



**PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

**2013-14 BUDGET ESTIMATES QUESTIONNAIRE**

## 1. Strategic priorities

### Question 1

- (a) What are the Department's key strategic priorities underpinning its budget for 2013-14 and over the forward estimates to 2016-17?

The Department's key strategic priorities for the 2013-14 Budget and forward estimates are the reform priorities outlined in the *Victorian Health Priorities Framework 2012-2022 (VHPF)*:

1. Developing a system that is responsive to people's needs
2. Improving every Victorian's health status and health experiences
3. Expanding service, workforce and system capacity
4. Increasing the system's financial sustainability and productivity
5. Implementing continuous improvements and innovation
6. Increasing accountability and transparency
7. Utilising e-health and communications technology

The *VHPF* articulates the long term goals of the department, and encompasses the forward estimates period (2016-17).

- (b) If applicable, how do these priorities differ from the previous year?

Not applicable.

- (c) What are the impacts of any differences in the Department's strategic priorities between 2012-13 and 2013-14 on funding and resource allocation in the 2013-14 Budget?

Not applicable.

- (d) Please identify any programs or initiatives (asset or output) over \$2 million relevant to the Department that have been curtailed, deferred, discontinued or completed as a result of changes in strategic priorities between 2012-13 and 2013-14. In describing the programs or initiatives, please use the same names as are used in the budget papers where applicable.

Not applicable.

Please identify any programs or initiatives that have lapsed in 2012-13 (i.e. will not be continued in 2013-14). For each program or initiative, please indicate the expenditure on this program/initiative in 2012-13 and the impact on the community of the lapsing. In describing the programs or initiatives, please use the same names as are used in the budget papers where applicable.

Program or initiative	Expenditure in 2012-13 (\$ million)	Impact on the community
NPA on Hospital and Health Workforce Reform – Activity Based Funding	6.7	This program was once-off funding from the Commonwealth to implement Activity Based Funding.
Preventative Health NP– Enabling Infrastructure and Social Marketing	2.1	These programs are start-up funds and are part of the larger National Partnership, and were fully funded by the Commonwealth.
Ballan Hospital Redevelopment	1.0	Capital commitment that was treated as output due to status of recipients. Funding was a one-off capital grant to deliver on an election commitment.
Ballarat District Nursing and Healthcare	0.5	Capital commitment that was treated as output due to status of recipients. Funding was a one-off capital grant to deliver on an election commitment.
Health Interpreters	0.1	Once-off funding time limited program to enable training of interpreters to specialise in provision of services in health care settings over 2011-12 and 2012-13. The funding enabled development of course modules and materials that continue to be used. It should be noted that in the 2012-13 Budget, \$4 million was provided over four years to ensure continued access to language services for Victorians from culturally and linguistically diverse backgrounds. The 2013-14 Budget also provides support for interpretation services as part of the \$22m package Meeting the needs of refugees and asylum seekers (2013-14 BP3, p20).
Vulnerable People in Emergencies program	1.0	Once-off funding to address a specific issue; there will be no impact on the community from this program lapsing.
WoVG Mental Health Reform Strategy – Planning and Governance	1.1	Specific projects undertaken through the initiative were time limited and have achieved their objective.
Mental Health – Barrier Breakers	0.1	The program was a one-off investment and not proposed to continue.

**Note:** A number of Commonwealth National Partnership Agreements (NPAs) are approaching expiry with uncertainty surrounding the post-expiry arrangements. If the Commonwealth do not maintain funding for these, the programs will lapse which may result in a reduction in service delivery to the Victorian community. The Commonwealth Budget will be tabled on 14 May 2013. The State will seek the Commonwealth confirm commitment to these important programs in its Budget as the State has done.

The following Agreements are due to expire on 30 June 2013:

NPA	Funding
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Hospital and Health Workforce Reform	\$475.4 million over 5 years
Closing the Gap in Indigenous Health Outcomes	\$57.9 million over 4 years
<b>Under the Health Services NPA</b>	<b>Funding</b>
Victorian Cytology Service IP	\$30.1 million over 4 years
National Perinatal Depression Initiative	\$5.8 million over 3 years
Vaccine Preventable Diseases Surveillance Program	\$0.6 million over 3 years

Uncertainty surrounds post-expiry NPA arrangements – as noted above, Closing the Gap on Indigenous Health and Hospital and Health Workforce Reform both expire 30 June 2013. The Commonwealth has agreed that all of the expiring NPAs (except for Schedule A (Activity Based Funding) of the Hospitals and Health Workforce Reform NPA) have raised service levels in a way which may require ongoing funding beyond expiry, however, are unwilling to specify a time frame and identify a single preferred treatment for each agreement.

