



Department of Families, Fairness and Housing annual report

2020–21

The department proudly acknowledges Victoria’s Aboriginal communities and their rich culture and pays respect to their Elders past and present.

We acknowledge Aboriginal people as Australia’s first peoples and as the Traditional Owners and custodians of the land and water on which we rely.

We recognise and value the ongoing contribution of Aboriginal people and communities to Victorian life and how this enriches us.

We embrace the spirit of reconciliation, working towards the equality of outcomes and ensuring an equal voice.

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Responsible body's declaration

Hon. Richard Wynne MP
Minister for Housing
Minister for Child Protection

The Hon. James Merlino MP
Minister for Disability, Ageing and Carers

The Hon. Ros Spence MP
Minister for Multicultural Affairs
Minister for Youth

Gabrielle Williams MP
Minister for Prevention of Family Violence
Minister for Women

The Hon. Shaun Leane MP
Minister for Veterans

Martin Foley MP
Minister for Equality

Dear ministers

In accordance with the *Financial Management Act 1994*, *Standing Direction 5.2*, and associated instructions under applicable *Australian Accounting Standards* and *Financial Reporting Directions*, I am pleased to present the Department of Families, Fairness and Housing's annual report for the year ending 30 June 2021.



Sandra Pitcher
Secretary
Department of Families, Fairness and Housing

21 October 2021

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Section 1: Year in review

Secretary's foreword



It is a great privilege to lead the new Department of Families, Fairness and Housing. I feel a deep sense of pride at what has been achieved and feel a strong sense of purpose for the work that lies ahead.

Our vision is to empower communities to build a fairer and safer Victoria. We want Victoria to be a place that is free from disadvantage and discrimination where all people can have meaningful lives.

The new Department of Families, Fairness and Housing was established on 1 February 2021 and brought together key portfolio areas from the former Department of Health and Human Services and the Department of Premier and Cabinet. We are now well positioned to meet the complex needs of the people and communities we support. Together we are making our state more equal and inclusive for everyone.

This annual report is a snapshot of the enormous effort of everyone who has worked with our communities across 2020–21. It has been a demanding year for Victorians and we've all felt the continued impacts of the COVID-19 pandemic, as well as the day-to-day challenges people experience in their lives. Our staff has worked hard through these challenging times, and we've remained committed to our goals. We do this work because we know it benefits the whole community and that is what I'm most proud of, the incredible capacity for support shown every single day by our people.

Our focus

Partnership and collaboration have unpinned everything we've done over the past year, whether that has been in our work to support people as they overcome hardships and recover from adversity, or in creating equitable access to opportunities.

A big part of our ongoing COVID-19 response is partnering with and listening to the experiences of people in our communities so we can respond better and support them effectively.

This focus applies to all of our work, across all of our portfolios. It's how we've built inclusive and responsive services, and it's how we'll continue to engage and recover going forward.

Working closely with communities also means that we need to be willing to take on feedback and action it. Not everything works perfectly the first time, but we are always learning and improving upon the ways that we can support people, and then adapting our policies and programs to match.

We provide tailored support to Victorians because we know their needs are varied. We collaborate with communities and our sector partners because we know that including their lived experience in system design gives us the ability to build supports that meet people and communities where they are.

This is some of the work we've dedicated ourselves to

- > Child protection, family violence, homelessness and housing teams all continued to support Victorian families, carers and children while facing some of the toughest times of their lives.
- > Many of our people supported the Readiness, Response and Emergency Management Division as part of the ongoing COVID-19 response, supporting residents and clients in high-risk accommodation settings and multicultural communities.
- > The public engagement team worked to ensure Victorians had essential health and safety information when and where they needed it.
- > The Anti-Racism Taskforce helped develop an anti-racism strategy for our state, one that informed government decisions and reduced systemic barriers to participation.
- > We continued to advocate for equality and inclusion for our diverse communities. We opened the Victorian Pride Centre, supported veteran wellbeing, and created fairer access to opportunities and support for both senior Victorians and young people.
- > We celebrated our diverse communities with support and grants for multicultural festivals and events
- > Our people supported and championed Victorians with disabilities, and those who work as unpaid carers, including launching the 'Work that matters' campaign and funding opportunities for carers.
- > Policy staff developed and implemented a significant number of key programs to drive our social recovery from the COVID-19 pandemic.
- > Our emergency response teams continued to work with people across public housing and supported residential settings to provide critical support.

We've done all of this while building the foundations of a strong and connected department. I want to say thank you to all our staff and everyone in the sectors and communities that we partner with.

We remain deeply committed to supporting Victorians as we respond to challenges of the COVID-19 pandemic, while also ensuring that our other services continue to support our communities in the way we always have.

Making Victoria a fairer and safer place for everyone is the vision that guides our work and that has never been more important.



Sandra Pitcher
Secretary
Department of Families, Fairness and Housing

Introduction

Our vision

Empowering communities to build a fairer and safer Victoria.

Our mission

The department's mission is to achieve the best health, wellbeing and safety of all Victorians so that they can live a life they value.

The department contributes to the government's commitment to a stronger, fairer, better Victoria by developing and delivering policies, programs and services that support, protect and enhance the health, wellbeing and safety of all Victorians.

The department supports the Victorian Government's commitment to a stronger, fairer, better Victoria by promoting excellence in government service delivery and reform.

Our values

Our values describe what we stand for at the department, how we want to make decisions and how we expect each other to behave.



We are responsive

- > We provide frank, impartial and timely advice to the Victorian Government.
- > We provide high-quality services to the Victorian community
- > We identify and promote best practice.



We have integrity

- > We are honest, open and transparent in our dealings.
- > We use powers responsibly.
- > We report improper conduct.
- > We avoid any real or apparent conflicts of interest.
- > We strive to earn and sustain public trust.



We are impartial

- > We make decisions and provide advice on merit and without bias, caprice, favouritism or self-interest.
- > We act fairly by objectively considering all relevant facts and fair criteria.
- > We implement Victorian Government policies and programs equitably.



We show respect

- > We show respect for colleagues, other public officials and members of the Victorian community.
- > We treat our colleagues, other public officials and members of the Victorian community fairly and objectively.
- > We ensure freedom from discrimination, harassment and bullying.
- > We use colleagues, other public officials and members of the Victorian community's views to improve outcomes on an ongoing basis.



We are accountable

- > We work to clear objectives in a transparent manner.
- > We accept responsibility for our decisions and actions.
- > We seek to achieve the best use of resources.
- > We submit ourselves to appropriate scrutiny.



We lead

- > We actively implement, promote and support these values.



We respect human rights

- > We respect and promote the human rights set out in the Victorian Charter of Human Rights
- > We make decisions and provide advice consistent with human rights
- > We actively implement, promote and support human rights.

Purpose and functions

The Department of Families, Fairness and Housing is responsible for leading within the Victorian Government on child protection and family services, prevention of family violence, housing and homelessness, disability, seniors, carers, multicultural affairs, LGBTIQ+ equality, veterans, women and youth.

Our functions

Children and Families

The Children and Families service system is focused on improving outcomes for children, young people and families. This is achieved by designing and implementing legislation, policies, programs and practice advice that supports the operations of the child protection program, family services and care services system. This includes child protection practitioners who exercise their legal mandate to intervene where a child or young person needs protection, through to supporting foster, kinship and permanent carers to better enable them to respond to the needs of vulnerable families. Working with families so children and young people can stay safely at home or arranging alternative care if staying at home is not possible.

We are committed to providing safe, effective, connected, person-centred services for everybody, every time. We drive this goal through promoting and implementing the *Victorian Community Services Quality Governance framework* and the *Client Voice framework*, which together set the foundations for a service delivery culture of continual improvement and one that prioritises and respects client voice.

We will continue to work with children, young people and families, communities and services through the *Roadmap for Reform: Strong Families, Safe Children*. The Roadmap sets out long term changes to the way government and community come together to support children and families. The pathways to support for children and families is an important part of the government's commitment to transform the child and family system through the Roadmap.

We also remain deeply committed to *Wungurilwil Gagapduir: Aboriginal Children and Families Agreement*, a tri-partite agreement between the Aboriginal community, government and community service organisations. *Wungurilwil Gagapduir* aims to reduce the over-representation of Aboriginal children involved with child protection services by promoting self-determination for Aboriginal people in Victoria and ensure that Aboriginal children can thrive in strong and culturally rich Aboriginal families and communities. The Aboriginal Children's Forum is to give practical effect to the implementation and monitoring of *Wungurilwil Gagapduir*.

Housing

Homes Victoria is a DFFH agency established in November 2020 to deliver more homes for more Victorians. Our job is to work closely with industry, the not-for-profit sector and the community to maximise social and economic benefits, prioritise and fast-track new social and affordable housing and deliver the plan for a long-term sustainable growth in housing. Homes Victoria manages and maintains the \$31 billion portfolio of public housing dwellings which are home to nearly 120,000 people and works in partnership with community housing providers who own or manage community housing throughout Victoria. We want all Victorians to live in secure and affordable housing that is well-located and within vibrant, diverse, resilient and inclusive communities.

Homes Victoria works closely with the homelessness sector to reduce homelessness. Our approach is to intervene early to deliver stable accommodation and support people in that accommodation to maintain their wellbeing and safety in a sustainable way, as has been the case with the many hundreds of rough sleepers housed during the COVID-19 pandemic.

Homes Victoria was established to manage and deliver the Big Housing Build; a \$5.3 billion program to fast-track the construction and acquisition of social and affordable housing across metropolitan and regional Victoria, which

will become the largest single investment of its kind in Victoria's history. The Big Housing Build provides the opportunity to deliver more high quality, energy efficient social and affordable housing for more Victorians; housing that is well located and creates thriving, connected and safe communities. It will deliver more than 12,000 new social and affordable homes over the next four years and create tens of thousands of jobs to support Victoria's economic recovery from COVID-19 – with a focus on creating new apprenticeships, cadetships and traineeships in the building and construction industry.

Prevention of Family Violence

The department is working towards a Victoria free from family violence, as articulated in the whole-of-government *Ending Family Violence: Victoria's Plan for Change*, the 10-year strategy released in November 2016 in response to the Royal Commission into Family Violence

The Office for Prevention of Family Violence and Coordination has oversight of the coordination and implementation of the ten-year strategy, working in close partnership with Family Safety Victoria and other government departments and agencies, local government and non-government stakeholders.

Key initiatives overseen by Family Safety Victoria focus on developing statewide, whole-of-system policy, design and operating models to respond to family violence and sexual assault, such as rollout of The Orange Door network, the Multi-Agency Risk Assessment and Management (MARAM) framework and information sharing reforms, related response systems for perpetrators, victim survivors, families, children and young people and long-term industry planning to address the challenges of workforce supply, capacity and capability, in partnership with the sector.

By bringing organisations together to create new and coordinated ways to respond to family violence, and better support families, Family Safety Victoria aims to ensure the family violence system is inclusive, self-determining and culturally safe, and gives victim survivors and children and young people a voice.

Successful primary prevention of family violence, elder abuse and all forms of violence against women is a critical part of achieving a Victoria free from family violence.

Disability

The department works in partnership with people with disability, their families and carers to achieve greater inclusion and participation.

The Office for Disability leads whole-of-government disability inclusion policy and oversees development and progress of the state disability plan. The *Absolutely everyone: state disability plan 2017–2020* was developed in consultation with people with disability.

The plan commits the government to actions that improve outcomes for people with disability across all life domains including health, mental health and wellbeing, housing, community participation, education, employment and safety. Work towards the next state disability plan was paused for much of 2020 due to the COVID-19 response but recommenced in December. The department is on track to deliver a new state disability plan at the end of 2021.

The Office for Disability delivers the Victorian Disability Advocacy Program and works closely with the Victorian Disability Advisory Council and other stakeholders to drive greater inclusion across Victorian Government policies, programs and services.

The department contributes to delivering supports and services to Victorians with a disability through our contribution to the National Disability Insurance Scheme (NDIS) and continues to work with people with disability, advocacy organisations and sector representatives to inform our role in co-governance of the NDIS.

Seniors

The department supports older Victorians and their carers to maximise their wellbeing and quality of life through delivering the Seniors Card and Companion Card, the Victorian Seniors Festival, and by providing policy and service delivery advice and funding for seniors' programs and participation.

The department works closely with and provides support to the Commissioner for Senior Victorians to deliver independent advice to government on coordinated, whole-of-Victorian Government approaches to supporting senior Victorians.

Carers

The department is working to improve the health and wellbeing of carers. We work in partnership with a range of community organisations. This includes providing access to respite, information and advice, financial services, transport concessions and sponsoring support groups.

The department is implementing the *Pathways to Employment* initiative in partnership with carer and other organisations to provide support to unpaid carers who wish to enter training and employment pathways.

Youth

The Office for Youth shapes policies, programs and services that affect young Victorians aged 12–25 and elevates their voices on the issues of importance to them and their futures. The office works closely with other portfolios to improve young people’s health and wellbeing, education, training, skills development and career pathways; maximise participation in community and civic life and address youth disengagement from family, education and training, employment and community.

The office supports a range of initiatives that are designed with and led by young people, including the Victorian Youth Congress. Initiatives include universal programs designed to empower and build protective factors around young people, and targeted programs for young people facing barriers to engagement. The office also works closely with other portfolios to influence policy, program and service delivery and investment in priority areas for young people.

Multicultural communities

The department celebrates Victoria’s rich cultural and linguistic diversity as one of our state’s key strengths, ensuring that the Victorian Government’s strategies, policies and programs

meet the diverse needs of culturally and linguistically diverse (CALD) communities.

The Multicultural Affairs portfolio supports fairness and inclusion in a range of ways, including by addressing racism and discrimination; promoting positive settlement for migrants and refugees; ensuring access to services for people seeking asylum; improving access for culturally diverse communities to government services; and providing grants that celebrate culture and faith to multicultural community organisations.

Since the outbreak of COVID-19, the Multicultural Affairs portfolio has provided secretariat support and worked in partnership with the CALD Communities Taskforce, established in August 2020 to oversee and coordinate engagement and support for CALD Victorians during the COVID-19 pandemic. The department also works closely with the Victorian Multicultural Commission to deliver a coordinated, whole-of-government approach to multicultural affairs.

Women

The Office for Women works to drive gender equality and supports better outcomes for women so that all Victorians live in a safe and equal society.

The office is responsible for delivering the Victorian Government’s gender equality strategy, *Safe and Strong*, by leading on structural policy reforms, providing grant funding to community organisations to promote gender equality, and delivering programs to increase women’s leadership, economic participation and safety.

The office works closely with the Commission for Gender Equality in the Public Sector and across government to deliver a coordinated, whole-of-Victorian Government approach to advancing gender equality.

Veterans

The department honours the contribution of the ex-service community and supports service organisations to deliver programs for veterans and their families. The department works closely with the Shrine of Remembrance and ex-service

organisations to deliver major commemorative and education programs, and provides grants to community organisations for capital works, commemoration and education projects, war memorial restoration and programs that provide welfare support for veterans and their families.

The department supports the Victorian Veterans Council and works across government to support veteran's employment and education and improve accessibility to government services.

LGBTIQ+ Equality

The department leads policies, programs and reforms to support LGBTIQ+ communities; provides advice and leadership on LGBTIQ+ inclusive practices; builds the capacity of LGBTIQ+ community organisations; supports the review and reform of government legislation and programs to ensure LGBTIQ+ inclusion; and delivers grants to community organisations to increase visibility, celebrate inclusion and advocate for inclusion.

The department works closely with the Commissioner for LGBTIQ+ Communities to deliver a coordinated, whole-of-government approach to supporting LGBTIQ+ communities.

Leadership charter

Our department's leadership charter is an important part of shaping our culture.

It outlines the leadership behaviours our staff and stakeholders can expect of the executive leadership group and positions the department as a great place to work. It represents how the department's executive leadership group wish to be known and to relate to each other and to our stakeholders.

The charter commits the executive leadership group to lead by example and ensure their behaviours and the way they approach their work embody the department's values. For example, executives are committed to being accountable for their actions and outcomes, sharing information with staff when it should be shared, and seeking out and valuing other perspectives.

Read our [leadership charter](http://www.vic.gov.au/dffh/leadership-charter) <www.vic.gov.au/dffh/leadership-charter>.

Changes to the department

The Department of Families, Fairness and Housing came into effect on 1 February 2021, following the separation of the Department of Health and Human Services into two new departments and the integration of a number of portfolios from the Department of Premier and Cabinet.

As part of the machinery of government changes, the department is now responsible for ensuring the best arrangements are in place to improve the lives of the most disadvantaged members of the Victorian community by delivering services associated with the portfolios of Child Protection, Prevention of Family Violence, Housing, Disability, Ageing and Carers, Multicultural Affairs, Equality, Veterans, Women, and Youth. Responsibility for these portfolios and outputs were previously held by the former Department of Health and Human Services, and the Department of Premier and Cabinet.

As a result, the departmental objectives and output structure have been transferred from the Department of Health and Human Services and Department of Premier and Cabinet to the Department of Families, Fairness and Housing.

This report of operations presents the progress the department has made towards achieving the objectives and full year performance of the outputs, received through the administrative restructure, for which the department was responsible at the end of the financial year.

2020–21 departmental objective	2020–21 output	Reason for change
Victorians are safe and secure Victorians have the capabilities to participate Victorians are connected to culture and community	Housing Assistance Child Protection and Family Services Concessions to pensioners and beneficiaries Disability services Victorian contribution to National Disability Insurance Scheme Community participation Office for Disability Family Violence Service Delivery	Objectives and outputs have been transferred from the Department of Health and Human Services to the Department of Families, Fairness and Housing following the machinery of government changes implemented on 1 February 2021.
Engaged citizens	Youth Multicultural affairs policy and programs LGBTIQ+ equality policy and programs Support to veterans in Victoria Women's policy Seniors programs and participation	The 'Engaged citizens' objective and several outputs have been transferred from the Department of Premier and Cabinet to the Department of Families, Fairness and Housing following the machinery of government changes implemented on 1 February 2021. The 'Seniors programs and participation' output has been transferred from the Department of Health and Human Services following the machinery of government changes on 1 February 2021.

Subsequent events

The department has made changes to its output structure for 2021–22 as shown in the table below.

2020–21 outputs	2021–22 outputs	Reason
Women's policy	Women's policy Primary Prevention of Family Violence	This output has been updated to appropriately reflect the output of activities undertaken under the Women's portfolio. The 'Women's policy' output is to be disaggregated into 'Women's Policy' and 'Primary Prevention of Family Violence' to align with the Women and Prevention of Family Violence portfolios respectively. Primary Prevention of Family Violence activities will be reported under the 'Primary prevention of family violence' output.

Direct costs attributable to machinery of government changes

In November 2020, the government issued an administrative order restructuring some of its activities via machinery of government changes, taking effect from 1 February 2021.

The department incurred additional costs relating to specific tasks that needed to be undertaken to remediate systems and processes to enable use by two departments. The departments have continued to share services and systems wherever possible to achieve efficiencies.

The direct costs associated with machinery of government changes cannot be captured accurately as costs may have been incurred for work that was needed for the changes but also provided other operational benefits. For example, system remediation costs for the separation of data between the two departments would also include general system enhancements not directly attributable to machinery of government changes.

Given this, there were no direct costs attributable to the machinery of government change that have been recorded in financial year 2020–21 by the entities that are consolidated into the department's annual report pursuant to section 53(1)(b) of the *Financial Management Act 1994*.

Portfolio performance reporting – non-financial

Departmental objectives, outputs, and indicators

Following the establishment of the department in February 2021, departmental objectives, associated indicators and linked outputs were set out in the 2021–22 Budget Paper No. 3 *Service Delivery* as listed in the table below. Departmental objectives, indicators and measures will be further reviewed for the 2022–23 State Budget to better reflect the role and objectives of the new department and the establishment of the departmental outcomes framework.

The former Department of Health and Human Services did not publish a 2020–21 strategic plan.

The Department of Families, Fairness and Housing specific objectives outlined in this report are drawn from the previous Department of Health and Human Services outcomes framework and 2019 strategic plan, and are consistent with the objectives set out in 2021–22 Budget Paper No. 3 *Service Delivery*.

Departmental objectives	Indicators	Outputs
Victorians are safe and secure	<p>Reduce the abuse and neglect of children and young people</p> <p>Reduce the rate of growth in out-of-home care – especially for Aboriginal children</p> <p>Reduce the proportion of children in out-of-home care who live in residential care</p> <p>Reduce the level of continuing risk for victims of family violence</p> <p>Identify and respond to bullying, assault and inappropriate behaviour in departmental and public health services to reduce occurrence</p> <p>Reduce the proportion of the population experiencing homelessness – especially victims of family violence and young people</p>	<p>Child Protection and Family Services</p> <p>Housing Assistance</p> <p>Family Violence Service Delivery</p>
Victorians have the capabilities to participate	<p>Increase educational engagement and achievement by children and young people in contact with departmental services – especially those in out-of-home care</p> <p>Increase participation in three and four-year-old kindergarten by children known to child protection</p> <p>Increase the health and wellbeing of those who care voluntarily for people with disability; people with mental illness; people with chronic illness; older people with care needs; and children in out-of-home care</p> <p>Increase labour market participation by women, people with disability; people with mental illness; carers and people living in specified locations and communities</p>	<p>Concessions to Pensioners and Beneficiaries</p> <p>Disability Services</p> <p>Victorian Contribution to National Disability Insurance Scheme</p>

Departmental objectives	Indicators	Outputs
Victorians are connected to culture and community	Increase rates of community engagement, especially for Aboriginal children and young people Increase cultural connection for children in out-of-home care – especially Aboriginal children	Community Participation Office for Disability
Engaged citizens	Increase opportunities for participation by members of the Victorian community in the social, cultural, economic and democratic life of Victoria	Seniors Programs and Participation Support to veterans in Victoria LGBTIQ+ equality policy and programs Women’s policy Primary Prevention of Family Violence Youth Multicultural affairs policy and programs

[2021–22 Budget Paper No. 3 *Service Delivery*]

Progress towards achieving departmental objectives

The Department of Families Fairness and Housing works to create a more inclusive society, one in which people feel safe and can take part equally.

Throughout the past year, the department has furthered our collaboration and connection with the community as part of our regular services and supports, and as part of the COVID-19 response. This spans the range of our portfolios.

The department has provided critical support to those who need it, in relation to COVID-19 and to those going through other hardships. We also continued to uplift communities through initiatives, funding, celebrations and support.

The following review outlines just some of work the department has dedicated itself to over the past year. We will continue to build on what we've done, and keep doing work that benefits the whole Victorian community.

Victorians are healthy and well

Improving the health and wellbeing of all Victorians means people can live fulfilling lives and participate in our community. The department plays an important role in supporting the wellbeing of all Victorians, including working with the Department of Health to support better health outcomes.

The majority of priorities and outcomes that have previously been reported under this objective are now the responsibility of the Department of Health. Our department has a greater focus on wellbeing and social recovery, and on more equitable outcomes for those who may face greater challenges or hardships.

As the challenges of the COVID-19 pandemic continue, we deliver more support where it is needed, including for vulnerable groups and those with distinct needs or who may have been disproportionately impacted.

Key achievements

COVID-19 prevention, preparedness and recovery

The Victorian Government invested \$155 million in the 2020–21 State Budget to continue COVID-19 prevention, preparedness and recovery efforts. This included establishing a high-risk accommodation response model to support people in congregate living circumstances with shared facilities who may be unable to isolate or quarantine safely. The response model also provides a platform for vaccination engagement with residents and links to broader health and social supports to promote social recovery.

This response is a significant partnership with community health providers and helps ensure that appropriate public health measures are in place to protect the safety and wellbeing of residents. It also ensures culturally appropriate

and accessible services are made available to people who need to test and isolate during a COVID-19 outbreak. This includes providing access to health and social services, food, medicine and other essential supplies.

Strong communication and engagement underpin this response. We work in collaboration with community health providers, community and faith leaders and health concierge teams who have significant connections with residents.

The COVID-19 outbreak response is delivered by local community health providers, who work with Homes Victoria, local government, local public health units and community organisations. Activities include mobile and pop-up testing, accessible vaccination delivery, adequate supplies of personal protective equipment (PPE)

such as face masks and sanitiser, and enhanced cleaning regimes for public housing.

The model supports almost 30,000 in-scope facilities and dwellings, including high-rise public housing towers, public housing low-rise settings, disability residential services and supported residential services.

Coronavirus Emergency Response for Children and Young People involved with Child Protection Care (CERCY)

Like all members of the Victorian community, children and young people in care are at risk of contracting COVID-19 and may require specific support to complete their required isolation or quarantine. The 2020–21 State Budget provided \$4.456 million to establish the Coronavirus Emergency Response for Children and Young People involved with Child Protection (CERCY) model of care for at-risk children and young people who are unable to quarantine in their usual care arrangements.

CERCY was designed in collaboration with the Department of Health to provide safe and therapeutic care for at-risk children and young people who are suspected or confirmed to have COVID-19. The model includes optimal Infection Prevention Control (IPC) designed accommodation and incorporates IPC training and clinical support for staff, deep cleaning, laundry, and clinical waste disposal services.

CERCY is being delivered by Mackillop Family Services in four homes across metropolitan Melbourne.

Victorian Disability Response Centre

The Victorian Government established the Victorian Disability Response Centre, in partnership with the Australian Government. The Centre coordinates COVID-19 prevention and response activities, to minimise the impact on Victorians with a disability.

Disability Liaison Officer program

The Disability Liaison Officer program was established to support access to COVID-19 testing, treatment and vaccination, and other essential services. The program has also worked to improve broader systemic health access for

people with disability. (\$1.6 million in 2019–20 and \$3.4 million in 2020–21 for 32 full-time equivalent staff in 22 health services across metropolitan and regional Victoria).

Accessible communications

The COVID-19 Accessible Communications Reference Group was established to guide the production of accessible communications in direct response to feedback from the community. The group's members were drawn from the Victorian Disability Advisory Council, Victorian disability advocacy organisations and other stakeholders.

Food relief for Victorians

The Victorian Government announced an investment of \$11.3 million in September 2020 to strengthen and enhance food relief activities for vulnerable Victorians. The following has been achieved as of 30 April 2021:

- > \$2.3 million allocated to support local government to provide locally led relief services including access to food and essential items
- > \$3.5 million allocated to increase the capacity of food relief storage and distribution services at five locations in regional Victoria
- > \$5 million in grants provided to 93 community sector organisations to boost their capacity and support the provision of food relief
- > a Food Relief Taskforce has been established to provide strategic advice to government, which met for the first time on 20 April 2021.

In June 2021, a further \$2.8 million was provided to state-wide food relief providers and key regional charities and distribution centres to deliver more food to Victorians in need, support local hospitality businesses affected by the COVID-19 pandemic, and keep more Victorians in work.

Extreme Hardship Support Program

We funded the \$50 million Extreme Hardship Support Program, which provides emergency financial assistance, information and referrals to people on temporary visas living in Victoria who are unable to access Australian Government

income support (including JobSeeker and JobKeeper). During 2020–21 the program provided emergency financial hardship assistance to more than 46,000 people, and more than 52,000 people received advice over the phone about available health, mental health or social supports.

Ensuring women are healthy, safe and well

The Office for Women provided funding for a range of initiatives including support for new mothers, intensive case management for victims of significant trauma or violence, and support for people with eating disorders. A total of \$600,000 was provided to Victoria's 12 women's health Services to support women's mental health, wellbeing and social connectedness.

Initiatives to intervene early and prevent family violence.

The Prevention of Family Violence portfolio continues to implement initiatives under the 10-year *Free from violence strategy*, which aims to prevent family violence and all forms of violence against women before it starts.

Under this strategy, as of April 2021 16 primary prevention grant programs were delivered to support initiatives across multiple settings and population groups. For example, the Domestic Violence Resource Centre/Domestic Violence Victoria (DVRCV/DV Vic) continued to provide professional development support to more than 1600 prevention workers through the Partners in Prevention (PiP) network, with \$695,000 of funding in 2020–21.

Mental health support for veterans

On 23 April 2020, the Minister for Veterans announced the completion of the capital upgrades and technology procured as part of a \$1.5 million grant to Phoenix Australia, to expand the Centenary of Anzac Centre, providing mental health support for veterans. This centre is advanced technology and research to aid the diagnosis and treatment of mental health challenges veterans and first-responders face, including those with post-traumatic stress or other complex and high-risk mental health issues.

Victorians are healthy and well – Indicator results

Indicators for this objective are presented in the Department of Health's 2020–21 annual report.

Victorians are safe and secure

A safe society is a basic requirement for all. Our department is striving to end violence and abuse, including family violence, elder abuse, child abuse and neglect. We stand with and support children and adult victim survivors.

The department is also leading the Victorian Government's engagement with the Disability Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability.

Access to safe, suitable and stable housing is key for wellbeing, health and participation in the community. With secure housing, people have a better foundation on which to build stronger mental and physical wellbeing, and pursue education and work.

Continuing to deliver on these priorities during the COVID-19 pandemic has been essential. The past year has seen us continue to be flexible and innovative in how we support Victorians. Our commitment is always to support safety and security for all.

Key achievements

Announcement of the Big Housing Build and creation of Homes Victoria

The Big Housing Build, announced in November 2020, is the largest social and affordable housing building program in Victoria's history. This \$5.3 billion investment will deliver more than 12,000 new homes throughout Melbourne and regional Victoria boosting our state's social housing supply by 10 per cent in four years.

Homes Victoria is the new government agency that has been set up to:

- > support Victorians who are finding it difficult to secure stable, affordable housing and help them live their best possible life
- > manage the almost \$31 billion in housing assets that currently house nearly 120,000 Victorians
- > renew and substantially expand those assets by ensuring the Big Housing Build is delivered on budget and on time
- > to make sure Victoria has a sustainable housing system that can deliver for generations to come.

Homes Victoria is also responsible for developing of the *10-year strategy for social and affordable housing*.

By 30 June 2021, almost \$1 billion in new dwelling commitments had been made, representing significant progress towards delivering the government's commitment on \$5.3 billion in investment in social and affordable

housing. Funding commitments include more than 500 spot-purchased dwellings as well as the awarding of contracts to projects that form the Fast Start program of the Big Housing Build.

In May, the CEO of Homes Victoria signed an agreement with the Building Communities consortium to construct 962 dwellings in three locations – Brighton, Prahran and Flemington. It is a first-of-its kind Ground Lease Model in which ownership of the land would remain with Homes Victoria, while the appointed consortium would build and operate social and affordable housing on the land for a 40-year lease period.

1,000 Homes initiative

In 2018, the government committed to building 1,000 additional homes to supplement the supply of social housing in Victoria. This program is on track to deliver slightly more than 1,000 homes over the next two years, as construction continues to roll out on the remaining homes that have not yet been completed.

Emergency response to severe storm event

Severe weather events in June 2021 resulted in flooding and storm damage in Victoria, including significant and prolonged power outages in parts of Gippsland, eastern metropolitan and central highlands regions. Our Readiness, Response and Emergency Management Division and our Operations divisions were activated to support the emergency response across the state. We worked closely with local councils, and

emergency and community services to support affected communities.

Residents in the Dandenong Ranges experienced the most extensive physical damage to properties, and thousands of households were without power, many for several weeks. Local community hubs provided a safe gathering place for people to receive information and access to food, power, showers and the internet.

Our department provided 650 emergency relief assistance payments, totalling \$732,680, to affected Victorians so they could pay for food, shelter and transport. Our people also contacted power dependent customers who were off power for prolonged periods to identify and support any welfare or relief needs. Additionally, we reached out to people with destroyed or damaged homes to promote the department's re-establishment assistance, which supports clean up, repairs and rebuilding.

The Victorian and Australian governments announced a joint \$14 million recovery support package for affected Victorians. The package provides:

- > recovery support workers, including case management where required, to support access to services for housing, health and wellbeing, finance management, legal matters and practical assistance like filling in forms and accessing payments and grants
- > psychosocial supports including ongoing outreach, and cohort specific programs for youth, families and seniors and family violence.

The department continues to work with Bushfire Recovery Victoria which is leading state and regional recovery coordination (including state-wide clean up) for this emergency. A comprehensive and dedicated social recovery program will be put in place to help the community with the ongoing recovery efforts.

