



## **PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

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

#### **DEPARTMENT OF HEALTH**

## Explanatory note

For the purpose of reporting on the financial and performance outcomes of the Department of Planning and Community Development (DPCD), the following output and portfolio structures are used.

### Departmental structure at end 2009-10

Output/portfolio
Planning
Youth Affairs
Seniors and Veterans
Women's Policy
Disability
Indigenous Community and Cultural Development
Adult and Community Further Education
Sport and Recreation Development
Developing the Local Government Sector
Community Development

### Departmental structure at end 2010-11

Following machinery-of-government changes after the State Election in November 2010, DPCD's output and portfolio structure for 2010-11 was amended as follows:

Outputs	Incoming/Outgoing	Transferred to/from
Seniors	Outgoing	Department of Health

## SECTION A: Output variations (departments only)

### Question 1

#### Department of Health response

In relation to the departmental outputs listed in the budget papers, please provide a detailed explanation for all instances where an output cost for 2009-10 or 2010-11 varied from the initial target by greater than  $\pm 10$  per cent:

#### Output costs in 2009-10:

Output	Expected expenditure 2009-10 (2009-10 budget papers)	Actual expenditure 2009-10 (2009-10 annual report)	Explanation	Impact on the community of reduced/increased expenditure compared to budget
	(\$ million)	(\$ million)		
Aged Care Assessment	43.0	54.8	Change in output cost reflects increases in Commonwealth funding due to an ageing population, including Commonwealth Aged Care grants for Extended Aged Care at Home packages, sustainability, assessment and training funding paid directly to health services.	Aged Care Assessment provides funding to ensure that older people (and in some exceptional circumstances younger people with disabilities) have access to services appropriate to meet their support needs. The funding allows for assessment, re: physical, medical, psychological and social care needs of clients; development of a care plan with the individual and carer/ family; and provision of information and support to clients, re: appropriate services and referral to services which are available to meet individual needs and preferences. The assessment determines eligibility for Commonwealth funded residential care facilities, community aged care, extended aged care at home, dementia and transition care program places (where appropriate).
Aged Support Services	114.1	129.2	Change in output cost reflects increased Commonwealth Community Aged Care Package funding paid directly to health services; an increase in depreciation as a result of revaluation of health services' assets; and, realignment of health initiatives within the Aged and Home Care outputs.	Commonwealth funding paid directly to health services supports the delivery of aged support services. Depreciation is a non-cash expense that does not impact the community.

Output	Expected expenditure 2009-10 (2009-10 budget papers)	Actual expenditure 2009-10 (2009-10 annual report)	Explanation	Impact on the community of reduced/increased expenditure compared to budget
	(\$ million)	(\$ million)		
Community Health Care	218.4	244.9	Change in output cost reflects part year impact of the Victorian Bushfire Case Management Service and recovery costs, and an increase in depreciation as a result of revaluation of health services' assets.	Additional Case Managers were deployed across the State to work with Victorians affected by the bushfires to provide support to families and to assist them to identify and access services and funding assistance. Depreciation is a non-cash expense that does not impact the community.
Public Health Development, Research and Support	12.1	14.9	At the time of developing the 2009-10 expected expenditure estimate for the 2010-11 Budget papers, the estimate reflected understated corporate overhead allocations; these were revised subsequently across the whole program.	Corporate overhead allocation change has not impacted the community as the cost was not imposed on the program service delivery.

**Output costs in 2010-11:**

Output	Expected expenditure 2010-11 (2010-11 budget papers)	Actual expenditure 2010-11 (2010-11 annual report)	Explanation	Impact on the community of reduced/increased expenditure compared to budget
	(\$ million)	(\$ million)		
Aged Care Assessment	42.9	56.5	Change in output cost reflects increases in Commonwealth funding including Commonwealth Aged Care grants for Extended Aged Care at Home packages, sustainability, assessment and training funding paid directly to health services.	Aged Care Assessment provides funding to ensure that older people (and in some exceptional circumstances younger people with disabilities) have access to services appropriate to meet their support needs. The funding allows for assessment of clients' physical, medical, psychological and social care needs; development of a care plan with the individual and carer/ family; and provision of information and support to clients, re: appropriate services and referral to services which are available to meet individual needs and preferences. The assessment determines eligibility for Commonwealth funded residential care facilities, community aged care, extended aged care at home, dementia and transition care program places (where appropriate).
Small Rural Services – Aged Care	158.8	185.4	At the time of developing the 2010-11 expected expenditure estimate for the 2011-12 Budget papers, Commonwealth and other contributions towards Residential Aged Care Services were underestimated. The change in output cost also reflects an increase in depreciation of health services' assets.	Depreciation is a non-cash expense that does not impact the community. The increase in third party revenue leads to increased service capacity.
Public Health Development, Research and Support	10.7	11.9	At the time of developing the 2010-11 expected expenditure estimate for the 2011-12 Budget papers, expenditure relating to the National Partnership Agreement - Enabling Infrastructure program was reflected in the Health Advancement output cost. This funding was transferred subsequently to the Public Health Development, Research and Support output.	This funding was to support and inform the development of the Victorian Public Health and Wellbeing Plan and the National Partnership Agreement on Preventive Health Victorian Implementation Plan.

## Question 2

### Department of Health response

Regarding the Department's performance measures in the budget papers:

(a) How did the Department's 2008-09 results influence departmental planning in 2009-10?

The department measures and monitors key performance measures as part of the quarterly Executive Performance Reporting. Where performance is under target, diagnosis of causes is made and operational decisions taken to address performance issues.

Annual performance results are reviewed as part of the budget and corporate planning process. Where actual results are expected to be under targets remediation actions, including in some cases, submissions for additional funding are included in the budget priority setting process.

Divisions are responsible for undertaking reviews of their performance measures and evaluations of service delivery. Results from these reviews influence divisional, and in turn, department planning. For example future performance targets and service delivery requirements may be amended due to reviews of performance issues.

(b) How did the Department's 2009-10 results influence departmental planning in 2010-11?

The department measures and monitors key performance measures as part of the quarterly Executive Performance Reporting. Where performance is under target, diagnosis of causes is made and operational decisions taken to address performance issues.

Annual performance results are reviewed as part of the budget and corporate planning process. Where actual results are expected to be under targets remediation actions, including in some cases, submissions for additional funding are included in the budget priority setting process.

The Department regularly reviews its performance measures and undertakes evaluations of service delivery. A significant example of this approach in 2010-11 relating to mental health and drug services. Results for mental health and drug treatment services are utilised routinely in performance monitoring, performance management with services directly and service improvement activities. Performance management processes have been improved within the Alcohol and Other Drugs (AOD) and clinical mental health sectors. In AOD, this work has been noted and supported specifically by the Victorian Auditor General's Office (VAGO) in its report, 'Managing Drug and Alcohol Prevention and Treatment Services'. In the mental health sector, significant improvement in post-discharge care and seclusion reduction in adult clinical settings was noted in line with targets set for the first time in 2009-10. In planning for 2010-11, these targets were expanded to include child, youth and aged persons' clinical settings.

### Question 3

#### Department of Health response

For each of the output costs listed for the Department in the budget papers, 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  $\pm 10$  per cent between the two six-month amounts:

Output	Expense 1/7/2010-31/12/2010	Expense 1/1/2011-30/6/2011	Explanation for any variations greater than $\pm 10$ per cent
	(\$ million)	(\$ million)	
Admitted Services	3,378.9	3,217.9	The variation is less than 10%
Non-Admitted Services	602.0	605.3	The variation is less than 10%
Emergency Services	192.5	194.0	The variation is less than 10%
Acute Training and Development	140.8	161.6	The increase of expenditure in the second half of the year is due to planned additional funding, mainly for Clinical Placements and Training and Cancer Agency Research projects and initiatives which are provided in the second half of the financial year. Recurrent funding is also provided in the second half of the year to support additional Hospital Medical Officers.
Ambulance Emergency Services	235.8	241.9	The variation is less than 10%
Ambulance Non-Emergency Services	51.8	53.0	The variation is less than 10%
Clinical Care	454.2	470.8	The variation is less than 10%
Psychiatric Disability Rehabilitation and Support Services (PDRSS)	47.2	48.9	The variation is less than 10%
Seniors Programs And Participation	2.3	3.2	The expenditure variation between the first and second half of 2010-11 relates to the timing of senior grant program

Output	Expense 1/7/2010-31/12/2010	Expense 1/1/2011-30/6/2011	Explanation for any variations greater than $\pm 10$ per cent
	(\$ million)	(\$ million)	
			payments. The Office of Senior Victorians (represented in this output) transferred from the Department of Planning and Community Development on 1 January 2010. The output costs reflect expenditure incurred by both departments during 2010-11.
Residential Aged Care	160.6	171.8	The variation is less than 10%
Aged Care Assessment	27.9	28.6	The variation is less than 10%
Aged Support Services	65.8	69.7	The variation is less than 10%
HACC Primary Health, Community Care and Support	273.8	285.1	The variation is less than 10%
Community Health Care	116.7	122.5	The variation is less than 10%
Dental Services	81.2	91.1	The increase of expenditure in the second half of the year is primarily due to the timing of grant payments to Dental Health Services Victoria relating to new funding provided for 'Improved Access to Dental Care', and the introduction of new growth payments and delivery in the second half of the year for one-off projects.
Small Rural Services – Acute Health	139.8	153.1	The variation is less than 10%
Small Rural Services – Aged Care	88.3	97.0	The variation is less than 10%
Small Rural Services – Home and Community Care Services	15.3	15.9	The variation is less than 10%
Small Rural Services – Primary Health	8.5	9.0	The variation is less than 10%



Output	Expense 1/7/2010-31/12/2010	Expense 1/1/2011-30/6/2011	Explanation for any variations greater than $\pm 10$ per cent
	(\$ million)	(\$ million)	
Health Protection	93.8	114.8	The increase of expenditure in the second half of the year is due to timing of health protection program payments.
Health Advancement	33.5	34.1	The variation is less than 10%
Public Health Development, Research and Support	5.0	6.9	The increase of expenditure in the second half of the year is due to the timing of payments, primarily related to the National Partnership Agreement for Preventive Health.
Drug Prevention and Control	12.0	12.1	The variation is less than 10%
Drug Treatment and Rehabilitation	51.8	57.8	The increase of expenditure in the second half of the year relates largely to funding scheduled to be paid in the second half of the year.

## Question 4

### Department of Health response

With respect to the performance measures listed in the 2010-11 budget papers for the Department (including the quality, quantity, timeliness and cost measures), for each measure where the actual result to 31 December 2010 varied by more than  $\pm 10$  per cent from the target result for 31 December 2010, please provide:

- (a) the target for 31 December 2010;
- (b) the actual result for 31 December 2010;
- (c) an explanation for the variation.

This information may be based on the information provided to the Department of Treasury and Finance as part of the half-yearly revenue certification process.

Performance measure	Target (31 December 2010)	Actual (31 December 2010)	Explanation for variation
<b>Admitted Services</b>			
Major trauma patients transferred to a major trauma service (per cent)	75	87	The percentage of major trauma patients transferred to a major trauma centre is consistently higher than the target and this is a positive result
Emergency patients transferred to ward within 8 hours (per cent)	80	66	Despite not meeting the target, more patients were admitted to a hospital bed within 8 hours compared to the same period in 2009-10 (where the performance was 65%)
<b>Non-Admitted Services</b>			
Completed post acute episodes	16,250	18,230	Actual is higher than target due to growth in demand for services and seasonal variance
Sub-acute ambulatory care occasions of service	220,833	254,470	Actual is higher than target due to growth in demand for services, seasonal variance and due to additional activity funded in 2010-11. Targets for 2011-12 have been adjusted to include the funding from the National Partnership Agreement on Improving Public Hospital Services

Performance measure	Target (31 December 2010)	Actual (31 December 2010)	Explanation for variation
<b>Emergency Services</b>			
Time on hospital bypass (per cent)	3.0	2.3	Below target is a positive result
Emergency Category 3 treated in 30 minutes (per cent)	75	66	Due to the revision of data definitions and implementation of new data systems, the recorded performance value was not fully comparable, leading to the appearance of significant variation.
Non-admitted emergency patients with a length of stay of less than four hours (per cent)	80	70	Performance has been affected by increased presentations and increases in the number of higher acuity patients presenting to the emergency department.
<b>Ambulance Emergency Services</b>			
Statewide air cases	1,403	1,834	Increased demand for air services.
Proportion of emergency (Code 1) incidents responded to within 15 minutes – statewide	85	76.7	Emergency road incidents have remained above target.
<b>Ambulance Non-emergency Services</b>			
Pensioner and concession card holders transported	88,511	97,350	Increased demand and growth in pensioner and concession card holder transport services
Statewide air cases	1,848	1,487	The fixed wing capacity has been used for emergency cases resulting in Ambulance Victoria transporting non-emergency cases via road
<b>Small rural services – acute services</b>			
Weighted Inlier Equivalent Separations (WIES)	10	9	Under the SRHS funding and accountability approach, substitution of acute, aged and home care, primary health services and other services is encouraged in order to meet local needs. Therefore underperformance for small rural services should not be viewed as non-performance but rather as a substitution of services. Agencies are able to move funds from unit-priced services (WIES) to non-unit priced services both within the output and other outputs under this flexible funding

Performance measure	Target (31 December 2010)	Actual (31 December 2010)	Explanation for variation
			approach
<b>Mental Health - Clinical Services</b>			
Community contact hours	408,000	450,000	A positive result
Emergency patients admitted to a mental health bed within 8 hours	80%	64%	Actual is lower than target indicating that on a state-wide basis 64% of people were not admitted into a mental health bed within 8 hours of coming to an emergency department. This is 16% below target and is due to high demand and significantly lower access rates to mental health beds in three specific metropolitan health services.
<b>Aged Care Assessment</b>			
Average wait between client registration and ACAS assessment – community based assessment	15	16.9	This measure includes priority 3 clients; the national benchmark for priority 3 wait times is 36 days.
Average wait between client registration and ACAS assessment – hospital-based assessment	2.5	1.8	Wait times for registration to assessment in hospitals are less than the target time – this is a positive result
<b>Aged Support Services</b>			
Individuals provided with respite services	11,000	7,658	The result does not necessarily indicate under-performance by service providers. Analysis of the HACC MDS has highlighted anomalies in the interpretation of the counting rules. To address these issues, the program proposed introduction of a new measure for 2012-13
Victorian EyeCare Service (occasions of service)	37,900	33,160	The shortfall in the December quarter was caused by seasonal factors, exacerbated by a 30% reduction in staffing. Additional staff were recruited by the provider

Performance measure	Target (31 December 2010)	Actual (31 December 2010)	Explanation for variation
<b>Primary and Dental Health</b>			
Better Health Channel Visits	7,000,000	6,237,000	Visits were fewer than anticipated due to an increased traffic to a competing international consumer health website. To compensate for this, Better Health Channel is improving its Search Engine Optimisation approach and undertook an evaluation to build increased market share
Waiting time for dentures	22	18	This is a positive result
Waiting time for restorative dental care	23	18	This is a positive result
<b>Small Rural Services – Aged Care</b>			
Home and Community Care service delivery hours	373,500	410,388	This is a positive result
<b>Small Rural Services Primary Health</b>			
Service delivery hours in community health care	50,350	55,547	This is a positive result
Standard equivalent value units	52,734	57,434	This is a positive result
<b>Public Health - Health Protection</b>			
Calls to food safety hotlines	2,500	2,219	Actual is lower than target due to increased usage of the Food Safety webpage and the Small Business hotline reducing the number of calls to the food safety hotline.
<b>Drug Prevention and Control</b>			
Needles and syringes provided through the Needle and Syringe Program	1,800	2,035	A positive result

Performance measure	Target (31 December 2010)	Actual (31 December 2010)	Explanation for variation
<b>Drug Treatment and Rehabilitation</b>			
Commenced courses of treatment: community-based drug treatment services	9,036	11,361	A positive result
Successful courses of treatment (episodes of care): community-based drug treatment services	7,771	11,479	A positive result
Average working days between screening of client and commencement of community-based drug treatment	3	1	A positive result
Average working days between screening of client and commencement of residential-based drug treatment	6	9	During Quarter 2, community residential drug withdrawal services were out of operation for at least two (2) weeks, due to a fire; fumigation; and refurbishment of client bedrooms and bathrooms.
<b>Senior Victorians</b>			
New Uni of the Third Age (U3A) programs funded (Seniors and veterans output)	20	0	The 2010-11 U3A Network new programs funding round was delayed due to the implementation of a new funding model for 2010-11. All outcomes are anticipated to meet functional year targets.  This measure was transferred to the Department of Health under the Machinery of Government changes.

If the Department is unable to provide this information to the Committee, please explain:

- (a) why this information is not available; and
- (b) how the Department tracks its progress during the year with respect to its performance measures.