The lack of determination by the Commonwealth regarding the future of expiring NPAs is putting at risk the continuation of critical health service and community-based initiatives, which are addressing significant health service issues and the needs of disadvantaged and/or vulnerable members of the Australian community.

## What are the key Government policies applicable to the Department in 2013-14?

The department's overall policy direction is underpinned by the *Victorian Priorities Framework 2012-2022*. The VHPF outlines the government's plan to ensure that the health, aged care and mental health system is responsive to community needs and expectations, and identifies major reform priorities to enhance sustainability. The framework is underpinned by two supporting plans:

- *Metropolitan Health Plan 2012-22* – articulates the long-term planning and development priorities for Victoria's health services throughout the next decade, focussing on Melbourne's health system
- *Rural and Regional Health Plan 2012-22* – sets out to drive the development of key actions to deliver services in rural and regional Victoria that are responsive to people's needs, informative and rigorously informed

The department's policy direction is also guided by the following:

- *Victorian Public Health and Wellbeing Plan 2011-2015* – aims to improve the health and wellbeing of all Victorians by engaging communities in prevention, and by strengthening systems for health protection, health promotion and preventive healthcare across all sectors and all levels of government.
- Development of a new *Mental Health Act* – a major reform initiative that places patients in public mental health services at the centre of decision-making in their own treatment and recovery.
- Whole-of-Victorian-Government Alcohol and Drug Strategy, *Reducing the alcohol and drug toll – Victoria's plan 2013-17*.
- National Health Reform Agreement (NHRA) and other Commonwealth agreements – national arrangements are changing financing and payment arrangements for health services, and in the long-term, will change the way health services are funded.

**Question 4 (Department of Treasury and Finance only)**

Please outline how the recommendations made by the Independent Review of State Finances in its April 2011 Interim Report and 2012 Final Report have been reflected in the development of the 2013-14 Budget and forward estimates.

Not applicable.

**Question 5 (Department of Treasury and Finance only)**

The VCEC released its final report on its Inquiry into a State-Based Reform Agenda in January 2012. Please outline how the recommendations emanating from the VCEC inquiry have been reflected in:

(a) strategic priority formulation;

Not applicable.

(b) budget strategies; and

Not applicable.

(c) the development of the 2013-14 Budget and forward estimates.

Not applicable.

**2. Budget preparation**

**Question 6 (Department of Treasury and Finance only)**

Please detail the economic forecasts which had the most significant impact on framing the 2013-14 Budget, detailing for each the major revenue and expenditure items in the budget that have been affected.

Economic forecast	Affected items in the budget
Not applicable.	

**Question 7 (Department of Treasury and Finance only)**

In relation to the line item ‘Contingencies not allocated to departments’ (in the note to the estimated operating statement on total expenditure by department) for the general government sector, please explain the reasons for any differences between:

- the amount provided for 2012-13 in the 2012-13 Budget; and
- the amount provided for 2013-14 in the 2013-14 Budget

Not applicable.

**Question 8 (Department of Treasury and Finance only)**

In relation to the estimated financial statements for the general government sector (estimated operating statement and estimated balance sheet), please explain any variations of more than 10 per cent (or greater than \$100 million) between the estimates for 2013-14 published in the 2012-13 budget papers, and the budget forecasts for 2013-14 shown in the 2013-14 budget papers.

Line item	Reason for variation
Not applicable.	

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

(d) What new features have been incorporated in the budget papers for 2013-14 and why?

Not applicable.

(e) What previous features have been modified and why?

Not applicable.

### 3. Spending

#### Question 10

For your department, please explain any variations of more than 10 per cent (or greater than \$100 million) between the revised estimate for 2012-13 and the target for 2013-14 for expenses from transactions (as presented in the Department's operating statement in the Statement of Finances budget paper) that relate to the following line items:

- (f) 'Employee benefits';
- (g) 'Grants and other transfers';
- (h) 'Other operating expenses' in aggregate; and
- (i) the major components of 'other operating expenses' for your department (please supply categories as appropriate).