Child protection – supporting children and vulnerable families

The department has continued to receive and register reports, undertake risk assessments and implement case planning for children who required a child protection response.

We implemented new ways of working and adapted child protection operations in response to changing health advice, while also supporting foster, kinship and permanent carers by bolstering phone supports..

Over the past 12 months, we have continued to advance Aboriginal self-determination by supporting Aboriginal-led reforms and strengthening partnerships with Aboriginal community controlled organisations. The department has also continued improving the cultural safety of our child protection workforce and service delivery through professional development programs to help improve the experience for Aboriginal staff in the workforce and Aboriginal clients.

The 2020–21 budget delivered \$106.7 million over four years to recruit 239 new child protection practitioners. A further \$22.5 million was provided to employ up to 48 staff to take some of the workload off our child protection practitioners, helping with administrative support, working with children checks and a centralised subpoena unit.

There has been a focus to build and develop the child protection workforce by streamlining recruitment processes for graduates, increasing professional development programs and strengthening partnerships with stakeholders and tertiary education providers.

Key learnings informed the development of the *Child Protection Workforce* strategy 2021–2024, setting the direction for the child protection workforce over the next three years.

Aboriginal self-determination in child and family services

To better respond to needs of the community, our department continued to advance Aboriginal self-determination through improving the cultural safety of our workforce and our service delivery, strengthened, and streamlined recruitment processes for graduates for easy entry into the child protection service and implemented contemporary working models so the delivery of service and care better met the needs of vulnerable children and families, particularly during the COVID-19 pandemic. Such

innovations enabled continuity of care and contributed to the health, wellbeing, and safety of child protection practitioners during a challenging year.

The Orange Door

We continued the rollout of The Orange Door, a free service for adults, children and young people who are experiencing or have experienced family violence, and families who need extra support with the care of children. A further three sites were established in 2020–21 in Central Highlands, Loddon and Goulburn, bringing the number of Orange Doors implemented across the state to eight. As of 30 June 2021, The Orange Door network has helped more than 140,000 Victorians, including more than 55,000 children.

Dhelk Dja Family Violence Fund

The Dhelk Dja Family Violence Fund, which will provide \$13.8 million in funding to more than 45 Aboriginal-led initiatives and services. This funding supports Victorian Aboriginal organisations to deliver culturally appropriate, Aboriginal-led tailored responses to victim survivors and people who use violence, including for women, men, children and young people.

One of the key commitments under the *Dhelk Dja; Safe Our Way – Strong Culture, Strong Peoples, Strong Families* 10-year agreement, the Dhelk Dja Fund begins to set a foundation for implementing the Nargneit Birrang Aboriginal holistic healing framework for family violence, which was developed and co-designed by Victorian Aboriginal communities.

Multi-Agency Risk Assessment and Management Framework (MARAM) reforms

The department commenced regulations in April 2021 for the prescribing 'phase two' organisations into the MARAM and the Family Violence and Child information sharing reforms. This will now mean approximately 370,000 workers and 5,800 organisations are now prescribed. Phase two has importantly brought in the health and education sectors including GPs, hospitals, community health services and schools, enabling them to align their policies and

practices to support consistent responses to family violence risk assessment and management.

Victorian and Aboriginal Family Preservation and Reunification Response

The Victorian Government established a targeted family preservation and reunification intervention model for high-risk and at-risk families delivered through connected and coordinated practices between response providers and child protection.

The aim of the Victorian and the Aboriginal Family Preservation and Reunification Response (the Response and the Aboriginal Response) is to nurture 'strong families' – with children who are safe, healthy, resilient and thriving; and parents and other care givers who are supported to create a safe and nurturing home environment

The Response and the Aboriginal Response is an innovative approach providing children and families with the right support, when and where they need it most and with the right team of people. It provides relational, evidence-informed and targeted support to children and families through a collaborative and coordinated partnership between service providers and a newly established child protection position, the Child Protection Navigator.

An initial phase of rapid, intensive and flexible support is delivered, followed by sustained support and transitions to other services based on need.

The Aboriginal Response works with Aboriginal families and communities to advance Aboriginal self-determination, promote culturally safe and inclusive services to support cultural healing and acknowledges the unique needs, preferences and history of Aboriginal children and families.

This work has been specifically targeted for vulnerable children, young people and families that account for a high percentage of all children entering care with identified parent child and case factors.

In the 2020–21 State Budget, the Victorian Government announced a commitment to continue transformation of the children and families service system to focus on early

intervention and prevention, including the expansion of the Response. This allows for the Response to continue in an expanded form over the next three years to 30 June 2024.

Pathways to support for children and families

Since the *Roadmap for Reform: Strong families, safe children* (the Roadmap) was released in 2016, services, communities and government have come together to transform how we work with children and families experiencing vulnerability. During 2020–21 our focus has been on developing of a comprehensive plan for the next stage of system transformation through the Roadmap, which details the priorities and collective action the department will deliver with our partners over the next three years to shift the child and family system to the pathways to support system model.

As part of the Roadmap, the pathways to support model connects the different parts of the child and family system to work together as a single, unified system that is child-centred, family-focused and evidence-informed. It aims to make the service system work better and improve outcomes for children and families, and also to equip practitioners and carers with the tools and supports they need.

The model was designed in collaboration with Aboriginal and non-Aboriginal practitioners, departmental and child protection staff, young people and carers. The pathways to support will improve outcomes for children and families by shifting the focus of the service system from programs to people. The model also seeks to progress self-determination for Aboriginal Victorians and elevate client voices across the system.

Better Futures and Home Stretch

Under the Roadmap reforms, Victoria began piloting a new approach to supporting care leavers in 2016–17. Known as Better Futures, these pilot programs aimed to engage earlier with care leavers, supporting them to have an active voice in their transition planning and providing supports across a range of life areas. After the success of the pilot, the program was

rolled out statewide in late 2019. The Home Stretch program is delivered via Better Futures. Through Home Stretch, young people and their kinship carer, foster carer or permanent carer have the option of the young person remaining with them up to the age of 21 years, supported by an allowance. Young people leaving residential care, kinship care, foster care, or permanent care can access an allowance to support them with housing and associated costs up to 21 years of age.

In January 2021, Victoria was the first Australian jurisdiction to make extended care universal – meaning all young people leaving care can receive a more gradual and supported transition to adulthood via Home Stretch.

Home Stretch expanded in January 2021 with a further \$64.7 million over four years and ongoing funding to provide universal Home Stretch support for all eligible young people. From 1 July 2021, all young people from 16 years transitioning from care will be eligible for Home Stretch support.

In May 2021, the Victorian Government invested a further \$39 million over four years to extend the Home Stretch program to include eligible young people subject to permanent care orders from July 2021.

The Child Protection and Care Services COVID-19 Response Team

The Child Protection and Care Services COVID-19 Response Team is a team of four child protection specialists, located within the Operations Support Group, who oversee COVID-19 cases or outbreaks amongst children and staff within Child Protection and Care Services, and the Refugee Minor Program.

The team oversees planning for children who are confirmed to have COVID-19, household members and staff, those requiring testing or isolation as determined through public health advice and who cannot safely quarantine or isolate within their usual care arrangement. They also liaise with COVID-19 Quarantine Victoria and Victoria Police, and facilitate access to accommodation and specialist health advice and treatment.

Homes Victoria purchased four properties that are being leased to the Secretary of the department for the COVID-19 Emergency Response for Children and Young people (CERCY) model. The model also allows for the properties to be utilised for short term/emergency placements when not being used for COVID-19 purposes.

Between August 2020 to 30 June 2021 the team has supported areas with COVID-19 related planning for and management of 322 children involved with the Child Protection or Refugee Minor Programs.

Family support packages for those in need

In 2020, the six Community Support Groups distributed more than 1,600 family support packages to young people and families in need. Packages funded emergency relief including food, rent, household bills and other emergency supplies. Packages also support the purchase of computers and other IT equipment to support online and remote learning.

From Homelessness to a Home (H2H) and the Tower Relocations Program

From Homelessness to a Home was launched to make a significant, lasting impact on people experiencing homelessness and rough sleeping in Victoria. It aims to provide stable housing and support packages to people residing in emergency accommodation due to the impacts of COVID-19. During the first stage of the H2H program, 1,845 households were given access to medium- and long-term housing and support packages.

The primary aim is to house people as quickly as possible, and to provide the necessary supports to maintain this housing, to prevent further harm from sleeping rough or living in emergency accommodation.

Housing staff in our operations divisions have played an important role in identifying suitable housing opportunities with many of the initial placements being in the department's social housing program.

Through the \$31.7 million Tower Relocation Program 420 families who were living in high rise

public housing were offered the opportunity to move to private rental properties for two years while longer term housing options are identified by Homes Victoria.

Homelessness hotels emergency response

Since March 2020, the Victorian Government has facilitated more than 21,500 stays in short-term accommodation for households as COVID-19 restrictions take effect (some households have required multiple stays).

In July 2020, Operation Benessere implemented the Homelessness Hotel Emergency Response (HHER) in hotels with high numbers of homelessness funded clients to support vulnerable Victorians experiencing homelessness to stay safe during the COVID-19 pandemic. Homes Victoria has worked with more than 250 hotels and serviced accommodation providers and specialist homelessness services to support the health and wellbeing of thousands of Victorians.

At its peak, the HHER operated in 23 hotels across Metropolitan Melbourne and included onsite health concierge and homelessness workers and 24-hour-a-day security.

The HHER continues to remain a critical flexible response that is scaled up or down as the COVID-19 landscape changes. This has been assisted by the funding model, with accommodation administered through Housing Establishment Fund flexible brokerage.

LGBTIQ+ Sector Economic Recovery Grants

LGBTIQ+ Sector Economic Recovery Grants supported the economic and social recovery of LGBTIQ+ Victorians through the LGBTIQ+ sector, which was impacted by the COVID-19 pandemic. Funding provided financial assistance to 25 LGBTIQ+ small businesses, venues, health organisations and vital services that provide direct support and community connection to LGBTIQ+ communities.

Women's economic recovery

The Women's portfolio has supported women's economic recovery from the 2019–20 Victorian bushfires, with targeted funding to support the

financial wellbeing of women in affected communities delivered by Good Shepherd, as well as gender capacity building for financial counsellors and capability workers delivered by the Women’s Information Referral Exchange.

Prevention of family violence

Swinburne TAFE delivered a social media campaign reaching 13,834 students that raised awareness of the prevention of family violence and challenged rigid and traditional ideas about masculinity. In January 2021, an additional \$348,000 was invested in the *Family Violence Prevention in TAFEs Pilot*, which supports Swinburne TAFE and three other TAFEs across Victoria to deliver a range of primary prevention activities for staff and students.

Acting to stop elder abuse

The department worked to extend the eight Elder Abuse Prevention Networks through the Victorian State Budget 2021–22. Since 2017, the networks have delivered more than 220 activities that raise awareness of elder abuse in Victoria and provide information, tools, and resources on how to effectively prevent and respond to family violence. Member organisations have built their primary prevention capability, strengthened

relationships with each other, shared knowledge, and lessons, and supported emerging community leaders.

A third tranche of the Respect Older People: ‘Call It Out’ campaign was held during June 2020 to build awareness of the risks of ageism.

Stepping in to support asylum seekers

In 2020–21, \$2 million was provided to address asylum seeker destitution and vulnerability. The following essential services were provided:

- > case coordination providing a supportive point of contact for people in crisis, conducting holistic assessments of needs and strengths, and connecting people with essential services and supports
- > basic needs assistance so people seeking asylum who have no income or savings can pay for essentials such as food, medication and utilities
- > homelessness assistance so that people seeking asylum can remain in or access secure housing so that they can continue to manage their health and wellbeing and pursue employment.

Victorians are safe and secure – Indicator results

	2017–18	2018–19	2019–20	2020–21
Children and young people who were the subject of a substantiated report within 12 months of the closure of a previous substantiated report	17.9%	18.2%	19.8%	17.4%
Number of Child FIRST assessments and interventions	22,310	17,582	16,035	16,364
Reports to child protection services about the wellbeing and safety of children	115,641	122,963	122,179	121,715
Number of family violence victims who receive a refuge response	823	897	923	819
Children and young people in care who have had two or fewer placements in the past 12 months (not including placements time at home)	91.3%	90.6%	91.7%	92.6%

	2017–18	2018–19	2019–20	2020–21
Daily average number of children in care placements	New measure	New measure	New measure	9,678
New performance measure for 2020–21 that counts the daily average number of children in care placements, excluding those in permanent care placements consistent with national reporting standards. Historical data of the previous measure 'Daily average number of children in out-of-home care placements' can be found in the Department of Health and Human Services annual report 2019–20.				
Proportion of Aboriginal children placed with relatives/kin, other Aboriginal carers or in Aboriginal residential care	77.6%	78.8%	75.6%	75.6%
Number of clients assisted to address and prevent homelessness	118,141	112,054	115,168	105,304
Number of clients provided with accommodation	New measure	27,845	29,293	31,207
Number of clients assisted to address and prevent homelessness due to family violence	57,136	50,375	53,136	50,855

The department is committed to measuring outcomes for all indicators set out in the Victorian budget papers. Further work is needed to test and validate measures to ensure departmental initiatives and policies are reflected by the performance indicators. As the outcomes approaches in the department mature, reporting will be provided against outcome measures and will inform the reporting of performance indicator.

Victorians have the capabilities to participate

Every Victorian should have the opportunity to realise their full educational and economic potential.

Delivering this objective is a lifelong pursuit. Critical foundations are laid in the early years. As people move through childhood and towards adulthood, support to build strengths and access opportunities is essential. In the changing digital society we live in, continuing to learn throughout our lives is also important for developing new skills and participating in the community.

Continuing efforts under this objective are a vital part of Victoria's social and economic recovery from the COVID-19 pandemic. Achieving a more equitable recovery helps us all, as it builds a stronger social and economic future for Victoria.

Key achievements

Employment for social housing residents

Our Operations divisions have continued to provide employment opportunities for the department's social housing residents. These opportunities included youth employment positions located in Housing offices and employment on estates as part of the health concierge program to help provide health prevention information.

In addition, Statewide Housing Services employed residents from the North Melbourne and Flemington Public Housing Estates to work in the rent relief grants team in 2020, and provided youth employment program opportunities to young people from the Latrobe Valley to work in the Housing Maintenance Call Centre.

LGBTIQ+ Leadership Program

The LGBTIQ+ Leadership Program has continued to strengthen the capacity of the LGBTIQ+ sector to support LGBTIQ+ Victorians through developing the leadership capability of LGBTIQ+ individuals from a range of diverse backgrounds. Thirty leaders graduated from the 2020 LGBTIQ+ Leadership Program in December 2020, which was adapted for online delivery during COVID-19 restrictions.

Building women's financial capability

With \$100,000 in funding, the Women's Information and Referral Exchange delivered a financial capability program in partnership with Good Shepherd, targeted to women from

culturally and linguistically diverse backgrounds, women with a disability and Aboriginal women.

Gender Equality Act 2020

The Act commenced on 31 March 2021. The Commission for Gender Equality in the Public Sector continues to support organisations with obligations under the Act. This support includes tools, resources and guidance materials published on the Commission's website, a series of virtual roadshows, and funding for an expert panel of providers to provide tailored, sector-based workshops.

Under the Act, all public sector entities will undertake a workplace gender audit and submit this data to the Commission by 1 December 2021. Based on this data, defined entities will develop strategies and measures to improve gender equality in their organisations as part of their first Gender Equality Action Plans due by 31 March 2022. The Commissioner has extended these due to the exceptional circumstances of COVID-19. Defined entities are also required to undertake gender impact assessments for all new policies, programs and services that have a direct and significant impact on the public, which is an ongoing obligation under the Act.

Veteran employment

As of June 2021, the Public Sector Veteran Employment Strategy has achieved 767 veterans employed across the public sector, thereby exceeding the target of 750 veterans employed

by June 2021. This includes 391 sworn members of Victoria Police, 86 Corrections and Youth Justice staff and another 290 veterans employed across Victorian Government departments and agencies.

The Strategy was launched in June 2017. The Government initially committed to employ 250 veterans in the Victorian public sector. This target was achieved in March 2019 and tripled to 750 by June 2021. The initiative forms part of the Government's response to the Veterans Sector Study Report 2015.

Victorian Youth Congress

In 2020, 21 Victorian young people from diverse backgrounds and locations across Victoria were appointed to the third Victorian Youth Congress to provide advice to the Minister for Youth. The Victorian Youth Congress enables young people to expand their skills, experience and networks.

The 2020–21 Victorian Youth Congress played a key role in supporting the development of Victoria's new whole-of-government youth

strategy, including designing and delivering public consultations that were accessible and engaging for young people in partnership with the Office for Youth. The congress will continue to advise government on effectively amplifying young people's voices and perspectives through the strategy's implementation.

Ageing well in Victoria

In November 2020 the Minister for Disability, Ageing and Carers launched the report of the Commissioner for Senior Victorians: *Ageing well in a changing world*. The report outlines the results of widespread consultations and a survey of approximately 5,000 older Victorians.

Following the release of the report the department established the Senior Victorians Advisory Group, chaired by the Commissioner and the Ageing Well Inter-Departmental Committee. The advisory group and committee are working together to develop advice to the minister and government on priorities to support older Victorians to age well.

Victorians have the capabilities to participate – Indicator results

	2017–18	2018–19	2019–20	2020–21
National Disability Insurance Scheme participants	14,512	36,148	71,458	108,786
The number of NDIS participants reflects the number Victoria jointly funded with the Australian Government under the Bilateral Agreement				
Forensic disability residents participating in community reintegration activities	New measure	New measure	New measure	82%
New performance measure for 2020–21 to reflect government priorities regarding forensic disability services.				
Number of Utility Relief Grants granted to households	New measure	14,793	49,575	77,036
In 2020–21 the results are higher than the target as the impacts of the COVID-19 pandemic contributed to an increased uptake in utility relief grants.				
Number of bonds issued to low-income Victorians to assist access to the private rental market	9,321	8,754	9,256	6,630

The department is committed to measuring outcomes for all indicators set out in the Victorian Budget Papers. Further work is needed to test and validate measures to ensure departmental initiatives and policies are reflected by the performance indicators. As the outcomes approaches in the department mature, reporting will be provided against outcome measures and will inform the reporting of performance indicators.

Victorians are connected to culture and community

All Victorians benefit from inclusive communities where people feel a sense of belonging, are free of discrimination and stigma, and can access services they are entitled to and that meet their individual needs. Focuses include:

- > Supporting stronger communities fosters the human connections we can lean on for strength in tough times. These connections underpin health and wellbeing.
- > Fostering these connections relies on respect and inclusion. It requires taking a stand against discrimination in all its forms.
- > A strong commitment to advancing Aboriginal self-determination means celebrating and embracing our diversity.

Driven by these approaches, we have sought to build a fairer Victoria.

Key achievements

WeVolunteer platform – register and be matched to roles

Volunteering Victoria was funded \$0.8 million to establish the WeVolunteer portal. The portal provides a single statewide portable credentialing platform where potential volunteers can register and be matched to community recovery volunteer roles that suit their skills and interests.

Community Activation and Social Isolation initiative

A total of \$11.87 million was provided to establish the Community Activation and Social Isolation (CASI) initiative, aimed at connecting people who are feeling isolated or lonely with practical help, new connections and emotional support in their local area

Flemington and North Melbourne COVID-19 response

Following the lockdown of residential towers in Flemington and North Melbourne, a significant investment has been made in community capacity building to support residents and provide resources to help build resilience and connection within the estates and out into the wider community. The program also provides avenues for feedback among residents. The initiative includes engagement through regular email newsletters, targeted focus groups and conversation pop-ups for each tower community, facilitating specific community conversations based on resident-identified needs like mental

health, managing risks of COVID-19 transmission, access to support during isolation, cleaning and security.

The capacity building program also includes strengthened community partnerships and resident participation through community grants for specific, resident-driven initiatives, the development of resident action groups, a neighbourhood reference group and employment initiatives in partnership with councils and community agencies (sector partners), which include developing local action plans.

CALD Communities Taskforce

The Culturally and Linguistically Diverse (CALD) Communities Taskforce was established in August 2020 to oversee and coordinate engagement with CALD Victorians during the COVID-19 pandemic.

The Taskforce works in partnership with CALD communities and across government to improve preparedness and response efforts to maintain and support low community transmission, enhance engagement of CALD communities with the COVID-19 vaccination program, and support CALD communities' social and economic recovery. This is achieved through a number of initiatives and activities, including by providing tailored local support, the Priority Response to Multicultural Communities grants program, and tailored communications to CALD communities. In 2020–21, \$33.13 million was allocated to support the Taskforce's activities.

Establishment of the Victorian Government Anti-Racism Taskforce

In June 2021, the Minister for Multicultural Affairs and the Minister for Aboriginal Affairs established the Anti-Racism Taskforce to provide advice and guide development of a new anti-racism strategy.

Eleven community members were appointed to the Taskforce through an open recruitment process. Two young members and two Aboriginal people were appointed to ensure young people's and First Peoples' voices remain central. The anti-racism strategy will set out a clear and targeted roadmap to reducing racism in Victoria.

In addition, the Local Anti-Racism Initiatives Grants Program provided \$3.857 million funding for 12 months to 42 multicultural and multifaith organisations to help local communities prevent and respond to racism and discrimination, foster cross-cultural understanding and increase awareness of the challenges faced by CALD communities.

Celebrating Victoria's rich cultural diversity

The Multicultural Festivals and Events program supports participation of the whole Victorian community in festivals and events that celebrate and embrace our vibrant multicultural diversity.

In 2020–21, more than \$1.5 million was provided to 353 organisations to deliver COVIDSafe events. This included supporting the Greek Bicentennial Celebration Fund and the second round of the Hindu Festivals and Events Fund.

Developing multicultural community infrastructure

The 2020–21 State Budget provided funding to support Victorian multicultural communities to upgrade and build their own community facilities and to stimulate the Victorian economy during the pandemic. Shovel-ready projects were prioritised with 99 projects sharing in \$19.88 million through the Multicultural Community Infrastructure Fund. Trade works and construction by Victorian contractors commenced in April 2021. Projects ranged from small upgrades to regional facilities, through to remodelling work in building the new Integrated Services Hub of the Asylum Seeker Resource

Centre in Dandenong and the construction of a new building for the Wyndham Community and Education Centre in Werribee.

Victorian African Communities Action Plan

Throughout 2020–21, the *Victorian African Communities Action Plan* (VACAP) Implementation Committee provided the Victorian Government with advice on implementing a 10-year plan to improve social, economic and wellbeing outcomes for Victoria's African communities. Key initiatives delivered under the plan included: included community innovation grants, board and governance training for 44 African community leaders, and establishing 13 Homework Clubs and eight school community liaison officers working to increase the engagement of students, parents and families of African heritage.

In 2020–21 an Employment Brokers program was also established to provide tailored support to African jobseekers, together with an Alcohol and Other Drugs (AOD) program to provide outreach and education for young African people. VACAP also provided a mechanism to respond to the impacts of the COVID-19 pandemic on Victoria's African communities, including through a response package that enabled 24 community organisations to provide emergency support.

Supporting multicultural media organisations

Grants of \$3.0 million were provided to the multicultural media sector. Funding ensured multicultural communities received targeted communications and engagement during the COVID-19 pandemic including up to date advice on public health restrictions, health and safety requirements and available supports. Funding included \$1.6 million to 48 multicultural media outlets to recover from the impacts of COVID-19 through a targeted grants round, and \$1.2 million to 58 organisations to support operating costs, equipment or training through an open grants round.

Supporting young people and their families from CALD backgrounds

In 2020–21, more than 1,800 COVID-19 family support packages were provided to young people and their families through Community Support

Groups supporting South Sudanese, Somali and Afghan communities, and the Le Mana Pasifika Project supporting Pasifika communities. Packages funded emergency relief including food, rent, household bills like utilities, and other emergency supplies. Packages also supported the purchase of computers and other IT equipment to support online and remote schooling, and to pay for education or workforce readiness training for disengaged young people.

VITS Language Loop transition

The Victorian Government is supporting state-owned language services provider, VITS LanguageLoop (VITS), to transition to a new model of engagement for its interpreter workforce. The changes will support VITS to transition from a contractor-based workforce engagement model to a primarily employment-based model, consistent with the government's industrial relations policies and secure employment principles. A transition committee was established in March 2021 to support VITS' move to the new model, including representatives from across government and the industrial peak body, Professionals Australia.

LGBTIQ+ strategy

More than 1,600 individuals and organisations were consulted throughout 2020 and early 2021 to develop Victoria's first whole-of-government LGBTIQ+ strategy. The strategy's proposed reform directions, highlighted in the LGBTIQ+ strategy Directions Paper publicly released in December 2020, were supported strongly through these consultations.

State disability plan and Disability Act review consultation

The development of the next state disability plan and review of the Disability Act was paused for much of 2020 due to the response to the COVID-19 pandemic. Consultation resumed in December 2020. Extensive consultation took place over in the first half of 2021 on both the next state disability plan and the review of the Disability Act. This included three face to face consultations, 11 online public consultations and targeted consultations with six underserved

groups and communities – Aboriginal, multicultural, LGBTIQ+ and young people with disability, as well as people with intellectual disability and people with disability living in residential services. Targeted consultations were also held with 29 peak bodies and other organisations. 75 written submissions were received.

The next state disability plan is expected to be released in December 2021.

Expansion of disability advocacy services

Disability advocacy services have been expanded in recognition of a significant uplift in demand in 2020–21. The expansion includes an additional \$0.85 million investment to provide greater outreach support to vulnerable groups of people with disability during the COVID-19 pandemic, including LGBTIQ+ Victorians, women, people from culturally diverse communities, people living in group homes and Aboriginal Victorians with disability. It also includes \$0.77 million for an additional 25 per cent increase in core funding to 23 Victorian Disability Advocacy Program (VDAP) organisations.

Supporting multicultural seniors' organisations to stay connected

In 2020–21, \$2.164 million was provided to more than 920 multicultural seniors' groups to support them to stay connected and provide critical services and supports to their members during the COVID-19 pandemic. This was a key part of the Victorian Government's COVID-19 response, targeting older members of Victoria's culturally and linguistically diverse communities experiencing isolation from social networks and services.

Connecting seniors to culture and community

The Victorian Government provided \$1.2 million funding to link older Victorians to local supports through direct mail information to Seniors Card, Companion Card and Carer card holders, and to commission online and radio broadcast content for older Victorians living at home and in aged care facilities.

The 2020 Victorian Seniors Festival ran for six months online with new digital and video content, including Aboriginal content and multicultural content in different languages. There were 164,298 visitations to the festival page on Seniors Online, with 61,203 video views of the 131 videos featuring 146 performers.

Many senior Victorians regard radio as a primary source of information and entertainment. The Seniors Festival included a Radio Reimagined component that delivered music and entertainment programs including radio plays, poetry and prose to 31 community radio stations across the state. This included 38 radio programs with 123 episodes involving 127 artists and performers.

An important segment of the older audience is the approximately 45,000 older Victorian residents in aged care facilities. Those living in aged care are amongst the most isolated people during the COVID-19 pandemic, due to visitor restrictions and reductions, and changes in lifestyle and activity programs.

The Recognising Senior Victorians initiative, which replaced the 2020 Victorian Senior of the Year awards presented a new approach to celebrating the lives and contributions of seniors living in aged care.

The program shone a light on the efforts of aged care residents and staff during the COVID-19 pandemic and celebrated the life experiences of older Victorians.

In June 2020 a Social Support Hub was created on Seniors Online to connect seniors to support in their local community including phone numbers for their local council contact. The Hub had 35,435 visitations during the year.

Support for carers

The 2020–21 grant round for Supporting Carers Locally opened on 31 March 2021 and closed on 24 April 2021. Approximately \$1.8m was disbursed to provide greater opportunities for carers to be physically and mentally healthy and socially connected to family, friends, other carers, and their local community.

Victorian youth strategy consultation and development

In 2020, the Victorian Government commenced work on a whole-of-government youth strategy to deliver a coordinated approach to improving outcomes for Victoria's young people. More than 2,000 young people and community members participated in the statewide public consultation from October 2020 to March 2021, which included 30 online forums and roundtables, online surveys, written submissions and creative social media activities to hear from young people who do not typically have the opportunity to engage with government. Throughout 2021, the Office for Youth consulted across government to establish strategy directions that respond to the issues and opportunities raised through consultation.

Supporting the veteran community

In 2020–21, there were 119 grants approved totalling \$2,423,717 (through Restoring Community War Memorials and Avenues of Honour; ANZAC Day Proceeds Fund (ADPF); Victoria Remembers Grant program; and Veterans Capital Works Grant programs). This includes the Victorian Government's allocation of \$650,000 in April 2020 to the Victorian Veterans Council to distribute through the ADPF and Victoria Remembers Grant program to ex-service organisations to ensure veterans receive vital support such as accommodation, food supplies and assistance with medical and utility bills.

Victorians are connected to culture and community – Indicator results

	2017–18	2018–19	2019–20	2020–21
Hours of coordination funding provided to Neighbourhood Houses	480,000	560,586	560,125	560,908
Proportion of Aboriginal children placed with relatives/kin, other Aboriginal carers or in Aboriginal residential care	77.6%	78.8%	75.6%	75.6%
Number of Disability Advocacy clients	1,968	2,187	2,195	2,722
Number of consultations with communities on issues relevant to culturally and linguistically diverse (CALD) communities	New measure	New measure	New measure	110
<p>This performance measure replaced the 2019–20 performance measure 'Consultations with culturally and linguistically diverse (CALD) communities'. It has been replaced to better reflect the intention of the consultations undertaken with CALD communities. Historical data of the previous measure can be found in the Department of Premier and Cabinet Annual Report 2019–20.</p>				
Community participation in multicultural events (attendance at Multicultural Affairs events)	New measure	New measure	New measure	953,172
<p>This performance measure replaced the 2019–20 performance measure 'Victorian population engaged by multicultural and social cohesion initiatives'. It has been replaced to better capture attendance at multicultural events. Historical data of the previous measure can be found in the Department of Premier and Cabinet Annual Report 2019–20.</p>				
Attendance at Cultural Diversity Week flagship event, Victoria's Multicultural Festival	35,000	50,000	n/a	10,500
Senior satisfaction with Victorian Seniors Festival events	93%	90%	90%	90%
Community engagement- Shrine ceremonial activities, public and student education programs, tours and general visitation	1,200,000	1,110,807	885,648	725,022
Number of veterans employed in the Victorian public sector	New measure	New measure	573	766
Number of community consultations on issues relevant to LGBTIQ+ communities	New measure	New measure	New measure	28
<p>This performance measure replaced the 2019–20 performance measure 'Number of people engaged with LGBTIQ equality projects and consultations'. It has been replaced to better quantify consultations happening with LGBTIQ+ communities on matters that are relevant to them. Historical data of the previous measure can be found in the Department of Premier and Cabinet Annual Report 2019–20.</p>				
Participation by young people in programs that provide opportunities to be involved in social and economic life in their communities	306,300	288,254	257,705	261,560
Participation by young people in programs that support young people to be involved in decision-making in their community	4,222	3,044	2,068	2,844
Participants reporting development of transferrable skills supporting positive outcomes for young people	97%	97%	93%	92%

	2017–18	2018–19	2019–20	2020–21
Number of people participating in funded primary prevention and gender equality programs	New measure	New measure	New measure	19,404
<p>This performance measure replaced the 2019–20 performance measure 'Number of women participating in funded programs, projects and event'. It has been replaced to better capture and measure activity across the portfolio. Historical data of the previous measure can be found in the Department of Premier and Cabinet Annual Report 2019–20.</p>				
Percentage of women on Victorian Government boards	New measure	New measure	New measure	56%
<p>This performance measure is proposed to replace the 2019–20 performance measure 'Percentage of women in new appointments to paid public boards'. It has been replaced to better capture and measure activity across the portfolio. Historical data of the previous measure can be found in the Department of Premier and Cabinet annual report 2019–20.</p>				

The department is committed to measuring outcomes for all indicators set out in the Victorian Budget Papers. Further work is needed to test and validate measures to ensure departmental initiatives and policies are reflected by the performance indicators. As the outcomes approaches in the department mature, reporting will be provided against outcome measures and will inform the reporting of performance indicators.

