



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

**2009-10 AND 2010-11 FINANCIAL AND PERFORMANCE
OUTCOMES QUESTIONNAIRE — PART ONE**

DEPARTMENT OF HEALTH

AGENCY: ALFRED HEALTH

SECTION C: Revenue and revenue foregone

Question 21

For 2009-10 and 2010-11, please explain and detail the impact of any variances greater than ± 10 per cent in any revenue/income category detailed in your agency's operating statement in its annual report **and** the total revenue/income for the year compared to:

- (a) the initial budget for the year; and
- (b) the actual for the prior year.

Revenue in 2009-10:

Revenue category	2008-09 actual	2009-10 Budget	2009-10 actual	Explanations for variances greater than ± 10 per cent	Impact of variances
Total Government Grants	580,223,000	618,986,000	634,318,000	N/A – under 10%	
Total Indirect Contributions by Department of Health	11,460,000	7,915,000	9,887,000	Decrease in actual 2009 to actual 2010 is due to an increase in insurance premium reimbursement.	No impact – offset by cost.
Total Patient and Resident Fees	26,869,000	27,691,000	25,760,000	N/A – under 10%	
Total Business Units & Specific Purpose Funds	19,027,000	19,787,000	20,580,000	N/A – under 10%	
Other revenue from Operating Activities	70,080,000	65,329,000	64,052,000	N/A – under 10%	
Sub-Total Revenue from Non-Operating Activities	5,933,000	878,000	4,263,000	Budget set for parent entity only. Income held in subsidiary trust.	
Sub-Total Revenue from Capital Activities	26,079,000	1,558,000	34,408,000	Increase from 2009 actual to 2010 actual due to revenue for Caulfield Stage 2 and Alfred Centre Stage 2. Variance to budget is due to this revenue not budgeted.	

Revenue in 2010-11:

Revenue category	2009-10 actual	2010-11 Budget	2010-11 actual	Explanations for variances greater than ±10 per cent	Impact of variances
Total Government Grants	634,318,000	672,656,000	682,236,000	N/A – under 10%	
Total Indirect Contributions by Department of Health	9,887,000	11,924,000	11,941,000	Increase from actual 2010 to actual 2011 is due to an increase in insurance premium reimbursement.	None – offset by cost.
Total Patient and Resident Fees	25,760,000	26,272,000	27,170,000	N/A – under 10%	
Total Business Units & Specific Purpose Funds	20,580,000	22,837,000	22,528,000	N/A – under 10%	
Other revenue from Operating Activities	64,052,000	66,199,000	69,774,000	N/A – under 10%	
Sub-Total Revenue from Non-Operating Activities	4,263,000	7,229,000	7,350,000	Increase from actual 2010 to actual 2011 is due to rental received from Burnett for building usage for the first time.	
Sub-Total Revenue from Capital Activities	34,408,000	-73,000	19,673,000	2010 included major projects (Alfred Centre stage 2 and Caulfield stage 2) not continuing into 2011. New COAG funded capital projects identified and funded post development of 2011 budget.	

Question 22

For each of the income from transactions categories listed by your agency in its comprehensive operating statement in its annual report (e.g. output appropriations, grants, sales of goods and services), please break the income for 2010-11 down into the first six months and second six months of the financial year and explain any variations greater than ± 10 per cent between the two six-month amounts:

Income from transactions	Income 1/7/2010-31/12/2010	Income 1/1/2011-30/6/2011	Explanation for any variations greater than ± 10 per cent
	(\$ million)	(\$ million)	
Total Government Grants	333.8	348.4	N/A – under 10%
Total Indirect Contributions by Department of Health	5.6	6.4	Higher LSL cost recovery in second half of year due to higher costs.
Total Patient and Resident Fees	12.9	14.3	Increased private bed days due to higher inpatient presentations in the second half of the year.
Total Business Units & Specific Purpose Funds	10.9	11.6	N/A – under 10%
Sub-Total Revenue from Operating Activities	35.0	34.8	N/A – under 10%
Sub-Total Revenue from Non-Operating Activities	2.9	4.4	N/A – under 10%
Sub-Total Revenue from Capital Activities	0.4	19.3	COAG funded capital funding and a final project payment received in June 2011.

Question 23

Please provide an itemised schedule of any concessions and subsidies (revenue foregone) (see the Explanatory Memorandum for a definition of concessions and subsidies) provided by your organisation in 2009-10 and 2010-11. For each item, please:

- (a) describe the purpose of the concession/subsidy;
- (b) explain any variations greater than ± 10 per cent between the actual expenditure and the initial budget for the year;
- (c) explain any variations greater than ± 10 per cent between the actual expenditure and the actual for the prior year;
- (d) indicate the number of concessions/subsidies granted in each category; and
- (e) explain whether the outcomes expected to be achieved by granting these concessions or providing these subsidies have been achieved.