	<b>2012-13 (Revised estimate)</b>  <b>(\$ million)</b>	<b>2013-14 (Budget)</b>  <b>(\$ million)</b>	<b>Explanation for any variances greater than ±10% (or greater than \$100 million)</b>
Employee benefits	7,718.1	8,044.6	The increase represents increases in front line staff and changes to salaries and salary on-costs by the department, health services and other portfolio agencies.
Grants and other transfers	521.6	669.8	The increase is primarily due to increased funding in 2013-14.
Other operating expenses	4,953.8	4,990.0	Variance less than +/-10% or \$100 million
Major components of 'other operating expenses' (please supply categories):			
Purchase of services – intra-government	299.5	324.4	Variance less than +/-10% or \$100 million
Operating supplies and consumables	2 326.3	2 335.4	Variance less than +/-10% or \$100 million
Other services purchased from non public sector suppliers other than Commonwealth general government	2 104.2	2,098.2	Variance less than +/-10% or \$100 million
Maintenance	170.1	177.8	Variance less than +/-10% or \$100 million
Operating leases	45.0	45.0	Variance less than +/-10% or \$100 million

	<b>2012-13 (Revised estimate)</b>	<b>2013-14 (Budget)</b>	<b>Explanation for any variances greater than ±10% (or greater than \$100 million)</b>
	<b>(\$ million)</b>	<b>(\$ million)</b>	
Benefits to households and persons in goods and services	8.8	9.2	Variance less than +/-10% or \$100 million

If the Department is unable to provide estimates for the expenditure on the components of 'other operating expenses' in 2013-14, please explain how the amount of 'other operating expenses' listed for 2013-14 in the budget papers was calculated.

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**Question 11 (Department of Treasury and Finance only)**

With respect to the line item 'Net cash flows from investments in financial assets for policy purposes' in the general government sector cash flow statement, please identify:

- (j) the main projects facilitated through this expenditure in 2013-14 and the forward estimates;
- (k) the amount of funding for each of those projects in 2013-14; and
- (l) what policy objectives underlie the choice of investments.

<b>Project</b>	<b>Value of funding (\$ million)</b>	<b>Policy objectives</b>

## 4. Efficiencies and savings

### Question 12

For each of the savings initiatives detailed in the table below, please detail (on the same basis of consolidation as the budget papers):

- (m) what actions the Department will take in 2013-14 to meet the savings targets;
- (n) any impact that these actions will have on the delivery of services; and
- (o) please identify the Department's savings target for 2013-14, with an explanation for any variances between the current target and what was originally published in the budget papers when the initiative was released.

<b>Initiative</b>	<b>Actions the Department will take in 2013-14</b>	<b>Impact of these actions on service delivery</b>	<b>Savings target for 2013-14 (\$ million)</b>	<b>Explanation for variances to the original target</b>
Government election commitment savings (2011-12 Budget)				
Measures to offset the GST reduction (2011-12 Budget)				
Capping departmental expenditure growth (2011-12 Budget Update)				
Maintain a sustainable public service (2011-12 Budget Update)				
Savings (2012-13 Budget)				

Initiative	Actions the Department will take in 2013-14	Impact of these actions on service delivery	Savings target for 2013-14 (\$ million)	Explanation for variances to the original target
Efficiency measures (2012-13 Budget Update)				
Any savings or efficiency initiatives in the 2013-14 Budget				

**The government has increased funding by \$661 million in the 2013-14 budget for health services.**

Budget Paper No.2 for 2011-12 and 2012-13 indicated that funding previously allocated to departments for expenditure in 2013-14 was 'reprioritised or adjusted' to fund new initiatives. Please provide the following information about your department's share of the funding reprioritised and adjusted in these budgets and the 2013-14 Budget:

Budget Paper No.2 refers to whole of Government matters and as such, this should be referred to DTF for response.

As outlined previously in the government's response to the Committee's *Report on the 2011-12 Budget Estimates, Part Three*, departments are funded on a global basis in the annual appropriation acts and ministers have the ability to reprioritise funding within their portfolio department.

Reprioritisation decisions are funded through the department's internal budget allocation process, which included the identification of general efficiencies that could be found in corporate and back of house areas, with minimal impact on service delivery.

<b>Budget in which funding was reprioritised or adjusted</b>	<b>What the reprioritised and adjusted funding was initially provided for</b>	<b>How much of the Department's funding was reprioritised or adjusted (\$ million)</b>
2011-12		
2012-13		
2013-14		

## 5. Asset and output initiative funding

### Question 14

Please break down the Department's total output funding for 2013-14 (as provided in the Service Delivery budget paper) according to the amounts from:

- (p) output initiatives in the 2013-14 Budget;
- (q) non-ongoing initiatives released in previous budgets; and
- (r) base funding/ongoing funding.

