated ahead of schedule
Leongatha Hospital – redevelopment stage 2 (Leongatha)	26.5	25.9	Variance less than 10 per cent.		mid 2014	June 2014	No change
Geelong Hospital – enhanced capacity works (Geelong)	28.67	26.97	Variance less than 10 per cent.		mid 2013	December 2013	Revised completion date reflects staging other works at Barwon Health.

Project	TEI in the 2013-14 or 2014-15 budget papers (\$ million)	Total actual investment (\$ million)	Explanation for any variances greater than ±10 per cent or \$100 million	Impact of any variances	Estimated completion date	Actual completion date	Explanation for any variance in completion date
Olivia Newton-John Cancer and Wellness Centre – stage 2B (Heidelberg)	31.97 29.969 <sup>23</sup>	29.97	Total Estimated Investment (TEI) reduced and redirected to fund the Austin Short Stay Unit at Austin Hospital. Variance less than 10 per cent.		mid 2013	June 2013	No change
Securing Our Health System – statewide infrastructure replacement (statewide)	35 25	25	Infrastructure replacement Total Estimated Investment (TEI) is \$25 million not \$35 million. Variance less than 10 per cent.		mid 2013	June 2014	Revised completion date reflects delays between grants being allocated to health services and works being completed.
Securing Our Health System – medical equipment replacement (statewide)	35	35	Variance less than 10 per cent.		mid 2014	March 2015	Revised completion date reflects delays between grants being allocated to health services and equipment being delivered.
Olivia Newton-John Cancer and Wellness Centre – stage 2A (Heidelberg)	40 34.442	34.4	Total Estimated Investment (TEI) reduced and redirected to fund the Austin Short Stay Unit at Austin Hospital.		mid 2013	June 2013	No change

<sup>23</sup> Where two numbers have been provided in the 'budget' column, the first is the original annual budget as published in Budget Paper No. 4. The second number represents the revised budget approved by the Treasurer prior to budget update of that same year. Examples of why budgets would be revised during a financial year include: recashflows due to delays or as a result of more detailed planning, reductions in Total Estimated Investment (TEI) resulting from favourable tender outcomes which may be transferred to other projects or a revision of cashflow to accommodate receipt of funding from other sources

Project	TEI in the 2013-14 or 2014-15 budget papers (\$ million)	Total actual investment (\$ million)	Explanation for any variances greater than $\pm 10$ per cent or \$100 million	Impact of any variances	Estimated completion date	Actual completion date	Explanation for any variance in completion date
Kingston Centre redevelopment – stage 2 (Cheltenham)	45.87	41.697	Variance less than 10 per cent.		mid 2013	June 2013	No change
Ballarat Regional Integrated Cancer Centre (Ballarat)	55	55.917	Variance less than 10 per cent.		mid 2013	June 2013	No change
Dandenong Hospital – mental health redevelopment and expansion (Dandenong)	67.87	67.75	Variance less than 10 per cent.		mid 2013	June 2013	No change
Sunshine Hospital – expansion and redevelopment stage 3 (Sunshine)	87.23	79.34	Total Estimated Investment (TEI) reduced and redirected to fund the new Cardiology Service at Sunshine Hospital. Approved in July 2014.		mid 2013	April 2013	No change
Improving hospital services – emergency department/elective surgery (statewide)	89.4	89.202	Variance less than 10 per cent.		mid 2014	December 2014	Revised completion date reflects delays between grants being allocated to health services and equipment being delivered.
Victorian Youth Foyers – first youth foyer (Broadmeadows)	7.05	7.05	Nil required	Nil required	late 2013	May 2014	Delay in project completion due to unexpected site conditions.

Project	TEI in the 2013-14 or 2014-15 budget papers (\$ million)	Total actual investment (\$ million)	Explanation for any variances greater than ±10 per cent or \$100 million	Impact of any variances	Estimated completion date	Actual completion date	Explanation for any variance in completion date
Fitzroy redevelopment – 152 units/sites (Fitzroy)	46.41	45.9	Nil required	Nil required	mid 2017	July 2012	The unit redevelopment was delivered by July 2012; however, the Commonwealth-State agreement has a masterplan component which is due for completion by December 2017.
Prahran redevelopment – 188 units/sites (Prahran)	60.3	61.9	Nil required	Nil required	mid 2015	December 2012 & February 2013	The unit redevelopment was delivered by February 2013; however, the Commonwealth-State agreement has a masterplan component which is due for completion by December 2015.
Richmond redevelopment – 207 units/sites (Richmond)	70.42	70.0	Nil required	Nil required	mid 2017	April 2013	The unit redevelopment was delivered by April 2013; however, the Commonwealth-State agreement has a masterplan component which is due for completion by December 2017.
Ebola preparedness (statewide)	6.4	6.4 6.2 (External) 0.2 (Internal)	Not Applicable	Not Applicable	30 June 2015	30 June 2015	Not Applicable

Project	TEI in the 2013-14 or 2014-15 budget papers (\$ million)	Total actual investment (\$ million)	Explanation for any variances greater than $\pm 10$ per cent or \$100 million	Impact of any variances	Estimated completion date	Actual completion date	Explanation for any variance in completion date
Castlemaine Hospital - upgrade (Castlemaine)	10.0	9.86	Variance less than 10 per cent.		Qtr 3, 2014-15	May 2014	Project completed ahead of schedule
Upgrade and build ambulance stations (non-metro various)	16.0	15.868	Variance less than 10 per cent.		Qtr 2, 2015-16	December 2015	No change
Kerang District Health - residential aged care redevelopment (Kerang)	17.9	16.668	Variance less than 10 per cent.		Qtr 2, 2015-16	December 2015	No change
Kilmore and District Hospital - redevelopment (Kilmore)	20.0	19.59	Variance less than 10 per cent.		Qtr 3, 2014-15	February 2015	No change
Improving ambulance service delivery - outer metropolitan Melbourne (metro)	21.2	21.137	Variance less than 10 per cent.		Qtr ,4 2014-15	June 2015	No change
Gippsland Cancer Centre - expansion (Traralgon)	22.0	21.983	Variance less than 10 per cent.		Qtr 2, 2014-15	December 2014	No change
Improving hospital services - sub-acute (statewide)	186.9	179.924	Variance less than 10 per cent.		Qtr ,4 2014-15	June 2015	No change

## Question 6

Please indicate the amount included in the following line items in your financial statements for 2013-14 and 2014-15 (using the budget portfolio outcomes for departments) which related to payments for commissioned public private partnerships (PPPs).