Revenue foregone in 2009-10:

Concession/ subsidy	Purpose	2008-09 actual	2009-10 Budget \$000	2009-10 actual	Explanations for variances greater than ± 10 per cent	Number of concessions/subsidies granted in 2009-10	Outcomes achieved
N/A							

Revenue foregone in 2010-11:

Concession/ subsidy	Purpose	2009-10 actual	2010-11 Budget	2010-11 actual	Explanations for variances greater than ± 10 per cent	Number of concessions/subsidies granted in 2010-11	Outcomes achieved
N/A							

(f) Please also detail all new concessions/subsidies provided in 2010-11 by your agency that were announced after the change of government in 2010, their impact on your agency and the social outcomes achieved to date:

Concession/subsidy	Value in 2010-11	Impact on your agency	Outcomes achieved
	(\$ million)		
N/A – no change in concessions			

SECTION D: Expenditure

Question 25

For 2009-10 and 2010-11, please explain and detail the impact of any variances greater than ± 10 per cent in any expense category detailed in the agency's operating statement in its annual report **and** the total expenditure for the year compared to:

- (a) the initial budget for the year; and
- (b) the actual for the prior year.

Expenditure in 2009-10:

Expenditure category	2008-09 actual	2009-10 Budget	2009-10 actual	Explanations for variances greater than ± 10 per cent	Impact of variances
Total Salary and Wages	476,276,000	502,896,000	511,330,000	N/A – under 10%	
Total Supplies and Consumables	149,662,000	157,044,000	157,572,000	N/A – under 10%	
Total Other Expenses from Continuing Operations	85,250,000	87,488,000	93,811,000	Increase in actual 2009 to actual 2010 is due to variances across multiple expense categories. E.g. repairs and maintenance, research, etc.	
Total Other Expenditure (Capital and finance)	27,584,000	33,811,000	61,273,000	Land and buildings valuation led to increased asset values and higher depreciation not captured when 2010 budgets were set.	

Expenditure in 2010-11:

Expenditure category	2009-10 actual	2010-11 Budget	2010-11 actual	Explanations for variances greater than ±10 per cent	Impact of variances
Total Salary and Wages	511,330,000	543,950,000	549,516,000	N/A – under 10%	
Total Supplies and Consumables	157,572,000	165,739,000	170,662,000	N/A – under 10%	
Total Other Expenses from Continuing Operations	93,811,000	98,818,000	100,790,000	N/A – under 10%	
Total Other Expenditure (Capital and finance)	61,273,000	61,787,000	63,396,000	N/A – under 10%	

Question 26

For each of the expenses from transactions categories listed by your agency in its comprehensive operating statement in its annual report (e.g. employee expenses, grants, depreciation and amortisation), please break the expense for 2010-11 down into the first six months and second six months of the financial year and explain any variations greater than ± 10 per cent between the two six-month amounts:

Expenses from transactions	Expenses 1/7/2010-31/12/2010	Expenses 1/1/2011-30/6/2011	Explanation for any variations greater than ± 10 per cent
	(\$ million)	(\$ million)	
Total Employee Benefits	262.3	275.0	
Total Non Salary Labour Costs	56	6.6	
Total Salary and Wages	267.9	281.6	
Total Supplies and Consumables	84.8	85.9	
Total Other Expenses from Continuing Operations	45.9	54.9	Timing difference across multiple spend areas. E.g. repairs and maintenance, research, etc.
Total Other Expenditure (Capital and finance)	31.6	31.8	

SECTION E: Public sector workforce

Question 31

Please detail the total full-time equivalent number of staff as at 30 June 2009, 30 June 2010, 31 December 2010 and 30 June 2011, and explain any significant variations (greater than ± 10 per cent) from one date to the next in the following tables:

Numbers in 2009 and 2010:

Total FTE (30 June 2009)	Total FTE (30 June 2010)	Explanation for any variations greater than ± 10 per cent
4,814	4,951	N/A – under 10%

Numbers in 2010:

Total FTE (30 June 2010)	Total FTE (31 December 2010)	Explanation for any variations greater than ± 10 per cent
4,951	5,015	N/A – under 10%

Numbers in 2010 and 2011:

Total FTE (31 December 2010)	Total FTE (30 June 2011)	Explanation for any variations greater than ± 10 per cent
5,015	5,100	N/A – under 10%

Question 32

In the tables below, please detail the salary costs for 2008-09, 2009-10 and 2010-11, broken down by ongoing, fixed-term and casual and explain any variations greater than 10 per cent between the years for each category.