Funding for initiatives released in the 2013-14 Budget	Funding for non-ongoing initiatives released in previous budgets	Base funding/ongoing funding	Total output cost (as in Service Delivery budget paper)
(\$ million)	(\$ million)	(\$ million)	(\$ million)
426.3	147.4	13,771.2	14,344.9

### Question 15

The Department of Treasury and Finance has indicated to the Committee that '*the service benefits delivered through the asset investment are reflected in changes to the Budget Paper 3 Performance Measures*'.<sup>1</sup> Please list all performance measures that have been adjusted in 2013-14 as a result of recently completed asset investment projects.

Adjustments to performance measures from asset investment generally lag between three to five years depending on the size of individual capital projects.
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### Question 16 (Department of Treasury and Finance only)

Please provide details of the estimated amount of expenditure on commissioned PPP projects each year across the forward estimates. For each year, please also indicate all PPP projects for which payments are expected to start in the year.

	2013-14	2014-15	2015-16	2016-17
Value of payments for PPP projects (\$ million)				
Projects for which payments will start in the year				

<sup>1</sup> Department of Treasury and Finance, response on the Committee's 2009-10 and 2010-11 financial and performance outcomes Questionnaire — Part Two, received 24 January 2012, p.9

## 6. Revenue initiatives, departmental income (fees, fines, taxation measures, concessions and subsidies) and tax expenditures

### Question 17

In relation to 2013-14, please outline any new revenue-raising initiatives and/or major changes to existing revenue initiatives. For each initiative/change, please explain:

- (s) the reasons for the initiative/change;
- (t) the assumptions underlying the analysis;
- (u) alternative scenarios considered;
- (v) the impact of any changes on service delivery (i.e. please detail all programs/projects that have been revised as a result of changes to existing revenue initiatives);
- (w) any performance measures or targets altered as a result of the initiative/change; and
- (x) the anticipated total value of revenue gained/foregone as a result of the initiative/change.

In describing initiatives, please use the same names as are used in the budget papers where applicable.

Initiative/ change	Reasons for the initiative/ change	Underlying assumptions	Alternative scenarios	Impact of changes on service delivery	Performance measures or targets altered	Anticipated total value of revenue gained/foregone
Ambulance Membership fee indexation	CPI increase in line with Government policy.	2.5% indexation		Nil	Nil	\$2.5 million

In relation to 2013-14, please outline any new tax expenditures or concession/subsidy initiatives and/or major changes to existing tax expenditures or concession/subsidy initiatives. For each initiative/change, please explain:

- (y) the reasons for the initiative/change;
- (z) the assumptions underlying the analysis;
- (aa) alternative scenarios considered;
- (bb) the impact of any initiatives/changes on service delivery (i.e. please detail all programs/projects that have been revised as a result of changes to existing revenue initiatives);
- (cc) any performance measures or targets altered as a result of the initiative/change; and
- (dd) the anticipated total value of revenue gained/foregone as a result of the initiative/change.

In describing initiatives, please use the same names as are used in the budget papers where applicable.

<b>Initiative/ change</b>	<b>Reasons for the initiative/ change</b>	<b>Underlying assumptions</b>	<b>Alternative scenarios</b>	<b>Impact of changes on service delivery</b>	<b>Performance measures or targets altered</b>	<b>Anticipated total value of revenue gained/foregone</b>
Not applicable.						

**Question 19**

For the Department's income categories (as appear in the Department's operating statement in the Statement of Finances budget paper), please provide an explanation for any items that have a variance of greater than 10 per cent or \$100 million between the revised estimate for 2012-13 and the budget for 2013-14.

Income category	Explanation
Output Appropriation	The funding pool established under the National Health Reform Agreement came into effect on 1 October 2012. From July 2012 to September 2012 funding for National Health Reform came via output appropriation. The decrease to 2013-14 is reflective of the Health Reform funding going through the pool rather than appropriation from 1 October 2012. This is partly offset by increased funding for new initiatives approved in the 2013-14 Budget.
Grants	The increase in grants revenue is primarily due to revised Commonwealth estimates under the National Health Reform Agreement and funding provided for new initiatives approved in the 2013-14 Budget.

**7. Grants from the Commonwealth****Question 20**

What impact have developments at the Commonwealth level had on the Department's component of the 2013-14 State Budget?

**Healthcare Specific Purpose Payment (SPP) Determination**

The Commonwealth's decision midway through the 2012-13 financial year to strip almost half a billion dollars over the forward estimates and reduce its scheduled payments to Victorian hospitals in 2012-13 by \$107 million over seven months has had major negative consequences for the Victorian community, including the cancellation of Victorian hospital services.