Victorian health and human services are person-centred and sustainable

Safe, high-quality, efficient and sustainable services deliver better outcomes for the Victorian community.

Realising this objective means working harder to better understand and respond to people's needs, and to work in partnership with the communities we serve.

With the challenges of the past 12 months, more than ever this also means being adaptable and innovative.

Key achievements

Flexible deployment of staffing to support the COVID-19 response

Our staff have been deployed to support the Victorian Government's COVID-19 response. Hundreds of staff were recruited for various operations including *Benessere*ⁱ, *Soteria*ⁱⁱ, *Drasi*ⁱⁱⁱ and the High Risk Accommodation Response (HRAR). We also enhanced community partnerships and engagement activities undertaken throughout the COVID-19 pandemic to ensure local communities had up to date information about COVID-19 and Victoria's Chief Health Officer Directions, or to other support services. We used our area-based structures to respond to the needs of clients, tenants, families and the community, based on the deep and enduring connections our staff have developed with local communities over many years.

Our staff brought these specialised skills and knowledge to the forefront when responding to the needs of local communities, with our support staff providing vital assistance to help make this happen. Our collaborative response to every challenge thrown our way throughout the pandemic response is a testament to the strength and capability of our people.

More sustainable public housing

Homes Victoria has committed to building or purchasing more than 12,300 new homes to contribute to Victoria's stock of social and

affordable housing through the Big Housing Build. The dwellings planned or under will feature high levels of environmental sustainability, and all will achieve seven stars under the Nationwide House Energy Rating System (NatHERS). This will make these new dwellings among the most energy-efficient and sustainable of any housing within the Victorian public housing system and sets the standard for all future developments.

Homes Victoria has also begun delivering the Social Housing Energy Efficiency Program which will deliver 2,000 energy-efficient split system units in public housing homes in the hottest towns across northern Victoria. This will improve health and wellbeing among older Victorians living in these areas, as well as families with young children. This initiative will improve the energy efficiency of the overall housing stock in these regions, with the systems being installed significantly more energy efficient than many of the temporary solutions such as portable air-conditioning in use among residents.

We continued to work to ensure the stock of existing housing is fit for purpose and will provide comfortable, functional and reliable service to tenants for the foreseeable future. Homes Victoria has committed to spend \$498 million on building works and maintenance over this year and next year which will result in significant improvements to more than 20,000 dwellings within the Homes Victoria housing portfolio.

i Operation *Benessere* was established in July 2020 to ensure appropriate public health measures are in place in public housing and other high risk accommodation settings to prevent COVID-19 outbreaks and mitigate their impacts.

ii Operation *Soteria* provides emergency accommodation and/or supports to people who are required to self-isolate or quarantine and require supports and/or accommodation.

iii Operation *Drasi* is accountable for delivering a trusted and accessible testing system, to identify and contain COVID-19 across the Victorian community. *Drasi* is complementary to Operation *Benessere* as a community-level response.

Homelessness response

Homes Victoria delivered funding to support people who are homeless or at risk of homelessness through critical support programs such as Private Rental Assistance Program and exit pathways for people from prison, and the Journey to Social Inclusion (J2SI) Social Impact Bond.

Homes Victoria also commenced improvements to the way we monitor client outcomes, service demand and our understanding of the risk factors for rough sleeping to enable better targeting and evaluation of interventions through investments in more advanced analytical capability.

Korin Korin Balit-Djak system transformation strategy

Korin Korin Balit Djak has been reset as a system transformation strategy and elevated in the policy landscape as the roadmap for how the Department of Families Fairness and Housing and the sector can operationalise Aboriginal self-determination. The strategy has five reform areas to create system change: Leadership and workforce, Cultural competency, Data and knowledge, Governance and self-determination, and Funding and commissioning reform, which are aligned to key government policy frameworks including *Dhelk Dja*, *Wungurilwil Gapgapduir*, *Balit Murrup*, the Victorian Aboriginal Affairs Framework and the refreshed Closing the Gap agreement. The KKBD system transformation strategy highlights the importance of Aboriginal leadership, self-determination and decision-making in the design, development, and delivery of services to Aboriginal people and communities.

Court practice and advice service

Developed in July 2020, this initiative provides much needed support to child protection around their interactions and interface with the Children's Court of Victoria.

The initiative, now known as the Court Practice Advice and Support team (CPAS) began with the overall objective to support more effective management of Children's Court matters during COVID-19. The team of expert child protection practitioners, supported by a legal practitioner

and led by the Statewide Principal Practitioner from the Office of Professional Practice, provide a referral-based consultation service to child protection. Dual practice and legal advice is provided on cases prior to initiating legal intervention, with the aim of preventing it where possible, or putting forward a well-formed and evidence based application.

CPAS provide invaluable developmental support to child protection in an area of practice that is difficult and emotionally charged. An evaluation in July 2021 found the initiative met all objectives in the first 12 months, is a highly valued service by all stakeholders, is improving the confidence and capability of practitioners and is contributing to enhanced outcomes for children and families.

Driving high quality and safe community services

The department's *Community services quality governance framework* sets a shared vision for safe, effective, connected and person-centred community services for everybody, every time. This is the department's expectation for all community services we deliver and fund.

We know that people are at the heart of community services. Seeking, listening to and acting on the voices of people with lived experience is foundational to responding to diverse needs and is central to the principles of the *Client voice framework for community services*.

The critical link between quality governance, client voice and positive client outcomes was central to how we engaged communities living in high-risk accommodation during the COVID-19 response in 2020. We encouraged and supported communities to participate in local response efforts including in the design and delivery of activities to improve testing rates, compliance with public health advice, and access to necessary care and supports. We also created a community engagement toolkit to support community health providers engaged under the High Risk Accommodation Response (HRAR) to encourage and empower individuals and local communities to be actively involved in activities to help keep people safe.

Promoting quality governance within community service organisations

To support boards to assess and improve their quality governance capability, the Community Services Quality and Safety Office in partnership with the Victorian Council of Social Service (VCOSS) launched the Quality Governance Healthcheck. The Healthcheck is a free online

tool that enables boards to benchmark their quality governance capability against best practice and to identify and plan for areas of improvement. We encourage boards to use this new tool at least once a year, at a time in the board's planning cycle when the results can be used to set priority activities for improving quality governance.

Victorian health and human services are person-centred and sustainable – Indicator results

	2017–18	2018–19	2019–20	2020–21
Average waiting time for public rental housing for those clients who have received priority access housing allocation or a priority transfer	10.5 months	11.6 months	12.0 months	12.4 months
Average waiting time for public rental housing for clients who have received a priority access housing or priority transfer allocation due to family violence	8.8 months	10.3 months	9.9 months	11.1 months
Percentage of programs delivered within agreed timeframes (Youth output)	99%	99%	97%	98%
Women's and the Prevention of Family Violence projects and programs delivered on time	New measure	New measure	New measure	99%
This performance measure replaced the 2019–20 performance measure 'Women and the Prevention of Family Violence projects and programs which support the prevention of family violence and the social and economic participation of women are delivered on time'. The revised measure has a broader scope than the previous measure and better captures and reflects activity across the portfolio. Historical data of the previous measure can be found in the Department of Premier and Cabinet annual report 2019–20.				
Proportion of children in Care Services who live in residential care (daily average)	4.1%	4.0%	3.6%	3.6%

The department is committed to measuring outcomes for all indicators set out in the Victorian Budget Papers. Further work is needed to test and validate measures to ensure departmental initiatives and policies are reflected by the performance indicators. As the outcomes approaches in the department mature, reporting will be provided against outcome measures and will inform the reporting of performance indicators.

Performance reporting

The 2020–21 output performance has been affected by the impacts of the COVID-19 pandemic. Many of the performance measures relied on physical and social interactions or were impacted by the emergency response. In addition, increased support provided to services and sectors in response to these events, as well as changes in demand for services, have created results that could not have been anticipated when the targets were set.

Results in the tables below are coded according to:

- ✓ Performance target achieved or exceeded
- Performance target not achieved – within five per cent variance
- Performance target not achieved – exceeds five per cent variance

Updated results will be provided on the department's annual report website when all actuals are available.

Child Protection and Family Services

The Child Protection and Family Services output, through the funding of statutory child protection services, family support and parenting services, adoption and placement care services and specialist support services, aims to ensure the safety and wellbeing of adolescents and children at risk of harm, abuse and neglect. This output aims to make a positive difference to Victorians experiencing disadvantage by providing excellent community services to meet clients' needs.

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation	Result
Child Protection and Family Services					
Quantity					
Daily average number of children in care placements	number	10,712	9,678	-9.7%	■
The 2020–21 actual result is lower than the 2020–21 target due to updated projections of demand.					
Daily average number of children in foster care placements	number	1,769	1,673	-5.4%	■
The 2020–21 actual result is lower than the 2020–21 target due to updated projections of demand.					
Daily average number of children in residential care placements	number	520	455	-12.5%	■
The 2020–21 actual result is lower than the 2020–21 target due to updated projections of demand.					
Daily average number of children in kinship care placements	number	8,423	7,546	-10.4%	■
The 2020–21 actual result is lower than the 2020–21 target due to updated projections of demand.					
Daily average number of children subject to permanent care orders	number	3,538	3,360	-5.0%	✓
The 2020–21 actual result is lower than the 2020–21 target due to updated projections of demand.					
Number of Child FIRST assessments and interventions	number	8,064	16,364	102.9%	✓
The 2020–21 actual result is higher than the 2020–21 target due to high demand and shows Child FIRST responsiveness to vulnerable families.					

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation	Result
Number of families receiving an intensive support service The 2020–21 actual result is higher than the 2020–21 target due to high demand and shows Family Services' responsiveness to vulnerable families.	number	2,361	2,372	0.5%	✓
Number of investigations from reports to child protection services about the wellbeing and safety of children The 2020–21 actual result is lower than the 2020–21 target due to strengthened early support and intervention services reaching vulnerable children. The result is also likely to have been impacted by COVID-19 with fewer reports having been received in some months.	number	39,100	33,320	-14.8%	■
Number of family services cases provided to Aboriginal families	number	3,231	3,253	0.7%	✓
Reports to Child Protection Services about the wellbeing and safety of children The 2020–21 actual result is lower than the 2020–21 target due to increased performance in Child FIRST / Family Services and The Orange Doors, which is providing referral pathways for vulnerable children and families to community based earlier intervention and supports, rather than being reported to Child Protection. It also reflects the impact of COVID-19.	number	136,677	121,715	-10.9%	✓
Total number of family services cases provided The 2020–21 actual result is higher than the 2020–21 target due to high demand and shows Child FIRST responsiveness to vulnerable families.	number	33,235	40,088	20.6%	✓
Quality					
Children and young people in care who have had two or less placements in the past 12 months (not including placements at home)	per cent	90	92.6	2.9%	✓
Children and young people who were the subject of a substantiated report within 12 months of the closure of a previous substantiated report	per cent	17.5	17.4	-0.6%	○
Children and young people who were the subject of an investigation which led to a decision not to substantiate, who were subsequently the subject of a substantiation within three months of case closure The result is higher than the target due to a range of factors, including the impact of COVID-19, that new or cumulative evidence has subsequently become available, or there has been a deterioration in family circumstances in a subsequent investigation.	per cent	3	3.3	10.0%	■
Organisations that have successfully completed a certification review (family and community services) The 2020–21 actual result is higher than the target due to all organisations either achieving or maintaining certification/accreditation against the Human Services Standards.	per cent	95	100	5.3%	✓
Organisations that have successfully completed a certification review (specialist support and placement services) The 2020–21 actual result is higher than the target due to all organisations either achieving or maintaining certification/accreditation against the Human Services Standards.	per cent	95	100	5.3%	✓

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation	Result
Proportion of Aboriginal children placed with relatives/kin, other Aboriginal carers or in Aboriginal residential care	per cent	75	75.6	0.8%	✓
Proportion of placements that are home-based care	per cent	92.5	96.4	4.2%	✓
Timeliness					
Percentage of child protection investigations assessed as urgent, that were visited, or where attempts were made to visit, within two days of receipt of the report	per cent	97	94.6	-2.5%	○
Cost					
Total output cost	\$ million	1,679.7	1,715.4	2.1	✓

Housing Assistance

The Housing Assistance output, through the provision of homelessness services, crisis and transitional accommodation and long-term adequate, affordable and accessible housing assistance, coordinated with support services where required, home renovation assistance and the management of the home loan portfolio, aims to make a positive difference for Victorians experiencing disadvantage by providing excellent housing and community services to meet clients' needs.

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation	Result
Housing Assistance					
Quantity					
Number of bonds issued to low income Victorians to assist access to the private rental market	number	10,000	6,630	-33.7%	■
The 2020–21 actual result is lower than the 2020–21 target primarily due to the economic impact of the COVID-19 pandemic on the private rental market.					
Number of clients assisted to address and prevent homelessness	number	123,000	105,304	-14.4%	■
The 2020–21 actual result is lower than the 2020–21 target due to lower than anticipated presentations at homelessness services, as a result of COVID-19 restrictions and the homelessness hotel emergency response.					
Number of clients provided with accommodation	number	30,000	31,207	4.0%	✓
The 2020–21 actual result is higher than the 2020–21 target due to the impact of funding provided in response to the COVID-19 pandemic.					
Number of households assisted with long term social housing (public, Aboriginal and community long-term tenancies at end of year)	number	77,900	77,900	0.0%	✓
This is a preliminary result.					
Proportion of homelessness services clients that engage with support services and access or maintain housing	per cent	72.0	75.6	5.0%	✓

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation	Result
Number of public housing dwellings upgraded during year The 2020–21 actual result is lower than the 2020–21 target due to the impact of COVID-19 restrictions which affected works being undertaken to tenanted dwellings.	number	2,665	2,519	-5.5%	■
Total number of social housing dwellings	number	86,000	85,969	-0.0%	○
Total social housing dwellings acquired during the year The 2020–21 actual is lower than the 2020–21 target due to the impact of COVID-19 pandemic restricting access to sites and reduction of permitted personnel on site.	number	2,284	1,889	-17.3%	■
Number of family violence victims who receive a refuge response The 2020–21 actual result is lower than the 2020–21 target as communal refuges can only accommodate single families in line with COVID-19 restrictions, thereby reducing their capacity. COVID-19 restrictions also significantly limited the opportunities for women to seek refuge due to extended periods at home with their perpetrator.	number	1,061	819	-22.8%	■
Number of nights of refuge accommodation provided to victims of family violence The 2020–21 actual result is lower than the 2020–21 target as communal refuges can only accommodate single families in line with COVID-19 restrictions, thereby reducing their capacity. COVID-19 restrictions also significantly limited the opportunities for women to seek refuge due to extended periods at home with their perpetrator.	number	54,109	43,674	-19.3%	■
Number of calls responded to by the statewide 24/7 family violence victim/survivor crisis service The 2020–21 outcome is higher than the 2020–21 target due to the increased demand for the services during the COVID-19 pandemic.	number	60,000	67,355	12.3%	✓
Number of clients assisted to address and prevent homelessness due to family violence The 2020–21 actual result is lower than the 2020–21 target due to lower than anticipated presentations at homelessness services, as a result of COVID-19 restrictions and the homelessness hotel emergency response.	number	62,000	50,855	-18.0%	■
Proportion of clients where support to sustain housing tenure was provided or referred The 2020–21 actual result is higher than the 2020–21 target due to the impact of funding in response to the COVID-19 pandemic.	per cent	85	88.4	4.0%	✓
Quality					
Social housing tenants satisfied with completed urgent maintenance works	percent	85	87.9	3.4%	✓
Social housing tenants satisfied with completed non-urgent maintenance works The 2020–21 actual result is lower than the 2020–21 target due to non-urgent jobs placed on hold for a lengthy period to minimise tenant-contractor interaction during the COVID-19 pandemic.	percent	80	69.9	-12.7%	■
Timeliness					
Average waiting time for public rental housing for those clients who have received priority access housing allocation or a priority transfer The 2020–21 actual result is higher than the 2020–21 target due to a decrease in tenants moving out of public housing which has provided fewer opportunities to allocate properties to people on the register.	months	10.5	12.4	18.1%	■

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation	Result
Average waiting time for public rental housing for clients who have received a priority access housing or priority transfer allocation due to family violence	months	10.5	11.1	5.7%	■
The 2020–21 actual result is higher than the 2020–21 target due to a decrease in tenants moving out of public housing which has provided fewer opportunities to allocate properties to people on the register.					

Cost

Total output cost	\$ million	1,416.2	1,366.9	-3.5
The 2020–21 actual outcome is primarily due to the rephase of key government policy initiatives including clean energy to drive economic recovery.				

Family Violence Service Delivery

This output will lead and coordinate whole-of-government family violence policy and implement and deliver the Government's family violence reform agenda. This will include establishing and operating Support and Safety Hubs, implementing information sharing legislation, and delivery of risk assessment and management programs.

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation	Result
Family Violence Service Delivery					
Quantity					
Workers trained in the Family Violence Risk Assessment and Risk Management Framework	number	10,000	23,603	136%	✓
The 2020–21 outcome is significantly higher than target due to the progressive build up in supply of this training by government. This is a positive result.					
Support and Safety Hubs established	number	8	8	0	✓
Total assessments undertaken at the Support and Safety Hubs	number	22,536	31,072	37.9%	✓
Throughout 2020–21 three new sites commenced service with service delivery capacity in existing sites expanded in response to demand. These factors have resulted in a considerable increase in the assessments undertaken.					
Number of clients assisted by a Risk Assessment and Management Panel	number	650	461	-29.1%	■
The lower than expected outcome is due to the timely responses by Risk Assessment and Management Panel (RAMP) coordinators and members to mitigate immediate high risk as soon as it is identified. This means that cases do not need to proceed to a formal RAMP panel because risk management strategies have been put in place.					
Number of children who receive a Sexually Abusive Behaviours Treatment Service response	number	1,150	868	-24.5%	■
The 2020–21 outcome is lower than the 2020–21 target as existing clients required longer periods of support. With the transition to online and telephone delivery engagement with new clients reduced and waiting lists expanded as clients elected to wait for a face to face response. Consistent with the research (FSSI, VCOSS and RMIT, 2020) digital delivery is not as effective in identifying and supporting new clients.					

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation	Result
Number of calls responded to by the statewide telephone help line for men regarding family violence The 2020–21 outcome is higher than the 2020–21 target due to the impact of the COVID-19 pandemic on demand.	number	6,000	7,433	23.9%	✓
Number of men participating in the Men's Behaviour Change program The 2020–21 outcome is lower than the 2020–21 target as services were required to transition from group-based service delivery to individual online engagement due to COVID-19 restrictions. Additional individual engagement with perpetrators and also with affected family members to monitor safety occurred (see result for case management responses to perpetrators)	number	4,000	2,400	-40.0%	■
Number of case management responses provided to perpetrators of family violence including those that require individualised support The 2020–21 outcome is higher than the 2020–21 target as individual case management responses increased during the COVID-19 pandemic as there were impacts on the delivery of group-based services. This is a positive outcome as it reflects the sector's ability to maintain service delivery despite the impacts of COVID-19.	number	1,300	1,495	15.0%	✓
Quality					
Satisfaction of workers with family violence training The 2020–21 expected outcome is higher than the 2020–21 target reflecting the high quality of training provided. This is a positive result.	per cent	80	98.5	23.1%	✓
Satisfaction of clients with Support and Safety Hubs services Paper based surveys could not be completed during 2020–21 due to the COVID-19 public health response. The infrastructure to safely complete online/text responses is under development.	per cent	80	0	N/A	
Timeliness					
Assessments undertaken within seven days The 2020–21 actual result is lower than the 2020–21 target due to the impact of the COVID-19 pandemic on activities and increased demand.	per cent	80	67	-16.3%	■
Sexual assault support services clients receiving an initial response within five working days of referral	per cent	98	99	1.0%	✓
Cost					
Total output cost	\$ million	439.2	363.2	-17.3	
The 2020–21 actual outcome is primarily due to the rephase and carryover of a number of key government policy initiatives, including the Orange Door initiative where a revised schedule of sequencing for site roll out has now been adopted.					

Concessions to Pensioners and Beneficiaries

The Concessions to Pensioners and Beneficiaries output, through the development and coordination of the delivery of concessions and relief grants to eligible consumers and concession card holders, aims to make a positive difference for Victorians experiencing disadvantage by providing excellent community services to meet clients' needs.

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation	Result
Concessions to Pensioners and Beneficiaries					
Quantity					
Households receiving mains electricity concessions	number	925,281	1,006,907	8.8%	✓
This is a preliminary result. The 2020–21 expected outcome is higher than the 2020–21 target primarily due to the impact of the COVID-19 pandemic on activities.					
Households receiving mains gas concessions	number	693,146	688,125	-0.7%	○
This is a preliminary result.					
Households receiving non-mains energy concessions	number	23,535	23,967	1.8%	✓
This is a preliminary result.					
Households receiving pensioner concessions for municipal rates and charges	number	436,866	436,744	0.0%	✓
This is a preliminary result.					
Households receiving water and sewerage concessions	number	687,642	729,561	6.1%	✓
This is a preliminary result. The 2020–21 expected outcome is higher than the 2020–21 target primarily due to the impact of the COVID-19 pandemic on activities.					
Number of Utility Relief Grants granted to households	number	52,232	77,036	47.5%	✓
This is a preliminary result. The 2020–21 expected outcome is higher than the 2020–21 target primarily due to the impact of the COVID-19 pandemic on activities.					
Quality					
Percentage of customers satisfied with State Trustees Limited services	per cent	75	81	8.0%	✓
Percentage of Community Service Agreement performance targets that have been achieved by State Trustees	per cent	90	93	3.3%	✓
Timeliness					
Percentage of customer requests answered by State Trustees within the timelines set in the Community Service Agreement	per cent	90	92	2.2%	✓
Cost					
Total output cost	\$ million	621.1	637.1	2.6%	

Disability Services

The Disability Services output, through the provision of continuing care and support services for people with disabilities, their carers and their families, aims to make a positive difference for Victorians experiencing disadvantage and provide excellent community services to meet clients' needs.

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation	Result
Disability Services					
Quantity					
Clients receiving forensic disability service	number	750	789	5.2%	✓
The 2020–21 actual result is higher than the 2020–21 target due to the impact of the COVID-19 pandemic on activities and increased demand.					
Quality					
Forensic disability residents participating in community reintegration activities	per cent	80	82	2.5%	✓
Organisations that have successfully completed a certification review (accommodation supports)	per cent	95	100	5.3%	✓
The 2020–21 actual result is higher than the target due to all organisations either achieving or maintaining certification/accreditation against the Human Services Standards.					
Organisations that have successfully completed a certification review (client services and capacity)	per cent	95	100	5.3%	✓
The 2020–21 actual result is higher than the target due to all organisations either achieving or maintaining certification/accreditation against the Human Services Standards.					
Organisations that have successfully completed a certification review (individualised supports)	per cent	95	100	5.3%	✓
The 2020–21 actual result is higher than the target due to all organisations either achieving or maintaining certification/accreditation against the Human Services Standards.					
Timeliness					
Forensic Disability Target Group Assessments completed within six weeks	per cent	80	82.4	3.0%	✓
Cost					
Total output cost	\$ million	527.1	556.4	5.6%	
The 2020–21 actual outcome is primarily due to government support to the transfer of departmental services to non-government providers and services out of scope of the National Disability Insurance scheme.					

Victorian Contribution to National Disability Insurance Scheme

This is the Department's contribution to Australia's National Disability Insurance Scheme. The scheme ensures that people with severe or profound disabilities can access the necessary supports they need to live the life they want and achieve their goals and aspirations.

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation	Result
Victorian Contribution to National Disability Insurance Scheme					
Quantity					
National Disability Insurance Scheme participants	number	108,786	108,786	0.0%	✓
The number of NDIS participants reflects the number Victoria jointly funded with the Australian Government under the Bilateral Agreement					
Cost					
Total output cost	\$ million	1,651.9	1,659.8	0.5%	
The output cost does not include contributions to the NDIS from other areas of the Victorian Government					

Community Participation

Community participation programs include the Neighbourhood House Coordination Program, Men's Sheds, Community Support and Community Finance initiatives. These programs support the social and economic participation of Victorian communities, particularly vulnerable populations.

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation	Result
Community Participation					
Quantity					
Hours of coordination funding provided to Neighbourhood Houses	hours ('000)	561,896	560,908	-0.2%	○
Timeliness					
Grants acquitted within the timeframe specified in the terms and conditions of the funding agreement	per cent	92	92	0.0%	✓
Cost					
Total Output Cost	\$ million	103.3	132.6	28.4%	
The 2020–21 actual outcome is primarily due to increases in government policy initiatives related to the COVID-19 response, for the Readiness and Response Centre and Machinery of Government transfers from Department of Health.					

Office for Disability

The Office for Disability leads and coordinates whole-of-government policy, disability action planning and funding, and support to disability advocacy and self-advocacy organisations so that people with disability experience reduced disadvantage, can fully participate in the community and have their rights upheld.

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation	Result
Office for Disability					
Quantity					
Number of Disability Advocacy clients	number	2,000	2,722	36.1%	✓
The 2020–21 actual result is higher than the 2020–21 target due to the impact of COVID-19 on demand for advocacy services.					
Timeliness					
Annual reporting against the State disability plan within agreed timeframes	number	100	0	-100.0%	■
Public reporting on the state disability plan was paused in 2020 while the department focussed on the COVID-19 public health response. The 2019 and 2020 calendar years will be publicly reported on in a consolidated annual report to be released at the end of 2021.					
Cost					
Total output cost	\$ million	13.3	9.6	-28.2%	
The 2020–21 expected outcome is lower than the 2020–21 actual as a result of Machinery of Government changes to reflect the transfer of funding to support location of Disability Liaison Officers within the Department of Health for 2020–21.					

Seniors Programs and Participation

Support broader community planning processes to facilitate an integrated community planning and response approach aimed at enabling older Victorians to fully participate and engage in the community.

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation	Result
Seniors Programs and Participation					
Quantity					
New University of the Third Age membership growth	per cent	5	-11	-320.0%	■
The 2020–21 actual result is lower than the 2020–21 target due to the impact of the COVID 19 pandemic on activities and restrictions on face-to-face meetings. Membership in 2020 was impacted by reluctance of seniors to re-engage in community-based activities even during periods of no public health restrictions.					
Open rates for Seniors Card e-Newsletters	per cent	48	48	0.0%	✓
Eligible seniors in the Seniors Card program	per cent	90	89.1	-1.0%	○

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation	Result
Individuals provided with respite and support services	number	13,250	15,637	18.0%	✓
<p>Following changes in January 2021 to reporting requirements through the COVID-19 pandemic, service providers have been able to report a greater number of carers accessing a wider range of virtual events, digital engagement and other material support through Goods and equipment. This has led to a better reflection of support provided than has been previously reported.</p> <p>In the 2021–22 Budget this performance measure transferred directly from the 'Aged Support Services' output to the 'Seniors Programs and Participation' output to reflect the impact of machinery of government changes.</p>					
Number of hours of respite and support services	number	261,250	348,125	33.3%	✓
<p>Following changes in January 2021 to reporting requirements through the COVID-19 pandemic, service providers have been able to report a wider range of virtual events, digital engagement and other hours of support provided through Goods and equipment. This has led to a better reflection of support provided than has been previously reported.</p> <p>In the 2021–22 Budget this performance measure transferred directly from the 'Aged Support Services' output to the 'Seniors Programs and Participation' output to reflect the impact of machinery of government changes.</p>					
Quality					
Senior satisfaction with Victorian Seniors Festival events	per cent	90	90	0%	✓
Cost					
Total output cost	\$ million	24.2	22.6	-6.4%	
The 2020–21 outcome is primarily due to funding requested to be carried over into 2021–22 for Seniors Programs.					

Support to veterans in Victoria

This output provides coordination of veteran-related issues at a state level, especially in relation to commemoration, education programs, grant programs, research and veteran welfare. This output supports the Shrine of Remembrance and the Victorian Veterans Council.

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation	Result
Support to veterans in Victoria					
Quantity					
Entries received – Premier's Spirit of Anzac Prize	number	250	0	-100.0%	■
This is a preliminary result due to delays to the application process and COVID-19 restrictions on international and interstate travel. Applications for the 2021 program will close in 2021–22 rather than 2020–21 and the figures will be reflected in that reporting period.					
Community engagement – Shrine ceremonial activities, public and student education programs, tours and general visitation	number	750,000	725,022	-3.3%	○
Number of veterans employed in the Victorian Public Sector	number	750	766	2.1%	✓

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation	Result
Number of ex-service organisation training and/or information sessions delivered	number	4	3	-25.0%	■
The 2020–21 actual result is lower than the 2020–21 target due to delays resulting from COVID-19 restrictions. A further information session will be delivered in 2021–22.					
Commemorative and educative projects meet agreed project objectives	per cent	100	100	0.0%	✓
Timeliness					
Deliver an annual program of grants within agreed, published timelines	per cent	100	100	0%	✓
Cost					
Total output cost	\$ million	9.0	9.4	4.1%	
The 2020–21 outcome primary reflects higher than expected Veterans program-related expenditure.					

LGBTIQ+ equality policy and programs

This output provides programs and services to promote equality for LGBTIQ+ Victorians and to support these communities' economic, social and civic participation.

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation	Result
LGBTIQ+ equality policy and programs					
Quantity					
Number of community consultations on issues relevant to LGBTIQ+ communities	number	20	28	40.0%	✓
The 2020–21 actual result is higher than the 2020–21 target reflecting higher than anticipated engagement with LGBTIQ+ communities, including on the Government's response to the COVID-19 pandemic and the development of Victoria's new LGBTIQ+ Strategy.					
Number of organisations engaged through the establishment of a Trans and Gender Diverse Peer Support Program	number	10	60	500.0%	✓
The 2020–21 actual result is higher than the 2020–21 target due to a restructure of the program, which has allowed for engagement with a greater number of organisations than initially planned.					
Proportion of LGBTIQ+ grant program recipients who are located in regional and rural areas	per cent	30	25.4	-15.3%	■
The 2020–21 actual result is lower than the 2020–21 target due to the Revitalising the LGBTIQ+ Sector Fund, which supported organisations and businesses in their economic recovery from COVID-19. In line with program objectives and eligibility, a large proportion of impacted communities and therefore successful recipients were based in metropolitan Melbourne. It should be noted, however, that over 31 per cent of funded activity for this initiative will engage LGBTIQ+ communities in regional and rural Victoria.					
Number of community leaders completing the LGBTIQ+ Leadership Program	number	25	30	20%	✓
The 2020–21 actual result is higher than the 2020–21 target due to increased participation following the program being adapted for online delivery due to COVID-19 restrictions.					
Payments for events made in accordance with department milestones	per cent	100	100	0%	✓

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation	Result
Cost					
Total output cost	\$ million	7.6	11.1	46.1%	
The 2020–21 outcome is primarily due to additional investment by government in response to the impact of the COVID-19 pandemic, including the one-off LGBTIQ+ Sector Economic Recovery Grants Program.					

Women's policy

This output provides initiatives that support women and the prevention of family violence and supports the economic, social and civic participation and inclusion of all Victorians.

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation	Result
Women's policy					
Quantity					
Number of people participating in funded primary prevention and gender equality programs	number	6,800	19,404	185.4%	✓
This is a preliminary result. The 2020–21 expected outcome is higher than the 2020–21 target due to programs pivoting from in person delivery to online delivery due to COVID-19 restrictions and greater than expected digital engagement.					
Percentage of women on Victorian Government boards	per cent	50	56	12.0%	✓
The 2020–21 actual result is higher than the 2020–21 target due to government's continued efforts to deliver the Women on Boards commitment.					
Gender equality and prevention of family violence grant recipients who met or exceeded contractually agreed outcomes	per cent	85	99	16.5%	✓
The 2020–21 actual result is higher than the 2020–21 target reflecting high-quality activity by grants recipients and effective collaboration with the Office for Women.					
Timeliness					
Women's and the Prevention of Family Violence projects and programs delivered on time	per cent	100	99	-1.0%	○
Tools, resources and guidelines to support the Gender Equality Act 2020 implementation are completed within agreed timeframes	per cent	100	100	0%	✓
Cost					
Total output cost	\$ million	37.6	38.8	3.2%	
The 2020–21 outcome is primarily due to the rephase of 2020–21 funding into 2021–22 relating to delays in Commission for Gender Equality in the Public Sector projects and a rephase of payments from 2019–20 to 2020–21.					
As per the 2021–22 Budget Paper 3, the 2020–21 Women's policy output is to be disaggregated into the 2021–22 'Women's policy' output and 2021–22 'Primary Prevention of Family Violence' output to appropriately reflect the output of activities under the Women's portfolio and Prevention of Family Violence portfolio.					