Not Applicable

**SECTION B: Asset investment (departments only)****Question 5****Department of Health response**

Please provide a detailed explanation in relation to why the TEI has changed for each of the following projects and when the new TEI was approved:

**Projects in 2009-10:**

Project	TEI (2009-10 budget papers)	TEI (2010-11 budget papers)	When change to TEI was approved (month and year)	Explanation
	(\$ million)	(\$ million)		
Casey Hospital special care nursery expansion	4.2	5.2	October 2009	The original six-cot facility could not be expanded to construct a single 20-cot facility. A new single 20-cot facility needed to be constructed, increasing the overall cost of the project. The additional TEI was funded from tender savings from Victorian Respiratory Support Service project.
Heidelberg Repatriation Hospital mental health redevelopment	15.5	13.46	October 2009	Project achieved a favourable tender outcome, resulting in tender savings against a pre-tender estimate. The savings were transferred to Heidelberg Repatriation Hospital Mental Health Redevelopment, Veterans Gymnasium and Pool.
Heidelberg Repatriation Hospital Mental Health, Veterans' Gymnasium and Pool - Redevelopment Stage 1	9.0	11.21	October 2009	Increased costs due to performance and insolvency issues with the previous head building contractor for the Austin HRC project. Increased cost covered by savings from: Heidelberg Repatriation MH Redevelopment (\$2.040m); Shepparton MH Redevelopment (\$0.066m) and Northeast Health Wangaratta (\$0.104m).
Koori Youth Alcohol and Drug Healing Centre development	3.7	4.604	October 2009	Delays in finalising the site, increased building, site services and infrastructure costs resulted in an overall TEI increase for the project. The project shortfall was met by a transfer of savings from Mental Health Services for Kids & Youth (\$0.2m) and Brunswick Bouverie (\$0.704m) capital projects.
North Richmond Community Health Centre relocation	19.0	22.5	October 2009	Facility redesign and escalation of construction costs over the extended development period resulted in increased costs for project. Costs were covered by Victorian Respiratory Support Service savings (\$0.879m); Royal Melbourne Hospital ED (\$1.62m); RHM brickwork Rectification (\$0.825m).

**Projects in 2010-11:**

Project	TEI (2010-11 budget papers)	TEI (2011-12 budget papers)	When change to TEI was approved (month and year)	Explanation
	(\$ million)	(\$ million)		
Barwon Health: Expanding health service capacity – Geelong and its southern growth corridor	33.6	26.6	April 2011	Reflects \$7m of funding re-directed to the 'Geelong Hospital Upgrade' – enabling and decanting works.

**Question 6****Department of Health response**

For each of the following asset investment projects, please provide:

- (a) the actual expenditure in 2009-10 and 2010-11;
- (b) explanations for any variations greater than  $\pm 10$  per cent between the actual expenditure and what was estimated in the Budget at the start of the year; and
- (c) descriptions of the impact of any variations.

Note: For projects in 2009-10, the column 'Estimated expenditure in 2009-10 (2010-11 budget papers)' is calculated by deducting the estimated expenditure to 30 June 2009 listed in Budget Information Paper 1 (2009-10) from estimated expenditure to 30 June 2010 in Budget Information Paper 1 (2010-11) for the project. Under some circumstances this may result in a negative number, which should be explained in the departmental response. A similar approach is used in calculating the corresponding column for projects in 2010-11.



**Projects in 2009-10:**

Project	Estimated expenditure in 2009-10 (2009-10 budget papers)	Estimated expenditure in 2009-10 (2010-11 budget papers)	Actual expenditure in 2009-10	Explanation for any variations greater than $\pm 10$ per cent	Impact of any variations
	(\$ million)	(\$ million)	(\$ million)		
Medical equipment replacement program (Statewide)	35.0	39.606	34.719	Not Applicable	Not Applicable
Warrnambool Hospital Redevelopment - Stage 1B (Warrnambool)	24.5	21.655	25.671	Not Applicable	Not Applicable
Caulfield General Medical Centre Redevelopment Stage 2 (Caulfield)	17.85	15.193	18.563	Not Applicable	Not Applicable
Bendigo Hospital Stage 1 - Enabling Works (Bendigo)	17.0	12.479	4.293	Complex infrastructure works and delays in procuring a suitable site for the Ambulance Station delayed commencement of construction	No impact on project completion. Project still expected to be completed by June 2013
Northern Hospital - Mental Health Expansion and Short Stay Unit Construction (Epping)	16.9	11.623	14.841	The variance between the annual estimated expenditure and actual expenditure reflects the timing differences between when work is undertaken and when funds are cash flowed	The variation is caused by differences between estimated and actual cash flows – this has no impact to overall project completion
Olivia Newton John Cancer Centre (Heidelberg)	10.0	8.873	7.702	The variance between the annual estimated expenditure and actual expenditure reflects the timing differences between when work is undertaken and when funds are cash flowed	The variation is caused by differences between estimated and actual cash flows – this has no impact to overall project completion

Project	Estimated expenditure in 2009-10 (2009-10 budget papers)	Estimated expenditure in 2009-10 (2010-11 budget papers)	Actual expenditure in 2009-10	Explanation for any variations greater than $\pm 10$ per cent	Impact of any variations
	(\$ million)	(\$ million)	(\$ million)		
Kingston Centre Redevelopment - Stage 2 (Cheltenham)	9.33	2.497	4.257	The variance between the annual estimated expenditure and actual expenditure reflects the timing differences between when work is undertaken and when funds are cash flowed	The variation is caused by differences between estimated and actual cash flows – this has no impact to overall project completion
Latrobe Community Health Service - Morwell Redevelopment (Morwell)	9.0	4.253	13.894	Acceleration of project resulted in acceleration of cash flow	No impact to project completion. The project was completed on schedule in September 2010
Sunbury Day Hospital (Sunbury)	8.0	6.573	1.759	The variance relates mainly to timing differences between when work was scheduled and when invoices were received	The variation is caused by differences between estimated and actual cash flows – this has no impact to overall project completion
Hospital Energy Supply Project (Statewide)	8.0	15.962	15.155	Delays to the project caused a shift in the cash flows required – i.e., cash flows allocated to 2008-09 were deferred to 2009-10	Technical difficulties caused delays to work at some sites and resulted in the extension of project timelines
Alexandra District Hospital and Ambulance Station redevelopment (Alexandra)	7.3	3	3.273	The variance between the annual estimated expenditure and actual expenditure reflects the timing differences between when work is undertaken and when funds are cash flowed	The variation is caused by differences between estimated and actual cash flows – this has no impact to overall project completion

Project	Estimated expenditure in 2009-10 (2009-10 budget papers)	Estimated expenditure in 2009-10 (2010-11 budget papers)	Actual expenditure in 2009-10	Explanation for any variations greater than $\pm 10$ per cent	Impact of any variations
	(\$ million)	(\$ million)	(\$ million)		
Nathalia District Hospital and Aged Care redevelopment (Nathalia)	7.128	6.351	5.801	The variation is caused by differences between estimated and actual cash flows	Favourable building conditions allowed the early stages of the work to be completed ahead of schedule. This resulted in an acceleration of cash flows earlier in the process and therefore reduced funds being cash-flowed in the later stage (i.e., in 2009-10). The project was delivered ahead of schedule
HealthSMART shared information and communication technology (ICT) Operations (Statewide)	6.736	13.472	7.415	Delays to the project caused a shift in the cash flows required – i.e. cash flows allocated to 2008-09 were deferred to 2009-10	Delayed authorisation for third data centre resulted in unspent cash flow
Prevention and Recovery Care Services - Stage 2 (Metropolitan)	6.5	2.167	2.825	The variation is caused by differences between estimated and actual cash flows	There was no impact to overall project completion
Electronic Prescribing in key Victorian hospitals (Statewide)	6.405	5.5	5.394	The variance between the annual estimated expenditure and actual expenditure reflects the timing differences between when work is undertaken and when funds are cash flowed	The variation reflects difficulties associated with finalising agency participation thus resulting in completion delays for the project
Dandenong Hospital emergency department redevelopment (Dandenong)	6.328	5.437	11.330	Acceleration of elements of the project resulted in acceleration of cash flows	No impact on overall completion
Heidelberg Repatriation Hospital Mental Health, Veterans' Gymnasium and Pool - Redevelopment Stage 1 (Heidelberg)	5.079	5.864	5.456	Not Applicable	Not Applicable

Project	Estimated expenditure in 2009-10 (2009-10 budget papers)	Estimated expenditure in 2009-10 (2010-11 budget papers)	Actual expenditure in 2009-10	Explanation for any variations greater than ±10 per cent	Impact of any variations
	(\$ million)	(\$ million)	(\$ million)		
Heidelberg Repatriation Hospital mental health redevelopment (Heidelberg)	5.0	9.165	8.069	Wet weather caused delays to the project that required a shift in the cash flows – i.e., cash flows allocated to 2008-09 were deferred to 2009-10	The project completion date was rescheduled accordingly; it is now complete
Ballarat Hospital - Mental Health Redevelopment (Ballarat)	5.0	4.338	5.018	Not Applicable	Not Applicable
Box Hill Hospital - Infrastructure Upgrade (Box Hill)	5.0	2.576	2.670	Not Applicable	Delayed works associated with the main works package.
Hepburn Health Service: Trentham Campus redevelopment (Trentham)	4.4	3.574	3.47	The variance between the annual estimated expenditure and actual expenditure reflects the timing differences between when work is undertaken and when funds are cash flowed	The variation is caused by differences between estimated and actual cash flows. Inclement weather caused delays in project completion
Western Hospital Redevelopment Stage 1 (Footscray)	4.32	2.29	3.21	The variance between the annual estimated expenditure and actual expenditure reflects the timing differences between when work is undertaken and when funds are cash flowed	The variation is caused by differences between estimated and actual cash flows; overall project completion has not been impacted
Bendigo Hospital Emergency Department Upgrade (Bendigo)	4.0	6.289	7.84	Delays to the project caused a shift in the cash flows required – i.e., cash flows allocated to 2008-09 were deferred to 2009-10	Inclement weather caused delays in project completion

Project	Estimated expenditure in 2009-10 (2009-10 budget papers)	Estimated expenditure in 2009-10 (2010-11 budget papers)	Actual expenditure in 2009-10	Explanation for any variations greater than $\pm 10$ per cent	Impact of any variations
	(\$ million)	(\$ million)	(\$ million)		
North Richmond Community Health Centre relocation (North Richmond)	2.751	1.22	1.40	The variance between the annual estimated expenditure and actual expenditure reflects the timing differences between when work is undertaken and when funds are cash flowed	The variation is caused by differences between estimated and actual cash flows Delays to the project impacted on the cash flow required
Casey Hospital special care nursery expansion (Doveton)	2.5	2.882	2.72	Not Applicable	Not Applicable
Ballarat Hospital redevelopment (Ballarat)	2.0	1.562	1.81	Not Applicable	Not Applicable
Metropolitan and Rural Ambulance Services - Station Upgrades (Statewide)	1.7	2.081	2.43	Delays to the project caused a shift in the cash flows required – i.e., cash flows allocated to 2008-09 were deferred to 2009-10	Issues procuring ambulance station sites caused delays
Northern Hospital Maternity Expansion (Epping)	1.5	1.824	2.10	Delays to the project caused a shift in the cash flows required – i.e., cash flows allocated to 2008-09 were deferred to 2009-10	There is no impact to overall project completion
Barwon Health Geelong Hospital masterplan (Geelong)	1.241	0.163	0.01	A Service Plan Review has resulted in delays to the overall project. This has caused a shift in the cash flow required	Work has been rescheduled accordingly

Project	Estimated expenditure in 2009-10 (2009-10 budget papers)	Estimated expenditure in 2009-10 (2010-11 budget papers)	Actual expenditure in 2009-10	Explanation for any variations greater than $\pm 10$ per cent	Impact of any variations
	(\$ million)	(\$ million)	(\$ million)		
Ensuring our hospitals are as clean and safe as possible - Equipment (Statewide)	1.0	1.98	0.39	The variance between the annual estimated expenditure and actual expenditure reflects the timing differences between when work is undertaken and when funds are cash flowed	The variation is caused by differences between estimated and actual cash flows  Technology changes and health service staffing issues caused delays in procurement and a delay in the overall project
Helping Working Families: Giving Children the Best Start in Life - Equipment (Statewide)	0.907	0.1	0.24	The variance between the annual estimated expenditure and actual expenditure reflects the timing differences between when work is undertaken and when funds are cash flowed	The variation is caused by differences between estimated and actual cash flows; overall project completion has not been impacted
Redevelopment of the Royal Victorian Eye and Ear Hospital - Planning (East Melbourne)	0.9	0.199	0.23	The variance between the annual estimated expenditure and actual expenditure reflects the timing differences between when work is undertaken and when funds are cash flowed	The variation is caused by differences between estimated and actual cash flows
Rural Ambulance Victoria station upgrades and service expansion (Rural)	0.7	1.292	2.30	Delays to the project caused a shift in the cash flows required – i.e., cash flows allocated to 2008-09 were deferred to 2009-10	The variation is caused by differences between estimated and actual cash flows.  Issues procuring a suitable site caused delays to project delivery

Project	Estimated expenditure in 2009-10 (2009-10 budget papers)	Estimated expenditure in 2009-10 (2010-11 budget papers)	Actual expenditure in 2009-10	Explanation for any variations greater than $\pm 10$ per cent	Impact of any variations
	(\$ million)	(\$ million)	(\$ million)		
Sunshine Hospital Expansion and Redevelopment - Stage 1 (Sunshine)	0.7	4.225	3.18	Delays to the project caused a shift in the cash flows required – i.e., cash flows allocated to 2008-09 were deferred to 2009-10	There is no impact to overall project completion
Ambulance Service strategy (Statewide)	0.531	0.231	0.50	Not Applicable	Not Applicable
Intensive Care Service Expansion (Statewide)	0.172	0	0.06	The variance between the annual estimated expenditure and actual expenditure reflects the timing differences between when work is undertaken and when funds are cash flowed	The variation is caused by differences between estimated and actual cash flows; overall project completion has not been impacted

**Projects in 2010-11:**

Project	Estimated expenditure in 2010-11 (2010-11 budget papers)	Estimated expenditure in 2010-11 (2011-12 budget papers)	Actual expenditure In 2010-11	Explanation for any variations greater than ±10 per cent	Impact of any variations
	(\$ million)	(\$ million)	(\$ million)		
Barwon Health Geelong Hospital masterplan (Geelong)	1.423	-0.077	0.070	A Service Plan Review has resulted in delays to the overall project. This has caused a shift in the cash flow required.  The negative figure reflects the fact that the decision to delay the project occurred after the preparation of the 2010-11 Budget Papers – the actual expenditure up to 30 June 2010 was less than expected and this flowed on to a reduced expectation for 2010-11	The project has been delayed due to the Service Plan Review
Bendigo Hospital redevelopment (Bendigo)	8	6	1.507	The complex nature of the project procurement (to be delivered as a PPP) caused delays to the cash flow requirements	There is no impact to overall completion of the project
Bendigo Hospital Stage 1 - Enabling Works (Bendigo)	28.921	15.761	18.807	Complex infrastructure works and delays in procuring a suitable site for the Ambulance Station has delayed the overall construction	No impact on project completion. Project still expected to be completed by June 2013
Box Hill Hospital redevelopment (Box Hill)	20	15	14.865	The variation is caused by differences between estimated and actual cash flows	There was no impact to overall project completion



Project	Estimated expenditure in 2010-11 (2010-11 budget papers)	Estimated expenditure in 2010-11 (2011-12 budget papers)	Actual expenditure In 2010-11	Explanation for any variations greater than ±10 per cent	Impact of any variations
	(\$ million)	(\$ million)	(\$ million)		
BreastScreen Victoria's digital technology rollout (statewide)	5	1.4	1.455	The release of the tender to establish a panel of digital mammography suppliers was delayed, which resulted in the postponement of site upgrades scheduled between January and June 2011	
Ensuring our hospitals are as clean and safe as possible - Equipment (Statewide)	1	-1.186	1.194	The variation is caused by differences between estimated and actual cash flows.  The negative figure reflects the fact that the delay to the project was not realised until after the preparation of the 2010-11 Budget Papers – the actual expenditure up to 30 June 2010 was less than expected and this flowed on to a reduced expectation for 2010-11	Technology changes and staffing issues caused a delay in the overall project and this has impacted on the cash flows required
HealthSMART shared information and communication technology (ICT) Operations (Statewide)	13.472	5.858	7.412	The variation is caused by differences between estimated and actual cash flows	Not Applicable
Kingston Centre Redevelopment - Stage 2 (Cheltenham)	25.539	20.029	24.757	Not Applicable	Not Applicable
Leongatha Hospital redevelopment – stage 2 (Leongatha)	1.5	0.3	0	Delays to the project caused a shift in the cash flows required – i.e. cash flows allocated to earlier years were deferred	There is no impact on final project completion

Project	Estimated expenditure in 2010-11 (2010-11 budget papers)	Estimated expenditure in 2010-11 (2011-12 budget papers)	Actual expenditure In 2010-11	Explanation for any variations greater than $\pm 10$ per cent	Impact of any variations
	(\$ million)	(\$ million)	(\$ million)		
North Richmond Community Health Centre relocation (North Richmond)	16.7	7.85	10.167	Delays to the project caused a shift in the cash flows required – i.e., cash flows allocated to earlier years were deferred	Planning issues resulted in a complete building redesign. Completion dates revised accordingly
Olivia Newton-John Cancer and Wellness Centre – stage 2A (Heidelberg)	5	5	13.306	The sequencing of works for the project changed, with more expensive works occurring earlier. This has seen a shift forward in the cash flow requirements	There is no impact on final project completion
Redevelopment of the Royal Victorian Eye and Ear Hospital - Planning (East Melbourne)	1.733	0.533	0.522	The variation is caused by differences between estimated and actual cash flows	A new feasibility study has been undertaken to align with the Baillieu Government's pre-election commitment, resulting in a delay to the project. This has affected the timing of cash flows
Werribee Mercy Hospital Expansion - Stage 1 (Werribee)	5.5	3.629	6.143	Not Applicable	Not Applicable
Youth prevention and recovery care services (Statewide)	6	3	1.791	Difficulty in procuring a site led to delays in cash flow requirements	There is a slight delay in the overall project (May 2012)

### **Question 7**

#### **Department of Health response**

This question does not apply to your department.

## Question 8

### Department of Health response

Please provide the following details of any asset investment projects not covered in Question 6 where the actual expenditure in 2009-10 or 2010-11 varied from the budget estimate for expenditure by greater than  $\pm 10$  per cent.