Nationally, the Commonwealth Government has unilaterally reduced the National Special Purpose Payments (SPP) for Healthcare by \$1.6 billion over the forward estimates. This is a reduction against the Commonwealth Government's 2012-13 Budget forward estimates.

All Victorian Local Hospital Network budget allocations increased in 2012-13, relying in part on the Commonwealth delivering on their May 2012 budget commitment. The Victorian Government has honoured its budget commitments and the Commonwealth is not honouring the commitment they made.

Between the May 2012-13 Commonwealth Budget and the November 2012 notification, the Commonwealth reduced its payments to Victorian Local Hospital Networks by \$107 million in 2012-13.

There are two components to the reduction in funding to Victorian Local Hospital Networks:

1. The Treasurer's Determination of the 2011-12 final National SPP for Healthcare outcome, which requires Victoria to repay \$39 million of funding that was previously paid by the Commonwealth. This is based on the Commonwealth Treasurer's Determination that the national population grew at only 0.03 percent in 2010-11. The Commonwealth Treasury advised this 2011-12 amount needs to be "repaid" in the 2012-13 year.

2. A 2012-13 adjustment for reducing payments by \$67.9 million.

The total reduction of cash to Victorian Local Hospital Networks in 2012-13 is therefore \$107 million.

The Commonwealth notified the States and Territories that the reduced Commonwealth payments

would be made through the National Health Funding Pool (Pool). Under the National Health Reform Agreement, the Pool has been established for the purposes of line-of-sight of Commonwealth funding directly to hospitals.

Commonwealth reductions in monthly payments via the Pool began on 7 December 2012, when the Commonwealth reduced its monthly payment to Victoria by \$15.3 million. Victoria has received evidence from the Reserve Bank of Australia that Commonwealth funding into the Pool has reduced from December 2012 by \$15.3 million per month. Therefore, from December 2012, Victorian Local Hospital Networks received a stark reduction in cash flow from the Commonwealth Government, though the Pool.

The Commonwealth's cut to hospital funding had an immediate and direct impact on health services. Wards and beds closed and elective surgery was delayed.

On 20 February 2013, the Commonwealth Government announced it would return \$107 million to Victorian health services directly, through new funding agreements between the Commonwealth and health services.

Payments through the National Health Funding Pool are made monthly and the funding could have been returned from 7 March 2013.

Instead, the Commonwealth has chosen to undermine the National Health Agreement and avoid *"complete transparency and line-of-sight"*. The decision to pay health services directly resulted in lengthy delays in health services receiving their share of funding. The revised Statement of Priorities show the \$107 million Commonwealth funding cut has added 2,370 Victorians to the elective surgery wait list and over 3,000 less Victorian patients will be admitted for their elective surgery.

And come July 1, the Commonwealth is set to rip \$368 million in promised funding from the Victorian hospital system over the next three years.

The impact for Victoria in 2013-14 is \$99.5 million.

It is now clear that the Treasurer Wayne Swan has determined the population grew by 1.4% for the purposes of determining local government funding but grew by only 0.03% for the purposes of determining health funding.

For the same time period (December 2010 and December 2011), Australia's population could not have grown by two different rates.

Federal Senate inquiry has vindicated Victoria's stance and found that the Commonwealth Government's cuts were *"extraordinary and indeed indefensible"*.

The inquiry's report said it considers the calculations, which led to the funding cut, were flawed and that *"the States signed up in good faith to the funding agreements, but the Commonwealth pursued politically-motivated funding cuts to improve its financial position at the expense of public hospital users"*.

The Victorian Government is awaiting the Commonwealth response to the Senate Public Finance and Administration Committee Inquiry.

#### **National Partnership Agreement (NPA) on Improving Public Hospital Services (IPHS)**

Commonwealth funding for elective surgery and emergency department treatment in Victoria has **dropped by \$50.1 million in 2012-13** under the National Partnership Agreement for Improving Public Hospital Services.

Victorian health services and patients will feel the reduction in funding, particularly for elective surgery.

The cessation of \$50.1 million of crucial hospital funding is another example of the Commonwealth walking away from its commitment to the health of Victorian patients with seemingly no understanding of the impact the withdrawal will have.

**Question 21 (Department of Treasury and Finance only)**

Please explain how any major changes between financial agreements with the Commonwealth have impacted on the State Budget for 2013-14, e.g. health and hospitals reform.

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

What has been the impact of any changes to Victoria's share of the GST pool for 2013-14 and beyond? Please detail any actions that the State Government has taken in response to changes in the value of general purpose grants in 2013-14.