Youth

This output leads and coordinates whole-of-government policy advice and delivers a range of initiatives for young people aged between 12 and 25 years to gain a range of skills and experiences and to actively participate in their local communities.

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation	Result
Youth					
Quantity					
Participation by young people in programs that provide opportunities to be involved in social and economic life in their communities	number	240,000	261,560	9.0%	✓
The 2020–21 outcome is higher than the 2020–21 target due to higher than anticipated participation numbers.					
Number of Scout Hall Capital Projects Completed	number	2	6	200.0%	✓
The 2020–21 actual result is higher than the 2020–21 target due to an acceleration in completed projects from year one following completion of the project planning stages. This is the second year of a four-year capital works program.					
Participants reporting development of transferrable skills supporting positive outcomes for young people	per cent	75	92	22.7%	✓
The 2020–21 actual result is higher than the 2020–21 target due to more young people participating in programs reporting transferrable skills than originally estimated.					
Participation by young people in programs that support young people to be involved in decision making in their community	number	2,300	2,844	23.7%	✓
The 2020–21 outcome is higher than the 2020–21 target due to Victorian Youth Week 2020 being delayed to 2020–21 due to the COVID-19 pandemic. This has resulted in two annual events occurring in one financial year. Victorian Youth Week is a key contributor to achieving this performance measure.					
Timeliness					
Percentage of programs delivered within agreed timeframes	per cent	90	98	8.9%	✓
The 2020–21 outcome is higher than the 2020–21 target due to strong engagement with funded providers across Youth portfolio programs to ensure delivery within agreed timeframes.					
Cost					
Total output cost	\$ million	34.7	34.1	-1.8%	
The 2020–21 outcome is primarily due to funding sought to be carried over into 2021–22 to deliver the Living Learning Partnership Addressing Disadvantage.					

Multicultural affairs policy and programs

This output provides policy advice on multicultural affairs and social cohesion in Victoria, including settlement coordination for newly arrived migrants and refugees and delivers a range of programs to directly support Victoria's multicultural communities. It also supports Victoria's whole-of-government approach to multiculturalism. The output includes monitoring of government departments' responsiveness to Victorians from culturally, linguistically and religiously diverse backgrounds.

Performance measures	Unit of measure	2020–21 target	2020–21 actual	Variation	Result
Multicultural affairs policy and programs					
Quantity					
Number of consultations with communities on issues relevant to culturally and linguistically diverse (CALD) communities	number	100	110	10.0%	✓
The 2020–21 actual result is higher than the 2020–21 target due to the COVID-19 response including more consultations with CALD communities.					
Number of projects delivered in partnerships with CALD communities	number	30	55	83.3%	✓
The 2020–21 actual result is higher than the 2020–21 target due to a larger number of projects undertaken in partnership with communities in response to the COVID-19 pandemic					
Community participation in multicultural events (attendance at Multicultural Affairs events)	number	650,000	953,172	46.6%	✓
The 2020–21 actual result is higher than the 2020–21 target reflecting attendance across more events, particularly large-scale events during the year					
Attendance at Cultural Diversity Week flagship event, Victoria's Multicultural Festival	number	55,000	10,500	-80.9%	■
The 2020–21 actual result is lower than the 2020–21 target due to COVID-19 restrictions. Some elements were able to proceed, but the large-scale events and engagements were not.					
Proportion of approved grant funding provided to organisations in regional/rural areas	Per cent	20	13.6	-32.1%	■
The 2020–21 actual result is lower than the 2020–21 target due to a large proportion of funding through the Multicultural Affairs portfolio in 2020–21 allocated in response to emerging risks related to the COVID 19 pandemic. The majority of this funding has been allocated to metropolitan LGAs linked to COVID-19 cases, with fewer cases in regional and rural Victoria.					
Cost					
Total output cost	\$ million	90.6	107.0	18.1%	
The 2020–21 outcome is primarily due to additional investment by government in response to COVID-19 to support multicultural communities.					

Portfolio performance reporting – financial

Financial performance and business review

This section reports information for the former Department of Health and Human Services for the period of 1 July 2020 – 31 January 2021 and, post machinery of government change, the Department of Health, and the Department of Families, Fairness and Housing for the period of 1 February – 30 June 2021.

For the purposes of this section and other financial reporting sections, ‘the Department’ refers to the Department of Health. In accordance with determinations made by the Assistant Treasurer under s.53(1)(b) of the Financial Management Act 1994 (FMA), the Department of Health’s financial statements also include the financial information of the Department of Families, Fairness and Housing. A full explanation of this is provided at note 1 within section 5 of this report.

Five-year financial summary

	2021	2020	2019	2018	2017
	\$M	\$M	\$M	\$M	\$M
Income from government	22,650.3	18,971.9	17,696.3	16,373.1	15,089.9
Total revenue and income from transactions	25,698.4	22,028.4	19,417.0	17,921.1	16,678.6
Total expenses from transactions	(25,170.7)	(21,420.3)	(19,391.5)	(17,742.8)	(16,939.7)
Net result from transactions	527.7	608.1	25.5	178.3	(261.2)
Net result for the period	513.9	545.4	(9.0)	181.7	(266.3)
Net cash flow from operating activities	989.6	(96.9)	325.9	361.9	315.1
Total assets	40,433.6	34,865.9	33,372.5	34,380.8	29,831.5
Total liabilities	3,157.7	2,928.7	2,177.4	1,968.3	1,795.5

The Victorian Government considers the net result from transactions to be the appropriate measure of financial management that can be directly attributed to government policy.

This measure excludes the effects of revaluations (holding gains or losses) arising from changes in market prices and other changes in the volume of assets shown under ‘other economic flows’ on the comprehensive operating statement, which are outside the control of the department.

Departmental financial arrangements

The Department of Health’s (the department) audited financial statements and the five-year summary exclude bodies within the department’s portfolio that are not controlled by the department and are therefore not consolidated in the department’s accounts.

To enable efficient production of financial information for entities related to the department, the financial information of the following entities are included in the Department of Health’s financial statements in accordance with determinations made by the Assistant Treasurer under s. 53(1)(b) of the *Financial Management Act 1994*:

- > Director of Housing (from 1 July 2006)
- > Mental Health Tribunal (from 1 July 2014)
- > Commission for Children and Young People (from 1 July 2015)
- > Disability Worker Registration Board (from 1 June 2020)
- > Victorian Disability Worker Commission (from 1 June 2020)
- > Department of Families, Fairness and Housing (from 1 February 2021)
- > Respect Victoria (from 1 February 2021)

- > Victorian Multicultural Commission (from 1 February 2021)
- > Victorian Veterans Council (from 1 February 2021).

As a public non-financial corporation, the majority of income for the Director of Housing entity is derived from business operations primarily in the form of public housing rental, along with revenue provided by government through annual appropriation processes.

Detailed financial results for the Director of Housing are included in the appendices of the annual report, following the department's audited financial statements.

Machinery of government changes

The Victorian Government issued an administrative order restructuring some of its activities via machinery of government changes. As part of the machinery of government restructure:

- > The Department of Health and Human Services was renamed the Department of Health.
- > The Department of Health transferred the Medical Research function to the Department of Jobs, Precincts and Regions effective from 1 July 2020.
- > The Department of Health transferred the Child Protection, Prevention of Family Violence, Housing and Disability functions to the new Department of Families, Fairness and Housing which was formed effective from 1 February 2021.
- > The Department of Premier and Cabinet transferred the Fairer Victoria and Family Violence, Respect Victoria, Victorian Multicultural Commission, and Victorian Veterans Council to the Department of Families, Fairness and Housing effective from 1 February 2021.

Financial performance and business review

The details below relate to the department's consolidated financial statements including the entities outlined above.

In 2020–21, the department recorded a net gain from transactions of \$527.7 million. This gain primarily relates to \$367.6 million surplus in the department, and a \$147.3 million surplus in the Director of Housing entity.

The \$367.6 million surplus in the department is mainly the result of the funding mechanism for the capital program in health services. The department is required to book revenue (depreciation-equivalent appropriation) to fully cover the depreciation expense related to assets that reside with health services. During the year, the department is only able to access and allocate depreciation equivalent funding to on-pass to health services to deliver the government's approved capital program. The depreciation-equivalent revenue that is not able to be allocated is booked as a receivable from the Victorian Government for application towards future capital program expenditure. Additionally, contributing to the department's surplus is the accounting effect of the State Supply Arrangement where appropriation revenue was received to purchase inventory. Not all the purchased inventory was consumed during the financial year. The remaining portion of inventory purchased during the year was capitalised in the balance sheet, impacting the department's surplus.

The Director of Housing's \$147.3 million surplus reflects the net impact of additional government investment in social and affordable housing, including timing-related impacts of the Building Works and Big Housing Build programs. Public housing revenue and costs have also been significantly impacted by COVID-19, with rental revenue reflecting lower household incomes, the impact of government decisions to provide temporary support to public housing renters and costs reflecting higher demand for cleaning and security services.

Financial position – balance sheet

Total assets have increased by \$5.6 billion in 2020–21 compared to last year, mostly attributed to increases in property, plant and equipment and cash and deposits. The increase in property, plant and equipment relates to a Managerial Revaluation of Land Assets, undertaken due to

a 24 per cent increase in the fair value of land. The increase in cash at bank results from timing differences between the receipt of funding for the Building Works Stimulus Package, Big Housing Build and COVID-19 response commitments and the actual cash outflows to deliver these programs.

Cash flows

The overall cash position at the end of the 2020–21 financial year is \$913.9 million surplus, which is an increase of \$316.2 million compared with the beginning of the year. The overall increase mainly results from timing differences between the receipt of funding for the Building Works Stimulus Package, Big Housing Build and COVID-19 response commitments and the actual cash outflows to deliver these programs. The increase in net cash flows from operating activities in 2020–21 reported in the five-year summary table is reflective of this timing difference and of the way in which receipts of output appropriations are disclosed in the cash flows from operating activities section of the cash flow statement while payments for non-financial assets are disclosed in the cash flows from investing activities section of the cash flow statement.

Budget portfolio outcomes

The portfolio budget outcomes provide a comparison between the actual financial statements of all general government sector entities within the portfolio and the forecast financial information published in Budget Paper No. 5 *Statement of Finances 2021–22* (BP5).

The portfolio budget outcomes comprise the comprehensive operating statement, balance sheet, statement of cash flows, statement of changes in equity, and administered items statement for the financial year 2020–21.

The portfolio budget outcomes have been prepared on a consolidated basis for the period 1 February 2021 to 30 June 2021 and include all general government sector entities within the portfolio. Financial transactions and balances are classified into either controlled or administered

categories as agreed with the Treasurer in the context of the published statements in BP5.

The portfolio budget outcomes statements are not subject to audit by the Victorian Auditor-General's Office. They are not prepared on the same basis as the financial statements as they include financial information of the following entities:

- > Department of Families, Fairness and Housing (DFFH)
- > Disability Services Commissioner
- > Victorian Disability Workers Commission
- > Disability Worker Registration Board
- > Commission for Children and Young People
- > Family Violence Prevention Agency
- > Shrine of Remembrance Trustees
- > Victorian Multicultural Commission
- > Victorian Veterans Council.

The portfolio budget outcomes statements include funding from the Commonwealth Government and revenue from the sale of services attributed to DFFH from the state government. They also include income and expenses associated with National Disability Insurance Scheme funding, which are reported in the DFFH administered accounts.

Illustrations on the disclosure of budget portfolio outcomes can be found in Appendix 2.

Funding arrangements under the National Partnership on COVID-19 Response

The National Partnership on COVID-19 Response utilises funding mechanisms established through the National Health Reform Agreement to provide a Commonwealth contribution for the response to the outbreak of COVID-19. The arrangement provides for Commonwealth funding to be overseen by the Administrator of the National Health Funding Pool through Victoria's State Pool Account, which is reported in the Department of Health administered accounts.

The Department of Health receives Commonwealth contributions on behalf of the Department of Families, Fairness and Housing programs in-scope of the National Partnership on COVID-19 Response and passes on this funding to the Department of Families, Fairness and Housing.

Funding arrangements under the National Disability Insurance Scheme

Effective from 1 February 2021, portfolio responsibility for the National Disability Insurance Scheme arrangements was transferred to the Department of Families, Fairness and Housing and the arrangements were reported in the DFFH administered accounts.

The arrangement provides for contributions from the DFFH's controlled entity and from other departments to be administered via the National Disability Insurance Scheme trust fund reported in the DFFH administered account. Grant payments are made to the National Disability Insurance Agency from the trust fund.

Financial performance – operating statement

In 2020–21, the portfolio recorded an actual net result from transactions of \$3 million surplus compared to a 2020–21 budgeted deficit of \$63 million.

The variance between the budgeted and actual surplus is mainly related to additional funding approved under a Treasurer's Advance late in the financial year.

Financial position – balance sheet

Total assets are \$196 million higher than the budget. This is mostly attributed to asset revaluations within property, plant and equipment. Total liabilities are \$197 million higher than what appeared in the revised budget, primarily due to accrued expenses.

Cash flows

The overall cash position at the end of the 2020–21 financial year is \$51 million, with the variance to the budget being due to timing of payments.

Detailed financial results for the 2020–21 portfolio budget and actual results are included in Appendix 2.

Capital projects/asset investment programs

During the year, the department completed a number of capital projects with a total estimated investment [TEI] of \$10 million or greater. The details related to these projects are reported below.

Capital projects reaching practical completion during the financial year ended 30 June 2021

Project name	Original completion date	Latest approved completion date	Practical completion date	Reason for variance in completion dates	Original approved TEI budget (\$M)	Latest approved TEI budget (\$M)	Actual TEI cost (\$M)	Variation between actual cost and latest approved TEI budget (\$M)	Reason for variance from latest approved TEI budget
Acquisition general construction 2020–21 (statewide)	June 2021	June 2021	June 2021		16.000	16.000	16.000		
High-rise upgrades in 2020–21 (metropolitan various)	June 2021	June 2021	June 2021		12.000	12.000	12.000		
Low-rise upgrades in 2020–21 (statewide)	June 2021	June 2021	June 2021		59.524	59.524	59.524		

Capital projects reaching financial completion during the financial year ended 30 June 2021

None of the projects that have reached financial completion in the 2020–21 financial year had material TEI variation to those reported in the previous reporting period.

Section 2: Governance and organisational structure

The department's ministers



Hon. Richard Wynne MP

Minister for Housing

Minister Wynne is also Minister for Planning. He previously served as Minister for Multicultural Affairs. Prior to this he served as Minister for Housing, Minister for Local Government and Minister for Aboriginal Affairs. He has been the Member for Richmond since 1999.



The Hon. Luke Donnellan MP

Minister for Child Protection

Minister for Disability Ageing and Carers

Minister Donnellan was appointed as Minister for Child Protection and Minister for Disability, Ageing and Carers in December 2018. He previously served as Minister for Roads and Road Safety and Minister for Ports. He has been the Member for Narre Warren North since 2002.



The Hon. Shaun Leane MP

Minister for Veterans

Minister Leane previously served as Minister for Local Government and Minister for Suburban Development. Prior to this he served as Parliamentary Secretary for Infrastructure. He is also Member for Local Government, Minister for Suburban Development. He has been the Member for Eastern Metropolitan since 2006.



The Hon. Ros Spence MP

Minister for Multicultural Affairs

Minister for Youth

Minister Spence previously served as Parliamentary Secretary for Public Transport and Parliamentary Secretary for Roads and Roads Infrastructure. She is also Minister for Community Sport. She has been the Member for Yuroke since 2014.



Gabrielle Williams MP

Minister for Prevention of Family Violence Minister for Women

Minister Williams previously served as Minister for Youth. She is also Minister for Aboriginal Affairs. She has been the Member for Dandenong since 2014.



Martin Foley MP

Minister for Equality

Minister Foley has served as the Minister for Equality since the creation of the portfolio in 2015. He also serves as Minister for Health and Minister for Ambulance Services. Prior to these appointments in October 2020, he also served as the Minister for Mental Health and Minister for Creative Industries. He has been the Member for Albert Park since 2007.

The department's senior executives

Sandy Pitcher

Secretary

Sandy has had an extensive public sector career, holding senior executive roles in the Victorian, South Australian, and Commonwealth and British public sectors.

In Victoria, Sandy has held various positions, including Deputy Secretary for Case, Contact Tracing and Outbreak Management at the former Department of Health and Human Services, and Deputy Secretary, Higher Education and Skills at the Department of Education and Training.

Sandy has also been a chair and board member of a number of non-government organisations and University boards in the areas of environment, children's rights, research and gender equality.

Argiri Alisandratos

Deputy Secretary – Children, Families Communities and Disability

Argiri Alisandratos was appointed as Deputy Secretary – Children Families Communities and Disability in July 2017. Argiri leads the department's strategic policy function for children, families, disability and communities and is responsible for providing strategic policy advice and service system stewardship to government to inform long-term Children, Families, Communities and Disability policy settings, reform and system design. This includes alignment of strategy, policy and program development across the department to ensure compliance with statutory obligations. Argiri is also responsible for key national policy issues including communities, disability and NDIS, child protection, children and family services, family violence and redress and care services.

Christina Asquini

Deputy Secretary – Community Services Operations

Chris Asquini was appointed as Deputy Secretary – Community Services Operations in September 2015. With over 30 years' experience in the department and its former iterations, Chris leads the delivery of children and family services to Victorians and has responsibility for implementing operational policy and funding frameworks to support service provision to children and families, housing and disability.

Chris also oversees the provision of practice leadership and the monitoring and analysis of statewide service delivery standards and performance.

Ben Rimmer

Associate Secretary and Chief Executive Officer – Homes Victoria

Ben Rimmer is Associate Secretary of the new department and the CEO of Homes Victoria, the new Victorian Government agency created in November 2020 with responsibility for social and affordable housing. Ben has been the Director of Housing since December 2019 and has supported the government's consideration of social and affordable housing investment and reform agenda. Ben was appointed to the position of Associate Secretary of the then Department of Health and Human Services in April 2020, a role created at the time to support the department's COVID-19 response. Ben has retained this position following the creation of the Department of Families, Fairness and Housing and now oversees Executive and Legal Services in this capacity alongside his responsibilities for Homes Victoria.

Nicola Quin

Deputy Chief Executive Officer – Homes Victoria

Nicola was appointed as the Deputy CEO of Homes Victoria in April 2021. As Deputy CEO, Nicola holds a Deputy Secretary position that supports the delivery of key priorities across

Homes Victoria, helping to ensure continuity and successful ongoing management of the public housing system. Prior to this, Nicola was performing in a Deputy Secretary role as part of the Victorian Government's COVID-19 response in 2020, with responsibility for COVID-19 intelligence and contact-tracing. Nicola has a wealth of experience overseeing complex service delivery, operational and policy reform in her previously held senior executive positions within the Department of Premier and Cabinet and the Department of Health and Human Services.

Louise Perry

Chief Engagement and Reform

Louise Perry was appointed the Chief of Engagement and Reform in 2021. Louise oversees public and stakeholder engagement and communications on behalf of the department and establishes responses to key areas of complex reform including workforce planning. She has extensive experience in the not for profit and public sector in the areas of both social services and economic development. She has previously led major organisational reform and machinery of government change in Victoria, was formerly the Deputy CEO at VicRoads with responsibility for public engagement, commercial enterprises and enterprise program management and has significant experience in international development, foreign aid and emergency response. Louise has also been a journalist, working both overseas and in a number of states across Australia.

Brigid Monagle

Deputy Secretary – Fairer Victoria

Brigid Monagle was appointed Deputy Secretary of Fairer Victoria in March 2019 and oversees the delivering of carers, LGBTIQ+ equality, Multicultural Affairs, Primary Prevention of Family Violence, Seniors, Veterans, Women's and Youth policy and programs. Brigid has previously worked as an executive director in the Department of Premier and Cabinet, leading

advice in the areas of Aboriginal affairs policy, including treaty and self-determination, health policy and reform, and inter-governmental strategy.

Annette Lancy

Deputy Secretary – Readiness, Response & Emergency Management

The RREM Division is led by Annette Lancy as the Deputy Secretary.

Annette is an economist and lawyer by training with over 15 years of experience working on complex system design and reform at both State and Federal level.

Annette is passionate about improving government service systems and outcomes for the communities they serve.

Most recently Annette has led design and implementation of family violence system reform at Family Safety Victoria before returning to the Department in March 2020 to lead COVID-19 preparedness and response work for community services sector including prevention and response within high risk accommodation settings such as public and community housing, disability and supported residential services

Andrew Minack

Deputy Secretary – Corporate & Delivery Services

Andrew Minack was appointed as Deputy Secretary, Corporate and Delivery Services in February 2021. Andrew has had an extensive public sector career working at an executive level in numerous state and local government agencies. Andrew has been responsible for leading on a number of highly complex reform projects in emergency management, public sector administration and parks management. He has developed a policy and delivery background in a range of areas through his executive roles at Victoria Police, the Department of Premier and Cabinet, Parks Victoria, and the Warrnambool City Council.

Christina Dickinson

Senior Executive Director – Strategy & Regulation

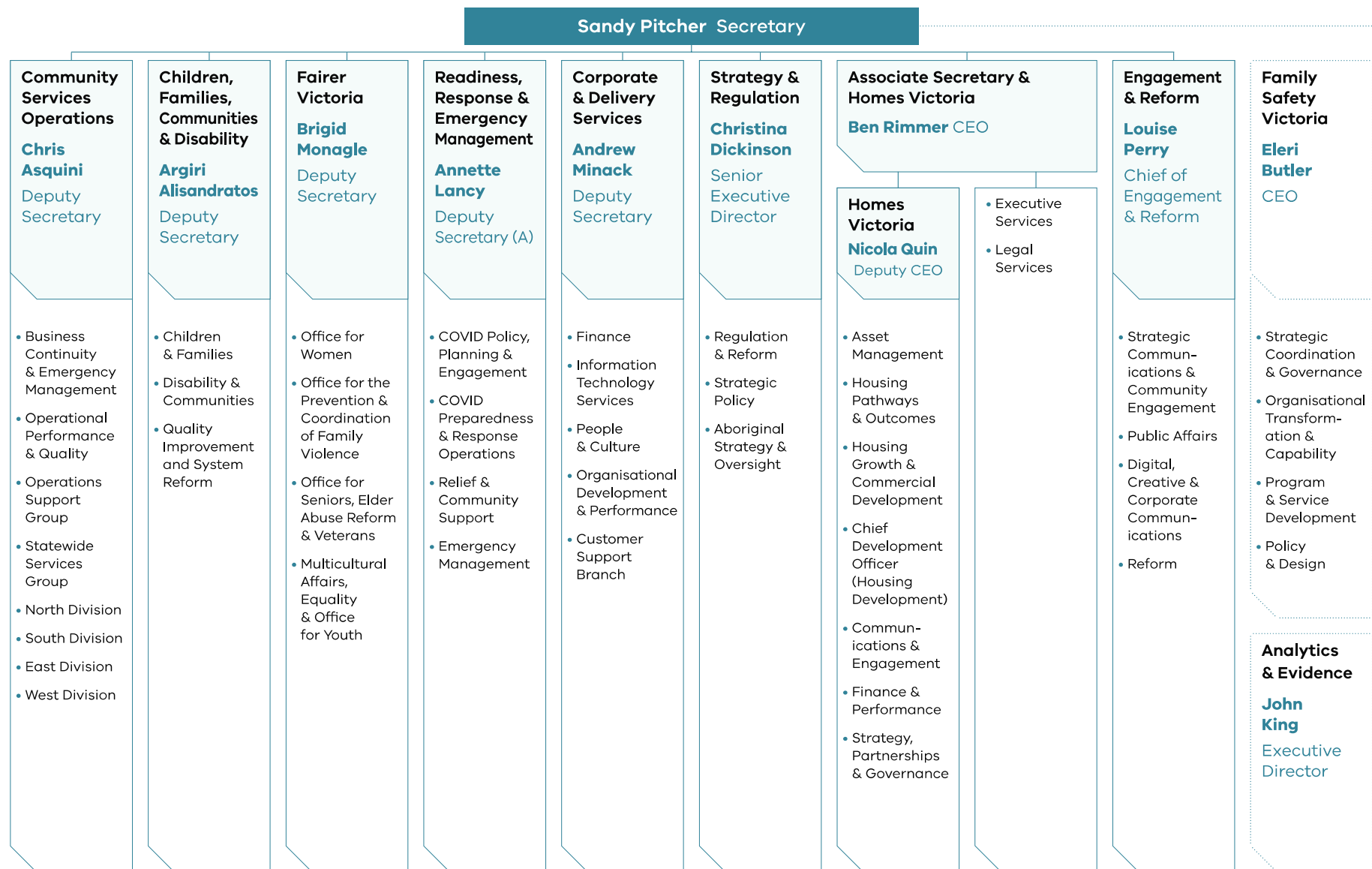
Christina Dickinson was appointed to the role of Senior Executive Director, Strategy and Regulation Division in February 2021. She oversees the reform of human services regulation and safeguarding, and advises on strategic policies to inform and deliver government policy and embed Aboriginal self-determination within departmental reform. Christina has previously worked as an Executive Director within the former Department of Health and Human Services overseeing intergovernmental relations, risk, reform delivery and long-term strategy. She was also an Executive Director on the department's COVID-19 response.

Eleri Butler

Chief Executive Officer – Family Safety Victoria

Eleri Butler was appointed as Chief Executive Officer of Family Safety Victoria in March 2020, to lead FSV's strategic, policy, service system stewardship and reforms for family violence and sexual violence. This includes collaboration with the specialist and community sector, cross-Government advice and coordination of key policy, programs and initiatives, and supporting delivery of Victoria's family violence strategy. Eleri has over 30 years' experience from the UK/Europe working in feminist organisations, governments and others to prevent and respond to domestic and family violence. This includes supporting survivors, research, training, policy and strategy across health, housing, education and justice systems. Eleri was recently CEO of Welsh Women's Aid, and has also been Commissioner, board member and advisor in the areas of children's rights, violence against women, justice reform, and gender equality.

Organisational structure as at 30 June 2021



Note: Statutory bodies not included. (A) Indicates acting in roles.

Committee Structure

Executive Board

The Executive Board assists the Secretary with strategic leadership to meet the department's objectives (including vision, purpose and direction setting); improve performance and outcomes; and implement complex reform priorities.

The Executive Board comprises deputy secretaries who are directly responsible for a specific division within our departmental structure.

The Board is supported by a range of committees to drive the organisational governance and strategic direction of the department. These committees are advisory in nature and make recommendations to the Board about the issues in their remit.

Two ongoing subcommittees report to the Executive Board:

- > Finance, Budget and Investment Subcommittee
- > Service Integration Subcommittee

A review of Aboriginal governance is currently underway to inform future governance structures to ensure that they support and enable Aboriginal self-determination.

The Aboriginal Health Wellbeing and Safety Subcommittee, which previously reported to the Department of Health and Human Services (DHHS) Executive Board, ceased.

Aboriginal policy matters are presently being considered by the Board.

Finance, Budget and Investment Subcommittee

Ongoing subcommittee designed to develop and monitor budget and investment strategies and financial accountability.

System and Service Integration Subcommittee

This is a time-limited subcommittee that provides advice on the priority policy and projects driving service and system reform to improve outcomes for Victorians.

Interdepartmental subcommittees

A Data Governance and Information Technology Interdepartmental Committee has been established with the Department of Health to steward the departments' business technology and information management agenda.

Statutory assurance-based committees

In addition, three stand-alone committees support statutory assurance responsibilities of the Secretary

- > Audit and Risk Management Committee
- > Occupational Health and Safety Committee
- > Executive Remuneration Committee.

Audit and Risk Management Committee

The Audit and Risk Management Committee is an independent committee established in accordance with the *Financial Management Act 1994* and the Standing Directions of the Minister for Finance (2018).

The committee operates under an approved charter and requires there are independent members with no departmental responsibility:

- > Laurinda Gardner – Chair (Independent)
- > Helen Thornton – (Independent)
- > Kris Peach (Independent)
- > Brendan Flynn (Independent)

The committee is integral to the department's approach to governance, ensuring that systems and processes for identifying and monitoring risks are operating as intended.

The committee's responsibilities cover the following areas:

- > annual financial statements
- > risk attestation
- > risk management and internal controls
- > fraud and corruption control
- > legislative and policy compliance
- > internal audit
- > external audit.

Occupational Health and Safety Committee

The committee provides stewardship, advice, options and recommendations to the department's Executive Board on the governance elements of the department's Health, Safety and Wellbeing (HSW) matters and oversees and monitors the effectiveness of controls used to manage risk and promote a culture of organisational learning.

Executive Remuneration Committee

The committee is responsible for ensuring a consistent and rigorous approach is in place to manage key elements of remuneration relating to the senior management group.

Section 3: Workforce data

Public sector values and employment principles

The *Public Administration Act 2004* established the Victorian Public Sector Commission (VPSC). The VPSC's role is to strengthen public sector efficiency, effectiveness and capability, and advocate for public sector professionalism and integrity.

The department introduced policies and practices that are consistent with the VPSC's employment standards and provide for fair treatment, career opportunities and the early resolution of workplace issues. The department advised its employees on how to avoid conflicts of interest, how to respond to offers of gifts and how it deals with misconduct.

Employment and conduct principles

The values and employment principles that apply to the broader public sector are detailed in the *Public Administration Act 2004*.

The department complies with these employment principles and continually updates its policies and procedures to advance them.

The department's values are also aligned to those set out in the Act. It is committed to applying merit and equity principles to all employment policies, programs and resources and ensures its values are implemented throughout the department, including through performance planning and employee recognition processes.

Our people

The department's people work across a range of fields including child protection, housing, disability, the prevention of family violence, multicultural affairs, LGBTIQ+ equality, seniors, carers, veterans, women, and youth.

The corporate and executive support functions play an essential enabling role across human resources, communications, information technology, finance, and business services.

People Strategy

The department's People Strategy is a key driver in enabling the delivery of services to the community. The People Strategy continues to be refreshed to ensure we provide a working environment that meets the changing needs of our clients, victim survivors, customers, and stakeholders.

The People Strategy represents the department's commitment to invest in developing and supporting our people through a focus on five core themes:

- > build a diverse and high-performing workforce
- > inspire and grow our people
- > engage and advance our people
- > provide purposeful leadership
- > create a great people experience.

Key highlights for the year include:

- > continued delivery of the disability employment strategy, including implementation of the RISE program to provide meaningful employment for people on the autism spectrum
- > achieving a bronze award in the Australian Workplace Equality Index (AWEI) – the national benchmark on LGBTIQ+ workplace inclusion
- > continued implementation of the department's Aboriginal employment strategy including early achievement of the department's two per cent Aboriginal workforce target
- > implementation of a department-wide capability framework

- > review and refresh of the Leading with Respect program to enhance leadership capability and build a positive workplace culture
- > implementing the performance and goals module of the new OurPeople system.

Recognising our employees

The advent of COVID-19 saw the 2020 Excellence Awards, an annual staff reward and recognition program under the former Department of Health and Human Services to acknowledge the achievements and contributions of our people, replaced by a virtual event hosted by the department's secretary to thank staff for their hard work and dedication that made a critical difference to Victorian communities.

The event acknowledged and celebrated the many achievements and collective effort of all staff across the department, reflecting on 2020 and showcasing stories of what has been achieved.

Capability development

COVID-19 and ongoing improvements to learning technology fashioned the department's learning and development approaches this year, with 30 new online courses being added to the eLearning portal and all classroom-based offerings converted to a virtual facilitation model in support of staff working remotely.