Line item	Amount within this line item reflecting payments for PPPs (\$ million)	
	2013-14	2014-15
<i>Operating statement</i>		
Interest expense	67.38	77.08
'Other operating expenses'	37.01	39.23
Other line items within expenses from transactions	0.2	0.0
<i>Cash flow statement</i>		
Payments to suppliers and employees	37.01	39.23
Interest and other costs of finance paid	67.38	77.08
Repayment of finance leases	(23.19) <sup>24</sup>	14.33
Other line items in the cash flow statement	0.2	0.0
<i>Administered items statement</i>		
Expenses on behalf of the State	Not Applicable	Not Applicable
Interest and depreciation expense	Not Applicable	Not Applicable
Other line items within 'administered expenses'	Not Applicable	Not Applicable

<sup>24</sup> This is negative due to the interest being capitalised for initial stage of Royal Children's Hospital Public Private Partnership



**Question 7**

Regarding the 'net cash flows from investments in financial assets for policy purposes' in the general government sector cash flow statement for 2013-14 and 2014-15, please provide the following details about any sources of cash inflows and cash outflows included in that line item which are connected with your department or its controlled entities:

- (a) the project related to the cash flow (using the same project names as are used in Budget Paper No.4 where possible)
- (b) the initial budget estimate (**not** the revised estimate) for cash flow in 2013-14 and 2014-15; and
- (c) the actual cash flow in 2013-14 and 2014-15.

**Cash inflows**

Project	Estimated cash inflow in 2013-14 (\$ million)	Actual cash inflow in 2013-14 (\$ million)	Estimated cash inflow in 2014-15 (\$ million)	Actual cash inflow in 2014-15 (\$ million)
Not Applicable				

**Cash outflows<sup>25</sup>**

<b>Project</b>	<b>Estimated cash outflow in 2013-14 (\$ million)</b>	<b>Actual cash outflow in 2013-14 (\$ million)</b>	<b>Estimated cash outflow in 2014-15 (\$ million)</b>	<b>Actual cash outflow in 2014-15 (\$ million)</b>
Victorian Youth Foyers – third youth foyer (statewide)	3.100	1.465	4.400	2.142
Upgrade/conversion of rooming houses (statewide)	3.800	2.936	1.036	1.208
Social housing framework (improvements) (statewide)			7.000	1.679
All remaining projects with a Total Estimated Investment (TEI) less than \$1 million (statewide)	4.200	3.103	1.540	1.527
Efficient Government Building (statewide)			13.386	0.000
Contribution to various redevelopment projects <sup>26</sup>	10.174	13.770	28.143	48.949

<sup>25</sup> Net cash flows from investments in financial assets for policy purposes also capture non-project related activities, i.e., home finance; as they are non-project related, they have not been reported here

<sup>26</sup> The balance of cash outflows pertaining to 'Additions to the net asset base' (ATNAB) drawdown is notionally allocated across various Budget Paper No. 4 redevelopment projects, therefore specific Budget Paper No. 4 projects cannot be identified. 'Net cash flows from investments in financial assets for policy purposes' also captures non-project related activities, i.e., home finance; as they are non-project related, they have not been reported here

**Question 8**

Regarding the 'net cash flows from investments in financial assets for policy purposes' in the State of Victoria cash flow statement for 2013-14 and 2014-15, please provide the following details about any sources of cash inflows and cash outflows included in that line item which are connected with your department or its controlled entities:

- (a) the project related to the cash flow (using the same project names as are used in Budget Paper No.4 where possible)
- (b) the initial budget estimate (**not** the revised estimate) cash flow in 2013-14 and 2014-15; and
- (c) the actual cash flow in 2013-14 and 2014-15.

**Cash inflows**

Project	Estimated cash inflow in 2013-14 (\$ million)	Actual cash inflow in 2013-14 (\$ million)	Estimated cash inflow in 2014-15 (\$ million)	Actual cash inflow in 2014-15 (\$ million)
Not Applicable				

**Cash outflows<sup>27</sup>**

<b>Project</b>	<b>Estimated cash outflow in 2013-14 (\$ million)</b>	<b>Actual cash outflow in 2013-14 (\$ million)</b>	<b>Estimated cash outflow in 2014-15 (\$ million)</b>	<b>Actual cash outflow in 2014-15 (\$ million)</b>
Victorian Youth Foyers – third youth foyer (statewide)	3.100	1.465	4.400	2.142
Upgrade/conversion of rooming houses (statewide)	3.800	2.936	1.036	1.208
Social housing framework (improvements) (statewide)			7.000	1.679
All remaining projects with a Total Estimated Investment (TEI) less than \$1 million (statewide)	4.200	3.103	1.540	1.527
Efficient Government Building (statewide)			13.386	0.000
Contribution to various redevelopment projects <sup>28</sup>	10.174	13.770	28.143	48.949

**Question 9 (Department of Treasury and Finance only)**

This question does not apply to your department.

<sup>27</sup> 'Net cash flows from investments in financial assets for policy purposes' also capture non-project related activities, i.e., home finance; as they are non-project related, they have not been reported here

<sup>28</sup> The balance of cash outflows pertaining to 'Additions to the net asset base' (ATNAB) drawdown is notionally allocated across various Budget Paper No. 4 redevelopment projects, therefore specific Budget Paper No. 4 projects cannot be identified

**SECTION B: Asset investment (non-departments only)**

***Question 10***

This question does not apply to your department.

***Question 11***

This question does not apply to your department.

## SECTION C: Revenue and appropriations

### Question 12

Please explain any variances greater than  $\pm 10$  per cent or \$100 million between the prior year's actual result and the actual result for 2013-14 and 2014-15 for each revenue/income category detailed in your operating statement. Please also indicate what any additional revenue was used for or how any reduced amounts of revenue impacted on service delivery.

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 your department/agency for which the 2013-14 and 2014-15 expenditure varied from the prior year's expenditure by more than  $\pm 10$  per cent 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	2012-13 actual <sup>29</sup> (\$ million)	2013-14 actual <sup>30</sup> (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	How the additional revenue was used/the impact of reduced revenue
Output Appropriations	8,552.8	8,069.8	The decrease in output appropriation from 2012-13 to 2013-14 is largely related to the delays in the setup of the relevant administration required under the National Health Reform (NHR) arrangements which resulted in NHR funding from Commonwealth being accessed as output appropriation in the three months to 30 September 2012.  This funding was received as grant income in the remaining nine months to 30 June 2013 and in the 2013-14 financial year.	There is no impact as the reduced output appropriation revenue was received as Grant income instead.
Special Appropriations	1,219.4	1,280.8	No explanation needed – variance less than $\pm 10$ per cent or \$100 million.	Not Applicable

<sup>29</sup> The 2012-13 actual is for the former Department of Health only (2014-15 Budget Paper No. 5, p. 97)

<sup>30</sup> The 2013-14 actual is for the former Department of Health only (2015-16 Budget Paper No. 5, p. 110)

Revenue category	2012-13 actual <sup>31</sup> (\$ million)	2013-14 actual <sup>32</sup> (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	How the additional revenue was used/the impact of reduced revenue
Interest	74.4	66.7	Not Applicable	Immaterial amount
Sales of goods and services	1,615.9	1,702.0	No explanation needed - variance less than $\pm 10$ per cent or \$100 million.	Not Applicable
Grants	3,072.4	4,195.4	<p>The increase in grants revenue is mainly due to the:</p> <ul style="list-style-type: none"> <li>• Full year operation of the National Health Funding Pool for 2013-14 compared to part-year operation (nine months) in 2012-13. Under the National Health Reform arrangements, all Commonwealth contributions are received as grant income whereas the previous funding arrangement recognised this contribution through output appropriation.</li> <li>• Year on year increase in Commonwealth funding under the National Health Funding Agreement related to changes in National Efficient Price and Activity.</li> </ul>	The additional funding was mainly used to fund Hospital activity.