#### Projects in 2009-10:

Project	Estimated expenditure in 2009-10 (2009-10 budget papers)	Actual expenditure in 2009-10	Explanation	Impact of variation
	(\$ million)	(\$ million)		
Dandenong Hospital Mental Health Redevelopment and Expansion	4.016	6.412	The project progressed to schedule. The variation is caused by differences between estimated and actual cash flows	No impact on project completion
Geelong Hospital – Enhanced Capacity Works	2.1	3.596	The project progressed to schedule. The variation is caused by differences between estimated and actual cash flows	No impact on project completion
Ballarat Base Hospital Redevelopment	0.6	1.237	The project progressed to schedule. The variation is caused by differences between estimated and actual cash flows	No impact on project completion
Youth Prevention and Recovery Care Services (YPARCS)	0.4	0.928	Difficulty in procuring a site led to delays in cash flow requirements	There is a short delay in the overall project. (May 2012)
Sunbury Day Hospital – Stage 2	2	2.523	The project progressed to schedule. The variation is caused by differences between estimated and actual cash flows	No impact on project completion
Rosebud Community Health Centre	3.116	1.223	A minor defect resolution led to a minor delay and this impacted the timing of cash flows	No impact on project completion

Project	Estimated expenditure in 2009-10 (2009-10 budget papers)	Actual expenditure in 2009-10	Explanation	Impact of variation
	(\$ million)	(\$ million)		
Aged Care Land Bank – Stage 4	3	0	Difficulty in procuring suitable sites caused actual cash flows to be deferred, creating a variance with planned cash flows	Project completion date is being reviewed in light of delays, and is currently forecast for June 2012
Short Stay Units, Day Treatment Centres and Medi-hotels – Stage 2	3	1.307	The variation is caused by differences between estimated and actual cash flows	Delays to project commencement caused revised project timelines – this impacted on cash flows
Bass Coast Wonthaggi Hospital – Emergency Upgrade	2.5	1.378	The variation is caused by differences between estimated and actual cash flows	Theatre demand directly impacted timing of works undertaken, which caused delays to original plan. Project is now complete and in financial completion phase
MonashLink Community Health Centre – Oakleigh	0.5	0.012	The variance between the annual estimated expenditure and actual expenditure reflects the timing differences between when work is undertaken and when funds are cash flowed	The variation is caused by differences between estimated and actual cash flows – this has no impact on project completion
Critical Care Service Expansion	1	0.613	The variance between the annual estimated expenditure and actual expenditure reflects the timing differences between when work is undertaken and when funds are cash flowed	The variation is caused by differences between estimated and actual cash flows – this has no impact on project completion.
Sunshine Hospital Expansion and Redevelopment – Stage 2 (Sunshine)	29.7	39.485	Acceleration of project has resulted in accelerated cash flows.	Acceleration of the project in 2009-10 was later offset in 2010-11 where wet weather caused delays to the completion of the overall project
Royal Melbourne Hospital Emergency Department Redevelopment (Parkville)	4.206	2.604	The variation is caused by differences between estimated and actual cash flows	No impact on project completion

Project	Estimated expenditure in 2009-10 (2009-10 budget papers)	Actual expenditure in 2009-10	Explanation	Impact of variation
	(\$ million)	(\$ million)		
Grace McKellar Centre – Redevelopment Stage 2 (Geelong)	1.69	0.204	Variance relates to savings of \$1.28m realised in the project	This has no impact on project delivery
Frankston Hospital Stage 2 (Operating Theatre Expansion and Critical Care Redevelopment) (Frankston)	18.323	21.594	The project accelerated ahead of schedule and cash flow requirements changed accordingly	Practical completion achieved ahead of schedule in October 2010
Super Clinics (Metropolitan)	0.374	0	Variance relates to savings realised	Project was completed on schedule
Casey Aged Care Development (Doveton)	0.498	0	Variance relates to savings realised in the project – unspent cash carried over into following year	Project was delivered on scheduled
Eastern Health Mental Health Redevelopment Stage 1 (Box Hill, Ringwood East)	2.034	0.179	The variation is caused by differences between estimated and actual cash flows	Project completed. Minor delay only
Kingston Centre Kitchen Upgrade and Associated Works (Heatherton)	6.84	5.136	The variance between the annual estimated expenditure and actual expenditure reflects the timing differences between when work is undertaken and when funds are cash flowed	The variation is caused by differences between estimated and actual cash flows – this has no impact on project delivery
Grovedale Aged Care Facility Development (Grovedale)	0.514	0.005	Variance relates to savings realised	Project was completed on schedule
Northern Hospital Redevelopment Stage 2a (Epping)	0.923	0.195	The variation is caused by differences between estimated and actual cash flows	No impact on project completion

Project	Estimated expenditure in 2009-10 (2009-10 budget papers)	Actual expenditure in 2009-10	Explanation	Impact of variation
	(\$ million)	(\$ million)		
Warracknabeal Nursing Home Stage 1 Redevelopment (Warracknabeal)	0.492	0.049	The variation is caused by differences between estimated and actual cash flows	No impact on project completion
Werribee Mercy Hospital Expansion – Stage 1 (Werribee)	8	4.647	The variation is caused by differences between estimated and actual cash flows	Wet weather caused delays to the completion of the overall project
Northeast Health Wangaratta – Nursing Home Redevelopment (Wangaratta)	0.419	0.314	The variation is caused by differences between estimated and actual cash flows	No impact on project completion
Leongatha Hospital Campus Stage 1 Residential Aged Care (Leongatha)	1.184	0.035	The variation is caused by differences between estimated and actual cash flows	The project is complete
Prevention and Recovery Care Services – Stage 1 – Construction (Metropolitan)	2.3	4.987	Delays to the project caused by difficulty in identifying a site. This caused a shift in the cash flows required – i.e., cash flows allocated to earlier years were deferred	Overall completion of the project was delayed
St Vincent's Orthopaedic Surgery Centre – Construction (Fitzroy)	0.6	3.874	Delays in construction commencement due to unforeseen constraints/latent defects identified, in prior year. This caused a shift in the cash flows required – i.e., cash flows allocated to earlier years were deferred	Overall completion of the project was delayed
Mental Health Services for Kids and Youth – Development Stage 2 (Footscray)	0.593	0	Variance partially related to savings realised in project	No impact on overall project completion

Project	Estimated expenditure in 2009-10 (2009-10 budget papers)	Actual expenditure in 2009-10	Explanation	Impact of variation
	(\$ million)	(\$ million)		
Shepparton Mental Health Redevelopment (Ambermere)	0.105	0	Variance partially related to savings realised in project	No impact on overall project completion
Brunswick Human Services Precinct Bouverie Centre Relocation (Brunswick)	0.704	0	Variance relates to savings realised on project. Planned cashflow represents funds that were no longer required in 2009-10	No impact on overall project completion
Frankston Hospital Maternity Service Expansion (Frankston)	4	1.805	Cash flow variance due to ground work issues such as leakages and flooding has resulted in early construction works delays	Project is still expected to meet original completion date
Melton New Dental Chairs (Melton)	3.3	0.670	Prior year acceleration reduced cash flows required in 2009-10.	No impact on project delivery; is now complete
Monash Medical Centre – Clayton: Pregnancy Assessment Unit (Clayton)	4.08	2.956	The variance reflects minor delays to the project cash flows in 2009-10. Delays to cash flow were carried over into 2010-11	No impact to overall project completion. The project was completed on schedule
Koori Youth Alcohol and Drug Healing Centre Development (Rural)	3.087	2.040	The variation is caused by differences between estimated and actual cash flows	Delays caused by steel fabrication and delivery issues, Vandalism and theft on property and extreme wet wether
Environmental Sustainability Public Hospitals and Aged Care (Statewide)	0.89	1.258	Delays to the project caused a shift in the cash flows required – i.e., cash flows allocated to 2008-09 were deferred to 2009-10	No impact on overall project completion
Metropolitan Ambulance Service Station Upgrades (Metropolitan)	0.719	0	Issues procuring Ambulance Station sites caused delays to project delivery – this affected cash flow requirements	No impact on overall project completion

Project	Estimated expenditure in 2009-10 (2009-10 budget papers)	Actual expenditure in 2009-10	Explanation	Impact of variation
	(\$ million)	(\$ million)		
Monash Medical Centre Children's Facility Planning and Development (Clayton)	1.515	0.144	The variation is caused by differences between estimated and actual cash flows	A Baillieu Government Election Commitment necessitated a update of master plan and revised feasibility study to be undertaken.
MonashLink Community Health Service (Ashwood)	0.78	1.3	Project accelerated ahead of schedule causing actual cash flows to be utilised earlier than forecast	There is no overall impact on completion of the project
Doutta Galla Kensington Community Health Centre Planning and Development (Kensington)	0.666	0	The variation is caused by differences between estimated and actual cash flows	Further conceptual planning work (required with Melbourne City Council) delayed the overall project
MonashLink Community Health Service – Stage 2 (Glen Waverley and Oakleigh)	0.5	0.198	The variance between the annual estimated expenditure and actual expenditure reflects the timing differences between when work is undertaken and when funds are cash flowed	The variation is caused by differences between estimated and actual cash flows – this has no impact on project delivery

**Projects in 2010-11:**

Project	Estimated expenditure in 2010-11 (2010-11 budget papers)	Actual expenditure in 2010-11	Explanation	Impact of variation
	(\$ million)	(\$ million)		
Aged Care Land Bank – Stage 5	2.500	1.096	Issues procuring additional sites caused delays in the overall cash flows for the 2010-11 year	Project scheduled for completion in June 2012



Project	Estimated expenditure in 2010-11 (2010-11 budget papers)	Actual expenditure in 2010-11	Explanation	Impact of variation
	(\$ million)	(\$ million)		
Austin Health community care unit	1.000	0.801	The variance between the annual estimated expenditure and actual expenditure reflects the timing differences between when work is undertaken and when funds are cash flowed	No impact on project completion
Barwon Health: Expanding health service capacity – Geelong and its southern growth corridor	6.300	0.300	The variance between the annual estimated expenditure and actual expenditure reflects the timing differences between when work is undertaken and when funds are cash flowed	The variation is caused by differences between estimated and actual cash flows
Coleraine Hospital Redevelopment	1.800	1.128	The variance between the annual estimated expenditure and actual expenditure reflects the timing differences between when work is undertaken and when funds are cash flowed	No impact on project completion
Expansion of the Gippsland Cancer Care Centre at Traralgon	5.000	3.647	The project was tracking to schedule but an implementation plan was not signed with the Commonwealth prior to year end. This required the Budget to be 'backed out' and reallocated to 2011-12	No impact on overall project delivery
Expansion of intensive care and theatre capacity	5.000	3.481	The variance between the annual estimated expenditure and actual expenditure reflects the timing differences between when work is undertaken and when funds are cash flowed	The variation is caused by differences between estimated and actual cash flows – this has no impact on project completion
Healesville Hospital upgrade	0.360	0.027	Variance is due to delays caused by a service profile review which was behind schedule	No impact on overall project completion
Monash Children's – Acute and intensive care services expansion	2.830	5.948	The variance is due to project cash flows accelerating faster than forecast	There is no overall impact on completion of project

Project	Estimated expenditure in 2010-11 (2010-11 budget papers)	Actual expenditure in 2010-11	Explanation	Impact of variation
	(\$ million)	(\$ million)		
Monashlink Community Health Service – Glen Waverley	0.500	1.816	The variance is due to project cash flows accelerating faster than forecast, with early works progressing slightly ahead of schedule	There is no overall impact on completion of project
Northern Health catheterisation laboratory expansion	1.200	5.307	The variance is due to project cash flows accelerating faster than forecast; demolition works and laying of foundations completed ahead of schedule	No overall impact on completion of project.
Royal Melbourne Hospital – Allied health redevelopment	0.690	0.829	The variation is caused by differences between estimated and actual cash flows	No impact on project completion
Statewide enhancements to regional cancer services	7.700	0.000	Delay to finalisation of Implementation Plan (now Project Agreement) with the Commonwealth.	The project completion timelines are currently being reviewed in light of the delayed implementation plans.
Sunshine Hospital expansion and redevelopment – Stage 3	13.600	22.136	The variance is due to early construction works progressing ahead of schedule causing cash flows to accelerate faster than forecast	There has been no change to the expected completion of the overall project
Alexandra Hospital and Ambulance Station	16.000	11.696	Cash flows were revised as part of mid year review but were not captured in Budget Papers. Expected cash flows revised downward and reflect minor delays in progress of project	The overall completion of the project was delayed by three months. The project is now complete
Ballarat Base Hospital Redevelopment	2.000	10.762	Practical completion of the Maternity Outpatients and acceleration of Special Care Nursery and Catheter Lab has resulted in a higher cash flow than originally anticipated	No impact on overall project delivery
Bass Coast Wonthaggi Hospital – Emergency Upgrade	0.500	0.916	Theatre demand directly impacted timing of works undertaken, which caused delays to original plan – this impacted on the cash flow required	No impact on overall project delivery

Project	Estimated expenditure in 2010-11 (2010-11 budget papers)	Actual expenditure in 2010-11	Explanation	Impact of variation
	(\$ million)	(\$ million)		
Bendigo Residential Aged Care Facility (Stella Anderson Replacement) (Bendigo)	1.600	0.141	Acceleration of cash flow required in prior year reduced cash flow requirements in 1200-11	No impact on overall project delivery
Box Hill Hospital – Infrastructure Upgrade (Box Hill)	3.500	2.783	Unexpected increase in theatre demand led to delays in work – causing cash flow changes	Overall project completion timelines have been rescheduled until January 2012.
Dandenong Hospital Emergency Department Redevelopment (Dandenong)	14.298	7.377	The variance between the annual estimated expenditure and actual expenditure reflects the timing differences between when work is undertaken and when funds are cash flowed	The variation is caused by differences between estimated and actual cash flows – this has no impact on project delivery
Dandenong Hospital Mental Health Redevelopment and Expansion	17.111	19.813	The variance is due to project cash flows accelerating faster than forecast	No impact on overall project delivery
Frankston Hospital Maternity Service Expansion (Frankston)	0.5	4.343	Earlier delays to the project caused a shift in the cash flows required – i.e., cash flows allocated to earlier years were deferred	The variation is caused by differences between estimated and actual cash flows – this has no impact on project completion
Heidelberg Repatriation Hospital Mental Health, Veterans' Gymnasium and Pool – Redevelopment Stage 1 (Heidelberg)	1.425	2.405	Wet weather caused delays to the early part of the project – causing deferral of cash flow required	Overall project completion date was rescheduled to February 11 – Project is now complete.
Helping Working Families: Giving Children the Best Start in Life – Equipment (Statewide)	0.807	0.222	The variance between the annual estimated expenditure and actual expenditure reflects the timing differences between when work is undertaken and when funds are cash flowed	The variation is caused by differences between estimated and actual cash flows – this has no impact on project delivery

Project	Estimated expenditure in 2010-11 (2010-11 budget papers)	Actual expenditure in 2010-11	Explanation	Impact of variation
	(\$ million)	(\$ million)		
Hepburn Health Service: Trentham Campus Redevelopment (Trentham)	2.500	2.098	Inclement weather caused delays to the completion of the project and impacted the cash flows required	Overall project completion date was rescheduled to December 2010 – Project is now complete.
Metropolitan and Rural Ambulance Services – Station Upgrades (Statewide)	0.909	0.348	Site issues delayed progress of the overall project and this impacted the cash flow requirements.	Overall project completion date was rescheduled to December 2011.
MonashLink Community Health Centre – Oakleigh	1.5	2.487	The variance is due to project cash flows accelerating faster than forecast	No impact on overall project completion
Nathalia District Hospital and Aged Care Redevelopment (Nathalia)	1.50	0.235	Favourable building conditions allowed early works to be accelerated for initial stages of construction; this reduced subsequent years' cash flow	Overall project was completed 3 months ahead of schedule in December 2009,
Northern Hospital Maternity Expansion (Epping)	0.5	0.082	The variance between the annual estimated expenditure and actual expenditure reflects the timing differences between when work is undertaken and when funds are cash flowed	The variation is caused by differences between estimated and actual cash flows – this has no impact on project delivery
Prevention and Recovery Care Services (PARCS) – Stage 2 (Metropolitan)	6.360	3.740	Delay in procuring a potential Frankston site has resulted in a revised completion date	Overall project completion date was rescheduled to June 2012.
Sunbury Day Hospital (Sunbury)	5.00	7.698	The variance between the annual estimated expenditure and actual expenditure reflects the timing differences between when work is undertaken and when funds are cash flowed	The variation is caused by differences between estimated and actual cash flows – this has no impact on project delivery

Project	Estimated expenditure in 2010-11 (2010-11 budget papers)	Actual expenditure in 2010-11	Explanation	Impact of variation
	(\$ million)	(\$ million)		
Sunshine Hospital Expansion and Redevelopment – Stage 1 (Sunshine)	2.00	1.457	The variance between the annual estimated expenditure and actual expenditure reflects the timing differences between when work is undertaken and when funds are cash flowed	The variation is caused by differences between estimated and actual cash flows – this has no impact on project delivery
Sunshine Hospital Expansion and Redevelopment – Stage 2 (Sunshine)	40.700	23.059	Wet weather has caused delays to the completion of the project which has impacted the cash flow requirements	No impact on overall project delivery
Warrnambool Hospital Redevelopment – Stage 1B (Warrnambool)	35.000	40.095	The variance is due to project cash flows accelerating faster than forecast	No impact on overall project completion
Warrnambool Hospital Redevelopment – Stage 1C	1.130	1.563	The variation is caused by differences between estimated and actual cash flows	No impact on project completion
Western Hospital Redevelopment Stage 1 (Footscray)	2.030	0.504	The variance between the annual estimated expenditure and actual expenditure reflects the timing differences between when work is undertaken and when funds are cash flowed	The variation is caused by differences between estimated and actual cash flows – this has no impact on project delivery

**Question 9****Department of Health response**

For each of your organisation's asset projects procured and delivered through project alliancing, please provide the following details (please provide all figures in \$ million):

Project	Funding from Government (actual expenditure)		Funding from contractual participants (actual expenditure)		Latest approved total estimated capital investment over the life of the project	Total Government liability remaining		
	2009-10	2010-11	2009-10	2010-11		at 30/6/09	at 30/6/10	at 30/6/11
Not Applicable								

**Question 10****Department of Health response**

For each of your organisation's asset projects procured through Partnerships Victoria arrangements please provide the following details (please provide all figures in \$ million):

Project	Service payments by the Department		Service payments by other government agencies		Income from non-government sources		Latest approved total estimated capital investment over the life of the project	Total Government liability remaining		
	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11		at 30/6/09	at 30/6/10	at 30/6/11
Casey Community Hospital	12.53	12.944	0	0	0	0	137.9	328.98	314.94	304.87
Royal Children's Hospital Project		15.0	0	0	0	0	1293.4	4116.12	4011.37	4149.28
Royal Women's Hospital Project	40.47	41.38	0	0	0	0	467.8	1221.11	1184.98	1151.16

**Question 11****Department of Health response**

Please provide the following details of any asset projects that the Department is involved with which have a TEI greater than \$50 million which are not detailed in Budget Paper No.4 or for which details have not been supplied in response to Question 9 or Question 10 above.