Training and development offerings aim to support our client service capability, professional development and compliance across the department's workforces and are underpinned by the department's capability framework.

The department's efforts to develop and grow workforce capability focused on:

- > service delivery
- > practice development
- > health, safety, and wellbeing
- > COVID-19 response
- > inclusion and cultural safety
- > management and leadership
- > writing and communication
- > software and systems
- > finance and procurement.

The department continued to strengthen its leadership capability by:

- > supporting employees across all leadership levels to attend intensive advanced leadership programs aimed at broadening and deepening leadership capabilities and giving participants exposure to peers from other organisations
- > continuing to provide peer and experiential learning opportunities through structured mentoring and coaching opportunities across all leader levels in the department
- > supporting VPS-5, VPS-6 and executive employees to identify and manage their career aspirations and development opportunities through self-assessment tools and diagnostic feedback
- > supporting executives to participate in cross-department leadership and new-to-role programs provided by the Victorian Leadership Academy (VLA)
- > reviewing, refreshing and delivering the Leading with Respect program, with 57 sessions conducted during 2020–21 including two executive masterclasses.

The department strengthened support for the learning and development of our frontline workforce through a range of initiatives, including:

- > developing a Child Protection Professional Development and Wellbeing Plan to design and refresh all learning programs
- > refreshing the Child Protection Capability Framework that provides practice consistency and learning and development opportunities
- > delivering a statewide Career Advancement Program (CAP), which aims to support the growth of future leaders within the child protection workforce
- > introducing a tailored mentoring program for senior child protection staff
- > converting essential child protection, housing, and disability learning programs to online delivery
- > delivering online practice forums and eLearn's to make it easier for child protection and housing staff to access training anytime, anywhere

- > delivering instructor led family violence training (Multi-Agency and Risk Assessment Framework – MARAM) to child protection and housing staff
- > updating the Housing Capability Framework to include Housing Call Centre staff and senior housing roles
- > implementing a new starter program for newly recruited housing staff
- > delivering learning programs to support housing staff with changes to the *Residential Tenancies Act 2021*
- > providing learning and development opportunities to the disability workforce to strengthen their approach to the delivery of services under the National Disability Insurance Scheme
- > implementing learning maps, new learning programs and a new starter program for newly recruited forensic disability staff
- > providing strengthened opportunities to celebrate and promote excellent practice through improved communication activities, such as the Child Protection Symposium during Child Protection Week, Housing Week, operational briefings, and divisional newsletters.

Public sector veteran employment strategy

The Public Sector Veterans Employment Strategy was launched in June 2017 to support veteran employment across the public sector. As of June 2021, the strategy achieved 767 veterans employed across the public sector thereby exceeding its target of 750.

On 8 April 2021, the Victorian Government facilitated an information session to brief veteran organisations on Victorian Government employment and training initiatives to support veterans and their families.

On 31 May 2021, the Minister hosted a second roundtable session which focused prioritising opportunities for implementation in 2021.

Comparative workforce data

The following tables disclose the head count and full-time equivalent (FTE) staff of all active public service employees of the department, employed in the last full pay period in June of the current reporting period. As the department was established on 1 February 2021, data from the previous reporting period of 2020 cannot be shown.

Summary of employment levels in June 2021

	All employees		Ongoing			Fixed term and casual	
	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE
June 2021	6,409	5,979.7	4,231	1,042	4,956.8	1,136	1,022.9

Annualised total salary, by \$20,000 bands, for executives and other senior non-executive staff

The following table discloses the annualised total salary for senior employees of the Department, categorised by classification. The salary amount is reported as the full-time annualised salary.

Income band (salary)	Executives	STS	PS	SMA	SRA	Other
< \$160,000	2 ⁱ					
\$160,000–\$179,999	22 ⁱⁱ	1				
\$180,000–\$199,999	42 ⁱⁱⁱ					
\$200,000–\$219,999	31 ^{iv}	6				
\$220,000–\$239,999	24			1		
\$240,000–\$259,999	15			3		
\$260,000–\$279,999	6 ^v					
\$280,000–\$299,999	2					
\$300,000–\$319,999	6					
\$320,000–\$339,999	8					
\$340,000–\$359,999	2 ^{vi}					
\$360,000–\$379,999						
\$380,000–\$399,999						
\$400,000–\$419,999						
\$420,000–\$439,999						
\$440,000–\$459,999						
\$460,000–\$479,999	1					
\$520,000–\$539,999	1					
\$540,000–\$559,999						
Total	162	7		4		

Note:

The salaries reported above are for the full financial year, at a 1-FTE rate, and exclude superannuation.

ⁱ There is one employee employed on a part-time basis at a 0.9 FTE rate.

ⁱⁱ There are two employees employed on a part-time basis at a 0.8 and 0.9 FTE rate, respectively.

ⁱⁱⁱ There are two employees employed on a part-time basis at a 0.6 and 0.9 FTE rate, respectively.

^{iv} There are four employees employed on a part-time basis at a 0.6, 0.8 (x 2) and 0.9 FTE rate, respectively.

^v There is one employee employed on a part-time basis at a 0.6 FTE rate.

^{vi} There is one employee employed on a part-time basis at a 0.8 FTE rate.

Department of Families, Fairness and Housing employment levels in June 2021

	All employees		Ongoing			Fixed term and casual	
	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE
Gender							
Women	4,898	4,527.3	3,127	935	3,773.9	836	753.4
Men	1,511	1,452.4	1,104	107	1,182.9	300	269.5
Self-described	Data not available						
Age							
15–24	267	249.6	144	6	147.8	117	101.8
25–34	1,558	1,479.9	1,010	153	1,110.1	395	369.8
35–44	1,579	1,442.8	934	367	1,194.7	278	248.1
45–54	1,534	1,439.8	1,085	255	1,263.9	194	175.9
55–64	1,185	1,108.1	849	204	993.0	132	115.1
65+	286	259.5	209	57	247.3	20	12.2
Classification							
VPS 1	34	32.8	0	0	0.0	34	32.8
VPS 2	253	213.4	123	76	173.2	54	40.2
VPS 3	309	295.7	199	44	230.2	66	65.5
VPS 4	553	525.0	364	76	416.0	113	109.1
VPS 5	916	873.1	599	137	698.8	180	174.3
VPS 6	616 ⁱ	596.3	415	70	468.4	131	127.9
Allied Health	76	65.5	41	29	60.3	6	5.2
Children, Youth and Families	252	232.4	164	43	195.6	45	36.8
Child Protection	2,278	2,121.1	1,611	349	1,847.9	318	273.2
Disability Services	317	266.7	140	86	204.6	91	62.0
Housing Services	549	509.0	365	106	433.0	78	76.0

ⁱ There are 36 VPS-6 employees acting as executives under long-term acting arrangements.

	All employees		Ongoing			Fixed term and casual	
	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE
SMA	4	4.0	3	0	3.0	1	1.0
STS	7	6.6	5	1	5.6	1	1.0
Executives	162	159.6	151	11	159.6	0	0.0
Other	83	78.5	51	14	60.5	18	18.0
Total employees	6,409	5,979.7	4,231	1,042	4,956.8	1,136	1,022.9

Notes:

SMA = Senior Medical Adviser

STS = Senior Technical Specialist

Child Protection includes all Child Protection classified staff within DFFH, including Family Safety Victoria-funded positions.

Rounding errors may be present in FTE tables due to data being formatted to one decimal place.

'Other' classification group may include solicitors, nurses, trade assistants, scientists and external auditors.

Family Safety Victoria employment levels

The following tables disclose the head count and FTE staff of all active public service employees of the administrative office Family Safety Victoria employed in the last full pay period in June of the current reporting period.

Summary of employment levels in June 2021

	All employees		Ongoing			Fixed term and casual	
	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE
June 2021	304	290.5	172	43	205.1	89	85.4

Annualised total salary, by \$20,000 bands, for executives and other senior non-executive staff

The following table discloses the annualised total salary for senior employees of Family Safety Victoria, categorised by classification. The salary amount is reported as the full-time annualised salary.

Income band (salary)	Executives	STS	PS	SMA	SRA	Other
< \$160,000						
\$160,000–\$179,999	7	1				
\$180,000–\$199,999	4					
\$200,000–\$219,999	2					
\$220,000–\$239,999		1				
\$240,000–\$259,999	1					
\$260,000–\$279,999	2					
\$280,000–\$299,999						
\$320,000–\$339,999						
Total	16	2				

Note:

The salaries reported above are for the full financial year, at a 1-FTE rate, and exclude superannuation.

Family Safety Victoria employment levels in June 2021

	All employees		Ongoing			Fixed term and casual	
	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE
Gender							
Women	254	241.0	143	39	172.6	72	68.4
Men	50	49.5	29	4	32.5	17	17.0
Self-described	Data not available						
Age							
15–24	8	7.6	4	2	5.6	2	2.0
25–34	70	66.6	36	8	41.8	26	24.8
35–44	110	104.5	60	19	74.8	31	29.7
45–54	71	69.1	47	7	52.6	17	16.5
55–64	41	38.9	25	5	28.5	11	10.4
65+	4	3.7	0	2	1.7	2	2.0
Classification							
VPS 1	0	0.0	0	0	0.0	0	0.0
VPS 2	8	7.8	6	1	6.8	1	1.0
VPS 3	51	45.1	26	19	39.8	6	5.3
VPS 4	29	28.6	16	1	16.8	12	11.8
VPS 5	106	101.4	50	14	61.2	42	40.2
VPS 6	92 ⁱ	89.6	57	8	63.5	27	26.1
STS	2	2.0	1	0	1.0	1	1.0
Executives	16	16.0	16	0	16.0	0	0.0
Total employees	304	290.5	172	43	205.1	89	85.4

Note:

Rounding errors may be present in FTE tables due to data being formatted to one decimal place.

ⁱ There are four VPS-6 employees acting as an executive under long-term acting arrangements.

Executive officer data

For a department, an executive officer (EO) is defined as a person employed as an executive under Part 3 of the *Public Administration Act 2004*. For a public body, an EO is defined as an executive under Part 3 of the Act or a person to whom the Victorian Government's *Policy on executive remuneration in public entities* applies. All figures reflect employment levels at the last full pay period in June of the current and corresponding previous reporting year.

The definition of an EO does not include a statutory office holder or an Accountable Officer.

The following tables disclose the EOs of the department, our administrative offices and our portfolio agencies for 30 June 2021:

- > Table 1 discloses the total numbers of EOs, broken down by gender
- > Table 2 provides a reconciliation of executive numbers presented between the report of operations and Note 9.7 'Remuneration of executives' in the financial statements, which includes remuneration paid to executives at any time throughout the reporting period.
- > Table 3 provides the total executive numbers for all the department's portfolio agencies.
- > Table 3 also disclose the variations, denoted by 'var', between the current and previous reporting periods.

Table 1: Total number of EOs for the department, broken down by gender

Class	Number (head count)			
	Total	Women	Men	Self-described
Secretary	1	1	0	0
SES-3	6	3	3	0
SES-2	60	37	23	0
SES-1	95	67	28	0
Total	162	108	54	0

During the reporting cycle the department increased resources having taken on program responsibility for Fairer Victoria and additional resourcing to support the significant program of work across Homes Victoria.

The number of executives in the report of operations is based on the number of executive positions that are occupied at the end of the financial year. Note 9.7 in the financial statements lists the actual number of EOs and the total remuneration paid to EOs over the course of the reporting period. The financial statements note does not include the Accountable Officer, nor does it distinguish between executive levels or disclose separations. Separations are executives who have left the department during the relevant reporting period. To assist readers, these two disclosures are reconciled below.

Table 2: Reconciliation of executive numbers for the department

	2021
Executives	175
Accountable Officer (Secretary)	1
Accountable Officer (Director of Housing)	1
Less separations	(11)

	2021
Leave without pay	(3)
Less executives paid by other departments	(1)
Total executive numbers at 30 June 2021	162

Table 3: Total number of EOs for Family Safety Victoria, broken down by gender

Class	All		Women		Men		Self-described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
SES-2	3	(1)	3	(1)	0	0	0	-
SES-1	13	(1)	13	(1)	0	0	0	-
Total	16	(2)	16	(2)	0	0	0	-

The number of executives in the report of operations is based on the number of executive positions that are occupied at the end of the financial year. Note 9.7 in the financial statements lists the actual number of EOs and the total remuneration paid to EOs over the course of the reporting period. The financial statements note does not include the Accountable Officer, nor does it distinguish between executive levels or disclose separations. Separations are executives who have left the department during the relevant reporting period. To assist readers, these two disclosures are reconciled below.

Table 4: Reconciliation of executive numbers for Family Safety Victoria

	2021	2020
Executives	15	21
Accountable Officer (Chief Executive Officer)	1	1
Less separations	0	(4)
Total executive numbers at 30 June	16	18

Table 5: Total number of EOs for the department's portfolio agencies, broken down by gender

Portfolio agencies	June 2021				June 2020				Annual change			
	Woman	Man	Self Des-criber	Total	Woman	Man	Self Des-criber	Total	Woman	Man	Self Des-criber	Total
The Queen Elizabeth Centre	1	0	0	1	1	0	0	1	0	0	0	0
Tweddle Child and Family Health Service	1	0	0	1	1	0	0	1	0	0	0	0
Total	2	0	0	2	2	0	0	2	0	0	0	0

Notes:

- For the purpose of this table, Executive Officers are defined as employees who have significant management responsibility AND receive a TRP of \$192,8009 or more.
- All figures reflect employment levels as at 30 June 2021 unless otherwise stated.
- Excluded are those on leave without pay or absent on secondment, external contractors/consultants and temporary staff employed by employment agencies.

Workforce inclusion policy

The department continues to attract the most capable people to build an exceptional, diverse and culturally safe workplace.

We are developing a workforce that reflects the communities we serve. We recognise and value the diverse skills and perspectives that people bring to the workplace because of their gender, age, language, cultural background, ethnicity, disability, religious belief, sexual orientation, educational level, socioeconomic background or caring and family responsibilities.

The department continued the CareerTrackers internship for Aboriginal university students and CareerSeekers for asylum seekers and refugees to allow them to gain valuable work experience from a paid 12-week internship.

The rapid move to a remote workforce led to many of our diversity-related face-to-face training programs moving online, including Disability Confidence, Autism Awareness for Managers, Unconscious Bias and Cultural Safety.

Disability employment strategy

The department continued to deliver the *Disability employment strategy 2018–2020*. The strategy supports increased opportunities for people with disability to work in the department, with targets of six per cent employment by 2020 and 12 per cent employment by 2025.

In addition, the strategy ensures staff with disability are supported appropriately through adjustments in the recruitment process and in the workplace.

The RISE@DHHS program (now known as the Rise program) continued to provide meaningful employment for people on the autism spectrum. The program established a set of services from data entry to document and mail digitisation that can be provided to customers across government.

The department continued the Stepping into Internship program for people with disability. This program provides university students with valuable work experience, confidence and a

chance to bridge the gap between university and graduate opportunities.

The All-Ability Graduate Program continued to support skills and development of graduates with disability alongside the wider VPS Graduate Recruitment Development program.

The department continued implementing disability employment initiatives, including:

- > the Positive Action towards Career Engagement (PACE) mentoring program connecting jobseekers with a disability to mentors in the business
- > an Accessibility Day to host jobseekers with disability for work experience towards employment outcomes.

The department also continued to work with the Australian Network on Disability at roundtable opportunities and to provide confidence training for employees with disability.

The department continued to provide regular six-week AUSLAN sign language workshops for work groups and weekly practice activities.

The Enablers Network for people with disability continued supporting the needs, interests, and concerns of employees with a disability to ensure a voice and fair and equitable outcomes.

Aboriginal employment strategy

The department continued implementing the *Aboriginal employment strategy 2016–21*, aiming for the following three outcomes by 2021:

- > a two per cent workforce target
- > Aboriginal employees across all classifications, with a corresponding increase in the Aboriginal workforce at the senior and executive levels
- > progressing the department's commitment to be a diverse, inclusive and culturally safe employer of choice for Aboriginal people.

Increasing Aboriginal employment not only improves health and wellbeing, it is also a key driver for improving access to quality and culturally appropriate health and human services for Victoria's Aboriginal community.

Implementation of the strategy continues to track well in its third year, with current figures showing the department has achieved the two per cent June 2021 workforce target. The Aboriginal workforce is now represented across all classifications, including with an increase in senior and executive roles. A range of initiatives were implemented to support the department as a culturally safe employer of choice for Aboriginal people. These included allocating scholarships for secondary and tertiary students, the CareerTrackers' 12-week internships in generalist and child protection program streams, the Aboriginal graduate program, leadership programs, mentoring and coaching for employees, and strengthening the Aboriginal Staff Network.

Work continued to boost the recruitment and retention of Aboriginal child protection practitioners. This included a focus on practitioner care and resulted in more than two per cent of the child protection workforce identifying as Aboriginal.

Aboriginal Yarning Circles also continued to provide culturally appropriate and safe employee supports for our Aboriginal and Torres Strait Islander child protection workforce.

The department's Wirrigirri reconciliation program continues to increase the numbers of allies for Aboriginal inclusion, awareness of Aboriginal significant dates and events and culturally safe workplaces.

Aboriginal and Torres Strait Islander cultural safety

The department launched the Aboriginal and Torres Strait Islander cultural safety framework in June 2019. The framework's vision to ensure the Victorian health, human and community service sector provides culturally safe practice and service provision that enables optimal health, wellbeing and safety outcomes for Aboriginal people. To achieve this vision the framework has three key domains:

- > culturally safe workplaces and organisations
- > Aboriginal self-determination
- > leadership and accountability.

The department is developing executive leaders and workforce to take ownership of cultural safety as part of their responsibility to ensure a culturally safe environment for Aboriginal workforce and that self-determination is embedded in policy, program and service provision. Dedicated learning and development and online resources have been implemented for all staff, managers and executive to ensure all employees are responsible for how they work with Aboriginal staff, health consumers and clients of community services. A cultural safety working group has been operating to support the implementation of the framework throughout the organisation. A dedicated Aboriginal peer support network has been developed using the principles of self-determination to support the health, wellbeing and safety of our Aboriginal workforce.

In addition, the department has worked collaboratively with the Department of Education and Training, Adult Multicultural Education Services and the Koorie Heritage Trust to develop online community services cultural safety learning modules for job seekers under the Working for Victoria initiative.

The first annual cultural safety survey was completed by Aboriginal staff throughout October 2021. The survey enables us to monitor and track the department's progress in creating a culturally safe workplace and target our organisational development to ensure we continue to progress on the culturally safety learning journey.

Aboriginal Staff Network

The Aboriginal Staff Network offers access to a supportive culturally safe community of practice. It is a place to share good practice and creative ideas, support each other through issues of concern, access opportunities for personal and professional development and provide input into the department's work, policies and processes to ensure they are inclusive of Aboriginal people.

Consultations for developing the *Aboriginal workforce strategy 2021–2026* took place with the Network between June and October 2021. The new strategy will ensure that Aboriginal

employees' self-determination and cultural safety underpins every critical touchpoint of the employee experience.

The department remains committed to self-determination, and the ASN is an important channel for amplifying Aboriginal voices.

LGBTIQ+ inclusion

The department continued initiatives and actions in the LGBTIQ+ Inclusion Plan under six key result areas measured in the Australian Workplace Equality Index:

- > inclusive policy and practice
- > strategy and accountability
- > LGBTIQ+ training and education
- > LGBTIQ+ employee network
- > visibility and inclusion
- > community engagement.

The department implemented supportive processes for trans and gender diverse employees to affirm their gender identity in the workplace and to ensure their safety and inclusion and achieved bronze in the Australian Workplace Equality Index. The department continued to provide unconscious bias training and to work with Pride in Diversity to provide employees with training and awareness.

The department's Pride Network provides a forum for all staff interested in, and supportive of, creating safe and inclusive workplaces for LGBTIQ+ employees. Part of a broader whole-of-Victorian Government Pride Network, it offers a space for staff to promote positive LGBTIQ+ cultural awareness, sector-wide events, participate in professional development opportunities and contribute to the department's LGBTIQ+ diversity work.

Culturally diverse workforce

The department continued the CareerSeekers program for asylum seekers and refugees to allow them to gain valuable work experience from a paid 12-week internship.

Gender equality

The department continued work under the *Gender Equality Action Plan* launched in July 2019, supporting our commitment to gender equality.

The plan led the department to introduce initiatives including:

- > establishing a central fund for parental leave to ensure bias is eliminated and backfilling maternity leave does not cause additional cost
- > the Grace Papers initiative, a program designed to support parents preparing for and returning from parental leave
- > promoting gender balance of selection panels and unconscious bias training for panel members to reduce recruitment bias
- > developing and participating in women's networks such as the Victorian Public Sector Women of Colour Network and Women in Science Technology Engineering and Maths
- > a Deputy Secretary Gender Equality Champion appointed to drive communications across the department
- > implementing Our Watch's Workplace Equality and Respect program providing standards and supports for employees to take action to prevent violence against women and promote gender equality
- > regularly monitoring workforce gender pay gaps.

The introduction of the Gender Equality Act in March 2021 has seen the department commence implementation of the obligations under the Act, including:

- > implementing Gender Impact Assessments for all new policies, programs and services that have a significant impact on the public
- > conducting a workforce gender audit, using data at 30 June 2021
- > developing a Gender Equality Action Plan to be published and lodged with the Commission for Gender Equality in the Public Sector by 31 March 2022.

Youth Employment Scheme

The department is active in providing job opportunities for disadvantaged job seekers through the Youth Employment Scheme (YES), which strongly promotes opportunities for disadvantaged groups targeting long-term unemployed people, Aboriginal young people and people with disability, particularly in rural and regional Victoria.

YES is a Victorian Government initiative that enables unemployed or otherwise disadvantaged young people aged 15 to 24 years to enter the workforce and build sustainable careers through traineeships while attaining a qualification.

Youth Employment Program

The department engaged in the Youth Employment Program (YEP), an initiative of Working for Victoria in response to the outcomes of the COVID-19 pandemic which resulted in 17 to 29-year-olds being most severely impacted by the economic downturn. This group was prioritised because studies show a larger proportion of people aged under 30 lose jobs during downturns and they take longer to find another job, especially if they lack tertiary qualifications. Within this context further consideration is given to women and culturally and linguistically diverse (CALD) cohorts who have also proven to be more impacted by the COVID-19 pandemic.

YEP provides flexibility with the nature and extent of training. The placements provide paid employment while attaining a qualification, with the prospect of further and potentially ongoing employment in the department.

The cohort included two participants who are also residents of housing towers severely affected by the pandemic. Working within the department's housing office, they are helping to build understanding between the department and residents to deliver meaningful and improved services and further safeguard the resident population.

Graduate recruitment

In 2020–21 the department recruited six graduates from diverse academic backgrounds, three engaged through the Victorian Public Service Graduate Recruitment and Development Scheme (GRADS) and three through the department's internal Aboriginal Graduate Program.

Graduates participating in the 12-month Aboriginal Graduate Program ordinarily complete three internal rotations to develop core skills and gain broad experience working within various units within the department. Due to the challenges of COVID-19, the department's previous 2020 Aboriginal Graduate Program participants remained in their home position for the entirety of the 12-month program. At the conclusion of the program, they commenced in their ongoing VPS-3 roles.

Student placement program

The department offers students undertaking a tertiary qualification the opportunity to complete their fieldwork placement in health and human services as part of their course.

The COVID-19 pandemic resulted in fewer students completing a student placement than previous years. In 2020–21, 60 tertiary student placements were completed across the department, including placements in child protection, corporate services, and secure welfare services. Most of the placements (43) were completed in child protection.

Child Protection Vacation Employment Program

The Child Protection Vacation Employment Program (VAC) offers fixed-term paid employment of 12 weeks or 450 hours to eligible students studying for a recognised degree. The 12-week rotation-based program enables VAC participants to receive a structured, quality learning experience while gaining hands-on work experience in child protection.

Participants who demonstrate the essential skills and attributes necessary for entry into a child protection practitioner role (CPP) may receive a conditional offer of employment for a CPP 3 position, subject to the successful completion of their recognised degree.

The VAC program would usually commence in January each year. For 2020 this was delayed due to COVID-19 and the impact this would have on the ability to offer VAC employees meaningful work experience and supervision. The 2020 program did resume with 100 VAC employees commencing from June 2021. Planning for the January 2022 VAC program has commenced.

Occupational health and safety

The department is committed to protecting and enhancing the health, safety and wellbeing of all employees so we can continue our important work toward the department's vision for Victorian communities.

Improvement measures in 2020–21 included:

- > continued implementation of health, safety and wellbeing accountabilities through inclusion in performance development plans for VPS and executive employees.
- > adaptation of the former Department of Health and Human Services health and safety management system to be fit for purpose for the Department of Families, Fairness and Housing
- > development of an improved platform for staff to access all health, safety and wellbeing information related to working in the department in one place
- > implementation of InjuryNet to provide early support for staff who are injured at work to facilitate recovery and improve return to work outcomes
- > employee wellbeing supports to department employees through shared services managed by the Department of Health, including:
 - support following a critical incident in the workplace, using an evidence-based, best-practice model supported by psychological first aid training across the department.
 - best-practice, evidence-based vicarious trauma training to develop increased awareness of the impact of exposure to trauma and provide tools and strategies to recognise and manage this in the workplace.
- growth and expansion of the Peer Support Network with 54 trained peer supporters in the department. Peers are trained via a virtual platform, optimising opportunities for participation. A specific training program has been developed for Aboriginal peer supporters to support the workforce. The Peer Support Network has also been expanded to enable the deployment of peer supporters during an emergency response.
- an external Employee Wellbeing and Support Program offering a range of specialist support services that are proactive, holistic and preventative in nature. The program has been well received by staff with an annual utilisation rate of 22.9 per cent in the department from 1 February 2021 – more than double the industry benchmark.
- three new streams of support within the Employee Wellbeing and Support Program – Executive Platinum Support, Proactive Manager Assist and Proactive Conflict Assist. These programs are tailored to the unique needs of the department's workforce, ensuring that proactive engagement with wellbeing support is role modelled at a leadership level.
- flexible delivery of support in response to emergencies including tailored support that incorporates proactive engagement with employees, focusing on all levels including leadership. Additional support offerings have also been provided, catering for the variety of needs through programs such as wellbeing webinars, providing alternate ways for employees to engage with wellbeing support.

- a new wellbeing initiative that utilises technology to provide all employees with a wellbeing application, My Mental Fitness. The application is an evidence-based tool that assists employees to measure and improve their mental fitness.
- guidance material for employees and managers in relation to family violence supports available within the department.
- mental health and wellbeing training for all employees including executives and people managers, as part of the department's ongoing commitment to support implementation of the *Victorian Public Sector Mental Health and Wellbeing Charter*.

The department's performance against occupational health and safety management measures

Measure	Key performance indicator	2020–21
Hazards	Number of hazards ⁱ	536
	Rate per 100 FTE	8.96
Incidents	Number of incidents ^{xii}	1,386
	Rate per 100 FTE	23.18
	Number of incidents requiring first aid ⁱⁱ and/or further medical treatment	193
Claims	Number of standard claims ⁱⁱⁱ	70
	Rate per 100 FTE	1.17
	Number of lost time claims	40
	Rate per 100 FTE	0.67
	Number of claims exceeding 13 weeks ^{iv}	30
	Rate per 100 FTE	0.50
Absenteeism	Total number of days absence due to injury or illness	74,707.79
	Rate per 100 FTE	1,249.36 ^v
Fatalities	Number of fatalities	0
Prosecutions	Total number of prosecutions ^{vi}	0
Claims costs ^{vii}	Average cost per standard claim ^{viii}	\$189,046

ⁱ Data extracted with a six-month lag to allow for claims to reach 13 weeks compensation.

ⁱⁱ Data represents sick leave, personal leave, carers leave and special leave.

ⁱⁱⁱ Refers to health, safety and wellbeing prosecutions.

^{iv} Includes payments and estimated future costs.

^v Data extracted with a three-month lag to allow for the claims estimate to develop to give an accurate picture of associated costs.

^{vi} Refers to health, safety and wellbeing prosecutions.

^{vii} Includes payments and estimated future costs.

^{viii} Data extracted with a three-month lag to allow for the claims estimate to develop to give an accurate picture of associated costs.

Measure	Key performance indicator	Performance
Management commitment	OHS policy statement and OHS criteria	<p>The department has developed a <i>Health safety and wellbeing policy</i> that will be considered by the Executive Board to express the department's commitment to employee health, safety and wellbeing (HSW). HSW accountabilities were included in all executive performance plans and into the performance and development plans for all employees.</p> <p>The department has established a subcommittee of the Executive Board with a sole focus on employee HSW. This committee will provide greater visibility to the Executive Board of the department's HSW performance, accountability and due diligence.</p> <p>Consultation committees continued to lead proactive and preventive activity to protect and improve the mental and physical health, safety and wellbeing of staff.</p> <p>Continued review and development of the department's health and safety management system in consultation with department employees, health and safety representatives and management.</p> <p>The department provides quarterly and monthly performance reports to a range of internal stakeholder groups and senior leaders to inform decision making.</p>
Consultation and participation	Designated work group structures and issue resolution procedures	<p>The department has a comprehensive health and safety consultation structure in place comprising committees at the area and divisional level which meet quarterly. Committee meetings are chaired by relevant Deputy Secretaries and directors and follow a coordinated schedule to ensure timely escalation and resolution of any identified issues.</p> <p>The department has an extensive network of 139 designated work groups with 187 health and safety representatives (including deputy health and safety representatives) and 82 designated management representatives.</p> <p>The department has a model procedure for managers and employees to follow in resolving health and safety issues identified in department workplaces.</p>
Risk management	Regular internal audits conducted, and issues identified and actioned	<p>The department has an electronic employee health and safety incident reporting system (eDINMAR) available on employee desktops and through the department's HSW SharePoint site. This system enables greater accountability and timely follow-up and resolution of reported hazards and risks.</p> <p>The department has comprehensive procedures and tools for assessing and managing key risks and for undertaking regular workplace inspections.</p> <p>WorkSafe made 15 visits to department workplaces and issued 1 improvement notice from 1 February to 30 June 2021.</p>

Measure	Key performance indicator	Performance
Training	Managers, health and safety representatives and other staff trained	<p>The department delivered health and safety training to managers and mental health related training to executives, managers and employees. Training numbers are not available due to the machinery of government changes that took effect during the year.</p> <p>All health and safety representatives elected were encouraged and supported by the department to undertake the five-day health and safety representative training program.</p>

Standard claims are those that have exceeded the employer excess (days or dollars) or are open claims that have been received but have no payments at the time of extraction and may be rejected.

A time-lost claim is one with one or more days compensation paid by the Victorian WorkCover Authority (that is, once the employer has paid the 10-day excess) at the time of extraction.

Thirteen-week claims are claims that involve 13 weeks or more of weekly benefits paid. The 13-week measure begins at day one (that is, employer excess and Victorian WorkCover Authority payments).

Section 4: Other disclosures

Local Jobs First

This section reports information for the former Department of Health and Human Services for the period of 1 July 2020 – 31 January 2021 and, post machinery of government change, the Department of Health, and the Department of Families, Fairness and Housing for the period of 1 February – 30 June 2021.

The *Local Jobs First Act 2003* (formerly the *Victorian Industry Participation Policy Act 2003*) was introduced in August 2018 and brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

Departments and public sector bodies are required to apply the Local Jobs First policy in all projects valued at \$3 million or more in metropolitan Melbourne or for statewide projects, or \$1 million or more for projects in regional Victoria.

MPSG applies to all construction projects valued at \$20 million or more.

The MPSG guidelines and VIPP guidelines will continue to apply to MPSG-applicable and VIPP-applicable projects respectively where contracts have been entered prior to 15 August 2018.

Projects commenced – Local Jobs First Standard

During 2020–21, the department began three Local Jobs First Standard projects totalling \$21.69 million. Of those projects, two were located in regional Victoria, with a commitment of 92 per cent of local content, and one in metropolitan Melbourne, with a commitment of 63 per cent local content. No statewide projects were commenced. The MPSG did not apply to any of these projects.