<sup>31</sup> The 2012-13 actual is for the former Department of Health only (2014-15 Budget Paper No. 5, p. 97)

<sup>32</sup> The 2013-14 actual is for the former Department of Health only (2015-16 Budget Paper No. 5, p. 110)

Revenue category	2012-13 actual <sup>33</sup> (\$ million)	2013-14 actual <sup>34</sup> (\$ million)	Explanations for variances greater than ±10 per cent or \$100 million	How the additional revenue was used/the impact of reduced revenue
Fair value of assets and services received free of charge or for nominal consideration	16.1	-	The decrease is due mainly to assets received free of charge in 2012-13.	These additional revenues cannot be used and are retained in consolidated funds.
Other income	445.2	556.6	The variance is mainly driven by an increase in Health agencies' own source revenue from miscellaneous non-operating activities and other grants and private donations.	The additional revenue is invested back into the activities of the hospital or health service. It also allows for the acquisition of new equipment, investment in new technologies, and the progression of minor upgrades and improvement of facilities.
<b>Total</b>	<b>14,996.4</b>	<b>15,871.3</b>		

<sup>33</sup> The 2012-13 actual is for the former Department of Health only (2014-15 Budget Paper No. 5, p. 97)

<sup>34</sup> The 2013-14 actual is for the former Department of Health only (2015-16 Budget Paper No. 5, p. 110)



Revenue category	2013-14 actual <sup>35</sup> (\$ million)	2014-15 actual <sup>36</sup> (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	How the additional revenue was used/the impact of reduced revenue
Output Appropriations	8,069.8	11,965.6	The increase in output appropriations from 2013-14 to 2014-15 is mainly due to new policy initiatives approved by Government, indexation, additional depreciation equivalent appropriation drawn to fund increases in depreciation expenses (arising as a result of 30 June 2014 asset revaluations) and appropriation transferred as a result of the 1 January 2015 Machinery-of-Government changes for Sports and recreation initiatives (not previously in either the Department of Health or the Department of Human Services).	The additional revenue was mainly used to fund new policy initiatives funded by Government or increases in costs of ongoing initiatives related to indexation, and initiatives transferred to the Department of Health and Human Services as a result of Machinery-of-Government changes.
Special Appropriations	1,280.8	1,304.5	No explanation needed – variance less than $\pm 10$ per cent or \$100 million.	Not Applicable
Interest	66.7	62.4	No explanation needed – variance less than $\pm 10$ per cent or \$100 million.	Not Applicable
Sales of goods and services	1,702.0	1,564.0	The decrease is mainly driven by Hospitals' sales of services. This is partly driven by a reclassification of certain revenue categories from Sales of goods and services to Grants – to more accurately reflect the nature of these revenues.	Reduced capacity for hospitals and health services to invest this revenue back into the business, such as reduced ability to replace ageing equipment, progress minor upgrades and improve facilities. The flow-on effect of this may be an increase in repairs and maintenance costs or more costly acquisitions, over a longer term, such as through leases.

<sup>35</sup> The 2013-14 actual is for the former Department of Health only (2014-15 Budget Paper No. 5, p. 110)

<sup>36</sup> The 2014-15 actual aggregates the actual revenue and appropriations of Department of Health & Human Services and the pre-Machinery-of-Government and six months of the former Department of Human Services (Department of Health & Human Services Annual Report 2014-15, p. 65 and 2014-15 Budget Paper No.5, p.151)

Revenue category	2013-14 actual <sup>37</sup> (\$ million)	2014-15 actual <sup>38</sup> (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	How the additional revenue was used/the impact of reduced revenue
Grants	4,195.4	4,838.9	<p>The increase is mainly due to:</p> <ul style="list-style-type: none"> <li>The Machinery of Government changes establishing the Department of Health and Human Services on 1 January 2015</li> <li>Additional Commonwealth contributions under the National Health Reform Agreement</li> <li>Grants received directly by the health agencies (partly related to reclassification of revenue categories, refer to sales of goods and services above).</li> </ul>	The additional funding (not related to the Machinery of Government changes) was mainly used to fund Hospital activity.
Fair value of assets and services received free of charge or for nominal consideration	-	4.7	<p>The variance is mainly due to:</p> <ul style="list-style-type: none"> <li>The Machinery of Government changes establishing the Department of Health and Human Services on 1 January 2015</li> <li>The asset revaluation process in 2013-14 that identified some adjustments to assets received free of charge in that year</li> </ul>	The revenues are book entries and are retained in consolidated funds in 2014-15.
Other income	556.6	610.5	No explanation needed – variance less than $\pm 10$ per cent or \$100 million.	Not Applicable
<b>Total</b>	<b>15,871.3</b>	<b>20,350.6</b>		

<sup>37</sup> The 2013-14 actual is for the former Department of Health only (2015-16 Budget Paper No. 5, p. 110)

<sup>38</sup> The 2014-15 actual aggregates the actual revenue and appropriations of Department of Health & Human Services and the pre-Machinery-of-Government and six months of the former Department of Human Services (Department of Health & Human Services Annual Report 2014-15, p. 65 and 2015-16 Budget Paper No. 5, p. 151)

### Question 13

Please explain any variances greater than  $\pm 10$  per cent or \$100 million between the initial budget estimate (**not** the revised estimate) and the actual result for 2013-14 and 2014-15 for each revenue/income category detailed in your operating statement. Please also identify any actions taken in response to the variations, either to mitigate or take advantage of the impact.

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 your department/agency for which the 2013-14 and 2014-15 expenditure varied from the initial budget estimate by more than  $\pm 10$  per cent 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	2013-14 budget estimate <sup>39</sup> (\$ million)	2013-14 actual <sup>40</sup> (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	Actions taken in response
Output Appropriations	7,967.1	8,069.8	The variance is mainly driven by additional actual output appropriation drawn to compensate for lower than expected actual gaming revenue (special appropriations)	No action required.
Special Appropriations	1,356.1	1,280.8	No explanation needed – variance less than $\pm 10$ per cent or \$100 million.	Not Applicable

<sup>39</sup> The 2013-14 budget estimate is for the former Department of Health only (2014-15 Budget Paper No. 5, p. 97)

<sup>40</sup> The 2013-14 actual is for the former Department of Health only (2015-16 Budget Paper No. 5, p. 110)

Revenue category	2013-14 budget estimate <sup>41</sup> (\$ million)	2013-14 actual <sup>42</sup> (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	Actions taken in response
Interest	67.8	66.7	No explanation needed – variance less than $\pm 10$ per cent or \$100 million.	Not Applicable
Sales of goods and services	1,638.8	1,693.5	No explanation needed – variance less than $\pm 10$ per cent or \$100 million.	Not Applicable
Grants	4,179.4	4,487.3	Variance is driven by additional Commonwealth revenue to health services.	Not Applicable
Fair value of assets and services received free of charge or for nominal consideration	-	-	No explanation needed – variance less than $\pm 10$ per cent or \$100 million.	Not Applicable
Other income	394.0	556.6	The variance is mainly driven by higher than expected Health agencies' own source revenue from miscellaneous non-operating activities and other grants and private donations.	The additional revenue is invested back into the activities of the hospital or health service. Also allows for acquiring new equipment, investing in new technologies, progressing minor upgrades and improving facilities.
<b>Total</b>	<b>14,996.4</b>	<b>15,871.3</b>		