Project	Funding from Government (actual expenditure)		Funding from other sources (actual expenditure)		Latest approved total estimated capital investment over the life of the project	Total Government liability remaining		
	2009-10	2010-11	2009-10	2010-11		at 30/6/09	at 30/6/10	at 30/6/11
Not Applicable								

**Question 12****Department of Health response**

For any asset projects where some components are funded/delivered by the Government directly and some are funded/delivered through Partnerships Victoria arrangements in 2009-10 or 2010-11, please supply the following details of the Government funding:

Project	Expenditure of Government funding in 2009-10 (actual)	Expenditure of Government funding in 2010-11 (actual)	Latest approved TEI of Government funding
	(\$ million)	(\$ million)	(\$ million)
Casey Hospital Special Care Nursery Expansion	2.72	2.35	5.2

**Question 13****Department of Health response**

How many staff (full-time equivalent numbers) were employed by the Department to work on public private partnerships on 30 June 2009, 2010 and 2011? Please break this number down by how many are ongoing, fixed-term, contractors and consultants.

	Number of staff (FTE) as at 30 June 2009	Number of staff (FTE) as at 30 June 2010	Number of staff (FTE) as at 30 June 2011
Ongoing	7	12	12
Fixed-term	15	8	10
Contractors	6	8	8
Consultants	Not Applicable	Not Applicable	Not Applicable

**Question 14****Department of Health response**

How many staff (full-time equivalent numbers) were employed by the Department to work on alliancing projects on 30 June 2009, 2010 and 2011? Please break this number down by how many are ongoing, fixed-term, contractors and consultants.

	Number of staff (FTE) as at 30 June 2009	Number of staff (FTE) as at 30 June 2010	Number of staff (FTE) as at 30 June 2011
Ongoing	Not Applicable	Not Applicable	Not Applicable
Fixed-term	Not Applicable	Not Applicable	Not Applicable
Contractors	Not Applicable	Not Applicable	Not Applicable
Consultants	Not Applicable	Not Applicable	Not Applicable



## Question 15

### Department of Health response

Regarding the Partnerships Victoria Contract Management Training delivered by the Department of Treasury and Finance:

- (a) How many contract managers does your organisation currently employ for Partnerships Victoria projects, how many have undertaken this training, within how many months from their appointment in this role and at what cost?

Total number of contract managers for Partnerships Victoria projects as at 30 June 2011	Number of contract managers for Partnerships Victoria projects who have undertaken Partnerships Victoria training as at 30 June 2011	Length of time between when contract managers are appointed and when they undertake the training	Expenditure on this training in 2010-11 (\$)
Two (2)	Nil	Not Applicable	Not Applicable

- (b) What proportion of the contract managers currently working on Partnerships Victoria projects have sought, and what proportion gained, an exemption to this training?

One (1)

- (c) Have other people in your organisation undertaken this training? If so, how many and for what reason?

One (1); the person used to work in the area that managed the Partnerships Victoria contracts and the training was undertaken in relation to that role.

## Question 16

### Department of Health response

Regarding the Partnerships Victoria Contract Managers' Forums:

- (a) What proportion of your organisation's current contract directors and contract managers participate in these forums, and at what stage of the public-private partnership project?

Two (2); this department initiated the inaugural meeting(s) and is a lead participant in the forums.

- (b) Have other people in your organisation participated in the forums? If so, how many and for what reason?

No

- (c) Has an assessment or evaluation of the usefulness of these forums, and any other services provided by Partnerships Victoria, been done? If so, please provide the results of this evaluation.

No formal assessments; however informal discussions with DTF and other departments have occurred.

**Question 17****Department of Health response**

Please detail any other training and development arrangements (including training delivered by the Department of Treasury and Finance, other providers and internal training) that are in place within your organisation for staff involved in overseeing, evaluating or managing asset projects delivered through Partnerships Victoria, alliancing or other arrangements, including:

- (a) the type of training;
- (b) the purpose of the training;
- (c) the number of people trained; and
- (d) expenditure incurred on the training.

Type of training	Purpose	Number of people trained	Expenditure (\$)
Seminars – Conducted by Facility Management Australia	Various topics	2	\$2,000 p.a. (e)
Seminar	Contract Law Essentials	2	\$2,400
Contract Administration using AS2124-1992	To provide staff with refresher course on administering construction contracts	25	Nil Internally run program

**Question 18****Department of Health response**

For each category into which financial assets, non-financial assets and liabilities are broken down in your agency's balance sheet in its annual report, please provide the balances as at 30 June 2010, 31 December 2010 and 30 June 2011 and explain any variations greater than  $\pm 10$  per cent from one date to the next:

**30 June 2010 and 31 December 2010:**

Financial asset, non-financial asset and liability categories	Balance as at 30 June 2010	Balance as at 31 December 2010	Explanation for any variances greater than $\pm 10$ per cent
	(\$ million)	(\$ million)	
<b>Financial assets</b>			
Cash and deposits	71.7	55.4	Largely relates to funds held in Trust (including Hospitals and Charities Fund) and movement reflects utilisation of balances.
Receivables	463.9	523.9	The variance reflects increased output appropriation funding for depreciation as a result of the implementation of FDR103D. Unutilised depreciation equivalent is retained by the Department in the State Administrative Unit (SAU) until required in future years.

Financial asset, non-financial asset and liability categories	Balance as at 30 June 2010	Balance as at 31 December 2010	Explanation for any variances greater than $\pm 10$ per cent
	(\$ million)	(\$ million)	
Loans	4.1	4.0	The variation is less than 10%
Investments and other financial assets	11.7	16.2	The variation is due to investment of available funds with VFMC and the settlement of medical indemnity insurance claims.
<b>Non-financial assets</b>			
Non-financial assets classified as held for sale	1.1	1.1	The variation is less than 10%
Property, plant and equipment	489.6	497.2	The variation is less than 10 %
Intangible assets	9.2	9.2	The variation is less than 10%
Prepayments	4.9	120.6	The variation is mainly due to monthly accrual to hospitals for workcover and insurance premiums.
<b>Liabilities</b>			
Payables	243.1	220.2	The variation is less than 10%
Borrowings	2.9	3.3	The variation is less than 10%
Provisions	246.9	205.2	The variation mainly relates to the actuarial calculation of VMIA claims and the Health outstanding claims liability.

**31 December 2010 and 30 June 2011:**

Financial asset, non-financial asset and liability categories	Balance as at 31 December 2010	Balance as at 30 June 2011	Explanation for any variances greater than $\pm 10$ per cent
	(\$ million)	(\$ million)	
<b>Financial assets</b>			
Cash and deposits	55.4	63.9	Largely relates to funds held in Trust (including Hospitals and Charities Fund) and movement reflects utilisation of balances.
Receivables	523.9	756.1	The variance reflects increased output appropriation funding for depreciation as a result of the implementation of FDR103D. Unutilised depreciation equivalent is retained by the Department in the State Administrative Unit (SAU) until required in future years.
Loans	4.0	1.3	The variation is due to end of year repayment of loans.

Financial asset, non-financial asset and liability categories	Balance as at 31 December 2010	Balance as at 30 June 2011	Explanation for any variances greater than $\pm 10$ per cent
	(\$ million)	(\$ million)	
Investments and other financial assets	16.2	14.3	The variation is due to investment of available funds with VFMC and the settlement of medical indemnity insurance claims.
<b>Non-financial assets</b>			
Non-financial assets classified as held for sale	1.1	1.1	The variation is less than 10%
Property, plant and equipment	497.2	490.3	The variation is less than 10%
Intangible assets	9.2	14.5	The variation is due to the capitalisation of software development.
Prepayments	120.6	6.4	The variation is mainly due to monthly accrual to hospitals for WorkCover and insurance premiums.
<b>Liabilities</b>			
Payables	220.2	266.8	The variation reflects end of year accruals for hospital and other government agencies.
Borrowings	3.3	38.7	The variation mainly reflects the first year of DH as a separate entity for GST purposes.
Provisions	205.2	217.5	The variation mainly relates to the actuarial calculation of VMIA claims and the Health outstanding claims liability.

**Question 19****Department of Health response**

For each of the following projects, please provide the latest approved TEI, explaining any changes that have occurred from the original and their impact.

Project	Original TEI	Current TEI	Explanation for any changes (please detail any changes to scope)	When change to TEI was approved (month and year)	Impact of variation
	(\$ million)	(\$ million)			
New Bendigo Hospital (Bendigo)	473.0	575	Additional \$102m provided to expand the scope of project	May 2011	Additional funding will provide a new Integrated Regional Cancer Centre on the main campus, a new five-bed mother/baby unit, new mental health inpatient facility, expanded educational facilities and enhanced ICT
Box Hill Hospital redevelopment (Box Hill)	407.5	447.5	Additional \$40m provided to expand the redevelopment	May 2011	Provide an extra 100 beds, which will be a mix of medical and surgical same day and multiday beds. This will increase hospital emergency department capacity and help address waiting times for elective surgery
Bendigo Hospital stage1 – enabling works (Bendigo)	54.96	54.96	Not Applicable	Not Applicable	Not Applicable
Olivia Newton-John Cancer and Wellness Centre – Stage 2A (Heidelberg)	40.0	40	Not Applicable	Not Applicable	Not Applicable
Olivia Newton-John Cancer and Wellness Centre – Stage 2B (Heidelberg)	31.969	31.969	Not Applicable	Not Applicable	Not Applicable

Project	Original TEI	Current TEI	Explanation for any changes (please detail any changes to scope)	When change to TEI was approved (month and year)	Impact of variation
	(\$ million)	(\$ million)			
HealthSMART Shared Information and Communication Technology (ICT) Operations (Statewide)	26.9	26.9			There is no variance in TEI.
Royal Children's Hospital ICT investment (Parkville)	23.947	23.947	Not Applicable	Not Applicable	Not Applicable

## Question 20

### Department of Health response

Please identify all asset projects where the construction completion date (including the commissioning phase) was revised in 2009-10 or 2010-11, providing:

- the original and revised completion dates for each project;
- when the change to the completion date was approved; and
- specific reasons for any revision to completion dates.

Project	Original completion date	Revised completion date	When change to completion date was approved (month and year)	Explanation for revision
Eastern Health Mental Health Redevelopment Stage 1 (Box Hill, Ringwood East)	Apr-09	Jun-09	Jun-09	Project completed; minor delay only
Caulfield General Medical Centre Redevelopment Stage 2 (Caulfield)	Nov-10	Dec-10	Sep-09	Project completed; minor delay only
Rochester and Elmore District Health Service: Rochester Theatre and Hospital Redevelopment (Rochester)	Sep-09	Mar-10	Sep-09	Asbestos discovered during demolition works resulted in a revised end date of Mar-10
Electronic Prescribing in Key Victorian Hospitals (Statewide)	Jun-09	Dec-10	Sep-09	ePrescribing money formed part of the overall HealthSMART Clinical budget and has been expended.

<b>Project</b>	<b>Original completion date</b>	<b>Revised completion date</b>	<b>When change to completion date was approved (month and year)</b>	<b>Explanation for revision</b>
North Richmond Community Health Centre Relocation (North Richmond)	Feb-11	Dec-11	Sep-09	Planning issues resulted in a complete building redesign. Completion dates revised accordingly
Nathalia District Hospital and Aged Care Redevelopment (Nathalia)	Mar-10	Dec-09	Sep-09	Favourable building conditions allowed early works to be accelerated for initial stages of construction
Warrnambool Hospital Redevelopment – Stage 1 (Warrnambool)	Sep-10	Feb-11	Sep-09	Original completion date related to early preparation works. Revised end date encompasses entire redevelopment
Leongatha Hospital Campus Stage 1 Residential Aged Care (Leongatha)	Feb-10	Apr-09	June-09	All construction works complete ahead of original timelines
Prevention and Recovery Care Services - Stage 1 - Construction (Metropolitan)	Mar-09	Jun-10	Sep-09	Difficulty in identifying a site at Frankston caused delays
Heidelberg Repatriation Hospital Mental Health, Veterans' Gymnasium and Pool – Redevelopment Stage 1 (Heidelberg)	Jul-09	Dec-10	Dec-10	Financial collapse of the previous builder led to delays with a new construction start date of November 2009 – pushing out the completion date to December 2010. Project now complete
St Vincent's Orthopaedic Surgery Centre – Construction (Fitzroy)	Dec-09	Mar-10	Sep-09	Delays in construction commencement due to unforeseen constraints/latent defects identified. Project now complete

<b>Project</b>	<b>Original completion date</b>	<b>Revised completion date</b>	<b>When change to completion date was approved (month and year)</b>	<b>Explanation for revision</b>
Community Facility Redevelopment (Statewide)	Jun-09	Dec-09	Sep-09	Delays to project commencement caused revision of project timelines
Ballarat Hospital Redevelopment (Ballarat)	Dec-08	Oct-10	Sep-09	Original completion date relates to fit-out of theatre. Revised completion date encompasses full redevelopment
Koori Youth Alcohol and Drug Healing Centre Development (Rural)	Dec-09	Apr-11	Mar-11	The project was hampered by a number of issues over the period of the project that delayed its completion. These included: steel fabrication and delivery issues; theft and vandalism from the site; and, poor site conditions due to wet weather.
Rosebud Community Health Centre	Jun-10	Aug-10	Jun-10	Minor defect resolution led to minor delay
Short Stay Units, Day Treatment Centres and Medi-hotels – Stage 2	Jun-10	Dec-10	Jun-10	Delays to project commencement caused revision of project timelines
Bass Coast Wonthaggi Hospital - Emergency Upgrade	Dec-10	Oct-11	Mar-11	Theatre demand directly impacted timing of works undertaken, which caused delays to original plan. Project is now complete and in financial completion phase
Prevention and Recovery Care Services (PARCS) – Stage 2 (Metropolitan)	Jun-10	Dec-10	Jun-10	Delay in procuring a potential Frankston site has resulted in a revised completion date



<b>Project</b>	<b>Original completion date</b>	<b>Revised completion date</b>	<b>When change to completion date was approved (month and year)</b>	<b>Explanation for revision</b>
Box Hill Hospital - Infrastructure Upgrade (Box Hill)	Jun-10	Apr-11	Mar-11	Delayed works associated with the main works package.
Hepburn Health Service: Trentham Campus Redevelopment (Trentham)	Jun-10	Dec-10	Dec-10	Inclement weather caused delays in project completion
Casey Hospital Special Care Nursery Expansion (Doveton)	Aug-10	Nov-10	Jun-10	Project is complete. Minor delays only
Metropolitan Ambulance Service Station Upgrades (Metropolitan)	Dec-09	May-10	Jun-10	Issues procuring ambulance station sites caused delays
Doutta Galla Kensington Community Health Centre Planning and Development (Kensington)	Jun-08	Dec-11	Mar-11	Further conceptual planning work (required with Melbourne City Council to explore feasibility of integrated facility with the former Kensington Town Hall) delayed the overall project. Project is working towards a revised timeline of December 2011
Barwon Health Geelong Hospital Masterplan (Geelong)	Jun-10	Jun-12	Mar-11	The Service Plan Review has resulted in delays in the overall project. Project completion is dependent on the outcomes of the Service Plan Review and subsequent implications for the master plan

<b>Project</b>	<b>Original completion date</b>	<b>Revised completion date</b>	<b>When change to completion date was approved (month and year)</b>	<b>Explanation for revision</b>
Bendigo Hospital Emergency Department Upgrade (Bendigo)	Jun-10	Jan-11	Dec-10	Emergency Department (ED) works delayed by addition of an 8-bed ward. Also, complexity of works scheduling in the functioning ED has contributed to delay in completion. Project is now complete
Ensuring our hospitals are as clean and safe as possible – Equipment (Statewide)	Dec-10	Jun-12	Mar-11	Technology changes and health service staffing issues have caused delays in procurement and a delay in the overall project
Frankston Hospital Stage 2 (Operating Theatre Expansion and Critical Care Redevelopment) (Frankston)	Feb-11	Oct-10	Mar-11	The main construction works are now complete, ahead of schedule. Practical completion achieved October 2010. Project is in financial completion/defects liability phase
Heidelberg Repatriation Hospital Mental Health Redevelopment (Heidelberg)	Oct-10	Feb-11	Mar-11	Wet weather has caused delays to the completion of the overall project
Hospital Energy Supply Project (Statewide)	Dec-10	Jun-11	Dec-10	Technical difficulties caused delays to work at some sites and resulted in the extension of project timelines
Metropolitan and Rural Ambulance Services – Station Upgrades (Statewide)	Jul-10	Dec-11	Dec-10	Issues procuring sites delayed the overall completion of the project
Monash Medical Centre Children's Facility Planning and Development (Clayton)	Jun-09	Jun-12	Mar-11	A Baillieu Government Election Commitment necessitated an update of master plan and revised feasibility study to be undertaken.