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**8. Net debt****Question 23 (Department of Treasury and Finance only)**

In relation to the net debt projections for the non-financial public sector for the 2013-14 budget year and over the forward estimates to 2016-17, please provide a break-down of the spread of net debt between the general government sector (GGS) and each of the main public non-financial corporations (PNFCs) concerned.

GGS/PNFC entity	Net debt, 30 June 2013	Net debt, 30 June 2014	Net debt, 30 June 2015	Net debt, 30 June 2016	Net debt, 30 June 2017

**Question 24 (Department of Treasury and Finance only)**

What factors or assumptions have led to changes to the estimates of borrowings and net debt for 2013 and the forward estimates between the 2012-13 Budget and the 2013-14 Budget?

## 9. Geographic considerations

### Question 25

Please complete the following table for up to five of the Department's largest projects (in terms of expenditure) benefiting:

(a) regional and rural Victoria; and

Project benefiting regional and rural Victoria	Budget allocation for 2013-14 (\$ million)	New or existing project?	Purpose of the project	How is the funding to be spent?	What performance measures are in place?	Expected net benefits	Net present value (in 2013 dollars), where applicable
1. Waurn Ponds Community Hospital	\$2.04m TEI: 50.2	New	Funding is provided to deliver on the Government's election commitment for a new 32-bed community hospital for the developing southern suburbs of Geelong.	Building / Infrastructure	N/A	Better health outcomes through a reduction in waiting times and improvements in patient satisfaction Improved patient equity through an improvement in access to specialist outpatient clinics.  Improved appropriateness of care.	
2. Numurkah Hospital - Reinstatement of Acute Service	\$3.50m TEI: 18.3	New	This initiative re-establishes a range of acute health services for the Numurkah catchment by constructing new hospital facilities to replace those extensively damaged in the March 2012 flooding.	Building / Infrastructure	N/A	Restoring acute inpatient services.  Restoring the active employment, attraction and retention of staff at the Hospital.  Improving the alignment between the physical infrastructure and service delivery.  Improving models of care for existing services.	N/A

(b) metropolitan Melbourne.

<b>Project benefiting metropolitan Melbourne</b>	<b>Budget allocation for 2013-14 (\$million)</b>	<b>New or existing project?</b>	<b>Purpose of the project</b>	<b>How is the funding to be spent?</b>	<b>What performance measures are in place?</b>	<b>Expected net benefits</b>	<b>Net present value (in 2013 dollars), where applicable</b>
3. Health Precincts and Community-based Ambulatory Care Centres	\$1.64m TEI: 18.2	New	Health and medical precincts will be developed in accordance with local area planning needs and scaled to current and forecast population requirements.	Building / Infrastructure	N/A	Optimising Health outcomes by addressing the service gaps.  Reduction of demand on acute care facilities by collocating public, private and non-government funded entities close to where people live.	N/A
4. Werribee Mercy Hospital - Mental Health Expansion	\$3.70m TEI:34.7	New	This initiative expands mental health services at Werribee Mercy Hospital, through construction of a new 54-bed acute mental health facility.	Building / Infrastructure	N/A	Improved access to health services locally leading to improved patient outcomes.  More efficient health care - this includes the improved utilisation of existing resources.  Improved patient outcomes through reduced mental health readmission rates and increased acuity of care per admission.	N/A

<b>Project benefiting metropolitan Melbourne</b>	<b>Budget allocation for 2013-14 (\$million)</b>	<b>New or existing project?</b>	<b>Purpose of the project</b>	<b>How is the funding to be spent?</b>	<b>What performance measures are in place?</b>	<b>Expected net benefits</b>	<b>Net present value (in 2013 dollars), where applicable</b>
5. Northern Hospital - Inpatient Capacity Expansion Stage 1	\$1.25m TEI: 29.0	New	This initiative will deliver a new three-storey building to accommodate 32 additional beds and support areas. It will enable Northern Health better manage immediate demand pressures.	Building / Infrastructure	N/A	Improved patient outcomes through increased inpatient capacity.  Improved local access for patients and increased range of acute services on site.  Improved financial performance through operational efficiency.	N/A

## 10. Performance measures

### Question 26

For each initiative (asset or output) in the 2013-14 Budget with a total cost over the forward estimates greater than \$20 million (or a TEI over \$20 million), please list all new and existing performance measures in the budget papers related to the initiative. In describing initiatives, please use the same names as are used in the budget papers.