<sup>41</sup> The 2013-14 budget estimate is for the former Department of Health only (2014-15 Budget Paper No. 5, p. 97)

<sup>42</sup> The 2013-14 actual is for the former Department of Health only (2015-16 Budget Paper No. 5, p. 110)

Revenue category	2014-15 budget estimate <sup>43</sup> (\$ million)	2014-15 actual <sup>44</sup> (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	Actions taken in response
Output Appropriations	12,127.5	11,965.6	<p>The lower output appropriation accessed is mainly due to:</p> <ul style="list-style-type: none"> <li>Higher than estimated actual gaming receipts received through special appropriations.</li> <li>Actual hospital depreciation lower than estimated Hospital depreciation expenses, requiring a lower draw down of depreciation equivalent output appropriation.</li> <li>Unapplied output appropriations mainly in respect of underspend in concessions budget.</li> </ul>	No action required
Special Appropriations	1,256.6	1,304.5	No explanation needed – variance less than $\pm 10$ per cent or \$100 million.	Not Applicable
Interest	68.2	62.4	No explanation needed – variance less than $\pm 10$ per cent or \$100 million.	Not Applicable
Sales of goods and services	1,709.8	1,564.1	The decrease is due mainly to lower than expected Hospitals' sales of services mainly relating to a reclassification of some actual revenue from sales of goods and services to grants.	Reduced capacity for hospitals and health services to invest this revenue back into the business, e.g., reduced ability to replace ageing equipment, progress minor upgrades and improve facilities. The flow on effect of this may be an increase in repairs and maintenance costs or more costly acquisitions, over a longer term, e.g., through leases.

<sup>43</sup> The 2014-15 budget estimate aggregates the revenue and appropriations budget estimates of the former Department of Health and Department of Human Services (2015-16 Budget Paper No. 5, p. 110 and p. 151)

<sup>44</sup> The 2014-15 actual aggregates the actual revenue and appropriations of Department of Health & Human Services and the pre-Machinery-of-Government and six months of the former Department of Human Services (Department of Health & Human Services annual Report 2014-15, p. 65 and 2015-16 Budget Paper No. 5, p. 151)

Revenue category	2014-15 budget estimate <sup>45</sup> (\$ million)	2014-15 actual <sup>46</sup> (\$ million)	Explanations for variances greater than ±10 per cent or \$100 million	Actions taken in response
Grants	4,499.3	4,838.9	<p>The variance is mainly driven by:</p> <ul style="list-style-type: none"> <li>Actual Commonwealth contribution for Activity Based Funding under National Health Reform above the amount estimated</li> <li>Higher than budgeted grants received directly by Health agencies (Hospitals etc.), mainly related to the reclassification of some actual revenue from 'sales of goods and services' to 'grants'.</li> </ul>	The additional funding was mainly used to fund Hospital activity.
Fair value of assets and services received free of charge or for nominal consideration	-	4.7	Transaction not anticipated at time of budget estimate.	No action required
Other income	396.5	610.5	The variance is mainly driven by higher than expected Hospitals' own source revenue from miscellaneous non-operating activities.	The additional revenue is invested back into the activities of the hospital or health service. Also allows for acquiring new equipment, investing in new technologies, progressing minor upgrades and improving facilities.
<b>Total</b>	<b>20,058.1</b>	<b>20,350.6</b>		

<sup>45</sup> The 2014-15 budget estimate aggregates the revenue and appropriations budget estimates of the former Department of Health and Department of Human Services (2015-16 Budget Paper No. 5, p. 110 and p. 151)

<sup>46</sup> The 2014-15 actual aggregates the actual revenue and appropriations of Department of Health & Human Services and the pre-Machinery-of-Government and six months of the former Department of Human Services (Department of Health & Human Services Annual Report 2014-15, p. 65 and 2015-16 Budget Paper No. 5, p. 151)

### Question 14 (departments only)

Please provide a break-down of the Department's income from transactions (as calculated for the Department's comprehensive operating statement in the departmental financial statements in Budget Paper No.5 and in the budget portfolio outcomes in the annual report) into the following sources. If the variance between any budget and actual exceeds  $\pm 10$  per cent or \$100.0 million, please provide reasons for the variance. Part of the table has been pre-filled from the 2014-15 budget papers – please fill all blank spaces.

	2013-14 initial budget estimate <sup>47</sup> (\$ million)	2013-14 actual <sup>48</sup> (\$ million)	Explanation for variances greater than $\pm 10$ per cent
Output appropriations	7,967.1	8,069.8	The variance is mainly driven by additional: <ul style="list-style-type: none"> <li>Actual output appropriation drawn to compensate for lower than expected actual gaming revenue (special appropriations)</li> <li>Funding from the Commonwealth for the transitional homelessness national partnership agreement, the social and community services pay equity case, and additional State Government funding for national disability insurance scheme.</li> </ul>
Special appropriations	1,356.1	1,280.7	No explanation needed – variance less than $\pm 10$ per cent or \$100 million.
Trust funds <sup>49</sup>	1,104.4	640.3	In 2013-14 there were some changes in the National Health Reform arrangement whereby certain programs initially funded as Block funded initiatives were funded as Activity Based Funded initiatives. Commonwealth block funding is accessed by the department through trust funds whereas Commonwealth Activity Based funding is received by portfolio agencies as funds received outside the Public Account. The variance is mainly due to these changes being reflected in actuals but not in the budget estimate.

<sup>47</sup> The 2013-14 budget estimate is for the former Department of Health only (2014-15 Budget Paper No. 5, p.97)

<sup>48</sup> The 2013-14 actual is for the former Department of Health only (2015-16 Budget Paper No. 5, p.110)

<sup>49</sup> Trust funds income relates to grants and other income received and accessed by the Department through a trust arrangement. These arrangements only relate to income received by the Department of Health & Human Services and the former Department of Health and former Department of Human Services, and exclude income received directly by portfolio agencies consolidated in the Department's comprehensive operating statement in Budget Paper No. 5

	<b>2013-14 initial budget estimate<sup>50</sup></b>	<b>2013-14 actual<sup>51</sup></b>	<b>Explanation for variances greater than ± 10 per cent</b>
	<b>(\$ million)</b>	<b>(\$ million)</b>	
Funds received and held outside the Public Account <sup>52</sup>	5,175.6	5,880.5	The variance is driven mainly by higher than: <ul style="list-style-type: none"> <li>Expected Hospitals' own source revenue.</li> <li>Estimated Commonwealth Grants contribution for Activity Based Funding (see above explanation for Trust Funds)</li> </ul>
Other (please specify)	-	-	
<b>Total income from transactions</b>	<b>15,603.2</b>	<b>15,871.3</b>	

<sup>50</sup> The 2013-14 budget estimate is for the former Department of Health only (2014-15 Budget Paper No. 5, p.97)

<sup>51</sup> The 2013-14 actual is for the former Department of Health only (2015-16 Budget Paper No. 5, p.110)