Project	Original completion date	Revised completion date	When change to completion date was approved (month and year)	Explanation for revision
Redevelopment of the Royal Victorian Eye and Ear Hospital - Planning (East Melbourne)	Jun-11	Dec-11	Mar-11	A Baillieu Government Election Commitment necessitated a new feasibility study to be undertaken. This resulted in a delay in the overall project. \
Rural Ambulance Victoria Station Upgrades and Service Expansion (Rural)	Jun-10	Jun-11	Mar-11	Issues procuring a suitable site for Neerim caused delays to project delivery. Project is working to a revised program
Sunshine Hospital Expansion and Redevelopment – Stage 2 (Sunshine)	Dec-10	Sep-11	Mar-11	Wet weather has caused delays to the completion of the overall project
Werribee Mercy Hospital Expansion – Stage 1 (Werribee)	Jun-11	Aug-11	Mar-11	Wet weather has caused delays to the completion of the overall project
Youth Prevention and Recovery Care Services (YPARCS)	Sep-11	Jun-12	Mar-11	Difficulty in procuring suitable sites for Frankston and Bendigo has resulted in delays in the overall project

## SECTION C: Revenue and revenue foregone

### Question 21

#### Department of Health response

For 2009-10 and 2010-11, please explain and detail the impact of any variances greater than  $\pm 10$  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:

On 12 August 2009, an administrative restructure was announced in Administrative Arrangements Order (No. 202) 2009, resulting in the establishment of the Department of Health. The effective date of this machinery of government change is 1 October 2009. Therefore, the Department of Health does not have 2009–10 Published Budgets to report in these statements. The 2009–10 Published Budgets for services and activities performed by the Department of Health are reported in the budget portfolio outcome statements of the Department of Human Services (Department of Health Annual Report, 2009-10, p.20).

Revenue category	2008-09 actual	2009-10 Budget	2009-10 actual	Explanations for variances greater than $\pm 10$ per cent	Impact of variances
Output appropriations	-	-	6,991.5	Refer to explanation above	Refer to explanation above
Special appropriations	-	-	941.0	Refer to explanation above	Refer to explanation above
Interest	-	-	1.3	Refer to explanation above	Refer to explanation above
Sales of goods and services	-	-	-	Refer to explanation above	Refer to explanation above
Grants	-	-	5.6	Refer to explanation above	Refer to explanation above
Other Income	-	-	75.5	Refer to explanation above	Refer to explanation above

**Revenue in 2010-11:**

<b>Revenue category</b>	<b>2009-10 actual</b>	<b>2010-11 Budget</b>	<b>2010-11 actual</b>	<b>Explanations for variances greater than ±10 per cent</b>	<b>Impact of variances</b>
Output appropriations	6,991.5	9,950.8	10,147.3	Machinery of Government changes effective 1 October 2009, appropriations for health programs prior to this date are reported in Department of Human Services financial statements	The variation is less than 10%
Special appropriations	941.0	1,251.4	1,240.3	Machinery of Government changes effective 1 October 2009, appropriations for health programs prior to this date are reported in Department of Human Services financial statements	The variation is less than 10%
Interest	1.3	N/A	1.5	Machinery of Government changes effective 1 October 2009, appropriations for health programs prior to this date are reported in Department of Human Services financial statements	The department does not calculate a budget for Interest Revenue
Grants	5.6	13.7	17.3	Machinery of Government changes effective 1 October 2009, appropriations for health programs prior to this date are reported in Department of Human Services financial statements	Variance relates to growth in the Primary and Sub Acute Care programs, and additional revenue in 2010-11 from new workforce funding agreements signed during the year program
Other Income	75.5	74.5	69.2	Machinery of Government changes effective 1 October 2009, appropriations for health programs prior to this date are reported in Department of Human Services financial statements	The variation is less than 10%

**Question 22****Department of Health response**

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  $\pm 10$  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 $\pm 10$ per cent
	(\$ million)	(\$ million)	
Output appropriations	5,144.60	5,002.70	The variation is less than 10%
Special appropriations	593.10	647.20	The variation is less than 10%
Interest	1.00	0.50	The variation is less than 10%
Grants	3.60	13.70	The variance relates to income being recognised in the second half of the year from Victorian departments and other jurisdictions
Other Income	27.80	41.40	The variance is due to end of year interstate patient payments from Tasmania

## Question 23

### Department of Health response

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  $\pm 10$  per cent between the actual expenditure and the initial budget for the year;
- (c) explain any variations greater than  $\pm 10$  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.

The department did not collect data on revenue foregone for 2009-10 and 2010-11. The information contained in the tables herein relate to Concession card holders usage of services.

The financial data represents the value to the Department based on a percentage of concession card holders accessing this service.

#### Revenue foregone in 2009-10:

Concession/ subsidy	Purpose	2008-09 actual	2009-10 Budget	2009-10 actual	Explanations for variances greater than $\pm 10$ per cent	Number of concessions/subsidies granted in 2009-10	Outcomes achieved
Ambulance	The State subsidises Ambulance Victoria membership for all Victorians	296.1	321.1	321.1	The variance is less than 10%	The number of pensioner and concession card holder emergency cases = 219,832  The number of pensioner and concession card holder non-emergency cases = 182,750  Total number of pensioner and concession transports in 2009-10 = 402,582	Victorian concession card holders are entitled to free ambulance cover throughout Australia.  This funding provided free emergency and medically authorised non emergency ambulance transport to the nearest and most appropriate hospital.  The funding provided to concession card holders helps ensure all Victorians can access the best ambulance service no matter where they live.

<b>Concession/ subsidy</b>	<b>Purpose</b>	<b>2008-09 actual</b>	<b>2009-10 Budget</b>	<b>2009-10 actual</b>	<b>Explanations for variances greater than ±10 per cent</b>	<b>Number of concessions/subsidies granted in 2009-10</b>	<b>Outcomes achieved</b>
Dental Services (Including Adult and Children's)	Dental Services provides public dental care to eligible clients through the Royal Dental Hospital and 54 community health services and rural hospitals (operating from 79 clinics)	111	117.5	114.9	The Department of Health has delivered the concessions and subsidies within 10% variance of budget	246,629 concession card holders or dependants of concession card received dental treatment <sup>1</sup>	This funding provided dental treatment to concession card holders or dependants of concession card holders
Spectacles	The VES provides low cost eye care and visual aids for disadvantaged and vulnerable Victorians, including pension and health care card holders. This initiative maintains and enhances service	6.1	6.2	6.2	The Department of Health has delivered the concessions and subsidies within 10% variance of budget	Occasions of service for 2009-10 = 69,299	In 2009 VES outreach visited 36 metropolitan Supported Residential Services (SRS), providing quality eye care examinations, visual aid prescription and provision, ophthalmological referrals, and diabetes-specific eye care examinations. To provide outreach services, the Australian College of Optometry (ACO) works collaboratively with other health care and social service providers, providing a holistic approach to eye care and social connection

<sup>1</sup> The number of concessions provided counts concession card holders or dependants of concession card holders who received care funded under the Primary, Community and Dental Output Group. It does not count clients who had their fees waived, this information is not available



Concession/ subsidy	Purpose	2008-09 actual	2009-10 Budget	2009-10 actual	Explanations for variances greater than ±10 per cent	Number of concessions/subsidies granted in 2009-10	Outcomes achieved
	delivery levels of the VES						
Community health services	Community Health delivers public allied health, counselling and casework, health promotion and nursing services	Refer to Footnote 1 above	Refer to Footnote 1 above	118.5		111,741 registered clients  N.B. This performance is based on registered clients who are only a portion of all clients receiving community health services	This funding provided allied health (audiology, dietetics, exercise physiology, physiotherapy, podiatry, occupational therapy and speech therapy), counselling and casework, health promotion and nursing services

**Revenue foregone in 2010-11:**

Concession/ subsidy	Purpose	2009-10 Actual \$m	2010-11 Budget \$m	2010-11 Actual \$m	2010-11 Revised Actual \$m	Explanation for variances greater than 10 %	Number of concessions/subsidies granted in 2010-11	Outcomes achieved
Ambulance	The State subsidises Ambulance Victoria membership for all Victorians	321.1	350.6	350.6	350.6	The variance is less than 10%	The number of pensioner and concession card holder emergency cases = 229,303  The number of pensioner and concession card holder non- emergency cases = 194,445  Total number of pensioner and concession transports in 2010- 11= 423,748	Granting concessions helps reduce the financial barriers to people on low incomes gain access to emergency health services when needed.

<b>Concession/ subsidy</b>	<b>Purpose</b>	<b>2009-10 Actual \$m</b>	<b>2010-11 Budget \$m</b>	<b>2010-11 Actual \$m</b>	<b>2010-11 Revised Actual \$m</b>	<b>Explanation for variances greater than 10 %</b>	<b>Number of concessions/subsidies granted in 2010-11</b>	<b>Outcomes achieved</b>
Dental Services (Including Adult and Children's)	Dental Services provides public dental care to eligible clients through the Royal Dental Hospital and 54 community health services and rural hospitals (operating from 79 clinics)	114.9	125.0	126.8	100.0	<p>Previous amounts are based on the historical percentage of Concession Card Holders.</p> <p>Reduction is due to a revision of percentage of usage by Concession Card holders as better information systems are now available which indicate a large increase in percentage of general community usage.</p>	259, 928 concession card holders or dependants of concession card received dental treatment	This funding provided dental treatment to concession card holders or dependants of concession card holders
Spectacles	The VES provides low cost eye care and visual aids for disadvantaged and vulnerable Victorians, including pension and health care card holders. This initiative maintains and enhances service delivery levels of the VES	6.1	7.1	7.0	7.0	The Department of Health has delivered the concessions and subsidies within 10% variance of budget	<p>Occasions of service for 2010-11 = 69,676</p>	<p>VES increased capacity to meet the growing eye care needs of disadvantaged Victorians, adding support to the Victorian optometry business:</p> <ul style="list-style-type: none"> <li>• additional provision of 3,000 spectacles requires additional optometric consultations</li> <li>• increased outreach targets support a viable program using the specially designed and modified van to provide thorough on-site tests and eye care to people less able to travel or access mainstream services</li> </ul>

Concession/ subsidy	Purpose	2009-10 Actual \$m	2010-11 Budget \$m	2010-11 Actual \$m	2010-11 Revised Actual \$m	Explanation for variances greater than 10 %	Number of concessions/subsidies granted in 2010-11	Outcomes achieved
Community health services	Community Health delivers public allied health, counselling and casework, health promotion and nursing services	118.5	123.80	121.3	87.2	Previous amounts based on historical percentage of Concession Card Holders. Reduction due to revision of percentage of usage by Concession Card holders as better information systems are now available which indicate a large increase in percentage of general community usage	118,050 registered clients in community health were concession card holders	This funding provided allied health (audiology, dietetics, exercise physiology, physiotherapy, podiatry, occupational therapy and speech therapy), counselling and casework, health promotion and nursing services

(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)		
Not Applicable			

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

This question does not apply to your department.

## SECTION D: Expenditure

### Question 25

#### Department of Health response

For 2009-10 and 2010-11, please explain and detail the impact of any variances greater than  $\pm 10$  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:

On 12 August 2009, an administrative restructure was announced in Administrative Arrangements Order (No. 202) 2009, resulting in the establishment of the Department of Health. The effective date of this machinery of government change is 1 October 2009. Therefore, the Department of Health does not have 2009–10 Published Budgets to report in these statements. The 2009–10 Published Budgets for services and activities performed by the Department of Health are reported in the budget portfolio outcome statements of the Department of Human Services (Department of Health Annual Report, 2009-10, p.20).

Expenditure category	2008-09 actual	2009-10 Budget	2009-10 actual	Explanations for variances greater than $\pm 10$ per cent	Impact of variances
Employee expenses	-	-	136.4	Refer to explanation above	Refer to explanation above
Depreciation and amortisation	-	-	12.5	Refer to explanation above	Refer to explanation above
Interest expense	-	-	0.1	Refer to explanation above	Refer to explanation above
Grants and other expense transfers	-	-	7172.7	Refer to explanation above	Refer to explanation above
Capital asset charge	-	-	440.8	Refer to explanation above	Refer to explanation above

<b>Expenditure category</b>	<b>2008-09 actual</b>	<b>2009-10 Budget</b>	<b>2009-10 actual</b>	<b>Explanations for variances greater than ±10 per cent</b>	<b>Impact of variances</b>
Fair value of assets and services provided free of charge or for nominal consideration	-	-	11.9	Refer to explanation above	Refer to explanation above
Other operating expense	-	-	243.5	Refer to explanation above	Refer to explanation above

**Expenditure in 2010-11:**

<b>Expenditure category</b>	<b>2009-10 actual</b>	<b>2010-11 Budget</b>	<b>2010-11 actual</b>	<b>Explanations for variances greater than ±10 per cent</b>	<b>Impact of variances</b>
Employee expenses	136.4	159.9	174.0	Machinery of Government changes effective 1 October 2009, appropriations for health programs prior to this date are reported in Department of Human Services financial statements	The variation is less than 10%
Depreciation and amortisation	12.5	15.0	15.5	Machinery of Government changes effective 1 October 2009, appropriations for health programs prior to this date are reported in Department of Human Services financial statements	The variation is less than 10%
Interest expense	0.1	0.2	0.2	Machinery of Government changes effective 1 October 2009, appropriations for health programs prior to this date are reported in Department of Human Services financial statements	The variation is less than 10%
Grants and other expense transfers	7172.7	10,169.4	10,137.0	Machinery of Government changes effective 1 October 2009, appropriations for health programs prior to this date are reported in Department of Human Services financial statements	The variation is less than 10%

<b>Expenditure category</b>	<b>2009-10 actual</b>	<b>2010-11 Budget</b>	<b>2010-11 actual</b>	<b>Explanations for variances greater than ±10 per cent</b>	<b>Impact of variances</b>
Capital asset charge	440.8	626.8	626.6	Machinery of Government changes effective 1 October 2009, appropriations for health programs prior to this date are reported in Department of Human Services financial statements	The variation is less than 10%
Fair value of assets and services provided free of charge or for nominal consideration	11.9	N/A	1.9	Machinery of Government changes effective 1 October 2009, appropriations for health programs prior to this date are reported in Department of Human Services financial statements	The Department does not budget for fair value of assets and services provided free of charge or for nominal consideration, as these transactions cannot be planned for and are usually a result of Government restructuring.
Other operating expense	243.5	256.9	251.3	Machinery of Government changes effective 1 October 2009, appropriations for health programs prior to this date are reported in Department of Human Services financial statements	The variation is less than 10%

## Question 26

### Department of Health response

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  $\pm 10$  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 $\pm 10$ per cent
	(\$ million)	(\$ million)	
Employee expenses	83.5	90.5	The variance is less than 10%
Depreciation and amortisation	7.8	7.7	The variance is less than 10%
Interest expense	0.09	0.11	The variation reflects interest paid on VicFleet leases
Grants and other expense transfers	5,031	5,106	The variance is less than 10%
Capital asset charge	313.5	313.1	The variance is less than 10%
Fair value of assets and services provided free of charge or for nominal consideration	-	1.9	The variation relates to the transfer of property relating to Box Hill hospital development to Eastern Health
Other operating expense	124.6	126.7	The variance is less than 10%

**Question 27**

**Department of Health response**

Please provide details of any evaluations of grants programs that were conducted by your agency in 2009-10 or 2010-11, including any findings about:

- (a) the outcomes achieved by the programs; or
- (b) the effectiveness of grants at achieving planned outcomes compared to other modes of service delivery

Evaluations conducted by VAGO during the periods 2009-10 and 2010-11 of Health grants programs include:

- Managing Drug and Alcohol Prevention and Treatment Services (March 2011)
- Access to Ambulance Services (October 2010)
- Delivery of NURSE-ON-CALL (September 2010)
- Partnering with the Community Sector in Human Services and Health (May 2010)

Other evaluation of grants programs were undertaken internally by the government. These were for the purpose of cabinet.




**Question 28 (departments only)****Department of Health response**

- (a) Please provide the following details about the realisation of efficiency and savings targets in 2009-10 and 2010-11:

**Savings realised in 2009-10:**

<b>Budget</b>	<b>Total value of efficiencies/savings expected to be realised in 2009-10 from initiatives released in that budget</b>	<b>Actual value of efficiencies/savings achieved from those initiatives</b>	<b>Explanation for any variations greater than <math>\pm 10</math> per cent</b>
2006-07	80.0	80.0	The department has met the savings requirement applied.
2007-08	13.2	13.2	The department has met the savings requirement applied.
2008-09	21.0	21.0	The department has met the savings requirement applied.
2009-10	19.3	19.3	The department has met the savings requirement applied.
2010-11			
Other			

**Savings realised in 2010-11:**

<b>Budget</b>	<b>Total value of efficiencies/savings expected to be realised in 2010-11 from initiatives released in that budget</b>	<b>Actual value of efficiencies/savings achieved from those initiatives</b>	<b>Explanation for any variations greater than <math>\pm 10</math> per cent</b>
2007-08	105.0	105.0	The department has achieved the assigned savings.
2008-09	16.6	16.6	The department has achieved the assigned savings.
2009-10	21.3 (See Question B)	21.3	The department has achieved the assigned savings.
2010-11	76.6 (See Question B)	76.6	The department has achieved the assigned savings.
2011-12	See Question B		
Other	2012-13 (See Question B)		

- (b) If any savings targets differ from what was initially indicated in the budget papers, please provide details.