The outcomes expected from the implementing the Local Jobs First policy to these projects where information was provided are as follows:

- > an average of 82 per cent of local content commitment was made

- > a total of 29 jobs (annualised employee equivalent (AEE)) were committed, including creating one new job and retaining 28 existing jobs (AEE)
- > no apprentices, trainees or cadets were committed or created, although five existing apprenticeships were retained
- > MPSG did not apply
- > there were three small to medium enterprises that prepared a VIPP Plan or Local Industry Development Plan (LIDP), and 160 small to medium-sized businesses were engaged through the supply chain on commenced Standard Projects.

Projects completed – Local Jobs First Standard

During 2020–21, the department completed two Local Jobs First Standard projects, totalling \$60.57 million. Of those projects, one was located in regional Victoria, with a commitment of 94 per cent local content, and one in metropolitan Melbourne, with a commitment of 89 per cent local content. The MPSG did not apply to these projects.

The outcomes expected from the implementation of the Local Jobs First policy to these projects where information was provided, are as follows:

- > an average of 89 per cent of local content commitment was made;
- > a total of 85 jobs (AEE) were supported, including the creation of six new jobs and the retention of 79 existing jobs (AEE);
- > a total of 8 positions for apprentices, trainees and cadets were committed, including creating five new apprenticeships, traineeships and cadets and retaining the

remaining three existing apprenticeships and traineeships

- > there were two small to medium enterprises that prepared a VIPP Plan or LIDP for contracts, successfully appointing principal contractor, and 35 small to medium-sized businesses were engaged through the supply chain on completed Standard Projects.

Projects commenced – Local Jobs First Strategic

During 2020–21, the department began five Local Jobs First Strategic projects, valued at \$1,739 million. The projects were based in metropolitan Melbourne and regional Victoria, with one statewide. The MSPG applied to all five projects.

The outcomes reported from implementing the policy where information was provided, were as follows:

- > an average of 90 per cent of local content outcome was recorded;
- > a total of 3,676 (AEE) positions were committed, including creating 1,131 new jobs and retaining 2,545 existing jobs (AEE)
- > 322 new apprenticeships and traineeships were committed and 78 existing apprenticeships and traineeships retained for these MSPG projects
- > 1,798 small to medium-sized businesses were engaged through the supply chain on commenced strategic projects.

Projects completed – Local Jobs First Strategic

During 2020–21, the department completed two Local Jobs First Strategic projects, valued at \$236 million. One project was based in regional Victoria, with 85 per cent of estimated local content, and one project was statewide, with 92 per cent of estimated local content. The MSPG applied to these two projects.

The outcomes reported from implementing the policy where information was provided are as follows:

- > an average of 85 per cent of local content outcome was recorded
- > a total of 73 (AEE) positions were supported, including the creating 29 new jobs and retaining 44 existing jobs (AEE)
- > 29 new apprenticeships and cadets were supported, and 44 existing apprenticeships retained
- > MSPG projects engaged 29 apprentices, trainees, and cadets
- > there were two small to medium enterprises that prepared a VIPP Plan or LIDP for contracts, and 16 small to medium-sized businesses were engaged through the supply chain on completed strategic projects.

Reporting requirements – all projects

The department began four contracts prior to 15 August 2020 with a total of 88 per cent estimated to be of local content for which a VIPP Plan or LIDP was not required, as the procurement activity was local in nature.

Reporting requirements – grants

The department undertook no grants processes involving Local Jobs First.

Disclosure of major contracts

This section reports information for the former Department of Health and Human Services for the period of 1 July 2020 – 31 January 2021 and, post machinery of government change, the Department of Health, and the Department of Families, Fairness and Housing for the period of 1 February – 30 June 2021.

The departments disclosed, in accordance with the requirements of government policy and accompanying guidelines, all contracts greater than \$10 million in value entered into during the year ended 30 June 2021. Details of contracts that have been disclosed in the Victorian Government contracts publishing system can be

viewed at the government's [tenders website](http://www.tenders.vic.gov.au) <www.tenders.vic.gov.au>.

Contractual details have not been disclosed for contracts where disclosure is exempted under the *Freedom of Information Act 1982* and/or government guidelines.

Consultancy expenditure

This section reports information for the former Department of Health and Human Services for the period of 1 July 2020 – 31 January 2021 and, post machinery of government change, the Department of Health, and the Department of Families, Fairness and Housing for the period of 1 February – 30 June 2021.

In 2020–21, there were 91 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2020–21 in relation to these consultancies is \$47,750,078 (excluding GST).

In order to increase transparency, the departments have presented the information under six categories:

- > capital, business and planning
- > information, data and technology
- > policy/program advice and delivery
- > probity, data integrity and audit
- > program assessment and evaluation
- > workforce support.

Joint reporting for 2020–21

The Department of Health and the Department of Families, Fairness and Housing (replacing the former Department of Health and Human Services) continued to operate a joint financial system in 2020–21. Consequently, this report reflects the total spend for the two departments for the 2020–21 financial year.

Each department will operate separate accounts from 1 July 2021 and report separately in 2021–22.

COVID-19

The departments experienced significant demand for high level, independent advice and support during 2020–21 which resulted in increased use of consultants. This ensured the two departments were well positioned to respond to the numerous and unique challenges that arose due to the COVID-19 pandemic.

Improving procurement practice

The departments undertook a number of activities to reduce reliance on consultants, including building internal capabilities and improvements to procurement processes.

During 2020–21, the departments:

- > continued strong management of consultant engagements through the Strategic Alliance framework established in 2018–19 with five third-party providers across the health, community services and organisational improvement domains. The details of work undertaken through the framework and payments made in 2020–21 are included in the first part of the report below
- > leveraged strategic consultancy relationships under the alliance model to maintain procurement rigour during the departments'

emergency response to COVID-19. These benefits and discounted rates have also been leveraged to support the establishment of Homes Victoria

- > supported the capability uplift of our people and the transformational change of the department and our services, as well as improving the quality of the strategic advice we received
- > continued to develop internal capability through knowledge sharing with department staff involved in Strategic Alliance projects as well as dedicated internal consulting, advisory and project-based programs to improve policy and program delivery

- > drove high level scrutiny of consultant engagements to ensure, among other things, that all alternative avenues of supply were considered prior to engaging a consultant.

Improvements to procurement processes ensured that contracted solutions were competitive, used government and department panel contracts where appropriate, and undertook meaningful contract review processes to inform decisions on future engagements.

These arrangements continued to drive value for money, with a focus on ensuring the department used consultants and contracts appropriately and effectively.

Details of consultancies

Details of individual consultancies where the total fees payable to the individual consultancies were less than \$10,000 can be requested under Appendix L – Additional information available on request. During 2020–21, there were five consultancies engaged under this category with a combined value of \$28,303 (excluding GST).

Details of individual consultancies where the total fees payable to the consultants were \$10,000 or greater are included as follows:

Consultancies (valued at \$10,000 or greater)

Category	Consultant	Purpose of consultancy	Total approved project fee excl. GST	Expenditure 2020–21 excl. GST	Future expenditure excl. GST
Policy/Program Advice & Delivery	Boston Consulting Group	Social housing growth delivery plan	308,000		307,410
		Affordable and specialist accommodation redesign	770,000	770,000	0
	Strategic Alliance (Health) total approved project fee whole-of-life status for this consultant as at 30 June 2021 excl. GST: \$22,727,273	Reform and Planning, DHHS System	250,000	250,000	0
		Support, Health Share Victoria Business Build	1,470,000	1,470,000	0
		End to end testing and turnaround time, Pathology	5,605,091	5,400,999	204,091
	Ernst & Young Services Pty Ltd	Financial systems review	586,000		248,855
		Big Housing Build – Independent Advisory Panel	39,864	16,335	23,529
	Strategic Alliance (Health) total approved project fee whole-of-life status as at 30 June 2021 excl. GST: 16,363,636	Ground lease model development and procurement	1,802,690	760,773	1,041,917
		Spot housing acquisition due diligence	3,061,251	1,232,510	1,828,741
		Housing and Energy Efficiency Design	405,000	360,822	44,178

Category	Consultant	Purpose of consultancy	Total approved project fee excl. GST	Expenditure 2020–21 excl. GST	Future expenditure excl. GST
		Speciality Disability Housing Acquisition Support	88,000	31,600	56,400
		Financial Audit	653,960	653,958	2
		Asset Feasibility Support	629,087	629,087	0
		Advice, Social investment for COVIC-19 social recovery	499,319	285,799	213,520
		Business Analysis, Essential services in response to COVID-19	100,000	19,350	80,650
		Support, Data and reporting, Child Protection Workforce Strategy 2021–2024	409,091	409,091	0
		Support, workforce reporting, COVID-19	831,884	831,884	0
	KPMG	Review of leasing arrangements	333,772		333,772
	Strategic Alliance (Health) total approved project fee for this consultant whole-of-life status as at 30 June 2021 excl. GST: 27,272,727	Risk management framework	215,190	69,630	145,560
		Maintenance Stimulus Governance	2,043,815	1,098,571	945,244
		Project Management Office and Business Case Support	2,756,000	2,103,400	652,600
		Social Housing Ground Fund project support	700,000	192,235	507,765
		COVID-19 Emergency Management Support	3,129,364	3,014,060	115,304
		People Centred Design project design	100,000	100,000	0
		Capital package support	330,000	257,848	72,152
		Support, Vision Initiative Evaluation project	134,579	107,663	26,916
		Service Plan, Mildura and Northern Mallee	257,843	187,382	8,000
		Enterprise Architecture, HealthShare	223,000	223,000	0
		Transitional Support, People with Disability following hospital discharge	169,451	50,835	118,616
		Establishment, Joint Intelligence Unit, State Control Centre	63,636	54,684	8,952
		Review, Medical Workforce Arrangements	58,906	58,906	0
		Funding Model Reform, Early Parenting Centre	218,469	65,541	152,928

Category	Consultant	Purpose of consultancy	Total approved project fee excl. GST	Expenditure 2020–21 excl. GST	Future expenditure excl. GST
		Review, Integrated Health Promotion Program	136,325	40,898	95,428
		Strategy, Private Hospital Elective Surgery	89,493	89,493	0
		Review, State Supply Chain for Health Services	78,584	78,584	0
		Strategy, Patient Administration System	270,800	270,800	0
		Development, Better at Home program	294,000	91,287	202,713
		Measuring, Reporting and Reducing Low-Value Care	98,998	98,998	0
		Review, Alfred Hospital Burns Service Clinical Service	86,067	17,213	68,854
		COVID Analysis of NPA Funded Activities	196,193	168,365	27,828
		Variation – COVID-19 – Private Health Sector Advisory Services	1,590,909	1,290,243	300,666
		COVID-19 Disability Sector Preparedness Response	227,273	167,721	59,552
		Financial Review, Victorian Public Hospitals impacted by COVID-19	1,057,372	798,442	3,078
		Advisory Services, COVID-19 and the private health sector	6,617,871	4,615,525	744,356
		Integrated Planning and Governance Framework, School dental program	477,136	263,079	0
		Support, Healthcare worker infection prevention and wellbeing taskforce	719,108	534,858	184,251
		Support, Health prevention program development	138,979	97,285	0
		Support, Royal Commission into Victoria's Mental Health System	396,422	306,346	49,702
		Strategy and workforce data, Mental Health workforce	227,888	227,888	0
		Business case, Public assisted reproductive treatment	301,830	294,779	7,050
		Support, Obesity prevention plan evaluation	159,769	119,828	39,942

Category	Consultant	Purpose of consultancy	Total approved project fee excl. GST	Expenditure 2020–21 excl. GST	Future expenditure excl. GST
		Support, Early years program development	180,497	180,497	0
		Integrated public hospital laboratory information systems	1,244,400	899,295	345,105
		Workforce Plan, COVID-19 Public health response	127,518	128,609	0
		Options analysis, Health Technology Solutions and IT operating model	191,636	57,491	0
	Nous Group Pty Ltd	Analysis, Department of Families, Fairness and Housing portfolios	30,000		30,154
	Strategic Alliance (Health) total approved project fee for this consultant whole-of-life status as at 30 June 2021 excl. GST: 5,454,546	Community housing and local government partnerships	380,952	281,457	99,495
	Third Horizon Consulting Pty Ltd / Publicis Sapient	Operating model design	211,455		211,455
		Support, Operation Vestige (visits to COVID-19 homes)	60,945	60,945	0
	Strategic Alliance (Health) total approved project fee for this consultant whole-of-life status as at 30 June 2021 excl. GST: 13,636,365	Support, Cost management program	892,275	883,372	8,904
		Design, Child Protection project management office	113,884	113,838	47
		Support, Organisational transformation leadership	53,411	15,277	23,614
Capital Business Case & Planning	Data Agility	Business Case, Genomics System Replacement	254,345	127,345	0
	Deloitte Touche Tohmatsu	Support, transition and commercial negotiation, Mildura Base Hospital	1,657,781	1,116,693	0
	Deloitte Touche Tohmatsu	Business case development, online and/or mobile automated processing project, Victorian patient transport assistance scheme.	135,150	141,043	0
Information, Data & Technology	Ernst & Young Services Pty Ltd	Strategy, IT resilience	550,000	234,634	29,785
Information, Data & Technology	Ernst & Young Services Pty Ltd	Review, Housing financial systems and management	286,000	184,340	0
	Amcosh Pty Ltd	Lead, environmental investigations	43,636	11,495	0

Category	Consultant	Purpose of consultancy	Total approved project fee excl. GST	Expenditure 2020–21 excl. GST	Future expenditure excl. GST
Policy/Program Advice & Delivery	Centre for Evidence and Implementation Ltd	Development, Core Practice Elements in Children and Families Services	1,608,948	494,455	130,702
	Ernst & Young Services Pty Ltd	Establishment of project management office	6,368,364	1,686,003	0
	Ernst & Young Services Pty Ltd	Design, operating model, shared services and systems, DFFH and DH	428,102	414,999	13,103
	Infection Control Consultancy	Workshop advice, COVID-19 Infection Prevention and Control	18,182	14,000	0
	Infection Contrology	Development, Infection, prevention and controls, high risk workplaces	209,273	161,100	4,173
	Institute for Healthcare Improvement	Development, Community Services improvement	1,361,416	250,000	761,416
	Ken D. Lay	Lead, consultation process, injecting rooms	153,727	128,484	25,243
	KPMG	Analysis, readiness response and emergency management	59,113	51,824	7,289
	Monash University	Ethical guidance, critical care resource allocation, Victorian Hospitals, COVID-19	42,997	42,997	0
	Porter Novelli	Strategic communication, Mildura Base Hospital transition	232,432	200,803	0
	Price Waterhouse Coopers	Support, assessment and design, Local Public Health Units, for COVID-19	2,700,000	2,479,073	0
Price Waterhouse Coopers	Advice and support, performance, Emergency Department, Victorian metro health service	223,880	113,185	110,695	
Probity & Data Integrity Audit	Due Diligence Consultants Pty Ltd	Due Diligence Reporting	169,275	20,776	44,800
	KPMG	Data integrity audits, Victorian admitted episodes dataset	2,943,112	455,414	0
Program Assessment & Evaluation	CSIRO	Evaluation, HealthLinks, chronic care	1,667,387	90,898	85,122
	Global Public Safety Pty Ltd	Examination, mobile duress options	45,000	45,378	0
	Institute for Healthcare Improvement	Victorian Patient Safety Program	10,207,681	4,569,710	0

Category	Consultant	Purpose of consultancy	Total approved project fee excl. GST	Expenditure 2020–21 excl. GST	Future expenditure excl. GST
	Nous Group Pty Ltd	Review, support strategic commissioning of community services	119,300	122,836	0
	Sax Institute	Evaluate, place-based suicide prevention trials	898,841	216,181	143,867
	SGS Economics & Planning Pty Ltd	Advice, rates mechanisms, local government social housing	63,269	38,500	24,769
	The Systems School	System expert, homelessness evaluation	77,273	50,160	1,946

Government advertising expenditure

For the 2020–21 reporting period, there was only one government advertising campaign with total media spend of \$100,000 or greater (exclusive of GST). Details of the campaign are outlined below.

Details of government advertising expenditure for 2020–21 (campaigns with a media spend of \$100,000 or greater) (\$ thousand)

Name of campaign	Campaign summary	Start/end date	Advertising expenditure (media) (excl. GST)	Creative and campaign development expenditure (excl. GST)	Research and evaluation expenditure (excl. GST)	Print and collateral expenditure (excl. GST)	Other campaign expenditure (excl. GST)	Total
Family violence and primary prevention workforce recruitment	Campaign to attract and recruit people into the workforce to ensure essential services are delivered and to future-proof the workforce.	August 2020 – June 2021	\$145.31	\$119.40	N/A	N/A		\$264.71

Information and communication technology expenditure

This section reports information for the former Department of Health and Human Services for the period of 1 July 2020 – 31 January 2021 and, post machinery of government change, the Department of Health, and the Department of Families, Fairness and Housing for the period of 1 February – 30 June 2021.

For the 2020–21 reporting period, the department had a total information and communication technology (ICT) expenditure of \$464,840,471.ⁱ The details are shown below.

(\$'000)			
All operational ICT expenditure	ICT expenditure related to projects to create or enhance ICT capabilities		
Business as usual (BAU) ICT expenditure	Non-business as usual (BAU) ICT expenditure	Operational expenditure	Capital expenditure
(Total)	(Total = operational expenditure and capital expenditure)		
\$305,221	\$159,619	\$71,135	\$88,484

ICT expenditure refers to the department's costs in providing business-enabling ICT services within the current reporting period. It comprises business as usual (BAU) ICT expenditure and non-business as usual (non-BAU) ICT expenditure.

Non-BAU ICT expenditure relates to extending or enhancing the department's current ICT capabilities.

BAU ICT expenditure is all remaining ICT expenditure, which primarily relates to ongoing activities to operate and maintain the current ICT capability.

ⁱ ICT expenditure for the 2020–21 reporting period for Department of Families, Fairness and Housing and Department of Health has been consolidated due to timing of the machinery of government change.

Freedom of information

The *Freedom of Information Act 1982* aims to extend as far as possible the right of the community to access information held by the Victorian Government and other bodies subject to the Act.

The Act allows the department to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and documents relating to trade secrets.

The Act provides a 30-day period for processing requests. This time may be extended where consultation is required and by agreement with the applicant.

If an applicant is not satisfied with a decision made by the department, including a decision about whether the application fee is to be waived, the applicant has the right to seek a review by the Office of the Victorian Information Commissioner within 28 days of receiving a decision letter.

Making a request

Access to documents may be obtained through written request to the department's Freedom of Information Unit, pursuant to s. 17 of the Act.

In summary, the requirements for making a request are:

- > it must be in writing
- > it should provide such information concerning the document as is reasonably necessary to enable identification of the document
- > it should be accompanied by the application fee of \$30.10 (the fee may be waived in certain circumstances).

Requests for documents in the department's possession should be addressed to:

Freedom of Information Unit
Department of Families, Fairness and Housing
GPO Box 1774
Melbourne VIC 3001

Requests and payment of the application fee can also be lodged online with the [Office of the Victorian Information Commissioner](https://www.ovic.vic.gov.au) <ovic.vic.gov.au>.

Telephone enquiries can be made by calling 03 9096 8449.

Access charges for photocopying and search retrieval may also apply once the request has been finalised.

FOI statistics/timeliness

Since the establishment of the department in February 2021, 850 applications have been received. Of these, 19 were from Members of Parliament, two were from the media, and the remainder were from the general public.

The department made 626 FOI decisions and processed 77 per cent of requests within the statutory time period. Of the requests finalised, 70 per cent were granted in full or in part.

Twelve decisions were subject to review by the Office of the Victorian Information Commissioner and five appeals were made to the Victorian Civil and Administrative Tribunal.

Requests for Family Safety Victoria documents

Requests for documents in possession of Family Safety Victoria should be addressed to the Freedom of Information Officer, Family Safety Victoria at the same postal address, or can be [emailed to Freedom of Information – Family Safety Victoria](mailto:foi@familysafety.vic.gov.au) <foi@familysafety.vic.gov.au>.

For public interest disclosures relating to Family Safety Victoria, information is available on the [Family Safety Victoria Public Interest Disclosure Procedure webpage](http://www.vic.gov.au/family-safety-victoria-public-interest-disclosure-procedure) <www.vic.gov.au/family-

safety-victoria-public-interest-disclosure-procedure> or by [emailing the public interest disclosure coordinator](mailto:fsv.protected.disclosures@familysafety.vic.gov.au) <fsv.protected.disclosures@familysafety.vic.gov.au>.

Compliance with the Building Act 1993

The department requires that appropriately qualified consultants and contractors are engaged for all proposed works on land controlled by the department or a health service agency, and that their work and services comply with current building standards. All such consultants and contractors are expected to have appropriate mechanisms in place to ensure compliance with the building and maintenance provisions of the *Building Act 1993*.

In relation to existing buildings, the department is responsible for the mandatory testing of all essential safety measures to comply with the requirements of Australian Standard 1851. Testing of emergency and exit lights, sprinklers, detection and other essential safety measures form part of this routine preventative maintenance with responsive works actioned through existing maintenance contracts.

The department continues to liaise with and contribute to the progress and outcomes of Cladding Safety Victoria for department-owned buildings. Relevant buildings owned by the department have been audited against the risk framework originally developed by the Victorian Cladding Taskforce and where non-compliant cladding has been discovered, assessed against that framework for a risk rating derived from one of the four risk categories.

These buildings are now being progressively rectified and/or remediated in accordance with that risk ranking and as resources and funding allows.

The department undertook 630 major works projects in 2020–21, was issued with seven building-related emergency orders, secured 306 building permits and 228 certificates of final inspection.

Competitive neutrality policy

This section reports information for the former Department of Health and Human Services for the period of 1 July 2020 – 31 January 2021 and, post machinery of government change, the Department of Health, and the Department of Families, Fairness and Housing for the period of 1 February – 30 June 2021.

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government

businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

The departments ensure Victoria fulfils its requirements on competitive neutrality reporting as required under the Competition Principles Agreement and Competition and Infrastructure Reform Agreement.

Compliance with the Public Interest Disclosures Act 2012

The *Public Interest Disclosures Act 2012* encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

The department does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. We are committed to ensuring transparency and accountability in our administrative and management practices and support the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The department will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. We will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

Reporting procedures

Disclosures of improper conduct or detrimental action by the department or any of our employees may be made to any of the following department personnel:

- > the Secretary
- > public interest disclosure coordinators
- > manager or supervisor of the discloser
- > manager or supervisor of the person who is the subject of the disclosure.

Alternatively, disclosures may also be made directly to the Independent Broad-based Anti-corruption Commission:

Level 1, North Tower, 459 Collins Street
Melbourne VIC 3000

Phone: 1300 735 135

[IBAC website](http://www.ibac.vic.gov.au) <www.ibac.vic.gov.au>

[Email IBAC](mailto:info@ibac.vic.gov.au) <info@ibac.vic.gov.au>.

Further information

The public interest disclosures policy and procedures, which outline the system for reporting disclosures of improper conduct or detrimental action by the department or any of our employees and/or officers, are available:

- > on the department's [public interest disclosures webpage](https://providers.dffh.vic.gov.au/public-interest-disclosure) <providers.dffh.vic.gov.au/public-interest-disclosure>
- > by [emailing the public interest disclosure coordinators](mailto:Public.Interest.Disclosures@dffh.vic.gov.au) <Public.Interest.Disclosures@dffh.vic.gov.au>
- > by phoning a department public interest disclosure coordinator on our integrity hotline: 1300 131 431.

Disclosures under the *Public Interest Disclosures Act 2012* (formerly the *Protected Disclosure Act 2012*)

	2018–19 number	2019–20 number	2020–21 number
The number of disclosures made by an individual to the department and notified to the Independent Broad-based Anti-Corruption Commission	1	4	1

Family Safety Victoria – public interest disclosure procedure

For public interest disclosures relating to Family Safety Victoria, information can be located on the [Family Safety Victoria public interest disclosure procedure webpage](https://www.vic.gov.au/family-safety-victoria-public-interest-disclosure-procedure) <www.vic.gov.au/family-safety-victoria-public-interest-disclosure-procedure> or by [emailing the public interest disclosure coordinator](mailto:fsv.protected.disclosures@familysafety.vic.gov.au) <fsv.protected.disclosures@familysafety.vic.gov.au>.

Compliance with the Carers Recognition Act 2012

The department has taken all practical measures to comply with our obligations under the *Carers Recognition Act 2012*. These include promoting the principles of the Act to people in care relationships who receive the department's services and to the wider community by:

- > distributing printed material about the Act at community events or service points
- > providing links to State Government resource materials on the department's website
- > providing digital and/or printed information about the Act to the department's partner organisations
- > supporting departmental staff to have an awareness and understanding of the care relationship principles set out in the Act when setting policies and providing services. This includes in the review of departmental employment policies on personal/carer leave and flexible working arrangements so these comply with the statement of principles in the Act
- > considering the care relationships principles set out in the Act when setting policies and providing services including supporting application of the Act's principles through service providers of the ongoing Victorian Support for Carers Program
- > supporting carers' awareness and understanding of the care relationship principles set out in the Act and what they mean for carers, and that carers provide input on improving processes, systems and services to better support them. A satisfaction survey has been developed for distribution at assessment and review meetings between workers, carers and those receiving care.

The department supports the Victorian Carer Advisory Group of more than 20 carers and peak body representatives and other consultative groups to inform initiatives supporting carers of all ages and backgrounds.

Victoria's Support for Carers Program service providers have adapted services during COVID-19 public health restrictions. Following feedback from carers about their needs throughout the

pandemic, support to carers has included regular welfare checks on social media, online group education, training and carer networking and online groups to meet specific needs of diverse carers and of those receiving care; and provision of food and medication, care packs and online entertainment and assistance with utility bills.

Priority actions in Recognising and supporting Victoria's carers: Victorian carer strategy 2018–22 are that:

- > carers have better health and wellbeing
- > carers are supported in school, study and work environments
- > carers can access support and services that meet their needs
- > carers have less financial stress
- > carers are recognised, acknowledged and respected.

The department's actions to implement these priorities include:

- > 56 Supporting Carers Locally grants for local carers' health and wellbeing, networking and support, and building carer support capacity among other groups and organisations
- > five Statewide Partnerships grants supporting carers including carer physical and mental health and wellbeing, younger carers in education, carer financial literacy and culturally diverse carers
- > additional respite funding in the Support for Carers Program including better opportunities for hidden carers to access support and services that meet their needs, and during COVID-19 providing carers with respite breaks online, and supporting carers to access and use technology that keeps carers connected to services, each other and their families and friends
- > extension of benefits available through the Carer Card
- > involvement of carers in decision making about services and programs for the people for whom they care, including funding peak bodies such as Carers Victoria to advocate for and support carers.

The Carers Employment Support Program provides:

- > carer support and assistance to engage in employment, vocational training, study and placements
- > pre-employment workforce readiness, mentoring and support
- > post-employment workplace mentoring, support and supervision.

A Strategic Advisory Group has been established to inform program development and implementation. Carers Victoria and Little Dreamers have received specific project funding to support the initiative. The department is partnering with the Department of Jobs, Precincts and Regions to undertake research and analysis on opportunities for carers who want to access flexible jobs and employment in the aged care, disability and community sectors.

Report of the Commissioner for Senior Victorians

The Commissioner for Senior Victorians, Gerard Mansour, provides policy advice to the Victorian Government on key issues for senior Victorians such as prevention of elder abuse, end-of-life planning, ageing well, volunteering and carer needs.

The Commissioner met regularly with the Minister for Disability, Ageing and Carers, the Minister for Prevention of Family Violence, the Parliamentary Secretary for Carers and Volunteers and senior Victorian Government executives on issues of importance to older people.

In August 2020, the Commissioner was jointly appointed by the Federal and Victorian ministers responsible for ageing as an advisor to the Victorian Aged Care Response Centre. His role included providing advice and consultation for engaging with families of residents in severely COVID-19 impacted aged care facilities and helping to connect families to available such as the Elder Rights Advocacy service.

The Commissioner has continued his advocacy for families and aged care residents through regular review of public health visitor restrictions for care facilities applied during each lockdown period.

On 12 November 2020, the Commissioner's report *Ageing well in a changing world* was launched by the Minister for Disability, Ageing and Carers, the Hon Luke Donnellan MP via webinar.

Drawing on the insights of 5,000 senior Victorians, the report identifies eight key attributes of ageing well in Victoria.

In the government's response to the findings, a Senior Victorians Advisory Group chaired by the Commissioner and including older Victorians and sector and peak body representatives groups has been established.

The Commissioner has represented the views and interests of older people at the:

- > Royal Commission into Aged Care Quality and Safety – Financing of Aged Care submission
- > Royal Commission into Victoria's Mental Health System – supplementary information as requested by the Royal Commissioners
- > Parliamentary Inquiry into use of school buses in rural and regional Victoria submission, invited presentation and the public hearing
- > Retirement Villages Act review submission and on the stakeholder reference group.

The Commissioner works with a range of peak bodies supporting the interests of older people. These include COTA Victoria, the Ethnic Communities Council of Victoria, U3A Network Victoria, Men's Sheds Victoria, the Municipal Association of Victoria, Leading Age Services Australia and Aged and Community Services Australia.

The Commissioner speaks regularly on Golden Days Radio and continues to engage with seniors through social media.

During 2020–21, his Facebook followers increased 17 per cent from 1,745 to 2,050 and his LinkedIn followers increased 40 per cent from 4,200 to 5,879. The launch of the Ageing well report on LinkedIn reached 19,890 people and received 530 reactions and 88 comments.

Public health restrictions on face-to-face contact continued to impact the Commissioner's community engagement activities. As various seniors organisations moved to online meetings and events, the Commissioner was able to participate and continue to hear the views of older people. In 2021, this has included community conversations about the impacts of COVID-19 on older people.

Ambassador for Elder Abuse Prevention

The Commissioner contributed to the creation of an elder abuse prevention framework, continues to work with the Integrated Models of Care and Prevention Networks, and actively supports campaigns such as the Warm Safe Homes and the Rotary Campaign on family violence including elder abuse.

The Commissioner spoke at the 2021 World Elder Abuse Awareness Day webinar organised by the Department of Families, Fairness and Housing and Seniors Rights Victoria. The Commissioner participated in the Seniors Rights Victoria online Purple Tea: Stir A Cuppa for Seniors and the Merri Health/City of Moreland Let's talk about ageing art exhibition launch.

The Commissioner is deputy chair of the Elder Abuse and Safeguarding Advisory Group.

Compliance with the Disability Act 2006

The *Disability Act 2006* requires Victorian agencies to develop a disability action plan to reduce barriers and enhance opportunities for people with disability.

The inaugural *Department of Health and Human Services disability action plan 2018–2020* (the plan) set the standard for how the former department wanted to operate as a truly inclusive work, policy, and service environment. The plan provided a three-year framework for change, with publicly available annual implementation plans aligned to financial years, to maintain momentum. The *Department of Health and Human Services disability action plan 2018–2020: 2019–2020 implementation plan* set out year two actions and included progress reports against the 2018–19 implementation plan (year one) actions.

The department has had to put disability action plan reporting on hold to focus our effort on the needs of people with disability during the COVID-19 public health emergency. However, many of the disability action plan actions have continued and/or are embedded in department

practice, including a focus on accessible communication, community attitude change, inclusive employment, access to disability advocacy, and the roll out of Changing Places.

To find out more and access annual implementation plans, visit the [Disability Action Plan 2018–2020 webpage](http://www.dhhs.vic.gov.au/publications/disability-action-plan-2018-2020) <www.dhhs.vic.gov.au/publications/disability-action-plan-2018-2020>.

Consideration is being given to an approach to disability action planning for the new Department of Families Fairness and Housing, particularly in light of the current review of the *Disability Act 2006*.

Registered disability service providers and community service organisations

Registration under the *Disability Act 2006* and the *Children, Youth and Families Act 2005* is managed by the Department of Families, Fairness and Housing's Human Services Regulator unit, which acts as an independent regulator within the department.

Register of disability service providers

Section 46 of the Disability Act requires the Secretary of the department to keep a register and make available for public inspection a list of disability service providers. Funded organisations that deliver disability services are required to be registered and comply with the Human Services Standards.ⁱ

Read [Registration requirements for disability service providers](http://providers.dffh.vic.gov.au/registration-requirements-disability-service-providers) <providers.dffh.vic.gov.au/registration-requirements-disability-service-providers>.