Costs in 2009-10:

Employment category	Gross salary 2008-09	Gross salary 2009-10	Explanation for any variations greater than ± 10 per cent
	(\$ million)	(\$ million)	
Ongoing	327.0	350.9	N/A – none over 10%
Fixed-term	126.2	135.5	N/A – none over 10%
Casual	12.4	13.3	N/A – none over 10%
Total	465.6	499.7	N/A – none over 10%

Costs in 2010-11:

Employment category	Gross salary 2009-10	Gross salary 2010-11	Explanation for any variations greater than ± 10 per cent
	(\$ million)	(\$ million)	
Ongoing	350.9	380.1	N/A – none over 10%
Fixed-term	135.5	146.7	N/A – none over 10%
Casual	13.3	14.4	N/A – none over 10%
Total	499.7	541.2	N/A – none over 10%

For each of the employment categories, please break the expense for 2010-11 down into the first six months and second six months of the financial year and explain any variations greater than ± 10 per cent between the two six-month amounts:

Employment category	Gross salary 1/7/2010-31/12/2010	Gross salary 1/1/2011-30/6/2011	Explanation for any variations greater than ± 10 per cent
	(\$ million)	(\$ million)	
Ongoing	185.7	194.4	N/A – none over 10%
Fixed-term	71.7	75.1	N/A – none over 10%
Casual	7.0	7.4	N/A – none over 10%
Total	264.4	276.8	N/A – none over 10%

Question 33

- (a) For what roles within your organisation were contractors or contract staff used in 2009-10 and 2010-11 (refer to Explanatory Memorandum for definition of contractors)?

Outsourced non-clinical support, nursing services – material contractors only

- (b) Please itemise the services delivered by contractors or contract staff in 2009-10 and 2010-11:

Contractors/contract staff in 2009-10:

Service category	Number of contractors/contract staff	Value of services
Non-clinical support services	340	\$25,279,000
Nursing services	48	\$5,680,000

Contractors/contract staff from 1 July 2010 to 30 June 2011:

Service category	Number of contractors/contract staff	Value of services
Non-clinical support services	340	\$27,567,000
Nursing services	54	\$5,076,000

Note: staff numbers are average for the period. Calculated on an FTE basis.

- (c) For each specific contractor or contract staff paid in excess of \$100,000 per annum that has been engaged by your organisation during 2009-10 or 2010-11, please supply the following details:

Contractors/contract staff in 2009-10:

Supplier	Purpose	Value of services (\$)	Number of contractors/contract staff (FTE) employed for longer than 12 months	Reasons why a VPS employee or equivalent could not undertake the work
Spotless	Non-clinical support services	25,279,000	Ongoing contract with Spotless for services.	Outsourcing of non-clinical support services

Contractors/contract staff from 1 July 2010 to 30 June 2011:

Supplier	Purpose	Value of services (\$)	Number of contractors/contract staff (FTE) employed for longer than 12 months	Reasons why a VPS employee or equivalent could not undertake the work
Spotless	Non-clinical support services	27,567,000	Ongoing contract with Spotless for services.	Outsourcing of non-clinical support services

Question 34

- (a) For what roles within your organisation were consultants used in 2009-10 and 2010-11 (refer to Explanatory Memorandum for definition of consultants)?

Business and health project related consulting
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- (b) Please itemise the services delivered by consultants in 2009-10 and 2010-11:

Consultants in 2009-10:

Service category	Number of consultants	Value of services (\$)
All consultancy costs	92	652,325

Consultants from 1 July 2010 to 30 June 2011:

Service category	Number of consultants	Value of services (\$)
Specific health project consulting	8	256,189
Business Consulting	16	423,423
Other	81	230,325

- (c) For each specific consultant paid in excess of \$100,000 per annum that has been engaged by your organisation during 2009-10 or 2010-11, please supply the following details:

Consultants in 2009-10:

Supplier	Purpose	Value of services (\$)	Number of consultants (FTE) employed for longer than 12 months	Reasons why a VPS employee or equivalent could not undertake the work
N/A – none paid over \$100k				

Consultants from 1 July 2010 to 30 June 2011:

Supplier	Purpose	Value of services (\$)	Number of consultants (FTE) employed for longer than 12 months	Reasons why a VPS employee or equivalent could not undertake the work
N/A – none paid over \$100k				

Question 35

- (a) Please break down the staff turnover ratio (total left employment during the year expressed as a percentage of total headcount) for your organisation during 2008-09, 2009-10 and 2010-11 according to the following age brackets:

	2008-09	2009-10	2010-11
Less than 30 years old	12%	11%	10%
30-54 years old	2%	2%	2%
55 years or older	7%	6%	6%
Total	21%	19%	18%

- (b) Please describe the factors contributing to any variations greater than ± 10 per cent from one year to the next.