In December 2009 the Secretary of the Department of Treasury and Finance wrote to the Department indicating a further savings allocation requirement from the 2009-10 Budget of \$55m in 2010-11, \$108m in 2011-12 and \$161m in 2012-13 would be levied. These savings were not separately disclosed in the 2009-10 or 2010-11 State Budget papers against the Health portfolio.

**Question 29 (departments only)****Department of Health response**

- (a) Please outline the Department's expenditure in 2008-09, 2009-10 and 2010-11 and the savings achieved in 2010-11 for these areas targeted in the Government's election commitment savings:

Category	Actual expenditure			2010-11 savings target	2010-11 actual savings	Explanation for variations between 2010-11 savings target and actual savings greater than ±10 per cent
	2008-09*	2009-10*	2010-11			
	(\$ million)	(\$ million)	(\$ million)			
Ministerial staff						
Media and marketing positions			7.2	38.09	38.09	
Consultants			2.4			
Government advertising			8.6			
Political opinion polling						
External legal advice			1.3			
Senior public service travel			1.1			
Government office floor space						
Other Expenses			128.5			
Promoting Shared services			31.7			
Capping Head office staff			159.5			

<b>Total</b>			<b>340.3</b>	<b>38.09</b>	<b>38.09</b>	
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\*Because of Machinery of Government change outlined in earlier responses, 2008-09 and 2009-10 expenditure details are not available.

(b) If details are not available for any of these categories, please advise:

(i) why details are not available; and

The savings initiatives were subject to intensive internal analysis and agreement. This process was not completed until March 2011. All savings targets were achieved but not necessarily against the categories as specified. Noting that some expense categories listed above are not kept at a departmental level but are a while of Victorian Government measure.

(ii) what measures the Department has in place to monitor its achievement of the Government's election commitment savings targets.

The Department has fully applied the Government's election commitment savings in the allocation of Divisional and Regional budgets and has a rigorous monthly reporting regime at Divisional, Regional and Executive levels that monitors expenditure against targets.

(c) If the total savings target for 2010-11 for the Department differs from the figure in the budget papers (\$38.2 million), please explain why:

Not applicable

**Question 30 (departments only)**

**Department of Health response**

Please detail any impacts on the Department's service delivery of the election commitment savings, e.g. changes to the timing and scope of specific programs or discontinued programs.

Departmental and Portfolio savings focus on the areas outlined in the Government's savings plan. Savings have been made through more efficient and effective use of resources and technology, such as videoconferencing to reduce non-essential travel and the electronic publication of documents, reducing printing and associated advertising and media costs. Savings have also been sought from capping on Head Office FTE, and a general tightening of all policy development costs.

## SECTION E: Public sector workforce

Two matters relate to responses for all of this section:

- Machinery of Government changes created the Department of Health on 12 August 2009
- the 2009-10 financial statements relate to nine-month period from 1 October 2009 to 30 June 2010.

### Question 31

#### Department of Health response

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  $\pm 10$  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 $\pm 10$ per cent
Not applicable	1,588.64	-

##### Numbers in 2010:

Total FTE (30 June 2010)	Total FTE (31 December 2010)	Explanation for any variations greater than $\pm 10$ per cent
1,588.64	1,600.21	-

##### Numbers in 2010 and 2011:

Total FTE (31 December 2010)	Total FTE (30 June 2011)	Explanation for any variations greater than $\pm 10$ per cent
1,600.21	1,570.57	-

## Question 32

### Department of Health response

In the tables below, please detail the salary costs<sup>2</sup> 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 <sup>3</sup>	Gross salary 2009-10 <sup>4</sup>	Explanation for any variations greater than $\pm 10$ per cent
	(\$ million)	(\$ million)	
Ongoing	Not applicable	98.99	-
Fixed-term	Not applicable	34.37	-
Casual	Not applicable	2.99	-
<b>Total</b>	<b>Not applicable</b>	<b>136.35</b>	<b>-</b>

#### Costs in 2010-11:

Employment category	Gross salary 2009-10	Gross salary 2010-11	Explanation for any <sup>3</sup> variations greater than $\pm 10$ per cent
	(\$ million)	(\$ million)	
Ongoing	98.99	141.22	Variance is due to a nine month reporting period in 09-10
Fixed-term	34.37	31.18	Expiration of fixed term contracts
Casual	2.99	1.58	Reduced reliance on casual workforce
<b>Total</b>	<b>136.35</b>	<b>173.98</b>	

<sup>2</sup> Salary costs include salaries, overtime, recreation & sick leave, allowances, bonuses, payroll tax, fringe benefits tax, long service leave expenses, employer contributions to superannuation and WorkCover levy. Note also that direct salary costs have been used as the basis for allocating on-costs to each employment category.

<sup>3</sup> Note that Machinery of Government changes created the Department of Health on 12th August 2009.

<sup>4</sup> The 2009/10 financial statements are for the 9 month period from 1 October 2009 to 30 June 2010.

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  $\pm 10$  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 $\pm 10$ per cent
	(\$ million)	(\$ million)	
Ongoing	61.22	80.0	Overall FTE numbers for the department decreased by around 1.1 per cent during 2010–11. During 2010-11 there was a shift from fixed term to ongoing employment. Variation may also be attributable to the transfer of the Office of Senior Victorians to the department, the impact of annual adjustments such as EBA increases and progression pay, all of which impact the second half of the year.
Fixed-term	21.8	9.38	As above
Casual	0.28	1.3	Increased use of casual/sessional staff on various Statutory Boards
<b>Total</b>	<b>83.3</b>	<b>90.68</b>	-

### Question 33

#### Department of Health response

- (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)?

Contractors or contract staff<sup>5</sup> were primarily engaged in the following areas:

- The Office of the Chief Information Officer which oversees health information technology, including leading the rollout of HealthSMART, advances the state systems e-health capacity in concert with national initiatives and develops longer term strategy and programs for the Victorian health system
- Capital Projects and Service Planning which is responsible for health service planning, development and delivery of building projects, and building-related policy and standards
- Web services responsible for web architecture and development
- Specific expertise for activities in the Seniors Victoria program transferred from Department of Planning and Community Development (DPCD) to Department of Health in 2009-10

<sup>5</sup> Machinery of Government changes created the Department of Health on 12 August 2009. The department commenced identifying contractor/contract staff numbers (point in time) from November 2010



- (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 (\$)
Seniors Victoria (DPCD)	93 outsourced providers/contractors	1,140,145
Health Programs	387	29,476,023

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

Service category	Number of contractors/contract staff	Value of services (\$)
Health Programs	263	23,407,083

- (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 (\$) <sup>6</sup>	Number of contractors/contract staff (FTE) employed for longer than 12 months	Reasons why a VPS employee or equivalent could not undertake the work
Victoria University	Provision of elder abuse prevention professional education, including DVD development	210,000	1	Registered Training Organisation required for project
Leigh Marden (T/A ABNote)	Production of Seniors Cards and Companion Cards	100,787	1	Contract is for production of plastic cards
Dixon Appointments	HealthSmart Application Test Manager	974,496	1	Technical skills not available in VPS and/or cannot compete with industry rates
Dixon Appointments	Health Design Authority for HealthSmart	1,367,595	1	Technical skills not available in VPS and/or cannot compete with industry rates
Hays Specialist Recruitment Pty	Implementation Manager,	1,422,315	1	Technical skills not available in VPS and/or cannot

<sup>6</sup> This refers to the total value of the contract, not expenditure (as used in the response in 33b)

<b>Supplier</b>	<b>Purpose</b>	<b>Value of services (\$) <sup>6</sup></b>	<b>Number of contractors/contract staff (FTE) employed for longer than 12 months</b>	<b>Reasons why a VPS employee or equivalent could not undertake the work</b>
Ltd	Clinical Systems for HealthSMART			compete with industry rates
Dixon Appointments	Application Delivery Manager – HealthSMART	1,639,578	1	Technical skills not available in VPS and/or cannot compete with industry rates
Simon D Chant	Provision of Health Services Human & Industrial Relations Strategic Advisor Services	653,935	1	Industrial Relations skills not available in VPS workforce; cannot compete with industry rates
Dixon Appointments	Infrastructure Architect for HealthSMART Services	744,666	1	Technical skills not available in VPS and/or cannot compete with industry rates
Dixon Appointments	Health Web Project Manager	228,260	1	Technical skills not available in VPS and/or cannot compete with industry rates
Clicks Recruit (Australia) Pty Ltd	Patient Reporting System V2 System Development	423,292	1	Technical skills not available in VPS and/or cannot compete with industry rates
Hays Specialist Recruitment Pty Ltd	Technical Documenter and Developer – HACC planning database	138,047	Not applicable	Technical skills not available in VPS and/or cannot compete with industry rates
Dixon Appointments	General Manager, HealthSMART	825,947	1	Technical skills not available in VPS and/or cannot compete with industry rates
Dixon Appointments	Project Management, HealthSMART Clinical Systems	345,969	1	Technical skills not available in VPS and/or cannot compete with industry rates
Dixon Appointments	Clinical Systems Project Manager	577,629	1	Technical skills not available in VPS and/or cannot compete with industry rates
Clicks Recruit (Australia) Pty Ltd	Junior Analyst Services – HealthCollect and VHRIS Redevelopment	249,194	1	Technical skills not available in VPS and/or cannot compete with industry rates

<b>Supplier</b>	<b>Purpose</b>	<b>Value of services (\$) <sup>6</sup></b>	<b>Number of contractors/contract staff (FTE) employed for longer than 12 months</b>	<b>Reasons why a VPS employee or equivalent could not undertake the work</b>
Dixon Appointments	Business Analyst – HealthCollect and VHRIS Redevelopment	148,473	Not applicable	Technical skills not available in VPS and/or cannot compete with industry rates
Dixon Appointments	Lead Data Warehouse Assignment	295,356	1	Technical skills not available in VPS and/or cannot compete with industry rates
Hays Specialist Recruitment Pty Ltd	Advisor, eHealth Policy – HealthSMART	745,011	1	Technical skills not available in VPS and/or cannot compete with industry rates
Dixon Appointments	Solution Design Architect – HealthSMART Integration team	567,753	1	Technical skills not available in VPS and/or cannot compete with industry rates
Clicks Recruit (Australia) Pty Ltd	Mental Health & Drugs Architect	530,320	1	Technical skills not available in VPS and/or cannot compete with industry rates
Dixon Appointments	Health Collaborative Business Reporting Tools Project	348,512	1	Technical skills not available in VPS and/or cannot compete with industry rates
Dixon Appointments	Technical Assistance Health Web Communications	177,608	1	Technical skills not available in VPS and/or cannot compete with industry rates
Dixon Appointments	Planning Manager, HealthSMART	299,086	1	Technical skills not available in VPS and/or cannot compete with industry rates
Dixon Appointments	Operations Manager, HealthSMART	472,468	1	Technical skills not available in VPS and/or cannot compete with industry rates
Hays Specialist Recruitment Pty Ltd	Funding & Information Policy Analyst	149,095	1	Technical skills not available in VPS and/or cannot compete with industry rates
Dixon Appointments	Access Point Information Technology Manager	233,900	1	Technical skills not available in VPS and/or cannot compete with industry rates
Dixon Appointments	Senior Infrastructure Architect – HealthSMART	677,280	1	Technical skills not available in VPS and/or cannot compete with industry rates
Clicks Recruit (Australia) Pty Ltd	HealthCollect and VHRIS Redevelopment	225,384	1	Technical skills not available in VPS and/or cannot compete with industry rates

<b>Supplier</b>	<b>Purpose</b>	<b>Value of services (\$) <sup>6</sup></b>	<b>Number of contractors/contract staff (FTE) employed for longer than 12 months</b>	<b>Reasons why a VPS employee or equivalent could not undertake the work</b>
Dixon Appointments	Benefits Realisation Analyst	145,337	Not applicable	Technical skills not available in VPS and/or cannot compete with industry rates
Hays Specialist Recruitment Pty Ltd	Funding & Information Policy Analyst	115,465	1	Technical skills not available in VPS and/or cannot compete with industry rates
Dixon Appointments	Workforce Minimum Database Project	108,731	1	Technical skills not available in VPS and/or cannot compete with industry rates
Clicks Recruit (Australia) Pty Ltd	Planning Team Project Manager	446,771	1	Technical skills not available in VPS and/or cannot compete with industry rates
Dixon Appointments	Health Information Collection and Reporting	249,716	1	Technical skills not available in VPS and/or cannot compete with industry rates
Dixon Appointments	Senior Governance and Reporting Officer	456,948	1	Technical skills not available in VPS and/or cannot compete with industry rates
Hays Specialist Recruitment Pty Ltd	CTI Implementation – HealthSMART	303,248	1	Technical skills not available in VPS and/or cannot compete with industry rates
Dixon Appointments	Web Content Publisher	116,829	1	Technical skills not available in VPS and/or cannot compete with industry rates
Dixon Appointments	Health Information Collection and Reporting Project Officer	147,303	1	Technical skills not available in VPS and/or cannot compete with industry rates
Dixon Appointments	Health Information Collection and Reporting Business Analyst	148,963	Not applicable	Technical skills not available in VPS and/or cannot compete with industry rates
Managed Property Services	Project Manager	426,816	1	Technical skills not available in VPS and/or cannot compete with industry rates
ETM Placements Pty Ltd	Project Manager	419,905	1	Technical skills not available in VPS and/or cannot compete with industry rates
Point Project Management Pty Ltd	Project Manager	469,497	1	Technical skills not available in VPS and/or cannot compete with industry rates

<b>Supplier</b>	<b>Purpose</b>	<b>Value of services (\$) <sup>6</sup></b>	<b>Number of contractors/contract staff (FTE) employed for longer than 12 months</b>	<b>Reasons why a VPS employee or equivalent could not undertake the work</b>
EDQ	Project Manager	371,686	1	Technical skills not available in VPS and/or cannot compete with industry rates
Point Project Management Pty Ltd	Project Manager	449,935	1	Technical skills not available in VPS and/or cannot compete with industry rates
Casterton Consulting Group Pty Ltd	Project Manager	449,935	1	Technical skills not available in VPS and/or cannot compete with industry rates
Point Project Management Pty Ltd	Project Manager	437,052	0.5	Technical skills not available in VPS and/or cannot compete with industry rates
Point Project Management Pty Ltd	Project Manager	489,060	1	Technical skills not available in VPS and/or cannot compete with industry rates
Whitefield McQueen Irwin Alsop	Project Manager	459,716	1	Technical skills not available in VPS and/or cannot compete with industry rates
P&E Consulting	Asset Manager	316,911	1	Technical skills not available in VPS and/or cannot compete with industry rates
Wolfe Property Trust	Project Director – Hospital Energy Supply Project	855,855	1	Technical skills not available in VPS and/or cannot compete with industry rates
Hays Specialist Recruitment (Australia) Pty Ltd	Architect	340,386	1	Technical skills not available in VPS and/or cannot compete with industry rates
Health Science Planning Consultants Pty Ltd	Architect	244,530	1	Technical skills not available in VPS and/or cannot compete with industry rates
Anna Burgess	Project Director, Planning & Evaluation	\$724,185	1	Technical skills not available in VPS and/or cannot compete with industry rates
ETM Placements Pty Ltd	Project Manager	\$303,218	0.8	Technical skills not available in VPS and/or cannot compete with industry rates
Michele Nominees Pty Ltd	Project Manager, Major Projects	\$2,047,980	1	Technical skills not available in VPS and/or cannot compete with industry rates
Jill Howard & Associates Pty Ltd	Design Manager, Major Projects	\$1,840,860	1	Technical skills not available in VPS and/or cannot compete with industry rates

<b>Supplier</b>	<b>Purpose</b>	<b>Value of services (\$) <sup>6</sup></b>	<b>Number of contractors/contract staff (FTE) employed for longer than 12 months</b>	<b>Reasons why a VPS employee or equivalent could not undertake the work</b>
PJ Main & Associates Pty Ltd	Technical Manager, Major Projects	\$1,344,243	1	Technical skills not available in VPS and/or cannot compete with industry rates
First International Management Pty Ltd	Project Manager, Major Projects	\$2,627,159	1	Technical skills not available in VPS and/or cannot compete with industry rates
Skliros Consulting	Transaction Manager, Major Projects	\$499,800	1	Technical skills not available in VPS and/or cannot compete with industry rates
Arup Pty Ltd	Fire Risk Management	\$453,024	1	Technical skills not available in VPS and/or cannot compete with industry rates
Applied Geographics Pty Ltd	Strategic Asset Manager	\$493,136	1	Technical skills not available in VPS and/or cannot compete with industry rates

**Contractors/contract staff from 1 July to 30 June 2011<sup>7</sup>:**

<b>Supplier</b>	<b>Purpose</b>	<b>Value of services (\$) <sup>8</sup></b>	<b>Number of contractors/contract staff (FTE) employed for longer than 12 months</b>	<b>Reasons why a VPS employee or equivalent could not undertake the work</b>
Dixon Appointments	Project Director, Ageing & Disadvantage	\$253,977	1	Technical skills not available in VPS and/or cannot compete with industry rates
CPT Global Ltd	Program Director Services, HealthSMART Program	\$712,860	1	Technical skills not available in VPS and/or cannot compete with industry rates
Dixon Appointments	CTI Services Delivery Manager for HealthSMART	\$193,944	Not applicable	Technical skills not available in VPS and/or cannot compete with industry rates
Hays Specialist Recruitment	Client Manager, HealthSMART	\$315,377	1	Technical skills not available in VPS and/or cannot compete with industry rates
Clicks Recruit	Infrastructure Architect for	\$254,405	Not applicable	Technical skills not available in VPS and/or cannot compete with