**Note:** The following table outlines the initiatives and related performance measures. In all cases, the initiative will contribute to the general performance of the stated measures but are not initiative specific

<b>Initiative</b>	<b>Related performance measures</b>
Securing Victoria's health system – Treating more patients	Admitted Services - Total Separations – all hospitals
	Admitted Services - Weighted Inlier Equivalent Separations (WIES) – all hospital except small rural health services
	Admitted Services - WIES Funded Emergency Separations – all hospitals
	Emergency Services - Emergency presentations
	Non-admitted services - Patients treated in specialist outpatient clinics
Training the future health workforce - postgraduate	Acute Training and Development - Total FTE (early graduate) medical positions in public system
	Acute Training and Development - Total FTE (early graduate) nursing positions in public system
	Acute Training and Development - Total FTE (early graduate) allied health in public system
Home and Community Care	Aged and Home Care - Home and Community Care service delivery hours
	Aged and Home Care - Clients receiving Home and Community Care services
1. Bairnsdale Mental Health and Wellbeing Centre 2. Mother-baby units 3. New mental health beds	Clinical Care - Clinical inpatient separations
Improving health outcomes for Aboriginal Victorians	Primary, Community and Dental Health - Reduce the rate of admissions for Ambulatory care sensitive chronic conditions for Aboriginal Victorians
Meeting the needs of the influx of refugees and asylum seekers	Community Health Care - Service delivery hours in community health care

**Question 27**

Please indicate any changes that the Department has made since the 2012-13 Budget to increase the number of its performance measures that are outcomes-based.

The Department of Health have made minimal changes to its output structure and performance measures for the 2013-14 Budget, in the interest in maintaining accountability and transparency of performance across budgets.

New output performance measures include:

Output Group	Output	Performance Measure: Published in Budget Papers
Ambulance Services	Ambulance Emergency Services	Percentage of adult patients suspected of having a stroke who were transported to a stroke unit with thrombolysis facilities within 60 minutes
Ambulance Services	Ambulance Emergency Services	Percentage of adult VF/VT cardiac arrest patients with vital signs at hospital

Revisions to performance measures include:

Output Group	Output	Performance Measure: Published in Budget Papers
Ambulance Services	Ambulance Emergency Services	Current: Proportion of patients experiencing severe cardiac and traumatic pain whose level of pain is reduced significantly
		Proposed: Proportion of patients experiencing severe cardiac or traumatic pain whose level of pain is reduced significantly
Mental Health	Psychiatric Disability Rehabilitation and Support Services (PDRSS)	Current: Proportion of major agencies accredited against the PDRSS standards
		Proposed: Proportion of major agencies accredited
Drug Services	Drug Prevention and Control	Current: Number of telephone, email and in person responses to queries and requests for information on alcohol and drug issues (through the Australian Drug Foundation)
		Proposed: Number of telephone, email, website contacts and in person responses to queries and requests for information on alcohol and drug issues (through the Australian Drug Foundation)

Discontinued performance measures include:

Output Group	Output	Performance Measure: Published in Budget Papers
Acute Health Services	Admitted Services	Consumer Participation Indicator - score with a range of 20-100
Acute Health Services	Non-admitted Services	Patients treated in specialist outpatient clinics - weighted
Acute Health Services	Emergency Services	Emergency Category 2 treated in 10 minutes
Acute Health Services	Emergency Services	Emergency Category 3 treated in 30 minutes
Acute Health Services	Emergency Services	Non-admitted emergency patients with a length of stay of less than four hours
Ageing, Aged and Home Care	Aged Care Assessment	Average wait between client registration and ACAS assessment - community-based assessment
Ageing, Aged and Home Care	Aged Care Assessment	Average wait between client registration and ACAS assessment - hospital-based assessment
Drug Services	Drug Treatment and Rehabilitation	Drug treatment services accredited

**Question 28 (Department of Treasury and Finance only) NOT APPLICABLE**

Please outline any changes since the 2012-13 Budget to the Department of Treasury and Finance’s processes of quality assuring other departments’:

(ee) performance targets in the budget papers;

(ff) expected outcomes published in the budget papers; and

(gg) the comprehensiveness of performance measures published in the budget papers.

Please detail the processes undertaken by the Department to ensure that the '2012-13 expected outcome' for each performance measure published in the 2013-14 budget papers is a reasonable estimate.

The Department undertakes the estimation of expected outcomes for the 2012-13 performance using a number of criteria including:

- trend analysis using available data and previous years' performance,
- budget allocation and predicted performance increase,
- known influences that will affect performance such as catastrophic events or impediments to service provision, or
- a combination of the above.

Estimates provided in previous years are known to be conservative.

### **Question 30**

In setting targets for performance measures in the 2013-14 budget papers, to what extent did the Department consider the '2012-13 expected outcomes' that were provided for the 2013-14 budget papers?