<sup>52</sup> Funds received and held outside the Public Account comprise grants, income from sales of goods and services, fair value of assets and services received free of charge or for nominal consideration and other income received in the non-public account authorities. All income received directly by the portfolio agencies consolidated in the departmental financial statements published in BP5 are received and held outside the Public account



	<b>2014-15 initial budget estimate<sup>53</sup></b> <b>(\$ million)</b>	<b>2014-15 actual<sup>54</sup></b> <b>(\$ million)</b>	<b>Explanation for variances greater than ± 10 per cent</b>
Output appropriations	12,127.5	11,965.6	The lower output appropriation accessed is due mainly to: <ul style="list-style-type: none"> <li>Higher than estimated actual gaming receipts received through special appropriations.</li> <li>Actual hospital depreciation lower than estimated Hospital depreciation expenses, requiring a lower draw down of depreciation equivalent output appropriation.</li> <li>Unapplied output appropriations mainly in respect of underspend in concessions budget.</li> </ul>
Special appropriations	1,256.6	1,304.5	No explanation needed – variance less than ±10 per cent or \$100 million.
Trust funds	567.6	714.9	The increase is due mainly to higher than estimated National Health Reform Commonwealth contributions in respect of Block and Public Health funded initiatives.
Funds received and held outside the Public Account	6,106.4	6,365.6	The variance is driven mainly by higher than estimated Commonwealth contribution for Activity Based Funding under National Health Reform and Hospitals' own source revenue.
Other (please specify)	-	-	
<b>Total income from transactions</b>	<b>20,058.1</b>	<b>20,350.6</b>	

<sup>53</sup> The 2014-15 budget estimate is for the former Department of Health and Department of Human Services (2015-16 Budget Paper No. 5, p. 110 and p.151)

<sup>54</sup> The 2014-15 actual aggregates the actual revenue and appropriations of Department of Health & Human Services and the pre-Machinery-of-Government six months of the former Department of Human Services (Department of Health & Human Services Annual Report 2014-15, p. 65 and 2015-16 Budget Paper No. 5, p.151)

**Question 15 (departments only)**

Regarding the 'funds received and held outside the Public Account' figures provided in the previous question, please break these down into the most significant funds, quantify the income coming from each fund to the Department in each year and explain the sources and activities providing revenue into these funds.

Fund	2013-14 actual payments from fund to the Department (\$ million) <sup>55</sup>	2014-15 actual payments from fund to the Department (\$ million) <sup>56</sup>	Sources and activities providing revenue to the fund
Funds received and held outside the Public Account received by the former Department of Health/former Department of Human Services/Department of Health & Human Services (Non Public Account Authority)	33.7	18.8	Mainly comprise of gains on revaluation of the escrow account with the Victorian Managed Insurance and Fair value of assets and services received free of charge or for nominal consideration
Funds received and held outside the Public Account received by Controlled Agencies	5,846.8	6,346.8	Mainly comprise of funding for hospital services under the National Health Reform Agreement received from the National Health Funding Pool by Health agencies and other revenue received directly by Health agencies from other sources.

<sup>55</sup> The 2013-14 actual aggregates figures for the former Department of Health

<sup>56</sup> The 2014-15 actual aggregates the actual revenue and appropriations of Department of Health & Human Services and pre-Machinery-of-Government six months of the former Department of Human Services

**Question 16**

Regarding the trust accounts listed in the 'trust account balances' note to the financial statements in your entity's annual report, please identify any accounts from which payments were passed directly to other bodies without being counted in your entity's comprehensive operating statement. For each relevant account, please identify:

- (a) the value of payments;
- (b) the recipients of the payments; and
- (c) the purpose of the payments.

Trust account	Total payments from the account to bodies other than the Department, 2013-14 <sup>57</sup> (\$ million)	Recipient of the payment	Purpose of the payment
National Health Funding Pool	6,717.4	Payments to eligible Victorian Health Services	Payments represent combined state and Commonwealth contributions to eligible Victorian Health Services for Activity Based Funding as part of the National Health Reform Agreement. The state contribution of \$3,804.3 million is counted in the Department's comprehensive operating statement, whereas the Commonwealth contribution is received directly by the portfolio agencies consolidated in the departmental financial statements published in BP5 and is held outside the Public account.

<sup>57</sup> The 2013-14 total payments are from the former Department of Health

Trust account	Total payments from the account to bodies other than the Department, 2014-15 <sup>58</sup> (\$ million)	Recipient of the payment	Purpose of the payment
2009 Victorian Bushfire Appeal Trust account	8.9	Payments to individuals and communities	For assistance to individuals and communities in towns, suburbs and rural areas affected by the 2009 Victorian bushfires.
National Health Funding Pool	7,230.0	Payments to eligible Victorian Health Services	Payments represent combined state and Commonwealth contributions to eligible Victorian Health Services for Activity Based Funding as part of the National Health Reform Agreement. The state contribution of \$3,914.6 million is counted in the Department's comprehensive operating statement, whereas the Commonwealth contribution is received directly by the portfolio agencies consolidated in the departmental financial statements published in BP5 and is held outside the Public account.
Victorian Natural Disasters Relief Fund	0.4	Payments to Individuals	For granting assistance to persons who suffer losses as a result of flood, bushfires and other natural disasters.

<sup>58</sup> The 2014-15 aggregates the expenditure of the Department of Health and Human Services and six months pre Machinery-of-Government of the former Department of Human Services

## SECTION D: Expenses

### Question 17

Please explain any variances greater than  $\pm 10$  per cent or \$100 million between the prior year's actual result and the actual result for 2013-14 and 2014-15 for each category of expenses detailed in your operating statement. Please also detail the outcomes in the community<sup>59</sup> 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 categories of expenses for your department/agency for which the 2013-14 and 2014-15 expenditure varied from the prior year's expenditure by more than  $\pm 10$  per cent 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.

Expenses category	2012-13 <sup>60</sup> actual (\$ million)	2013-14 <sup>61</sup> actual (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Employee benefits	7,833.2	8,192.1	Increase driven mainly by increased activity at health services and general Enterprise Bargaining Agreement increases.	Increase to departmental output service delivery
Depreciation	702.0	741.5	No explanation needed – variance less than $\pm 10$ per cent or \$100 million.	No impact on outcomes
Interest expense	81.8	85.8	No explanation needed – variance less than $\pm 10$ per cent or \$100 million.	No impact on outcomes
Grants and other transfers	508.5	838.7	The variance relates mainly to payments to the Commonwealth.	Increase to departmental output service delivery

<sup>59</sup> That is, the impact of service delivery on the community rather than a description of the services delivered

<sup>60</sup> The 2012-13 actual aggregates the actual revenue and appropriations of the former Department of Health only (2014-15 Budget Paper No. 5, p. 97)

<sup>61</sup> The 2013-14 actual aggregates the actual revenue and appropriations of the former Department of Health only (2015-16 Budget Paper No. 5, p. 110)