Register of community services

The Children, Youth and Families Act provides a strong focus on the quality of services delivered to children, young people and families. Funded organisations that deliver family and out-of-home care services are required to be registered and comply with the Human Services Standards.

Section 54 of the Children, Youth and Families Act requires the Secretary of the department to keep a register of community services. Section 57 of the Act requires that the Secretary must make a copy of the register of community services available for inspection on the department's internet site.

Read [Registration requirements for community services](http://providers.dffh.vic.gov.au/registration-requirements-community-services) <providers.dffh.vic.gov.au/registration-requirements-community-services>.

Registration activity

During 2020–21, the department revoked the registration for a number of organisations under the Disability Act due to organisations transitioning to the National Disability Insurance Scheme. Those revoked under the Children, Youth and Families Act were due to organisations merging and/or no longer receiving in scope funding. The following registration activities occurred.

Registration type	New registrations processed 2020–21	Renewals/ extensions processed 2020–21	Registrations lapsed/revoked 2020–21	Total number registered at 30 June 2021
Registration under the <i>Disability Act 2006</i>	3	43	79	163
Registration under the <i>Children, Youth and Families Act 2005</i>	15	19	14	152

Compliance with DataVic Access Policy

Consistent with the *DataVic Access Policy* issued by the Victorian Government in 2012, the information included in this annual report will be available in machine readable format from the [DataVic website](http://www.data.vic.gov.au) <www.data.vic.gov.au>.

The department maintains a wealth of information to support better understanding

of Victoria's human services. Researchers can request extracts through procedures that ensure the data are shared to the maximum extent while protecting the privacy of individuals via the [Centre for Evaluation and Research website](http://www.dhhs.vic.gov.au/research-applications-external-organisations-and-individuals) <www.dhhs.vic.gov.au/research-applications-external-organisations-and-individuals>.

ⁱ The Human Services Standards were published in the *Victoria Government Gazette G21 (24 May 2012)* as the *Department of Human Services Standards (Disability) Determination 2012* and *Department of Human Services Standards (Children, Youth and Families) Determination 2012* and are now administered by the Department of Families, Fairness and Housing.

Additional data about the department's human services operations including Housing assistance, Disability, and Child protection and family services is available on the department's

[annual reports webpage](http://www.dffh.vic.gov.au/publications/annual-reports-department-families-fairness-housing) <www.dffh.vic.gov.au/publications/annual-reports-department-families-fairness-housing>.

Social Procurement Framework

This section reports information for the former Department of Health and Human Services for the period of 1 July 2020 – 31 January 2021 and, post machinery of government change, the Department of Health, and the Department of Families, Fairness and Housing for the period of 1 February – 30 June 2021.

The departments leveraged their buying power to deliver social, economic and environmental outcomes benefiting the Victorian community, the economy and the environment – above and beyond the goods, services and construction works procured.

They were guided by the Victorian Government's Social Procurement Framework. The framework applies to the procurement of all goods, services and construction undertaken by, or on behalf of, the departments with the following objectives:

- > opportunities for Victorian Aboriginal People
- > opportunities for Victorians with disability
- > women's equality and safety
- > opportunities for disadvantaged Victorians
- > supporting safe and fair workplaces
- > environmentally sustainable outputs.

Social Procurement Strategy

The departments' social procurement strategy committed to achieve the government's social procurement objectives, enhancing the value for money resulting from departmental procurement.

It is planned that during 2021–22, the Department of Families, Fairness and Housing and the Department of Health will each develop a separate social procurement strategy to outline the pathway for future directions.

During 2020–21, social value requirements were applied to a variety of procurement activities, including the procurement of goods, services and construction works.

The departments undertook several activities to support social procurement including:

- > Social procurement data reporting and case studies for 2020–21 were prepared and submitted to the Department of Treasury and Finance.

- > A report on social procurement implementation was prepared for 2020–21 annual reports.
- > Up-to-date information was maintained on the departments' intranet about social procurement and Local Jobs First.
- > Through regular meetings and other communications, the departments continued a relationship with Social Traders.
- > Key business areas of the two departments with procurement responsibilities, Procurement Services, Homes Victoria and the Victoria Health and Human Services Building Authority (now the Victorian Health Building Authority), worked together to increase the social procurement capability of staff.
- > Procurement policies, processes and templates and contracts were updated to support the implementation of social procurement and Local Jobs First.
- > A Social Procurement Group was established across the two departments to foster communication, coordination and capability development.
- > Staff regularly attended Social Procurement Community of Practice Meetings convened by the Department of Treasury and Finance (DTF).
- > Homes Victoria and Procurement Services staff undertook training on the new Industry Capability Network's social procurement reporting platform.
- > Homes Victoria also engaged with the construction industry about social procurement through the Building Industry Construction Council.

Social Procurement Achievements 2020–21

Number of social benefit suppliers engaged during the reporting period	91
Total amount spent with social benefit suppliers during the reporting period	\$9,813,512
Total number of suppliers engaged, which are not social benefit suppliers, that have made social procurement commitments in their procurement contracts with the Victorian Government	10

Framework objective	Metric	Number	\$ (GST exclusive)
Opportunities for Victorian Aboriginal people	Total spend with Victorian Aboriginal businesses		1,826,900
	Number of Victorian Aboriginal businesses engaged	40	
Opportunities for Victorians with disability	Total spend with Victorian social enterprises led by a mission for people with disability and Australian Disability Enterprises		2,943,200
	Number of Victorian social enterprises led by a mission for people with disability and Australian Disability Enterprises engaged	24	
Opportunities for disadvantaged Victorians	Total spend with Victorian social enterprises led by a mission for the disadvantaged ⁱ		1,684,600
	Number of Victorian social enterprises led by a mission for the disadvantaged ^{xxii} engaged	9	
Sustainable Victorian social enterprises and Aboriginal business sectors	Total spend with Victorian Aboriginal businesses		1,827,000
	Number of Victorian Aboriginal businesses engaged	40	
	Total spend with other Victorian social enterprises ⁱⁱ		6,888,500
	Number of other Victorian social enterprises engaged ^{xxiii}	53	
	Percentage of direct Aboriginal supplier engagement (against one per cent Government target)	1.11%	

ⁱ Victorians that at least fall under one of five disadvantaged cohorts (long-term unemployed people, disengaged people, single parents, migrants and refugees, and workers in transition).

ⁱⁱ All types of social enterprises verified by Social Traders and listed on the Map for Impact.

Social Housing Dwelling Stock

Summary of changes to Social Housing Dwellings for 2020–21

Description	Units
Stock at 30 June 2020	85,111
Additions total	1,889
New handovers	639
Spot purchase	354
New short-term leases	685
Stock online	207
Transfers	4
Subtractions total	1,031
Sales	65
Demolitions	737
Short-term lease hand backs	136
Stock offline	80
Stock conversion reductions	0
Transferred	13
Stock at 30 June 2021	85,969

Data includes Director owned units (including leases and other Director managed units) and community owned units.

Environmental reporting

This section reports information for the former Department of Health and Human Services for the period of 1 July 2020 – 31 January 2021 and, post machinery of government change, the Department of Health, and the Department of Families, Fairness and Housing for the period of 1 February – 30 June 2021.

Environmental performance and impacts

The departments operated a joint financial and corporate services system through 2020–21 so this report reflects the total spend for the two departments for the period. Each department will operate separate accounts from 1 July 2021 and report separately in 2021–22. The Department of Health will reset its office based and public health environmental indicators to reflect these changes.

In 2020–21, the departments have made good progress on reducing their environmental footprint and managing climate change risks across the sector despite significant challenges caused by COVID-19.

In particular, the collection of some environmental datasets and the completion of environmental targets continued to be impacted by the unprecedented disruptions to workplace activities and service delivery due to COVID-19. Environmental performance indicators for energy, paper and transportation were also affected by restricted access to office-based workplaces and the department-wide continuation of shifting to remote working during the reporting year.

Highlights

Highlights for the period included:

- > reducing annual reported greenhouse gas emissions in the health and human services sector by three per cent or 23,624 tonnes of carbon-dioxide equivalent (CO₂-e)
- > reducing annual reported greenhouse gas emissions in the public health sector by 1.0 per cent or 8,599 tonnes CO₂-e
- > commencing development of the *Health and Human Services climate change adaptation action plan 2021–26*. A consultation draft was completed and released on 9 July 2021 for public feedback. The final plan will be delivered early 2022.
- > continuing the implementation of the Regional Health Solar Program. Of the 8.7 megawatt-peak supported through the program, 7.4 megawatt-peak has been installed and is operational. In 2020–21, solar arrays on Victorian public hospitals generated some 9.8 gigawatt-hours of electricity, reducing carbon emissions by some 11,000 tonnes CO₂-e.
- > contributing to the whole-of-Victorian-Government climate change strategy and emissions reduction pledge, reducing our greenhouse gas emissions from office-based sources by 19 per cent from last year. Over the life of the six-year emissions reduction target, the department reduced its annual office-based emissions by 45 per cent or 12,551 tonnes CO₂-e from the 2014–15 baseline
- > receiving investment of \$5.3 billion as part of the Big Housing Build to enable Homes Victoria to build 12,000 new affordable homes, including 9,300 social housing dwellings, which will support around 10,000 jobs per year for the next four years as part of Victoria's recovery. New buildings constructed as part of the Big Housing Build will achieve a minimum average seven stars against the Nationwide House Energy Rating Scheme (NatHERS). Many larger developments over three storeys and 100 dwellings will achieve a five-star Green Star rating, which is a level designated as Australian leadership in sustainability. In addition, in many delivery streams, all-electric specification, with efficient appliances and solar photovoltaic systems as standard, is required
- > receiving investment of \$112 million for the Energy Efficiency in Social Housing Program as part of the 2020–21 State Budget, announced in November 2020. The program

will upgrade 35,000 social housing dwellings to improve energy efficiency, reduce greenhouse gas emissions and improve thermal comfort for residents. In 2020–21, 1,437 upgrades were completed with a focus on installing efficient reverse-cycle air conditioning to address climate risk in the hottest regions of the state

- > receiving data from Homes Victoria at the time of publication for 403 single-level and low-rise multi-storey properties completed in the 2020–21 financial year, of which:
 - 383 achieved a seven-star NatHERS rating or above
 - 402 included efficient all-electric appliances, including heat pumps for hot water and air conditioning, and rooftop solar photovoltaic panels
- > upgrading 107 high-rise flats, which included improved energy-efficient lighting, the addition of external wall insulation and double-glazed windows
- > completion of the installation of more efficient LED lighting at six high-rise buildings in Richmond and Flemington, along with upgrades to more efficient bulk hot water boilers in two buildings, funded under the government's Building Works stimulus.

Energy

The departments are committed to reducing energy consumption across operations and to assisting clients to reduce their own energy use.

In 2020–21, the departments:

- > continued installation of solar panels funded through the Regional Health Solar Program. Of the 8.7 megawatt-peak supported through the program, 7.4 megawatt-peak has been installed and is operational
- > progressively captured data on electricity generated by hospital solar arrays. In 2020–21, solar arrays on Victorian public hospitals generated some 9.8 gigawatt-hours of electricity, reducing carbon emissions by some 11,000 tonnes CO₂-e.
- > received \$40 million of loan funding in the 2020–21 Victorian Budget to upgrade hospital lighting to LEDs and install solar arrays. The

departments sought expressions of interest and in the first round approved the procurement of 2.4 megawatt-peak of solar across 32 health facilities and the upgrading of lighting to LEDs at 30 health facilities.

- > facilitated a \$1.69 million extension to the energy performance contract at Warragul Hospital to upgrade engineering infrastructure, install LED lighting and install a 185 kilowatt-peak solar array. The project will reduce annual carbon emissions by 1,115 tonnes and deliver annual utility savings of \$0.34 million.
- > facilitated Dental Health Services Victoria's replacement of 232 fluorescent lights with LED lighting, reducing lighting electricity use by half, and saving around 30 tonnes CO₂-e.
- > facilitated Southwest Healthcare's hot water upgrades and installation of solar and variable speed drives, saving around 180 tonnes CO₂-e.
- > facilitated Ambulance Victoria's installation of LED lighting at its Air Ambulance branch in Essendon Fields and a 16 kilowatt-hour battery at the Sebastopol branch, saving around 150 tonnes CO₂-e.
- > continued to work with Department of Environment, Land, Water and Planning on the Victorian Renewable Energy Target 2 (VRET2) project, which will see all hospitals and department offices source 100 per cent renewable electricity from 2025
- > completed the tenancy lighting upgrade to LED of 55 Hovell St, Wodonga. The upgrades are expected to reduce electricity usage by 34,000 kWh per annum and reduce emissions by approximately 33 tonnes CO₂-e per annum
- > completed lighting upgrades at our Morwell office and solar installation at our Footscray offices, with predicted savings of over 150,000 kWh per annum
- > set a target for all newly built public housing dwellings to exceed an average seven-star NatHERS rating and be specified with all-electric appliances and solar photovoltaic panels. A compliance rate of over 95 per cent with these guidelines was achieved.

Office-based performance

In 2020–21, office-based energy usage reduced by 19 per cent from the previous reporting year. This significant decrease is attributed to the change in workplace arrangements since July 2020, when most staff transitioned to remote working.

Targets

The departments' 2021–22 environmental management system targets for energy are to:

- > reset objectives and targets post machinery of government changes
- > continue increasing the number of offices with National Australian Built Environment Rating System (NABERS) ratings.

Water

The departments continue to seek a better understanding of water consumption across facilities and operations and encourage clients to improve their own water efficiency.

In 2020–21, the departments:

- > continued the development of a monitoring program for collection of pulse water-meter data from eight high-rise public housing buildings to identify water-efficiency opportunities. The program will involve regular review of water-meter data to identify any substantial variations to water consumption and water-efficiency opportunities within the high-rise housing portfolio
- > continued the upgrade of water-efficiency features in 60 high-rise units at 125 Napier St, Fitzroy. The upgrades included four-star Water Efficiency Labelling and Standards (WELS)-rated tapware and three-star WELS-rated toilet cisterns.

Office-based performance

In 2020–21, office-based water use decreased 4.9 per cent. This decrease is attributed to the change in workplace arrangements since July 2020, when most staff transitioned to remote working.

Targets

The departments' 2021–22 environmental management system targets for water is to reset objectives and targets post machinery of government changes

Procurement and paper

The departments continue to integrate sustainability into procurement activities, while seeking value-for-money outcomes in business operations. We also continue to implement strategies to reduce the environmental impacts of printing and paper consumption, but the predominant cause for the significant reduction in paper use in 2020–21 was the working from home arrangements for most of the reporting year.

In 2020–21, the departments:

- > ensured that 99 per cent of all office-based paper purchased consisted of 100 per cent recycled content
- > continued to utilise the TRIM electronic record management system and 'follow-me' printing solution to reduce the volume of hardcopy records printed and archived in the workplace
- > reduced office-based paper use by 70 per cent, or 47,219 reams – over 23 million sheets of paper
- > reduced paper use in public hospitals by 12 per cent, or 29,982 reams – nearly 15 million sheets of paper.

Office-based performance

In 2020–21, paper purchasing and associated emissions reduced by 70 per cent, attributable to COVID-19 and the transition to remote working arrangements.

Targets

The departments' 2021–22 environmental management system targets for procurement and paper are to:

- > reset objectives and targets post machinery of government changes
- > work with Sustainability Victoria to support the Buy Recycled directory to provide Victorian buyers with products containing recycled content and options to achieve positive environmental outcomes and support organisational sustainability goals.

Waste

The departments are committed to the effective management of waste to reduce operational costs and environmental impacts, as well as potential public health risks to staff, clients and the broader Victorian community.

In 2020–21, the departments:

- > continued the Simply Cups coffee–cup recycling program, diverting a further 20,800 cups from landfill. In total we have collected more than 478,000 cups since 2017
- > continued a collections pilot for recycling of soft plastics at 50 Lonsdale Street, Melbourne. All soft plastics collected were transferred to Redcycle drop-off points for processing.
- > increased public hospital waste generation by 2,669 tonnes, or 7.5 per cent, as a result of the COVID-19 pandemic.

Office-based performance

In 2020–21, office-based waste generation data was not able to be collected via waste audits as planned and was postponed due to COVID-19 restrictions.

Targets

The departments' 2021–22 environmental management system targets for waste are to:

- > reset objectives and targets post machinery of government changes
- > expand single stream recycling programs including Simply Cups to other office locations when regular office-based activities are resumed.
- > investigate the cost and availability of soft plastic recycling in 50 Lonsdale St office.

Sustainable transport

The departments continue to build a more sustainable fleet and to support initiatives that encourage staff to seek alternative modes of transportation.

In 2020–21, the departments:

- > actively participated in the planning for the Zero Emission Vehicle (ZEV) rollout across government fleet vehicles
- > saw a decrease in vehicle fleet size due to the transfer of 429 vehicles to National Disability Insurance Scheme service providers as part of the transfer of government services
- > continued to implement the Efficient Fleet Procurement Policy, giving preference to fuel-efficient and low-emission vehicles
- > completed a sustainable transport pilot at Eastern Health and Peninsula Health.

In 2020–21, total kilometres travelled and emissions from the office-based vehicle fleet reduced by 40 per cent due to COVID-19 travel restrictions. The overall fleet efficiency also improved due to most of the existing large diesel vehicles in the fleet being transferred.

Climate change mitigation and adaptation

The departments are committed to driving mitigation and adaptation initiatives and to proactively managing climate change risks for clients, assets and services.

Many of the achievements already discussed in the Environmental reporting section – for example, the Big Housing Build, and the *Health and Human Services climate change adaptation action plan 2021–26* – make substantial contributions to the departments' climate change mitigation and adaptation strategy. In 2020–21, in addition to these achievements, the departments also:

- > published *Tackling climate change and its impacts on health through municipal public health and wellbeing planning: guidance for local government* in September 2020. The purpose of this guidance is to assist councils in meeting their legislative obligations, and to encourage and embed action to tackle climate change and its impacts on health in municipal public health and wellbeing planning. It recognises the important role that councils can play in reducing the risks that climate change poses to the health and wellbeing

of all Victorians and in improving public health outcomes

- > in line with the ‘tackling climate change and its impacts on health’ focus area in the Victorian public health and wellbeing plan 2019–2023, provided support for the inclusion of a Climate and Health pathway in Victoria’s Achievement Program. This pathway aims to support Achievement Program members to adapt to climate change and take climate actions that co-benefit health and wellbeing. The key focus of the Achievement Program is on creating healthier early childhood services, schools and workplaces.

Targets

The departments’ 2021–22 environmental management system targets for climate change adaptation are to:

- > continue development of the Health and Human Services climate change adaptation action plan 2022–26
- > ensure tackling climate change and its impacts on health is a focus area of the Victorian public health and wellbeing plan 2019–2023 and the health and wellbeing plans of municipal councils

Communications and behaviour change

The departments promote sustainable behaviour to all staff and aim to raise awareness of and engagement with environmental issues in order to drive positive environmental outcomes.

In 2020–21, the departments:

- > published an implementation report for the first two years of the *Environmental sustainability strategy 2018–19 to 2022–23* for the health system
- > provided sustainability updates to the health system in August 2020, December 2020 and March 2021, including information on resources prepared by the departments, government policies, programs and legislative changes, climate change and sustainability events
- > released data on the NABERS rating of around 140 public hospitals for each of the years from 2015–16 to 2018–19 inclusive.

Based on 2018–19 data, 83 per cent of hospitals had an average or above average energy performance and 76 per cent had an average or above average water rating

- > continued chairing the Australasian Healthcare Infrastructure Alliance Environmentally Sustainable Development sub-group, with sustainability representatives from health jurisdictions around Australia and New Zealand. The discussion focused on the continued application of the NABERS Energy and Water hospital rating tools and the further development of a NABERS Waste tool for hospitals.

Environmental data

The following information has been prepared in accordance with Financial Reporting Direction (FRD) 24D and the Global Reporting Initiative (G4) environmental category.

The information relates to the departments’ impact on living and non-living natural systems, including land, air, water and ecosystems.

FRD24 requires that this report provide information relating to inputs (such as energy and water) and outputs (such as emissions and waste).

In addition, procurement, transport, product and service-related impacts are taken into consideration, as are environmental compliance and expenditure. G4 environmental aspects are partially reported. This includes the indicators for materials (EN1, EN2), energy (EN3, EN5), water (EN8), emissions (EN15, EN18), waste (EN23), products and services (EN27) and transport (EN30). All departmental cost figures include GST, except where otherwise noted.

In 2020–21, the environmental performance reporting data include property and assets used in the delivery of the departments’ core functions, including corporate offices, residential housing, and public hospitals and health services. This report includes some disability accommodation clients’ residential energy usage and shared base-building energy and water in offices and public housing facilities. All figures have been forecast and adjusted to include the most

up-to-date information. Where data was not available or estimated in previous years but has since become available, figures have been adjusted to best represent the building portfolio as at 30 June 2021.

As at 30 June 2021, the departments provided their administered services from 72 office locations across the state. In addition, the departments operated from operational centres providing secure services and disability residential services. Public housing energy and water data includes community facilities, general lighting and bulk hot-water equipment and potable water usage in high-rise apartment blocks, low-rise apartment blocks and general rental public housing stock.

Public hospital and health services energy and water data represents a summation of data reported by Victoria's 85 public hospitals and health services, including Ambulance Victoria.

To continually improve the accuracy of reporting, the departments review data on an ongoing basis. Changes to previously reported data can therefore occur and can be attributed to changes in the number of facilities reporting, to decommissioning, expansion or new build, and/or to better-quality data received from health services and/or suppliers. Bed days include in-patient occupied bed days (OBD) and public sector residential aged care bed days.

Greenhouse gas emissions

Total greenhouse gas emissions associated with:	2020–21 estimate (tonnes CO ₂ -e)	2019–20 estimate (tonnes CO ₂ -e)	2018–19 estimate (tonnes CO ₂ -e)
Public hospitals energy use	728,383	744,750	786,446
Housing services energy use	44,002	53,379	63,464
Office-based energy use	12,244	15,094	17,124
Public hospitals nitrous oxide	15,811	15,708	17,523
Vehicle fleet and air travel	2,837	7,008	10,543
Hospital emergency transport	24,465	22,994	23,812
Public hospital waste production	38,607	32,161	33,854
Health services vehicle fleet	5,192	5,453	6,151
Office-based paper and waste production	322	558	744
Total	871,863	897,105	959,661

Greenhouse gas emissions have been calculated in accordance with the National Greenhouse and Energy Reporting (Measurement) Determination 2008 (Schedule 1), the National Greenhouse Accounts Factors August 2020 revision, and Financial Reporting Directive 24D guidelines.

Greenhouse gas emissions from paper procurement have been calculated in accordance with EPA Victoria's *Greenhouse gas Inventory management plan 2012–13*.

Greenhouse gas emissions from air travel are provided by the supplier of travel management services under the state purchase contract.

Figures in previous years have been adjusted to include the most up-to-date data. Figures may differ from those estimated in previous years as a result.

Staff and building reference data

Description	Government-owned buildings	Leased buildings	Total
Office-based FTE – DH		3993	3993
Office Based FTE – DFFH	709	5180	5889
Statutory bodies FTE		626	626
Total FTE			10,508.0
Number of office-based sites	12	63	75
Number of high-rise public housing sites	44		44
Office-based area (m ²)	22,419	136,419	158,838

FTE (full-time equivalent staff member as of 30 June 2021)

Energy use

Office based

Description	2020–21 estimate	2020–21 estimate	2019–20 estimate	2019–20 estimate	2018–19 estimate	2018–19 estimate
Total energy usage segmented by primary source	Megajoules	Cost (\$m)	Megajoules	Cost (\$m)	Megajoules	Cost (\$m)
Electricity	43,757,229	\$2.43	50,107,150	\$3.14	54,186,574	\$3.47
Green power	0	\$0.00	0	\$0.00	0	\$0.00
Natural gas	20,419,620	\$0.29	17,407,775	\$0.25	19,763,764	\$0.30
Total	64,176,849	\$2.72	67,514,925	\$3.39	73,950,338	\$3.77

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
Total greenhouse gas emissions by primary source	Tonnes CO₂-e	Tonnes CO₂-e	Tonnes CO₂-e
Electricity	11,192	14,197	16,105
Natural gas	1,052	897	1,018
Total	12,244	15,094	17,124

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
Energy used per FTE (megajoules/FTE)	6,107	8,150	8,319
Energy intensity (megajoules/m ²)	404	427	477
Green power purchased	0.00%	0.00%	0.00%

Office-based electricity data represents 99 per cent of office-based FTE and 97 per cent of total office area.

Office-based gas data represents 77 per cent of office-based FTE and 57 per cent of total office area.

Office-based electricity data includes a 15 per cent estimate and office-based gas data includes a 35 per cent estimate in 2020–21 due to some data being unavailable from energy retailers at the time of reporting.

Housing services

Electricity

Description	2020–21 estimate	2020–21 estimate	2019–20 estimate	2019–20 estimate	2018–19 estimate	2018–19 estimate
Total energy usage segmented by primary source	Megajoules	Cost (\$M)	Megajoules	Cost (\$M)	Megajoules	Cost (\$M)
High-rise public housing electricity use	44,888,439	\$2.38	48,517,336	\$2.87	53,328,245	\$3.16
Other public housing electricity use	31,184,771	\$2.16	32,736,869	\$2.45	32,172,003	\$2.30
Disability housing electricity use	7,973,771	\$0.47	23,827,528	\$1.48	40,866,431	\$2.16
Youth and family welfare electricity use	1,441,524	\$0.09	1,911,730	\$0.12	1,888,050	\$0.12
Total electricity	85,488,506	\$5.10	106,993,056	\$6.92	128,254,729	\$7.75

Gas

Description	2020–21 estimate	2020–21 estimate	2019–20 estimate	2019–20 estimate	2018–19 estimate	2018–19 estimate
Total energy usage segmented by primary source	Megajoules	Cost (\$M)	Megajoules	Cost (\$M)	Megajoules	Cost (\$M)
High-rise public housing natural gas use	298,943,512	\$3.76	324,026,923	\$4.32	304,124,144	\$4.17
Other public housing natural gas use	89,049,530	\$1.30	101,045,145	\$1.54	93,039,490	\$1.38
Disability housing natural gas use	12,385,610	\$0.18	19,830,813	\$0.3	92,258,562	\$1.43
Youth and family welfare natural gas use	1,922,761	\$0.03	2,693,563	\$0.05	2,396,215	\$0.04
Total gas	402,301,413	\$5.27	477,596,444	\$6.21	491,818,411	\$7.02

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
Total greenhouse gas emissions	Tonnes CO₂-e	Tonnes CO₂-e	Tonnes CO₂-e
Electricity	23,272	30,315	38,120
Natural gas	20,731	23,065	25,343
Total greenhouse gas emissions	44,002	53,379	63,464

Housing services energy data represents consumption and cost for common-use areas and base-building services at 2,406 electricity-metered and 399 gas-metered sites.

Housing services electricity data includes a six per cent estimate and housing portfolio gas data includes a 12 per cent estimate in 2020–21 due to some data being unavailable from energy retailers at the time of reporting.

Public health services

Description	2020–21 estimate	2020–21 estimate	2019–20 estimate	2019–20 estimate	2018–19 estimate	2018–19 estimate
Total energy usage segmented by primary source	Terajoules	Cost (\$M)	Terajoules	Cost (\$M)	Terajoules	Cost (\$M)
Electricity	2,246	\$112.87	2,199	\$111.20	2,242	\$119.39
Natural gas	2,149	\$25.47	2,177	\$25.89	2,128	\$24.17
Co-generation steam	483	\$6.85	516	\$6.91	501	\$6.58
LPG	79	\$1.64	93	\$2.42	99	\$2.40
Diesel	2	\$0.09	3	\$0.09	3	\$0.07
Total	4,959	\$146.92	4,998	\$146.52	4,973	\$152.59

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
Total greenhouse gas emissions	Tonnes CO₂-e	Tonnes CO₂-e	Tonnes CO₂-e
Electricity	589,858	604,443	647,460
Natural gas	110,725	112,187	109,654
Co-generation steam	22,840	22,256	23,156
LPG	4,785	5,620	5,971
Diesel	174	234	205
Total greenhouse gas emissions	728,383	744,740	786,446

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
Energy used per separation (gigajoules/separation)	2.63	2.68	2.56
Energy used per bed day (gigajoules/bed day)	0.72	0.72	0.69
Energy used per unit of floor space (gigajoules/m ²)	1.38	1.39	1.38
Greenhouse gas emissions per separation (tonnes CO ₂ -e/separation)	0.40	0.41	0.41
Greenhouse gas emissions per bed day (tonnes CO ₂ -e/bed day)	0.11	0.11	0.11
Greenhouse gas emissions per unit of floor space (tonnes CO ₂ -e/m ²)	0.21	0.21	0.21

Public health services are GST-exempt organisations. Reported cost data for public health services is exclusive of GST. Public health greenhouse gas emission indicators include emissions associated with the use of nitrous oxide in public hospitals.

Public health services energy data includes a three per cent estimate in 2020–21 due to some data being unavailable from energy retailers at the time of reporting.

Water use

Office based

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
Total water used (kilolitres)	54,517	57,304	55,961
Total water usage and sewage charge (\$ million)	\$0.2	\$0.28	\$0.21
Total water used per FTE (litres/FTE)	5,511	7,566	6,959
Water used per unit of office space (litres/m ²)	278	461.2	478

Office-based water data represents 94 per cent of office-based FTE and 70 per cent of office-based area.

Office-based water data includes a 58 per cent estimate in 2020–21 due to some data being unavailable from water authorities at the time of reporting.

Housing services

Description	2020–21 estimate	2020–21 estimate	2019–20 estimate	2019–20 estimate	2018–19 estimate	2018–19 estimate
Total water usage and charges segmented by source	Kilolitres	Cost (\$M)	Kilolitres	Cost (\$M)	Kilolitres	Cost (\$M)
High-rise public housing water use	1,043,010	\$3.8	1,140,927	\$4.08	1,139,452	\$4.08
Other public housing water use	64,501	\$0.23	79,354	\$0.28	77,777	\$0.27
Disability housing water use	38,676	\$0.16	47,577	\$0.21	50,268	\$0.22
Youth and family welfare water use	2,389	\$0.01	3,504	\$0.01	3,501	\$0.01
Total water usage and sewage	1,148,575	\$4.20	1,260,238	\$4.59	1,270,998	\$4.58

Housing services water data represents potable water use at 78 water-metered sites.

Housing services water data includes a 9 per cent estimate in 2020–21 due to some data being unavailable from water authorities at the time of reporting.

Public health services

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
Total water used (megalitres)	4,499	4,485	4,631
Total water usage charge (\$ million)	\$18.63	\$18.72	\$18.89
Water used per separation (kilolitres/separation)	2.39	2.41	2.38
Water used per bed day (kilolitres/bed day)	0.66	0.65	0.65
Water used per unit of floor space (kilolitres/m ²)	1.25	1.25	1.28

Public health services are GST-exempt organisations. Reported cost data for public health services is exclusive of GST.

Public health services water data includes an 8 per cent estimate in 2020–21 due to some data being unavailable from water authorities at the time of reporting.