<sup>7</sup> Two half year tables merged into one annual table

<sup>8</sup> This refers to the total value of the contract, not expenditure (as used in the response in 33b)

	HealthSMART			industry rates
Dixon Appointments	Project Delivery Manager, HealthSMART	\$284,661	Not applicable	Technical skills not available in VPS and/or cannot compete with industry rates
Dixon Appointments	Manager, Office of the National Health Practitioners Privacy Commissioner and Ombudsman	\$179,922	1	Technical skills not available in VPS and/or cannot compete with industry rates
Dixon Appointments	Business Project Manager, Health Information	\$140,588	Not applicable	Technical skills not available in VPS and/or cannot compete with industry rates
Dixon Appointments	Organisational Development Specialist for Health Information Organisational Development Assignment	\$155,899	1	Technical skills not available in VPS and/or cannot compete with industry rates
Dixon Appointments	Project Assistant – Victorian Data Linkages	\$123,171	1	Technical skills not available in VPS and/or cannot compete with industry rates
Dixon Appointments	Senior Technical Consultant, HICAR	\$202,582	Not applicable	Technical skills not available in VPS and/or cannot compete with industry rates
Clicks Recruit	GIS Project Manager	\$216,492	Not applicable	Technical skills not available in VPS and/or cannot compete with industry rates
Dixon Appointments	Senior Project Officer, Implementation Benefits Officer	\$210,639	1	Technical skills not available in VPS and/or cannot compete with industry rates
Hays Specialist Recruitment	General Manager, HealthSMART services	\$1,144,882	1	Technical skills not available in VPS and/or cannot compete with industry rates
Hays Specialist Recruitment	Senior Project Officer, Finance CIO	\$196,540	1	Technical skills not available in VPS and/or cannot compete with industry rates
Ben Gelnay	Project Manager	\$219,360	1	Technical Skills not available in VPS and/or cannot compete with industry rates
Davies Contractual Consulting Pty	Project Manager	\$199,971	1	Technical Skills not available in VPS and/or cannot compete with

Ltd				industry rates
Smale Services	Asset Manager	\$352,352	1	Technical Skills not available in VPS and/or cannot compete with industry rates
P&E Consulting	Property Manager	\$418,635	1	Technical Skills not available in VPS and/or cannot compete with industry rates
Point Project Management Pty Ltd	Project Manager (Capital Works)	\$449,935	1	Technical Skills not available in VPS and/or cannot compete with industry rates
Managed Property Services	Project Manager (Capital Works)	\$528,184	1	Technical Skills not available in VPS and/or cannot compete with industry rates
ETM Placements Pty Ltd	Project Manager (Capital Works)	\$445,317	1	Technical Skills not available in VPS and/or cannot compete with industry rates
Point Project Management Pty Ltd	Project Manager (Capital Works)	\$469,498	1	Technical Skills not available in VPS and/or cannot compete with industry rates
Point Project Management Pty Ltd	Project Manager (Capital Works)	\$508,622	1	Technical Skills not available in VPS and/or cannot compete with industry rates
Point Project Management Pty Ltd	Project Manager (Capital Works)	\$665,121	1	Technical Skills not available in VPS and/or cannot compete with industry rates
Casterton Consulting Group	Project Manager (Capital Works)	\$469,497	1	Technical Skills not available in VPS and/or cannot compete with industry rates
Area3	Project Manager	\$508,622	1	Technical Skills not available in VPS and/or cannot compete with industry rates
Maddison Project Pty Ltd	Project Director	\$2,788,915	1	Technical Skills not available in VPS and/or cannot compete with industry rates
Clicks Recruit	Project Manager, New Hospitals Performance Website	\$142,984	Not applicable	Technical skills not available in VPS and/or cannot compete with industry rates
Clicks Recruit	Project Manager, Development of the Intranet	\$250,964	1	Technical skills not available in VPS and/or cannot compete with industry rates



Dixon Appointments	Business Analyst, HICAR	\$236,960	1	Technical skills not available in VPS and/or cannot compete with industry rates
Dixon Appointments	Senior Technical Data Warehouse Project Manager, HICAR	\$187,018	Not applicable	Technical skills not available in VPS and/or cannot compete with industry rates
Clicks IT Recruitment	Project Manager, HealthSMART Services	\$247,840	Not applicable	Technical skills not available in VPS and/or cannot compete with industry rates
Dixon Appointments	Contract Management/ Project Officer, HICAR	\$100,130	Not applicable	Technical skills not available in VPS and/or cannot compete with industry rates
Nada Radovic Project Management Pty Ltd	Senior Project Manager	\$649,734	1	Technical Skills not available in VPS and/or cannot compete with industry rates

### Question 34

#### Department of Health response

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

As a consequence of the 2010 elections, machinery of government changes were made to the department resulting in the transfer of the Office of Senior Victorians from the Department of Planning and Community Development (DPCD).

In order to achieve government priorities and effective program deliver, DPCD engaged contractors during peak periods where there was an unexpected increase in workload, and additional resources were required for short-term periods.

DPCD utilises contract staff to support key departmental projects where specialist skills and expertise are required and source those contractors from approved providers to supplement the existing skill base, this was particularly in the space of review, evaluation, analysis and advice for specific time-limited tasks.

In 2009-10, DPCD engaged one consultant (Ernst & Young) to review human resources and financial services of the DPCD. No consultants were engaged in 2010-11 by DPCD.

The department also utilised a number of outsourced providers for services such as internal audit and has arrangements with, and makes payments to, other Victorian Government department for planning and infrastructure-related work.

(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 (\$)
Review/Evaluation	4	402,862
Advice/Analysis	5	324,616
DPCD – corporate services	1	120,000
<b>Total</b>	<b>10</b>	<b>847,478</b>

**Consultants from 2010-2011:**

Service category	Number of consultants	Value of services (\$)
Review/Evaluation	9	815,319.8
Advice/Analysis	3	527,095.45
<b>TOTAL</b>	<b>12</b>	<b>1,342,415.25</b>

(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
KPMG	Review of the Mental Health Review Board	104,297	Not Available (23/02/2010 to 26/04/2010)	As the Board is an independent statutory tribunal, it is essential that any review be conducted by independent consultants
Grant Thornton Ltd	Business Review Ambulance Victoria	134,750	Not Available (26/02/10 - 31/05/2010)	The analysis and investigation of the financial position and sustainability of Ambulance Victoria required skills not in the scope or domain of the Department of Health whose primary role is monitoring of compliance of a health service within the legislative framework of the Health Act
AHA Consulting	Evaluation of the Psychosocial response to the 2009 Victorian Bushfires	136,360	Not Available (22/03/2010 - 22/09/2010)	VPS employees could not provide the same degree of transparency and independence, combined with specialist expertise in analysing stakeholder relationships in a complex funding and provider environment

<b>Supplier</b>	<b>Purpose</b>	<b>Value of services (\$)</b>	<b>Number of consultants (FTE) employed for longer than 12 months</b>	<b>Reasons why a VPS employee or equivalent could not undertake the work</b>
Arup	System and performance analysis of the alcohol and other drugs treatment system	175,408	Not Available (06/04/2010 - 12/07/2010)	Expert analysis and external perspectives required in order to provide objective advice. These skills are not available in the day to day scope of VPS staff in the department

**Consultants from 1 July to 30 June 2011:**

<b>Supplier</b>	<b>Purpose</b>	<b>Value of services (\$)</b>	<b>Number of consultants (FTE) employed for longer than 12 months (AS DISCLOSED IN ANNUAL REPORT)</b>	<b>Reasons why a VPS employee or equivalent could not undertake the work</b>
DLA Phillips Fox	Review and evaluation of the Victorian Nosocomial Surveillance System operational model	105,437.50	Not Available (15/08/2010 - 25/03/2011)	Independent health industry leaders with specialist skills combining health and law are not available within the department
HDG Consulting Group	Evaluation of the Community Mental Health Planning & Service Coordination Initiative	101,790.90	Not Available (1/09/2010 to 1/06/2011)	High level technical evaluation expertise required to conduct the formative evaluation whilst retaining transparency and impartiality
Deloitte Touche Tohmatsu	Develop roadmap and operating model for Health regions (advice)	126,770.00	Not Available (3/08/2010 - to 19/10/2010)	Independent advice and skills in corporate organisational design could not be provided within the department
Flinders University (National Centre for Education and Training on Addiction)	National Pharmaceutical Drug Misuse Strategy (Review)	195,341.40	0.85 FTE (27/10/2010 to 26/12/2011)	Required to be independent of government to engage with all stakeholders in the consultation process and to provide independent advice to the Ministerial Council on Drug Strategy and across jurisdictions
Syris Consulting	Review of Radiotherapy Non-Admitted Patient Funding	110,000.00	Not Available (11/11/2010 to 3/02/2011)	Non-admitted patient level costing methodology and skills not previously established within the health industry. Department staff lack direct costing experience specific to this area of health science

<b>Supplier</b>	<b>Purpose</b>	<b>Value of services (\$)</b>	<b>Number of consultants (FTE) employed for longer than 12 months (AS DISCLOSED IN ANNUAL REPORT)</b>	<b>Reasons why a VPS employee or equivalent could not undertake the work</b>
Healthcare Management Advisors	Coordination of patient experience measurement and reporting across the Victorian Department of Health (analysis)	150,825.45	Not Available (22/12/2010 to 16/08/2011)	The combined skills of statistical analysis of measurement tools, literature review and public reporting review do not reside within the department
Ernst & Young	Review of human services and financial services	120,825.00	Not Available (22/12/2010 to 16/08/2011)	Expert analysis and advice required; not available within the DPCD
La Trobe University	Evaluation of Victorian Homebirthing Pilots	136,244.55	0.7 FTE (18/03/2011 to 17/04/2012)	Independent, expert cost benefit analysis in this specialist field not available within the department
KPMG	Alcohol and other Drug (AOD) Workforce Development Strategy (analysis)	136,045.45	Not Available 3/05/2011 to 30/06/2011	The department does not have expertise in econometric modelling as it relates to workforce development
DLA Phillips Fox	Rural Medical Management (analysis)	113,454.55	Not Available 16/06/2011 to 13/10/2011	The project requires an expert knowledge of medical management, including roles/workforce models /issues for sustainability within Regional Public Health Services and Rural Public Hospitals and Multipurpose Services (MPS). This medical expertise and the human resources to undertake the extensive methodology were not available internally at the VPS level to undertake this project.

**Question 35****Department of Health response**

- (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:

	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>
Less than 30 years old	Not Applicable	20.83%	32.16%
30-54 years old	Not Applicable	10.56%	16.84%
55 years or older	Not Applicable	8.19%	12.58%
<b>Total</b>	<b>Not Applicable</b>	<b>11.31%</b>	<b>17.57%</b>

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

Increase in turnover reflects the broader trend for those in the less than 30 year old cohort of increased professional mobility and reduced expectations of long-term employment in single positions.

Increased turnover for the greater than 55 year old cohort is a combination of current workforce demography and existing benefits applicable to defined benefit superannuation scheme. These characteristics are expected to continue in the short-term.

Overall, during 2010-11 there were 296 separations. 50 per cent of these are attributable to the expiration of fixed-term contracts.

- (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?

Attracting and retaining skilled staff are a key priority for the department. The department's *Our Leaders Our People Our Work* strategy aims to improve performance governance, build leadership capability and skill development. Introducing an integrated approach to workforce planning and development, the strategy features

- Capability frameworks to enable alignment of workforce planning and development
- Action plans to develop employee and leadership capability for the future
- Staff recognition program to promote and encourage behaviour that is aligned with the values and foster a culture of valuing staff
- programs to build a diverse and tolerant workforce
- New technology to enhance learning and knowledge management

## Question 36

### Department of Health response

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	Departments of Health and Human Services Emergency Management Branch  Departments of Health and Human Services flood and bushfire recovery teams	Provision of a coordinated and high-quality departmental response from in respect to recovery initiatives, emergency response and aid assistance.
	Victorian Clinical Network Program	Fosters clinical leadership to help health professionals drive change in clinical practice and service delivery.  Brings together health professionals, consumers, carers and stakeholder organisations to work collaboratively on leadership development across the full spectrum of healthcare.
	Aboriginal Health Promotion and Chronic Care Partnership (AHPACC)	AHPACC helps Aboriginal health organisations and community health services to improve health outcomes for Aboriginal people in Victoria by increasing access to comprehensive primary healthcare.
	Department of Health and Department of Human Services Shared Services Branch	To improve efficiencies and effectiveness of services offered within both departments.  Services included are: <ul style="list-style-type: none"> <li>• Accommodation and Facilities Management</li> <li>• Desktop and ICT Support</li> <li>• Graphic Design Shared Services</li> <li>• Procurement and Business Support</li> <li>• Web Services</li> </ul>

	<p><i>Supported Residential Services (Private Proprietors) Act</i></p>	<p>Together, the Act and regulations represent a progressive package of initiatives that will improve the quality of life of people who live in SRS.</p> <p>The social impacts include: introducing enhanced rights for residents; providing clear accommodation and service standards; and enhancing protections of residents.</p> <p>Over 80 written responses were made to the review and over 700 people participated in statewide forums and meetings. There has been broad support for the changes.</p> <p>Draft SRS regulations have been developed to support the new <i>Supported Residential Services (Private Proprietors) Act 2010</i>. An exposure draft of the SRS regulations has been settled by the Office of Chief Parliamentary Counsel (OCPC), and the required RIS has been approved as satisfactory by the Victorian Competition and Efficiency Commission (VCEC).</p> <p>More information can on this is available here: <a href="http://www.health.vic.gov.au/srs/legreg/review.htm">http://www.health.vic.gov.au/srs/legreg/review.htm</a></p>
<p>Agility</p>	<p><i>Department of Health and Department of Human Services Aboriginal Recruitment and Retention Strategy 2010–13</i></p>	<p>This strategy has an Aboriginal employment target of 1.5 per cent by the end of 2013.</p> <p>It focuses on recruitment, retention and building cultural competency.</p>
	<p>Our leaders, our people, our work</p>	<p>The department established an organisation development function to establish programs and initiatives to help the department build capability to deliver Victorian health priorities.</p>
	<p>Count us in! social inclusion for people living at public sector residential aged care services</p>	<p>Some of the key outcomes for the initiative are to: improve the health and wellbeing of residents; increase local social inclusion opportunities for residents; build service and community capacity to support social connections and engagement opportunities for residents; and promote a positive image and attitude towards older people and residential aged care services within the local community.</p> <p>The final phase of projects were completed in April 2011. More information can be found here: <a href="http://www.health.vic.gov.au/agedcare/maintaining/countusin/index.htm">http://www.health.vic.gov.au/agedcare/maintaining/countusin/index.htm</a></p>
	<p>Victoriaworks for Young People</p>	<p>This is a Victorian Government initiative to enable young people to enter the workforce and acquire skills to build sustainable careers.</p> <p>The program is targeted at unemployed and disadvantaged young people aged between 15 and 24.</p> <p>The department filled 63 placements, the majority in the hospital sector.</p>

Innovation	Enhanced performance monitoring program across clinical mental health, and alcohol and other drugs services	<p>The program is aimed at improving data collection, analysis and reporting in these areas to increase transparency and accountability.</p> <p>This will enable the department to better understand the performance of services and pinpoint successful initiatives.</p>
	Victorian Health Service Performance Monitoring Framework	<p>The framework has been expanded to include all rural health services.</p> <p>This has increased accountability and alignment of performance monitoring across the state.</p>
	Mental Health Professional Online Development	<p>Mental Health Professional Online Development is an evidence-based, on-line learning resource for people working in mental health.</p> <p>The resource provides access to nationally consistent education, which is supported by all states and territories, and the content is linked to the National Practice Standards for the Mental Health Workforce.</p>
	Therapeutic 4C's (Counselling, consultancy & continuing care)	<p>Three new Therapeutic Counselling, Consultancy and Continuing Care teams are to provide a range of therapeutic, evidence-based, best practice interventions. Specialisation will increase the capacity of the teams to deliver therapeutic AOD treatment which considers the complex needs of AOD clients, supports their family and carers and reduces the risks to their children.</p> <p>As a result the alcohol and other drug therapeutic interventions will be more robust and allow services to employ appropriately qualified workers, including psychologists and senior social workers which will improve standards of care.</p>



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

	<b>Initiative</b>	<b>Outcomes</b>
Collaboration	<b>Victorian Health Priorities Framework (Health Plan)</b> Comprehensive public consultations have occurred across Victoria. Five regional public consultations were held, attended by over 300 people. Consultation has also taken by with health providers and industry peak bodies, including consumer representative groups	The Health Plan establishes a framework for the planning and development of priorities for metropolitan health services by 2022. It identifies areas of concern and focus for the government and health sector in the coming years.
	National Health Reform Agreement	The Government agreed to the National Health Reform Agreement ensuring improved health outcomes for all Victorians and the sustainability of the health system in the long term. The agreement draws heavily on the Victorian health service model including activity based funding and local hospital governance arrangements.
	Mental Illness Research Fund	Victorians with a mental illness, carers, researchers and treatment and support providers are invited to participate in a consultation process as part of a \$10 million Mental Illness Research Fund. An expert advisory committee has been established to support the fund, chaired by Professor Bruce Tonge and supported by Neurosciences Victoria.
	Parliamentary inquiry into workforce participation by people with a mental illness	Initiated by the Coalition Government, the inquiry aims to identify the challenges for people with a mental illness to participate fully in the community. The findings will inform policy development to enhance participation of people with mental illness in the community, in particular, regarding employment.
	Mental Illness Fellowship's 'Doorway' project	The Doorway Project aims to demonstrate that, given the opportunity to enter the rental market and the support to live independently, people with a mental illness can build lives in their communities and embark on a journey to recovery