<b>Expenses category</b>	<b>2012-13<sup>62</sup> actual (\$ million)</b>	<b>2013-14<sup>63</sup> actual (\$ million)</b>	<b>Explanations for variances greater than ±10 per cent or \$100 million</b>	<b>Outcomes achieved by additional expenses/impact of reduced expenses</b>
Capital asset charge	758.2	814.6	No explanation needed – variance less than ±10 per cent or \$100 million.	No impact on outcomes
Other operating expenses	4,786.1	4,829.9	The variance reflects primarily new initiatives to meet the Government's election commitments, and the full year effect of initiatives announced in previous budgets.	Increase to departmental output service delivery
<b>Total</b>	<b>14,699.8</b>	<b>15,502.7</b>		

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<sup>62</sup> The 2012-13 actual aggregates the actual revenue and appropriations of the former Department of Health only (2014-15 Budget Paper No. 5, p. 97)

<sup>63</sup> The 2013-14 actual aggregates the actual revenue and appropriations of the former Department of Health only (2015-16 Budget Paper No. 5, p. 110)

Expenses category	2013-14 <sup>64</sup> actual (\$ million)	2014-15 <sup>65</sup> actual (\$ million)	Explanations for variances greater than ±10 per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Employee benefits	8,192.1	9,481.5	The variance is primarily a result of the Machinery of Government changes establishing the Department of Health and Human Services on 1 January 2015 and increased activity at health services and general Enterprise Bargaining Agreement increases.	Increase to departmental output service delivery
Other operating expenses	4,829.9	7,177.2	The variance is primarily a result of the Machinery of Government changes establishing the Department of Health and Human Services on 1 January 2015 and increased activity at health services and general Enterprise Bargaining Agreement increases.	Increase to departmental output service delivery
Depreciation	741.5	816.6	No explanation needed – variance less than ±10 per cent or \$100 million.	Not Applicable
Interest expense	85.8	92.5	No explanation needed – variance less than ±10 per cent or \$100 million.	Not Applicable
Capital asset charge	814.6	940.1	The variance is primarily a result of the Machinery of Government changes establishing the Department of Health and Human Services on 1 January 2015.	Not Applicable
Grants and other transfers	838.7	1,632.1	The variance is primarily a result of the Machinery of Government changes establishing the Department of Health and Human Services on 1 January 2015.	Not Applicable
<b>Total</b>	<b>15,502.6</b>	<b>20,140.0</b>		

<sup>64</sup> The 2013-14 actual is for the former Department of Health only (2015-16 Budget Paper No. 5, p. 110)

<sup>65</sup> The 2014-15 actual aggregates the actual revenue and appropriations of Department of Health & Human Services and the pre-Machinery-of-Government and six months of the former Department of Human Services (Department of Health & Human Services Annual Report 2014-15, p. 65 and 2015-16 Budget Paper No.6, p. 151)

## Question 18

Please explain any variances greater than  $\pm 10$  per cent or \$100 million between the initial budget estimate (**not** the revised budget) and the actual result for 2013-14 and 2014-15 for each category of expenses detailed in your operating statement. Please also detail the outcomes in the community<sup>66</sup> 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 categories of expenses for your department/agency for which the 2013-14 and 2014-15 expenditure varied from the initial budget estimate by more than  $\pm 10$  per cent 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.

Expenses category	2013-14 budget estimate <sup>67</sup> (\$ million)	2013-14 actual <sup>68</sup> (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Employee benefits	8,044.6	8,192.1	Variance is due mainly to Enterprise Bargaining Agreement outcomes in health services (e.g., public hospitals) that began during 2013-14 (e.g., doctors), but whose effect was not captured in the budget.	No impact.
Depreciation and amortisation	876.9	741.5	Variance relates mainly to lower than budgeted depreciation in portfolio entities in their buildings due to lower than expected revaluations applicable from 30 June 2013 in accordance with financial reporting direction FRD 103.	No impact.
Interest expense	76.4	85.8	Not Applicable.	Immaterial amount.

<sup>66</sup> That is, the impact of service delivery on the community rather than a description of the services delivered

<sup>67</sup> 2013-14 budget estimate is for the former Department of Health (2014-15 Budget Paper No. 5, p 97)

<sup>68</sup> The 2013-14 actual of the former Department of Health (2015-16 Budget Paper No.5, p. 110)



<b>Expenses category</b>	<b>2013-14 budget estimate<sup>69</sup></b> <b>(\$ million)</b>	<b>2013-14 actual<sup>70</sup></b> <b>(\$ million)</b>	<b>Explanations for variances greater than ±10 per cent or \$100 million</b>	<b>Outcomes achieved by additional expenses/impact of reduced expenses</b>
Grants and other transfers	669.8	838.7	The variance is due primarily to higher than estimated Activity Based Funding payments to non-portfolio hospitals and higher than estimated payments to Not For Profit organisations.	No impact, as these payments were originally budgeted for as payments within the portfolio.
Capital asset charge	823.6	814.6	No explanation needed – variance less than ±10 per cent or \$100 million.	Not Applicable
Other operating expenses	4,990.0	4,829.6	The variance is due primarily to improved efficiencies; cost containment and a reduction of administrative overheads have resulted in lower operating expenditure.	No impact.
<b>Total</b>	15,481.3	15,502.6		

<sup>69</sup> 2013-14 budget estimate is for the former Department of Health (2014-15 Budget Paper No. 5, p 97)

<sup>70</sup> The 2013-14 actual of the former Department of Health (2015-16 Budget Paper No.5, p. 110)

Expenses category	2014-15 budget estimate <sup>71</sup> (\$ million)	2014-15 actual <sup>72</sup> (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Employee benefits	9,189.1	9,481.5	Variance is due mainly to Enterprise Bargaining Agreement outcomes in health services that began during 2014-15 (e.g. Ambulance Victoria), but whose effect was not captured in the budget and a misalignment between the employee benefits and other operating expenses account groups.	No impact.
Depreciation and amortisation	932.6	816.6	Depreciation budget is high compared to actual due to the build-up over a number of years as Asset build decisions are approved using estimated useful lives which do not necessarily reflect those that are eventually estimated and applied by portfolio entities.	No impact.
Interest expense	79.1	92.5	The budget reflected estimated interest expense based on out-of-date data which was updated for the revised budget. The interest expense relates to interest payments for Public Partnership Projects.	No impact as the expense is matched with additional revenue for Health Services.
Grants and other transfers	1,483.1	1,632.1	The variance is due primarily to higher than estimated Activity Based Funding payments to non-portfolio hospitals and higher than estimated payments to Not-for-Profit organisations, and additional funding from the Commonwealth for Homelessness and Remote Indigenous Housing, not included in the published budget.	No impact, in relation to Activity Based Funding as these payments were originally budgeted for as payments within the portfolio. The additional Commonwealth funding resulted in an increase to departmental output service delivery.
Capital asset charge	939.2	940.0	No explanation needed – variance less than $\pm 10$ per cent or \$100 million.	Not Applicable
Other operating expenses	7,330.2	7,177.2	The variance is mainly due to a misalignment between the employee benefits and other operating expenses account groups; and, improvements in compliance audits of concession providers.	Improvements in compliance audits of concession providers resulted in an underspend in the concessions program.
<b>Total</b>	<b>19,953.4</b>	<b>20,140.0</b>		

<sup>71</sup> The 2014-15 budget aggregates the Department of Health and the Department of Human Services (2014-15 Budget Paper No. 5, p. 97 and p. 104)