N/A

- (c) Please describe any strategies that are planned to be introduced to retain staff, reduce the level of voluntary staff turnover and reduce the likelihood that critical roles will become vacant in future?

Retention strategy under development identifying high risk positions and position holders, to ensure there is a systematic approach to support and coaching of these individuals, particularly within the first 12 months of service. This strategy is broadly owned rather than seen as the sole responsibility of the respective manager and includes a targeted development plan, and coaching by a senior manager. The high-risk roles are identified by the Executive Director team, and reviewed on a quarterly basis.

Leadership strategy to begin implementation in 2012 with the following components:

- a. Creating high performance teams;
- b. Mentoring for new senior starters;
- c. Clinical Leaders program;
- d. Future Leaders action learning program on ' Building the Future'

Performance Management Project

- a. Strategise and programs to embed feedback into the everyday work of managers and leaders;
- b. Streamlining performance management

Question 36

The State Services Authority (*The State of the Public Sector in Victoria 2008-09*, Chapter 4) has identified collaboration, agility and innovation as important to the future of the Victorian public sector. Please detail any initiatives undertaken by your organisation in 2009-10 or in 2010-11 prior to the change of government that have been designed to enhance these three qualities and what outcomes have been achieved by these initiatives:

	Initiative	Outcomes
Collaboration	N/A	
Agility	N/A	
Innovation	<p>Projects have been conducted across a range of areas to improve patient outcomes and develop staff skills in redesign, innovation and service improvement. Areas for projects have included:</p> <ol style="list-style-type: none"> 1 Specialist Consulting Clinics 2 Scanning <p>8hr Project</p>	<p>Development of staff skills, in the following areas:</p> <ul style="list-style-type: none"> - Vision formation - Innovation - Benchmarking - Project Management - Change Management - Lean and applications to healthcare - Systems thinking <p>Service/patient outcomes:</p> <ol style="list-style-type: none"> 1. Decreased patient time at clinic appointment 2. Improved medical record scanning turnaround time from 2 weeks to 48hrs 3. Improved 8hr admission KPI performance

Please also supply details of initiatives designed to enhance these three qualities undertaken since the change of government in November 2010:

	Initiative	Outcomes
Collaboration	N/A	
Agility	N/A	
Innovation	<p>Projects have been conducted across a range of areas to improve patient outcomes and develop staff skills in redesign, innovation and service improvement. Areas for projects have included:</p> <ol style="list-style-type: none"> 1. Inpatient ward redesign 2. Medical Inpatient Admission Pathway 3. ED: 4 hr target a/ ED to ward b/ ED to ICU 4. Inpatient Rehab 5. Coding 6. Surgical Flow for day cases <p>Cath Lab/ Cardiology</p>	<p>Staff:</p> <p>Development of staff skills, in the following areas:</p> <ul style="list-style-type: none"> - Vision formation - Innovation - Benchmarking - Project Management - Change Management - Lean and applications to healthcare - Systems thinking <p>Service/patient outcomes:</p> <ol style="list-style-type: none"> 1. Improved ward based communication across medical groups 1 Improved reporting of performance to staff and patients 2 New direct admission pathway available for patients (via GP) to the Gen Med service 3 Redesign of handover processes leading to improved quality of handover and reduced wait times in ED 3 Improved collaboration between ED and ICU 4 Improved processes for discharge planning leading to reduced length of stay 5 Improved coding turnaround time 6 Improved efficiency of day procedure surgery at Sandringham Hospital and reduced patient wait times on day of procedures <p>Improved efficiency of Cath Lab and collaborative working across the Cardiology service</p>

Question 37

Please complete the following tables showing number of executive staff and total value of bonuses paid in the 2009-10 and 2010-11 performance periods:

Bonuses in 2009-10:

Executive category	Number of staff (FTE) – 5 FTE			Total value of bonuses paid (\$)
	Eligible for a performance bonus	Not awarded bonus payment	Awarded bonus payment	
Executive Officers	5	0	5	\$80,776

Bonuses in 2010-11:

Executive category	Number of staff (FTE) – 7 FTE			Total value of bonuses paid (\$)
	Eligible for a performance bonus	Not awarded bonus payment	Awarded bonus payment	
Executive Officers	7	0	7	\$113,936

Question 38

In the following table, please show for your organisation the actual range of bonuses paid (expressed as a percentage of total remuneration).

Rating	Proportion of total remuneration package actually paid (expressed as a range from x% to y%)	
	2009-10	2010-11
Per Victorian Public Health Services Executive Remuneration Policy July 2008	6.8%	5.6%

Note: Executive Employment Handbook not used. Victorian Public Health Services Executive Remuneration Policy July 2008 used instead.

The above format is based on the Executive Employment Handbook. If your organisation adopted another approach for awarding bonuses, please provide details.