Expected outcomes for 2012-13 were considered in setting the targets for the majority of outputs.

Consideration is also made where changes to funding has impacted service delivery capacity, including any changes to the Commonwealth component of funding, lapsing funding, changes to the definition of services, or where budget has been provided for growth in services delivered.

The Department will continue to review targets for all performance measures based on budget allocation, population trends and improved or changes in services provided.

## 11. Staffing matters

### Question 31

Please fully complete the table below, providing actual FTE staff numbers at 30 June 2012 and estimates of FTE staff numbers (broken down by the categories listed below) at 30 June 2013 and 30 June 2014 for the Department. Please provide figures consolidated on the same basis as the expenditure for the Department in the budget papers.

<b>Grade</b>	<b>30 June 2012 (FTE number)</b>	<b>30 June 2013 (FTE number)</b>	<b>30 June 2014 (FTE number)</b>
Secretary	1	1	
EO-1	2	2	
EO-2	14	15	
EO-3	26	25	
VPS Grade 7 (STS)	9.6	7.6	
VPS Grade 6	319.8	277.4	
VPS Grade 5	591.6	531.7	
VPS Grade 4	235.6	198.0	
VPS Grade 3	133.2	118.8	
VPS Grade 2	61.2	49.1	
VPS Grade 1	0.9	0.9	
Government Teaching Service			
Health services			
Police			
Allied health professionals			
Child protection			
Disability development and support			
Custodial officers			
Other	65.3	65.8	
<b>Total</b>	<b>1460.2</b>	<b>1292.4</b>	

**Question 32**

Please break down the actual staff numbers in your department as at 30 June 2012 and the estimates as at 30 June 2013 and 2014 according to the number of staff that are ongoing, fixed-term or casual

	<b>30 June 2012</b> <b>(FTE number)</b>	<b>30 June 2013</b> <b>(FTE number)</b>	<b>30 June 2014</b> <b>(FTE number)</b>
Ongoing	1279.3	1158.0	
Fixed-term	180.0	133.7	
Casual	0.9	0.6	
Total	1460.2	1292.4	

**Note:** Reductions have been achieved through attrition, non-extension of some fixed term contracts and availability of VDPs. It is not possible to project beyond 30 June 2013.

**Question 33**

Please indicate, for 2012 and each year of the forward estimates, the estimated total number of VPS positions and non-VPS positions that the Department expects to have as at 30 June.

	<b>30 June 2012</b> <b>(FTE number)</b>	<b>30 June 2013</b> <b>(FTE number)</b>	<b>30 June 2014</b> <b>(FTE number)</b>	<b>30 June 2015</b> <b>(FTE number)</b>	<b>30 June 2016</b> <b>(FTE number)</b>	<b>30 June 2017</b> <b>(FTE number)</b>
VPS positions	1342.3	1183.6				
Non-VPS positions	117.9	108.8				

**Note:** Reductions are being achieved through attrition, non-extension of some fixed term contracts and availability of VDPs. It is not possible to project beyond 30 June 2013.

**Question 34**

Please detail any expected impacts on the Department of changes to staff numbers in 2013-14 and how they will be mitigated.

There was no reduction in frontline staff.

The department has worked to maintain business continuity of critical services by ensuring roles critical to business functions are filled internally. In some instances, this has required realignment and/or restructure of roles and functions.

**Question 35**

Please detail the actual amount that the Department spent on contractors and consultants in 2011-12 and the estimated expenditure in 2012-13 to 2016-17 (for a definition on the difference between consultants and contractors, see FRD 22B – Standard Disclosures in the Report of Operations). Please provide figures on the same basis of consolidation for the Department as used in the budget papers.

	<b>2011-12</b> (\$ million)	<b>2012-13</b> (\$ million)	<b>2013-14</b> (\$ million)	<b>2014-15</b> (\$ million)	<b>2015-16</b> (\$ million)	<b>2016-17</b> (\$ million)
Consultants	2.64	0.96	N/A	N/A	N/A	N/A
Contractors	26.02	15.02	N/A	N/A	N/A	N/A

**Notes**

- 2012-13 Consultants and Contractors figures are an estimate only based on an extrapolation of the first eight months expenditure.
- Re 2013-14 to 2016-17 expenditure estimates for out-years for both consultants and contractors are at present indeterminate as many contractors and consultants are short term and engagements are ad hoc, made on an as required basis at the time, and can vary greatly between years.

**12. Previous recommendations****Question 36 NOT APPLICABLE**

This question does not apply to your department.