<sup>72</sup> The 2014-15 actual aggregates the expenditure of the Department of Health and Human Services and six month pre-Machinery-of-Government of the former Department of Human Services (Department of Health & Human Services Annual Report 2014-15, p. 65 and 2015-16 Budget Paper No. 5, p. 151)

**Question 19 (departments only)**

Please provide the following details about the realisation of expenditure reduction targets in 2013-14 and 2014-15. In providing targets, please provide the cumulative target rather than the change in savings from one year to the next (i.e. provide the target on the same basis as the budget papers). Please provide figures for the Department including its controlled entities.<sup>73</sup>

Initiative	Total value of efficiencies/savings expected to be realised from that initiative (\$ million)		Explanation for any variances greater than $\pm 10$ per cent between estimated and actual expenditure reductions	How the efficiencies/savings have been achieved (i.e. what measures or changes have been introduced)
	in 2013-14 <sup>74</sup>	in 2014-15 <sup>75</sup>		
Government election commitment savings (2011-12 Budget)	112.19	114.84	Not Applicable	Savings were achieved in accordance with the election savings commitment.
Measures to offset the GST reduction (2011-12 Budget)	40.1	40.47	Not Applicable	Savings were achieved through improved efficiencies and cost containment across the Department's portfolios, including a focus on improved purchasing practices through enhanced contract management by Health Purchasing Victoria; improvements in patient flow, both within hospitals and community health services; and, reduction of administrative overheads.
Maintain a sustainable public service (2011-12 Budget Update)	64.26	70.18	Not Applicable	The number of staff in non-service delivery and back-office roles was reduced by approximately 200 Full-Time Equivalent (FTE) staff.

<sup>73</sup> That is, please provide this information for the Department on the same basis of consolidation as is used in the budget papers

<sup>74</sup> The 2013-14 efficiencies/savings expected to be realised for each initiative are an aggregate of the former Department of Human Services and Department of Health

<sup>75</sup> The 2014-15 efficiencies/savings expected to be realised for each initiative are an aggregate of the former Department of Human Services and Department of Health

Initiative	Total value of efficiencies/savings expected to be realised from that initiative (\$ million)		Explanation for any variances greater than $\pm 10$ per cent between estimated and actual expenditure reductions	How the efficiencies/savings have been achieved (i.e. what measures or changes have been introduced)
	in 2013-14 <sup>76</sup>	in 2014-15 <sup>77</sup>		
Capping departmental expenditure growth (2011-12 Budget Update)	71.5	140.5	Not Applicable	Savings were achieved through improved efficiencies and cost containment across the Department's portfolios, including a focus on improved purchasing practices through enhanced contract management by Health Purchasing Victoria; improvements in patient flow, both within hospitals and community health services; and, reduction of administrative overheads.
'Total savings' line item in 2012-13 Budget	95.45	97.85	Not Applicable	Savings were achieved through improved efficiencies and cost containment across the Department's portfolios, including a focus on improved purchasing practices through enhanced contract management by Health Purchasing Victoria; improvements in patient flow, both within hospitals and community health services; and, reduction of administrative overheads.
Efficiency measures (2012-13 Budget Update)	31.1	93.00	Not Applicable	Savings were achieved through improved efficiencies and cost containment across the Department's portfolios, including a focus on improved purchasing practices through enhanced contract management by Health Purchasing Victoria; improvements in patient flow, both within hospitals and community health services; and, reduction of administrative overheads.

<sup>76</sup> The 2013-14 efficiencies/savings expected to be realised for each initiative are an aggregate of the former Department of Human Services and Department of Health

<sup>77</sup> The 2014-15 efficiencies/savings expected to be realised for each initiative are an aggregate of the former Department of Human Services and Department of Health

Initiative	Total value of efficiencies/savings expected to be realised from that initiative (\$ million)		Explanation for any variances greater than $\pm 10$ per cent between estimated and actual expenditure reductions	How the efficiencies/savings have been achieved (i.e. what measures or changes have been introduced)
	in 2013-14 <sup>78</sup>	in 2014-15 <sup>79</sup>		
Efficiency and expenditure reduction measures (2013-14 Budget)	30.59	54.94	Not Applicable	Savings were achieved through improved efficiencies and cost containment across the Department's portfolios, including a focus on improved purchasing practices through enhanced contract management by Health Purchasing Victoria; improvements in patient flow, both within hospitals and community health services; and, reduction of administrative overheads.
Efficiency measures (2013-14 Budget Update)	-	81.0	Not Applicable	Savings were achieved through improved efficiencies and cost containment across the Department's portfolios, including a focus on improved purchasing practices through enhanced contract management by Health Purchasing Victoria; improvements in patient flow, both within hospitals and community health services; and, reduction of administrative overheads.
Application of an efficiency dividend to non-frontline departmental expenditure (2014-15 Budget)	-	0.68	Not Applicable	Not Applicable
Other	-	-	Not Applicable	Not Applicable

<sup>78</sup> The 2013-14 efficiencies/savings expected to be realised for each initiative are an aggregate of the former Department of Human Services and Department of Health

<sup>79</sup> The 2014-15 efficiencies/savings expected to be realised for each initiative are an aggregate of the former Department of Human Services and Department of Health

**Question 20**

Please detail any changes to your department's/agency's service delivery as a result of expenditure reduction initiatives, e.g. changes to the timing and scope of specific programs or discontinued programs:

(a) in 2013-14

Service delivery indicators have been adjusted to reflect the total annual increase in the budgeted output costs of \$856.5 million.

*Note: This is the aggregated result of 2013-14 of the former Department of Human Services and Department of Health*

(b) in 2014-15

Service delivery indicators have been adjusted to reflect the total annual increase in the budgeted output costs of \$809.7 million.

*Note: This is the aggregated result of 2014-15 of the former Department of Human Services and Department of Health*

**Question 21 (departments only)**

The 2013-14 and 2014-15 budget papers both include targets for the 'reprioritisation of resources previously allocated to departments' to fund new initiatives (2013-14 Budget Paper No.2, p.54; 2014-15 Budget Paper No.2, p.61). This is in addition to any savings or efficiencies resulting from expenditure reduction measures. For your department (including all controlled entities),<sup>80</sup> 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) for each area of expenditure (or project or program), how much funding was reprioritised in each year; and
- (c) the impact of the reprioritisation on those areas.

Area of expenditure originally funded	Value of funding reprioritised (\$ million)		Impact of reprioritisation of funding
	2013-14 <sup>81</sup>	2014-15 <sup>82</sup>	
The reprioritisation of resources was achieved through improved efficiencies and cost containment across the department's portfolios, including a focus on improved purchasing practices through enhanced contract management by Health Purchasing Victoria; improvements in patient flow, both within hospitals and community health services; and, reduction of administrative overheads.	53.8	83.35	As the reprioritisation of resources was achieved through improved efficiencies and cost containment, there is no directly quantifiable impact on any specific area.
<b>Total</b>	<b>53.8</b>	<b>83.35</b>	

<sup>80</sup> That is, please provide this information for the Department on the same basis of consolidation as is used in the budget papers

<sup>81</sup> 2013-14 includes reprioritisation of the former Department of Health

<sup>82</sup> 2014-15 includes reprioritisation of the former Department of Health and Department of Human Services

**Question 22 (Department of Treasury and Finance only)**

This question does not apply to your department.