<p>Agility</p>	<p>Public Health and Wellbeing Plan 2011-2015</p>	<p>Victoria's first ever Public Health and Wellbeing plan was released in September 2011. The plan sets the agenda for improving health and wellbeing across the State.</p>
	<p>Amendments to Victorian tobacco laws:</p> <ul style="list-style-type: none"> <li>• A ban on smoking in cars carrying children;</li> <li>• A Ministerial power to ban certain tobacco and tobacco related products;</li> <li>• A ban on tobacco sales from temporary outlets; and</li> <li>• Increased and new penalties</li> </ul>	<p>From 1 January 2011, display of tobacco products in Victorian retail outlets was banned.</p> <p>Amendments to the Act under the <i>Tobacco Amendment (Protection of Children) Act 2009</i> will protect young people from tobacco promotion and marketing, making it less likely that young people will start smoking.</p> <p>The ban on smoking in cars carrying children will reduce child exposure to second smoke, thereby reducing risk of premature death and disease from reduced lung function, asthma episodes and lower respiratory tract infections.</p> <p>The ban on the display of tobacco products will reduce the visibility of tobacco, making it easier for quitters to stay quit, and diminish the perception that smoking is a socially acceptable, popular activity, thereby making it less likely that young people will take up smoking.</p>
	<p>Gay Lesbian Bisexual Transgender and Intersex (GLBTI) youth suicide prevention</p>	<p>This program is aimed at helping to eliminate stigma and discrimination, as well as promote strength and resilience in young people.</p> <p>This will expand and enhance current programs with a track record of working with and assisting GLBTI young people.</p>
	<p>Service Guideline for Gender Sensitivity and Safety</p>	<p>This guideline sets out what is required of mental health and AOD services and practitioners in providing gender sensitive care to women, men and people who identify as transgender or intersex. It provides staff and leaders with guidance to support care that is sensitive and responsive to gender-related issues and individuals needs, and that consider the factors that impact on people's well-being.</p> <p>This has been supported with funding for the construction of gender sensitive areas in mental health services.</p>

	Framework for Recovery-Oriented Practice.	The Framework aligns the practice of people working in the specialist mental health system, across clinical and non-clinical settings and spanning the age ranges, with principles of recovery. The Framework is targeted at all people working in the specialist mental health system and clarifies the principles that should underpin practice.
	Central coordinator of mental health beds	<p>A central bed coordinator would facilitate:</p> <ul style="list-style-type: none"> <li>• Access to real time data on the availability of beds.</li> <li>• Provide the capacity to influence local systems to respond to out of area needs.</li> <li>• Assist with negotiation and monitoring of beds.</li> </ul> <p>Support the flow through inpatient units by supporting discharge planning.</p>
	Strategies to reduce impact of alcohol	<p>Developing community based education programs for parents and young people to promote delayed alcohol consumption for minors and to support parental control of alcohol supply to their children.</p> <p>Progressing secondary supply legislation prohibiting the supply of alcohol to minors except with parental consent.</p>
Innovation	Motorcycle paramedic unit	This dedicated Motorcycle Paramedic Unit will make it easier and quicker for Ambulance Victoria to respond to emergencies at difficult to reach places, such as heavy traffic congested areas.
	Mental Illness Fellowship's 'Doorway' project	The Doorway Project aims to demonstrate that, given the opportunity to enter the rental market and the support to live independently, people with a mental illness can build lives in their communities and embark on a journey to recovery

	Victorian Health Services Performance Website	<p>This website is the first step towards increasing the transparency and breadth of health service performance information available to the Victorian public.</p> <p>Activity and performance information on the site will be updated quarterly and the range of data and information available will be expanded in the near future.</p> <p>The quarterly rate of reporting is double that previously provided and many performance measures have been made available for the first time.</p>
	Victorian Public Hospital Emergency Department Status	<p>This site provides advice to the public regarding the status of Victorian public hospital emergency departments to assist the public in determining which ED for them to access at any given time.</p>
	<i>Health Innovation and Reform Council</i>	<p>The Council will advise on reform measures to drive innovation and reform of health practices and to improve quality and safety in public hospitals, including patient flow.</p>
	Better Health Channel mobile app	<p>For the first time in Victoria, a free app for iPhone and iPad users will help Victorians conveniently locate local health services and learn more about medical conditions and treatments.</p>
	<i>Hospital Improvement Commission</i>	<p>The expected outcomes of the Commission are to facilitate hospital improvement in emergency departments, elective surgery management and waiting list reduction.</p>
	Mental Illness Research Fund	<p>This grants program aims to enhance and strengthen evidence-based mental health research which can translate into real improvements for Victorians with a mental illness.</p>

**Question 37****Department of Health response**

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)			Total value of bonuses paid (\$)
	Eligible for a performance bonus	Not awarded bonus payment	Awarded bonus payment	
Secretary, EO1 (a)	3	0	3	\$94,822.04
EO2	18	4	14	\$175,027.42
EO3	27	7	20	\$187,916.27
Other Executives				

**Bonuses in 2010-11:**

Executive category	Number of staff (FTE)			Total value of bonuses paid (\$)
	Eligible for a performance bonus	Not awarded bonus payment	Awarded bonus payment	
Secretary, EO1 (a)	3	0	3	\$83,884.66
EO2	16	2	14	\$228,957.45
EO3	26	8	18	\$180,939.23
Other Executives				

Note (a): Categories combined to preserve confidentiality.

**Question 38****Department of Health response**

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
Exceptional	9%-10%	9%-10%
Superior	5%-8%	3%-8%
Competent	0%	0%
Improvement required	0%	0%

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

**Note:** The Department uses the same approach as given in the Executive Employment Handbook.

## SECTION F: Program outcomes

Outcomes reflect the impact on the community of the goods and services provided by a department. The questions in this section all relate to the outcomes that the Department contributed to in 2009-10 and 2010-11.

### Question 39 (departments only)

#### Department of Health response

For each of the following *Growing Victoria Together* outcomes for which the Department had partial or full responsibility, please indicate what was achieved by 26 November 2010 for each of the established measures:

*Growing Victoria Together* was the policy of the previous Government. Progress against *Growing Victoria Together* objectives was published and collated in the budget on an annual basis. The latest update by the former government can be found in the 2009-10 Budget.

See [http://www.budget.vic.gov.au/CA25755B0004CE3B/WebObj/BP3AppB/\\$File/BP3AppB.pdf](http://www.budget.vic.gov.au/CA25755B0004CE3B/WebObj/BP3AppB/$File/BP3AppB.pdf)


**Question 40****Department of Health response**

- (a) Using the format of the table below, please outline the five most important outcomes achieved by your organisation's programs/activities between 27 November 2010 and 30 June 2011 (where your organisation has been the key player) including:
- (i) what was planned;
  - (ii) what was achieved;
  - (iii) quantitative or qualitative data to demonstrate this achievement;
  - (iv) any other Victorian public sector organisations or agencies from other jurisdictions that have worked across organisational boundaries to contribute to this outcome; and
  - (v) the relationship of these outcomes to any government strategies or goals.

<b>Planned outcome to be achieved</b>	<b>Description of actual outcome achieved</b>	<b>Quantitative or qualitative data to demonstrate outcome</b>	<b>Other agencies involved</b>	<b>Relationship to major government strategy</b>
1. Respond to flood emergency	The department's flood response included: extensive communication campaign on mosquitoes, Murray Valley Encephalitis, clean up advice, mould issues and floodwater contamination of drinking water supplies	Not applicable	Department of Human Services, Department of Sustainability and Environment	Protecting the health of all Victorians
2. Release of the Victorian Health Services Performance website	A revised website was released providing new information about: <ul style="list-style-type: none"> <li>• real time hospital bypass status and when the Hospital Early Warning System (HEWS) is activated</li> <li>• estimated median time to treatment for non-urgent</li> </ul>	Not applicable	None	The government's commitment to increasing transparency and accountability in public reporting by supplementing the reporting of output performance through annual reports with the establishment of a new Health Service Performance website



Planned outcome to be achieved	Description of actual outcome achieved	Quantitative or qualitative data to demonstrate outcome	Other agencies involved	Relationship to major government strategy
	<p>emergency department patients</p> <ul style="list-style-type: none"> <li>• rates of Elective Surgery Hospital Initiated Postponements</li> <li>• number of emergency department mental health patients waiting longer than 8 hours for admission</li> <li>• number of emergency department patients with a length of stay greater than 24 hours</li> <li>• ambulance attendances (arrivals at emergency department by ambulances)</li> <li>• proportion of ambulance patient transfers within 40 minutes</li> <li>• number of hours on Hospital Early Warning System</li> </ul>			
3. Develop Victorian Public Health and Wellbeing Plan as required by Section 49 <i>Public Health and Wellbeing Act 2008</i>	Plan developed and launched in Parliament on 1 September 2011	Not applicable	Consultations occurred with a range of experts and health sector stakeholders	The Plan complements the Victorian Health Priorities Framework 2012–2022

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

(b) Please also identify any significant program outcomes that were planned but not achieved between 27 November 2010 and 30 June 2011 and the underlying reasons.

<b>Outcome not achieved</b>	<b>Explanation</b>
Not Applicable	

**Question 41****Department of Health response**

For the following initiatives that were due to be completed in 2009-10 and 2010-11, please provide details of the outcomes expected to be achieved and the outcomes actually achieved to date. Please quantify outcomes where possible.

<b>Initiative</b>	<b>Expected year of completion</b>	<b>Actual date of completion (month and year)</b>	<b>Expected outcomes</b>	<b>Actual outcomes</b>
Medical Equipment Replacement program - Asset initiative from the 2007-08 Budget	2010-11	June 2011	This program provided \$145m over four years to replace medical items across the acute public hospital system and in the non-acute areas, in order to mitigate clinical risk and risk to service continuity, improve service quality and availability	The program was completed in 2010-11 with total expenditure of \$145m spent over the 4-year program  The program enabled the systematic replacement of the highest risk, high cost medical equipment prioritised statewide. Equipment replaced was beyond its effective life and carried a high probability of failure. The replacement of the equipment enabled clinical services to remain operational, provide diagnostic and interventional treatments and maximise service delivery.
Hospital Futures – Output initiative from the 2006-07 & 2007-08 Budgets	2010-11	Funding ongoing	This funding provided \$508m over four years to meet the growth in demand for acute hospital services, including emergency, maternity, elective and outpatient services	While a range of factors contributed to growth in presentations and treatment making it difficult to attribute any one to one correlations, this additional funding contributed to an overall increase from 1.394 million separations in 2007-08 to 1.525 million separations at end 2010-11. This demonstrates an overall increase in acute activity during this period.
Support for Public Hospitals – Output initiative from the 2007-08 Budget	2010-11	Funding ongoing	This funding provided \$692m over four years to meet the growth in demand for acute hospital services, including emergency, maternity, elective and outpatient services	
Victorian Drug Strategy – Output initiative from the 2007-08 Budget	2010-11	Not complete Currently under review		Outcomes to be advised upon initiative completion and review finalisation.

## **SECTION G: Adapting to the change of government**

### **Question 42**

#### **Department of Health response**

- (a) Were any planned organisational priorities changed during 2010-11 as a result of the change of government in 2010? If so, please specify.

Yes, there is an increased focus on the government's seven identified priorities as articulated in the Victorian Health Priorities Framework 2012–2022.

- (b) Were any corporate plans or similar documents modified in 2010-11 as a result of the change of government in 2010? If so, please specify.

The '2010-11 Corporate Plan' covers the period July 2010 to June 2011. With the change in government in November 2010, the plan was modified to include the work undertaken to ensure effective delivery of the Baillieu Government's health policy agenda. Delivery of key health reform priorities required modification to the work the department had commenced on:

- developing a Health Services Plan 2022
- reviewing the national health reform agreement
- establishing a Health Infrastructure Fund
- implementing a hospital performance website

Modification to the plan also included the work undertaken across the department to support the change in government and ensure alignment of departmental activity with the government's reform agenda.

**Question 43**

**Department of Health response**

Please detail the impact on your agency of any machinery-of-government changes following the change of government in 2010, including:

- (a) how your agency adapted;
- (b) any disruptions to program or project delivery; and
- (c) any improvements to program or project delivery that have been enabled as a result of the change.

<b>Machinery-of-government change</b>	<b>Adaptations in response</b>	<b>Disruptions to program/project delivery</b>	<b>Improvements to program/project delivery</b>
<p>The Office of Senior Victorians (OSV) moved from the Department of Planning and Community Development to the Department of Health. The OSV responsibilities of population ageing issues, positive ageing programs, healthy and active living, elder abuse prevention, seniors card and the seniors festival have been incorporated into the Aged Care Branch which is also responsible for residential aged care, home and community care, assessment and health promotion and independent living programs.</p>	<p>More integrated approaches adopted across areas of common interest</p> <p>More cohesive communications regarding ageing and aged care issues, e.g., the scope of the new Seniors Online website broadened to include more extensive aged care information</p>	<p>No major disruptions</p>	<p>Strengthened capacity, particularly in relation to areas such as positive ageing, elder abuse prevention and health promotion for older people</p>

**Question 44**

**Department of Health response**

Please detail any new processes that were introduced into your agency following the change of government in 2010 for monitoring or managing expenditure on output or asset projects/programs:

<p>Nil</p>
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## Question 45

### Department of Health response

For each program and project (delivering either outputs or assets) which was curtailed, deferred or discontinued in 2010-11 following the change of government in 2010, please provide the following details:

- the name of the program/project;
- whether it delivered outputs (i.e. goods and services) or assets;
- the budgeted and actual expenditure in 2010-11; and
- the reasons for which the program/project was curtailed, deferred or discontinued.

Program/project	Output or asset delivery	Budgeted 2010-11 expenditure	Actual 2010-11 expenditure	Reasons why it was curtailed, deferred or discontinued
		(\$ million)	(\$ million)	
Barwon Health: Expanding health service capacity – Geelong and its southern growth corridor	Asset delivery	0.65	0.3	Project known as 'Barwon Health: Expanding health service capacity – Geelong and its southern growth corridor' curtailed  \$7m of TEI redirected to establish the 'Geelong Hospital Upgrade – enabling and decanting works' project  The overall program of projects in process for Barwon Health (Geelong Hospital) continues
Geelong Hospital – Enhanced Capacity Works	Asset delivery	8.0	9.67	Project known as 'Geelong Hospital – Enhanced Capacity Works' curtailed  \$1.33m of TEI redirected to establish the 'Geelong Hospital Upgrade – enabling and decanting works' project  The overall program of projects in process for Barwon Health (Geelong Hospital) continues
Kids – Go For Your Life				Previous budgets did not allocate funding beyond 30 June 2011
Health Advancement: Go For Your Life – Enabling Resources		1.22		Department was tasked with reviewing and redeveloping <i>Go For Your Life</i> within a broader prevention framework  The Baillieu Government is developing new approaches to promote healthy lifestyles, through a new coordinated approach to prevention
Health Advancement: Go For Your Life – Motivating Victorians for Better Health		0.15		Department was tasked with reviewing and redeveloping <i>Go For Your Life</i> within a broader prevention framework  The Baillieu Government is developing new approaches to promote healthy lifestyles, through a new coordinated approach to prevention

Program/project	Output or asset delivery	Budgeted 2010-11 expenditure	Actual 2010-11 expenditure	Reasons why it was curtailed, deferred or discontinued
		(\$ million)	(\$ million)	
Health Advancement: Go For Your Life – Healthy and Active Children and Families		1.80		<p>Department was tasked with reviewing and redeveloping <i>Go For Your Life</i> within a broader prevention framework</p> <p>The Baillieu Government is developing new approaches to promote healthy lifestyles, through a new coordinated approach to prevention</p>
Community Education Program	Vans attending schools and community events			<p>Department was tasked with reviewing and redeveloping <i>Go For Your Life</i> within a broader prevention framework</p> <p>The Baillieu Government is developing new approaches to promote healthy lifestyles, through a new coordinated approach to prevention</p>
Seniors healthy and active ageing programs	A range of programs discontinued in this area, including: seniors bike riding and strength training, and funding to the Council of the Ageing and the YMCA	0	0	<p>Seniors healthy and active ageing programs were a component of <i>Go For Your Life</i> which discontinued at the end of 2009-10</p> <p>Department tasked with reviewing and redeveloping <i>Go For Your Life</i> within a broader prevention framework</p> <p><i>Living Longer Living Stronger</i> (COTA) and the <i>Active Ageing Network</i> (YMCA) continued in 2010-11 with existing or carried over funds</p>



**Question 46****Department of Health response**

For each program and project (delivering either outputs or assets) which was introduced in 2010-11 following the change of government in 2010 which had not been planned prior to the change of government, please provide the following details:

- (a) the name of the program/project;
- (b) whether it delivered outputs (i.e. goods and services) or assets;
- (c) the budgeted and actual expenditure in 2010-11; and
- (d) the reasons for which the program/project was introduced.

Program/project	Output or asset delivery	Budgeted 2010-11 expenditure	Actual 2010-11 expenditure	Reasons why it was introduced
		(\$ million)	(\$ million)	
Charlton	Asset delivery	0.20	0	Funding provided to commence planning for replacement facilities at Charlton due to floods, including potential land acquisition to avoid the risk of future flood inundation
Ambulance Victoria	340 new paramedics 30 patient transport officers	6.1	6.1	Government election commitment to increase number of paramedics in metropolitan and rural Victoria. Funding was provided to implement this election commitment.
Small Scale Community Support Fund Commitments	Output	0.40		Election commitment to provide grant for maintenance  Community Support Fund allocated funds in 2010-11; not transferred to the Department of Health until 2011-12. This money has since been distributed to organisations.