**Question 23 (PNFC and PFC entities only)**

This question does not apply to your department.

**SECTION E: Public sector workforce****Question 24**

Please detail the total full-time equivalent number of staff in your department/agency as at 30 June 2013, 30 June 2014 and 30 June 2015 in each of the following bands of levels, and explain the changes:

Level	Total FTE (30 June 2013)	Total FTE (30 June 2014)	Total FTE (30 June 2015)	Explanation for changes
VPS Grades 1-3	169	152	873	2013 and 2014 reflects Department of Health only. For 2015, due to the Machinery-of-Government changes effective on 1/1/2015, the information reflects the combined Department of Health & Human Services.
VPS Grade 4	191	216	742	As above
VPS Grades 5-6 and STS	822	845	2111	As above
EO	38	40	124	As above
Other	67	71	7335	As above
<b>Total of all staff (including non-VPS grades)</b>	<b>1287</b>	<b>1324</b>	<b>11185</b>	As above



**Question 25**

In the table below, please detail the salary costs for 2012-13, 2013-14 and 2014-15, broken down by ongoing, fixed-term and casual, and explain any variances greater than  $\pm 10$  per cent or \$100 million between the years for each category.

<b>Employment category</b>	<b>Gross salary 2012-13 (\$ million)</b>	<b>Gross salary 2013-14 (\$ million)</b>	<b>Gross salary 2014-15 (\$ million)</b>	<b>Explanation for any year-on-year variances greater than <math>\pm 10</math> per cent or \$100 million</b>
Ongoing	133	120	830	For 2014-15, due to the Machinery-of-Government changes effective on 1/1/2015, the information reflects the combined Department of Health & Human Services.
Fixed-term	11	11	58	As above
Casual	2	3	66	As above
<b>Total</b>	<b>146</b>	<b>134</b>	<b>954</b>	<b>As above</b>

**Question 26**

Please detail the number of executives who received increases in their base remuneration in 2013-14 and 2014-15, 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 2013-14	Reasons for these increases
0-3 per cent	39	2013 annual Executive Officer guideline increase
3-5 per cent	2	<ul style="list-style-type: none"> <li>• Remuneration review on reappointment</li> <li>• Remuneration review relativity to others</li> </ul>
5-10 per cent	2	<ul style="list-style-type: none"> <li>• Remuneration review relativity to others</li> <li>• Remuneration review significant increase in work value</li> </ul>
10-15 per cent	0	
greater than 15 per cent	0	

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2014-15	Reasons for these increases
0-3 per cent	121	<ul style="list-style-type: none"> <li>• 2014 annual Executive Officer guideline increase</li> <li>• Remuneration review on reappointment</li> <li>• Promotion</li> </ul>
3-5 per cent	1	<ul style="list-style-type: none"> <li>• Remuneration review relativity to others</li> </ul>
5-10 per cent	4	<ul style="list-style-type: none"> <li>• Remuneration review relativity to others</li> <li>• Remuneration review significant increase in work value</li> <li>• Remuneration review on reappointment</li> </ul>
10-15 per cent	5	<ul style="list-style-type: none"> <li>• Remuneration review relativity to others</li> <li>• Promotion</li> </ul>
greater than 15 per cent	4	<ul style="list-style-type: none"> <li>• Remuneration review relativity to others</li> <li>• Promotion</li> </ul>

## SECTION F: Inter-sector flows

### ***Question 27 (Department of Treasury and Finance only)***

This question does not apply to your department.

## SECTION G: Government decisions impacting on the finances

### Question 28

(a) Please detail any costs incurred during 2014-15 in the following categories as a result of machinery-of-government changes:

	(\$ million)
Consultants and contractors (including legal advice)	0.12
Relocation	0.01
Telephony	0.01
IT and records management	0.34
Rebranding	0.07
Furniture and fit-out	0.04
Other	0.02

(b) If these costs were met out of existing budgets, please indicate what projects, programs or areas the money was originally budgeted for.

These costs were absorbed through existing operating budgets and did not impact on departmental projects/programs.

(c) Please identify any benefits achieved during 2014-15 as a result of machinery-of-government changes, quantifying the benefits where possible.

The benefits derived from the Machinery-of-Government changes provide for a better coordinated approach in improving social service delivery. Benefits will be seen in the 2015-16 financial year.

**Question 29**

Please identify any Commonwealth Government decisions during 2013-14 or 2014-15 which had not been anticipated in the State budget but which impacted on your 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 in 2013-14		Impact in 2014-15	
	on income (\$ million)	on expenses (\$ million)	on income (\$ million)	on expenses (\$ million)
<b>National Partnership Agreement on Preventative Health</b> <ul style="list-style-type: none"> <li>The 2014-15 Commonwealth Budget announced the unexpected cessation of this National Partnership Agreement. This has had a significant budget impact on Victoria.</li> </ul>	0	0	13	
<b>National Partnership Agreement on Adult Public Dental</b> <ul style="list-style-type: none"> <li>This National Partnership Agreement was deferred by 1 year until 2015-16.</li> <li><i>Note: This National Partnership Agreement is still under negotiation</i></li> </ul>	0	0	49.6	

**Question 30**

Please identify any COAG decisions during 2013-14 or 2014-15 which had not been anticipated in the State budget but which impacted on your 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.

COAG decision	Impact in 2013-14		Impact in 2014-15	
	on income (\$ million)	on expenses (\$ million)	on income (\$ million)	on expenses (\$ million)
Nil (Health)				

**SECTION H: Fiscal and financial management strategies (Department of Treasury and Finance only)*****Question 31***

This question does not apply to your department.

***Question 32***

This question does not apply to your department.

**SECTION I: Economic environment*****Question 33 (Department of Treasury and Finance only)***

This question does not apply to your department.

***Question 34 (Department of Treasury and Finance only)***

This question does not apply to your department.

***Question 35 (Department of Treasury and Finance only)***

This question does not apply to your department.

***Question 36 (Department of Treasury and Finance only)***

This question does not apply to your department.

**Question 37**

Please identify any key economic variables for which there were variances in 2013-14 and 2014-15 between what was estimated in the initial budget for each year (**not** the revised estimate) and what actually occurred which had a significant impact on your department’s/agency’s finances, service delivery or asset investment. For each variance, please indicate:

- (a) what had been expected at budget time
- (b) what actually occurred
- (c) how the variance impacted on the budget outcomes (quantifying the impact where possible)
- (d) what decisions were made in response (including changes to service delivery, asset investment, borrowings etc.).

Expected economic result in 2013-14	Actual result in 2013-14	Impact of the variance on budget outcomes	Decisions made in response
Not Applicable for the Department of Human Services or Department of Health			

Expected economic result in 2014-15	Actual result in 2014-15	Impact of the variance on budget outcomes	Impact of the variance on service delivery
Not Applicable for the Department of Human Services or Department of Health			

**SECTION J: Previous recommendations**

**Question 38 (departments only)**

This question does not apply to your department.