Waste production

Office based

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
Total units of waste disposed of by destination	Kilograms/year	Kilograms/year	Kilograms/year
Landfill	N/A	N/A	208,888
Recycling	N/A	N/A	261,308
Compost	N/A	N/A	24,594
Total	N/A	N/A	494,790

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
Total units of waste disposed of per FTE by destination	Kilograms/FTE/year	Kilograms/FTE/year	Kilograms/FTE/year
Landfill	N/A	N/A	23
Recycling	N/A	N/A	29
Compost	N/A	N/A	3
Total	N/A	N/A	56

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
Recycling rate (per cent)	N/A	N/A	58%
Coffee cups recycled	20,800	58,000	159,765
Greenhouse gas emissions associated with waste to landfill (tonnes of CO ₂ -e)	244 ⁱ	301 xxiv	351

Public health services

Description	2020–21 estimate	2020–21 estimate	2019–20 estimate	2019–20 estimate	2018–19 estimate	2018–19 estimate
Total units of waste disposed of by stream	Tonnes	Cost (\$m)	Tonnes	Cost (\$m)	Tonnes	Cost (\$m)
Clinical and related waste	6,386	\$9.69	4,772	\$8.06	4,685	\$8.08
Landfill	23,462	\$5.02	22,151	\$4.90	23,659	\$4.98
Recycling	9,329	\$1.76	8,526	\$1.67	9,704	\$1.76
Total	39,177	\$16.47	35,449	\$14.63	38,048	\$14.82

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
Recycling rate (per cent)	28%	28%	29%
Waste produced per patient treated (kilograms/PPT)	3.54	3.29	3.47
Greenhouse gas emissions associated with waste to landfill (tonnes of CO ₂ -e)	38,607	32,161	33,854

Public health services are GST-exempt organisations. Reported cost data for public health services is exclusive of GST. Clinical and related wastes include clinical, sharps, cytotoxic, pharmaceutical, chemical and anatomical waste streams.

ⁱ Greenhouse gas emissions associated with waste to landfill for 2020–21 have been estimated using office-based energy as compared to 2019–2020 as an indicator of office activity levels and resultant waste generation during 2020–21.

Recycling includes batteries, cardboard, co-mingled, e-waste, fluorescent tubes, grease traps, mattresses, metals, mobile phones, organics, PVC, packaging films/plastics, paper, polystyrene, sterilization wrap, toner and printer cartridges, and wood.

Data for some recycling streams was unavailable at the time of printing, so figures reported may not represent the full extent of materials recycled.

Waste produced per patient treated is an aggregation of in-patient bed-days, aged care bed-days, separations and emergency department presentations.

Transportation

Vehicle fleet

Description	2020–21 estimate		2019–20 estimate		2018–19 estimate	
	Electric	Hybrid	1–3-cylinder unleaded petrol	4-cylinder unleaded petrol	6-cylinder unleaded petrol	Diesel
Commercial	0	0	3	0	0	24
Executive	1	12	0	79	14	21
Passenger bus	0	0	0	3	0	129
Passenger car	0	360	0	278	284	3
Total (1,211 vehicles)	1	372	3	360	298	177

Description	Operational	Executive
LPG	0%	0.1%
Hybrid	29%	1%
1–3-cylinder unleaded petrol	0.3%	0.3%
4-cylinder unleaded petrol	23%	7%
6-cylinder unleaded petrol	23.5%	1%
Diesel	13%	2%
Total	89%	11%

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
Total energy consumption	Megajoules	Megajoules	Megajoules
LPG	0	0	353,621
Electric	868	0	0
Hybrid	4,304,018	12,513,196	21,353,557
Unleaded petrol	24,659,838	56,413,132	73,557,086
Diesel	6,395,707	15,315,737	30,363,493
State government vehicle pool	1,779,649	2,168,051	2,090,800
Total	37,140,080	86,410,116	127,718,558

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
Total vehicle travel	Kilometres	Kilometres	Kilometres
LPG	0	0	95,765
Electric	19,708	N/A	N/A
Hybrid	2,172,116	7,665,511	9,995,318
Unleaded petrol	7,753,581	14,280,192	19,433,669
Diesel	1,803,557	3,848,963	7,728,698
State government vehicle pool	718,757	840,085	830,763
Total	12,467,719	26,634,751	38,084,213

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
Total greenhouse gas emissions	Tonnes CO₂-e	Tonnes CO₂-e	Tonnes CO₂-e
LPG	0	0	22
Electric	0.24	0	0
Hybrid	300	872	1,488
Unleaded petrol	1,719	3,932	5,127
Diesel	451	1,080	2,141
State government vehicle pool	124.23	151	146
Total	2,594	6,035	8,923

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
Greenhouse gas emissions efficiency	Tonnes of CO₂-e per 1,000 kilometres	Tonnes of CO₂-e per 1,000 kilometres	Tonnes of CO₂-e per 1,000 kilometres
LPG	N/A	N/A	0.227
Electric	0.012		
Hybrid	0.138	0.114	0.149
Unleaded petrol	0.222	0.275	0.264
Diesel	0.25	0.281	0.277
State government vehicle pool	0.172	0.180	0.175
Total (average)	0.208	0.227	0.234

This data represents all operational and executive fleet vehicles. Energy use, distance travelled, and greenhouse gas emissions transport data is based on a 1 April to 31 March fringe benefit year.

Public health services

Hospital emergency transport	2020–21 estimate	2020–21 estimate	2019–20 estimate	2019–20 estimate	2018–19 estimate	2018–19 estimate
Total fuel usage segmented by primary source	Fuel volume (kilolitres)	Emissions (tonnes CO ₂ -e)	Fuel volume (kilolitres)	Emissions (tonnes CO ₂ -e)	Fuel volume (kilolitres)	Emissions (tonnes CO ₂ -e)
Gasoline – road vehicles	665	1,539	530	1,226	380	879
Diesel – road vehicles	4,113	11,177	4,047	11,015	4,187	11,396
LPG – road vehicles	0	0	0	0	0	0
Aviation fuel	4,547	11,749	4,162	10,753	4,466	11,538
Total	9,325	24,465	8,739	22,994	9,033	23,812

Data includes road ambulance, air ambulance, emergency support and administrative vehicles and non-emergency patient transport managed by Ambulance Victoria.

Health service vehicle fleet	2020–21 estimate	2020–21 estimate	2019–20 estimate	2019–20 estimate	2018–19 estimate	2018–19 estimate
Total fuel usage segmented by primary source	Fuel volume (kilolitres)	Emissions (tonnes CO ₂ -e)	Fuel volume (kilolitres)	Emissions (tonnes CO ₂ -e)	Fuel volume (kilolitres)	Emissions (tonnes CO ₂ -e)
Gasoline – road vehicles	1,666	3,852	1,822	4,214	2,104	4,866
E10 – road vehicles	17	0	12	0	154	1
Diesel – road vehicles	490	1,333	454	1,236	462	1,256
LPG – road vehicles	4	7	2	3	17	28
Total	2,178	5,192	2,290	5,453	2,737	6,151

Data includes corporate fleet vehicles managed by Ambulance Victoria, Mercy Public Hospitals Inc, St Vincent's Hospital Melbourne Pty Ltd, and public hospitals and health services on the VicFleet vehicle fleet contract. Some public hospitals and health services have not transitioned to the VicFleet contract and are excluded from this data.

Air travel

Description	2020–21 actual	2019–20 actual	2018–19 actual
Total distance travelled (kilometres)	1,378,885	5,328,191	7,993,873
Base fare cost (\$ million)	N/A	\$1.29	\$1.94
Greenhouse gas emissions (tonnes of CO ₂ -e)	243	972	1,620

Air travel data represents all operational and office-based FTE. Base fare cost excludes GST and not available for 2020–21.

Commuter travel

Percentage of employees regularly using sustainable travel (public transport, cycling, walking, car-pooling or working from home) to commute

	2020–21 estimate	2019–20 estimate	2018–19 estimate
Central business district	N/A	N/A	96%
Metropolitan	N/A	N/A	67%
Regional/rural	N/A	N/A	45%
Total	N/A	N/A	88%

Sustainable transport data is obtained from the department's annual staff travel survey. Due to the impact of COVID-19, no survey was undertaken in the 2020–21 financial year. Previous results exclude responses from surveyed staff who were on leave or did not travel to work during the survey period.

Procurement and paper

Procurement of office products and stationery with environmental considerations from departmental operations

Percentage of expenditure incorporating environmental considerations

	2020–21 actual	2019–20 actual	2018–19 actual
Furniture	43%	38%	32%
Kitchen	13%	20%	19%
Facilities solutions	10%	10%	27%
Office products	23%	11%	14%
Total expenditure	25%	16%	19%

Office products and stationery data is obtained from the department's state purchase contract. Environmental consideration is based on the supplier's Planet Friendly category criteria for procured products.

Results include expenditure on office furniture, coffee and catering supplies, janitorial products, packaging, workplace safety supplies, educational supplies, computer hardware, office technology products, computer consumables, general office products, office filing and storage, office machines and electronics, and writing instruments.

Paper use from departmental operations

Description	2020–21 actual	2019–20 actual	2018–19 actual
Total units of paper used – A4 equivalent (reams)	20,671	67,890	106,925
Units of paper used per FTE (reams/FTE)	1.97	7.9	10.1
Greenhouse gas emissions associated with paper use (tonnes of CO ₂ -e)	78	256	393
Total cost of paper used (\$ million)	\$0.12	\$0.37	\$0.64

Percentage recycled content copy paper purchased

	2020–21 actual	2019–20 actual	2018–19 actual
75–100 per cent recycled	99%	98%	98%
50–74 per cent recycled	0%	0%	0%
0–49 per cent recycled	1%	2%	2%
Certified fibre sourcing ⁱ	100%	100%	99%

Paper usage data provided by whole-of-Victorian-Government supplier COS. Data represents all operational and office-based FTE. Total cost of paper used excludes GST.

Paper use from public health services

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
Total units of paper used – A4 equivalent (reams)	499,187	529,169	567,704
Units of paper used per FTE (reams/FTE)	5.4	5.9	7.3
Total cost of paper used (\$ million)	\$1.88	\$2.07	\$2.06

Percentage recycled content copy paper purchased

	2020–21 estimate	2019–20 estimate	2018–19 estimate
75–100 per cent recycled	2%	5%	3%
50–74 per cent recycled	1%	1%	4%
0–49 per cent recycled	97%	94%	93%
Certified fibre sourcing ⁱⁱ	100%	100%	100%

Public health services are GST-exempt organisations. Reported cost data for public health services is exclusive of GST.

Paper data is sourced from the statewide stationery contract managed by HealthShare Victoria and apportioned by FTE to those health services that do not procure office paper through this contract. FTE is the full-time equivalent staff employed by a public health service as of 30 June for the financial year.

ⁱ Certified fibre sourcing means that the supplier and/or manufacturer has asserted that the fibre sourced for the paper meets either an international Forestry Management standard and has a chain-of-custody certification linking the product and fibre sourcing. Accepted certification schemes are the Forestry Stewardship Council, Australian Forestry Standard or other country-specific standards endorsed by the Programme for the Endorsement of Forest Certification.

ⁱⁱ Certified fibre sourcing means that the supplier and/or manufacturer has asserted that the fibre sourced for the paper meets either an international Forestry Management standard and has a chain-of-custody certification linking the product and fibre sourcing. Accepted certification schemes are the Forestry Stewardship Council, Australian Forestry Standard or other country-specific standards endorsed by the Programme for the Endorsement of Forest Certification.

National pollutant inventory

The Commonwealth National Pollutant Inventory provides the community, industry and government with information on substances emitted to the air, land and water. The inventory tracks the amount, in kilograms, of substances emitted by organisations that trigger the reporting threshold. The table below is an aggregation of substances reported by Victorian public health services through the National Pollutant Inventory .

Description	2020–21 estimate	2019–20 estimate	2018–19 estimate
Total units of national pollutant inventory substances emitted	Emissions (kilograms)	Emissions (kilograms)	Emissions (kilograms)
Carbon monoxide	NA	62,875	83,649
Oxides of nitrogen	N/A	76,634	126,226
Particulate matter (2.5 µm and 10 µm) ⁱ	N/A	5,413	12,875
Total volatile organic compounds	N/A	4,387	6,536
Sulphur dioxide	N/A	766	916
Other substances ⁱⁱ	NA	2.6	47

2019–20 is the most recent data available from the National Pollutant Inventory at the date of this printing.

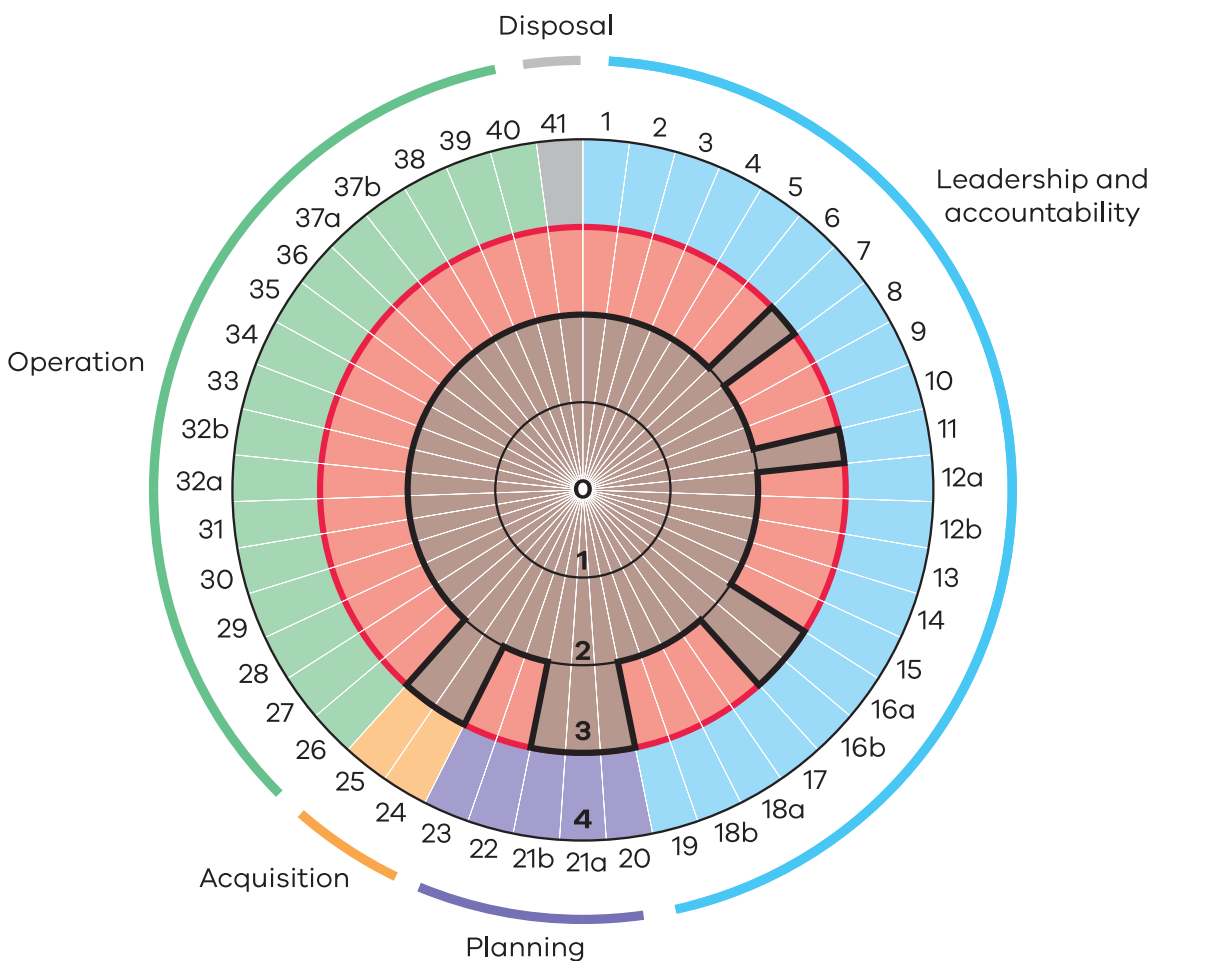
ⁱ 2.5 µm is included in the 10 µm reported particulate matter (find [further information on the methodology](http://www.npi.gov.au/resource/national-pollutant-inventory-guide) <www.npi.gov.au/resource/national-pollutant-inventory-guide>).

ⁱⁱ Other substances include: arsenic and compounds, beryllium and compounds, cadmium and compounds, chromium (III) compounds, cobalt and compounds, copper and compounds, lead and compounds, manganese and compounds, mercury and compounds, nickel and compounds, polycyclic aromatic hydrocarbon (TEQ), polychlorinated dioxins and furans (B[a]P_{eq}), selenium and compounds, sulfur dioxide, total VOC's, zinc and compounds.

Asset Management Accountability Framework (AMAF) maturity assessment

The following sections summarise the department’s assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the [AMAF webpage on the DTF website](http://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework) <www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework>.

The Department’s target maturity rating is ‘competence’, meaning systems and processes fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.

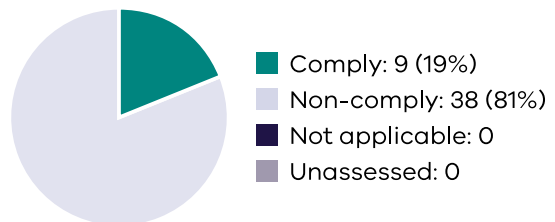


■ Target ■ Overall (actual)

Scale legend

Status	Scale	Compliance
Not applicable	N/A	Not applicable
Innocence	0	Non-comply
Awareness	1	Non-comply
Developing	2	Non-comply
Competence	3	Comply
Optimising	4	Comply
Unassessed	N/A	Unassessed

AMAF compliance



Leadership and Accountability (requirements 1–19)

The department did not comply with some requirements in the category. There is no material non-compliance reported in this category. A plan for improvement is in place to improve the Department's maturity rating in these areas.

Planning (requirements 20–23)

The department has met some of its target maturity level in this category but did not comply with some other requirements. There is no material non-compliance reported in this category. A plan for improvement is in place to improve the Department's maturity rating in these areas.

Acquisition (requirements 24 and 25)

The department has met its target maturity level in this category.

Operation (requirements 26–40)

The department did not comply with the requirements in the areas of monitoring and preventative action and information management. There is no material non-compliance reported in this category. A plan for improvement is in place to improve the Department's maturity rating in these areas.

Disposal (requirement 41)

The department has not met its target maturity level in this category. There is no material non-compliance reported in this category. A plan for improvement is in place to improve the Department's maturity rating in these areas.

Financial Management Compliance Attestation Statement

I, Sandra Pitcher, as the Responsible Body, certify that the Department of Families, Fairness and Housing has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

A handwritten signature in black ink that reads "Sandra Pitcher". The signature is written in a cursive style with a large, looping initial 'S'.

Sandra Pitcher
Secretary
Department of Families, Fairness and Housing

6 October 2021

Section 5: Financial statements for the financial year ended 30 June 2021

This section reports information for the former Department of Health and Human Services for the period of 1 July 2020 – 31 January 2021 and, post machinery of government change, the Department of Health, and the Department of Families, Fairness and Housing for the period of 1 February – 30 June 2021.

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Declaration in the financial statements

The attached financial statements for the Department of Health (the department) have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Cash Flow Statement, Statement of Changes in Equity and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2021 and financial position of the department at 30 June 2021.

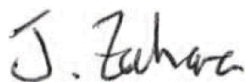
At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 30 September 2021.



Euan Wallace
Secretary
Department of Health

Melbourne
30 September 2021



Jenny Zahara
Chief Finance Officer
Department of Health

Melbourne
30 September 2021

Independent auditor's report



Independent Auditor's Report

To the Secretary of the Department of Health

Opinion	<p>I have audited the financial report of the Department of Health (the department) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2021 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • declaration in the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the department as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Key audit matter	<p>I report key audit matters for those entities that are significant to the financial performance and position of the state. Key audit matters are those matters that, in my professional judgement, were of significance in my audit of your financial report of the current period. I have determined that there are no key audit matters to communicate in this report.</p>
Secretary's responsibilities for the financial report	<p>The Secretary of the department is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Secretary determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Secretary is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

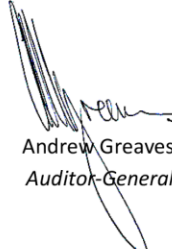
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretary
- conclude on the appropriateness of the Secretary's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the department to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Secretary regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
5 October 2021



Andrew Greaves
Auditor-General

Comprehensive operating statement for the financial year ended 30 June 2021

	Note	2021 \$M	2020 \$M
Revenue and income from transactions			
Output appropriations	2.3	21,551.4	17,600.0
Special appropriations	2.3	1,098.9	1,371.9
Interest income	2.4.1	2.5	6.9
Rental income and income from services	2.4.2	477.5	501.1
Grants	2.4.3	2,549.2	2,514.0
Fair value of assets and services received free of charge or for nominal consideration	2.4.4	0.6	3.6
Other income	2.4.5	18.3	30.9
Total revenue and income from transactions		25,698.4	22,028.4
Expenses from transactions			
Employee benefits	3.1.1(a)	1,500.3	1,200.2
Depreciation and amortisation	5.1.1	345.1	428.1
Interest expense	7.1.2	4.0	7.0
Maintenance		239.6	236.1
Grant and other expense transfers	3.1.2	19,720.7	17,308.0
Capital asset charge	3.1.3	1,427.7	1,319.8
Fair value of assets and services provided free of charge or for nominal consideration	3.1.4	297.2	32.3
Other operating expenses	3.1.5	1,361.5	689.4
Other property management expenses	3.1.6	274.6	199.3
Total expenses from transactions		25,170.7	21,420.3
Net result from transactions (net operating balance)		527.7	608.1
Other economic flows included in net result			
Net gain/(loss) on non-financial assets ⁽ⁱ⁾	9.2(a)	(2.9)	(4.5)
Net gain/(loss) on financial instruments ⁽ⁱⁱ⁾	9.2(b)	1.6	0.4
Impairment of joint venture	9.2(c)	-	(35.0)
Other gains/(losses) from other economic flows	9.2(d)	(12.3)	(23.6)
Total other economic flows included in net result		(13.6)	(62.7)
Net result		513.9	545.4
Other economic flows – other comprehensive income:			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	9.4	4,439.1	(19.2)
Remeasurement of superannuation defined benefit plans	3.1.1(b)	(1.5)	0.3
Total other economic flows – other comprehensive income		4,437.6	(18.9)
Comprehensive result		4,951.5	526.5

The comprehensive operating statement should be read in conjunction with the notes to the financial statements.

Notes:

- (i) 'Net gain/(loss) on non-financial assets' includes unrealised and realised gains/(losses) from revaluations, impairments, and disposals of all physical assets and intangible assets, except when these are taken through the asset revaluation surplus.
- (ii) 'Net gain/(loss) on financial instruments' includes bad and doubtful debts from other economic flows, unrealised and realised gains/(losses) from revaluations, impairments and reversals of impairment, and gains/(losses) from disposals of financial instruments.

Balance sheet as at 30 June 2021

	Note	2021 \$M	2020 \$M
Assets			
Financial assets			
Cash and deposits	7.3	913.9	597.7
Receivables	6.1	4,654.2	4,244.6
Loans	6.2	118.8	389.5
Total financial assets		5,686.9	5,231.8
Non-financial assets			
Inventories	6.6	638.4	411.8
Non-financial physical assets classified as held for sale	9.3	5.0	9.1
Property, plant and equipment	5.1	33,764.5	28,792.6
Intangible assets	5.2	175.9	134.4
Other non-financial assets	6.3	162.9	286.2
Total non-financial assets		34,746.7	29,634.1
Total assets		40,433.6	34,865.9
Liabilities			
Financial liabilities			
Payables	6.4	2,130.1	1,847.2
Borrowings	7.1	370.6	472.6
Employee related provisions	3.1.1(b)	412.6	484.0
Other provisions	6.5	241.8	124.9
Total financial liabilities		3,155.1	2,928.7
Non-financial liabilities			
Other non-financial liabilities	6.7	2.6	–
Total non-financial liabilities		2.6	–
Total liabilities		3,157.7	2,928.7
Net assets		37,275.9	31,937.2
Equity			
Accumulated surplus/(deficit)		3,714.0	2,145.0
Physical asset revaluations surplus	9.4	4,877.9	7,377.2
Contributed capital		28,684.1	22,415.0
Net worth		37,275.9	31,937.2

The balance sheet should be read in conjunction with the notes to the financial statements.

Cash flow statement for the financial year ended 30 June 2021

	Note	2021 \$M	2020 \$M
Cash flows from operating activities			
Receipts			
Receipts of output appropriations		21,503.2	16,894.8
Receipts of special appropriations		1,098.9	1,371.9
Receipts of funds from other authorities		2,673.6	2,358.8
Rent received		476.0	491.4
User charges received – rental properties		4.5	4.8
Interest received		2.6	7.1
Other receipts		19.2	33.5
GST recovered from Australian Taxation Office ⁽ⁱ⁾		733.3	601.6
Total receipts		26,511.4	21,764.0
Payments			
Payments of grants and other expense transfers		(20,111.6)	(17,567.2)
Payments for employee benefits		(1,441.9)	(1,216.9)
Payments for supplies and services		(2,028.0)	(1,299.8)
Interest and other costs of finance paid		(5.9)	(9.2)
Capital asset charge payments		(1,427.7)	(1,319.8)
Maintenance		(237.4)	(244.2)
Other property management expenses		(269.4)	(203.7)
Total payments		(25,521.8)	(21,860.8)
Net cash flows from/(used in) operating activities	7.3.1	989.6	(96.9)
Cash flows from investing activities			
Proceeds from the sale of non-financial assets		69.7	105.0
(Purchase)/redemption of short-term investments – term deposits		–	100.0
Client loans repaid		317.6	14.9
Payment for non-financial assets		(1,153.7)	(585.4)
Client loans granted		(47.1)	(308.1)
Net cash flows from/(used in) investing activities		(813.5)	(673.5)
Cash flows from financing activities			
Net receipts/(payments) for advances		(286.0)	307.4
Cash received from activities transferred in – machinery of government changes		1.5	–
Owner contributions by Victorian Government – appropriation for capital expenditure purposes		427.5	269.7
Payments of capital contributions		(10.5)	(61.2)
Repayment of borrowings and principal portion of lease liability ⁽ⁱⁱ⁾		7.7	52.3
Net cash flows from/(used in) financing activities		140.2	568.2
Net increase/(decrease) in cash and deposits		316.3	(202.2)
Cash and deposits at the beginning of the financial year		597.7	799.9
Cash and deposits at the end of the financial year	7.3	913.9	597.7

The cash flow statement should be read in conjunction with the notes to the financial statements.

Notes:

- (i) Goods and services tax (GST) recovered from the Australian Taxation Office is presented on a net basis.
- (ii) The department has recognised cash payments for the principal portion of lease payments as financing activities, cash payments for the interest portion as operating activities consistent with the presentation of interest payments and short-term lease payments for leases and low-value assets as operating activities.

Statement of changes in equity for the financial year ended 30 June 2021

	Note	Physical asset revaluation surplus \$M	Accumulated surplus/ (deficit) \$M	Contributed capital \$M	Total \$M
Balance at 1 July 2019		7,396.4	1,599.3	22,199.3	31,195.0
Net result for the year		–	545.4	–	545.4
Remeasurement of superannuation defined benefit plans	3.1.1(b)	–	0.3	–	0.3
Changes in physical asset revaluation surplus	9.4	(19.2)	–	–	(19.2)
Administrative restructure – net assets received		–	–	15.5	15.5
Administrative restructure – net liabilities transferred		–	–	3.0	3.0
Capital contribution by Victorian State Government		–	–	267.6	267.6
Capital contributions to agencies		–	–	(61.2)	(61.2)
Capital transferred to administered entity		–	–	(9.2)	(9.2)
Balance at 30 June 2020		7,377.2	2,145.0	22,415.0	31,937.2
Prior period error	9.4	–	55.7	–	55.7
Restated balance at 1 July 2020		7,377.2	2,200.7	22,415.0	31,992.9
Net result for the year		–	513.9	–	513.9
Remeasurement of superannuation defined benefit plans	3.1.1(b)	–	(1.5)	–	(1.5)
Transfer to contributed capital related to machinery of government	9.4	–	(5,937.6)	5,937.6	–
Transfer to accumulated surplus/(deficit) related to machinery of government	9.4	(6,938.4)	6,938.4	–	–
Changes in physical asset revaluation surplus	9.4	4,439.1	–	–	4,439.1
Administrative restructure – net assets received	4.3	–	–	1,289.3	1,289.3
Administrative restructure – net assets transferred	4.3	–	–	(1,285.2)	(1,285.2)
Capital contribution by Victorian State Government		–	–	427.5	427.5
Capital contributions to agencies		–	–	(9.6)	(9.6)
Capital transferred to administered entity		–	–	(90.4)	(90.4)
Balance at 30 June 2021		4,877.9	3,714.0	28,684.1	37,275.9

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

Notes to and forming part of the financial statements for the financial year ended 30 June 2021

1. About this report

On 30 November 2020, the Victorian Government announced the establishment of two new departments effective from 1 February 2021.

The Department of Health and Human Services (DHHS) was renamed the Department of Health (DH). The functions of Child Protection, Prevention of Family Violence, Housing and Disability were transferred to form a new Department of Families, Fairness and Housing (DFFH). This new department is also responsible for the key policy areas of Multicultural Affairs, LGBTQI+ Equality, Veterans, and the offices for Women and Youth from 1 February 2021 following their transfer from the Department of Premier and Cabinet. Details of the administrative arrangement can be found in Note 4.3.

The Department of Health (the department) is a government department of the State of Victoria, established pursuant to an order made by the Premier under the *Public Administration Act 2004*. It is an administrative agency acting on behalf of the Crown.

Its principal address is:

Department of Health
50 Lonsdale Street
Melbourne VIC 3000

A description of the nature of its operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

Basis of preparation

These financial statements cover the Department of Health as an individual reporting entity and include all controlled activities of the department.

Where control of an entity is obtained during the financial year, its results are included in the comprehensive operating statement from the date on which control commenced. Where control ceases during the financial year, the entity's results are included for that part of the period in which control existed. Where entities adopt dissimilar accounting policies and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

In accordance with determinations made by the Assistant Treasurer under s. 53(1)(b) of the *Financial Management Act 1994* (FMA) the Department of Health's financial statements also include the financial information of the following entities:

- > Director of Housing (from 1 July 2006)
- > Mental Health Tribunal (from 1 July 2014)
- > Commission for Children and Young People (from 1 July 2015)
- > Disability Worker Registration Board (from 1 June 2020)
- > Victorian Disability Worker Commission (from 1 June 2020)
- > Department of Families, Fairness and Housing (from 1 February 2021)
- > Respect Victoria (from 1 February 2021)
- > Victorian Multicultural Commission (from 1 February 2021)
- > Victorian Veterans Council (from 1 February 2021).

These entities are reported in aggregate and are not controlled by the department.

In preparing financial statements for the department, all material transactions and balances between the above entities are eliminated.

These financial statements are presented in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in the preparation of these financial statements, except for cash flow information, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the department.

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contribution by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Judgements, estimates and assumptions are required to be made about the financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying Australian Accounting Standards (AAS) that have significant effect on the financial statements and estimates are disclosed in the notes under the heading 'Significant judgement'.

The financial statements have been prepared on a going-concern basis.

All amounts in the financial statements have been rounded to the nearest \$1,000,000 unless otherwise stated.

Where applicable, the comparative figures have been restated to align with the presentation in the current year.

A state of emergency was declared in Victoria on 16 March 2020 due to the COVID-19 pandemic. A state of disaster was subsequently declared on 2 August 2020. To contain the spread of the virus and to prioritise the health and safety of our communities, various restrictions were announced and implemented by the state government, which in turn has impacted the manner in which businesses operate, including the department. In response, the department implemented working from home arrangements where appropriate and started putting in place programs and initiatives as part of the state's response to the pandemic.

Where the impact of programs or initiatives put in place as a result of the COVID-19 pandemic is material to the department's results or position, additional disclosures are included in the notes.

Compliance information

These general purpose financial statements have been prepared in accordance with the FMA and applicable AASs which include Interpretations issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

These annual financial statements were authorised for issue by the Secretary of the Department of Health on 30 September 2021.

2. Funding delivery of our services

Introduction

The department's overall objective is to develop and deliver policies, programs and services that support and enhance the wellbeing of all Victorians.

To enable the department to fulfil its objective and provide outputs as described in section 4 'Disaggregated financial information by output', it receives income (predominantly accrual-based parliamentary appropriations). The department also receives income from the supply of services and tenancy agreements.

Structure

- 2.1 Summary of revenue and income that funds the delivery of our services
- 2.2 Appropriations
- 2.3 Summary of compliance with annual parliamentary and special appropriations
- 2.4 Revenue and income from transactions
 - 2.4.1 Interest income
 - 2.4.2 Rental income and income from services
 - 2.4.3 Grants
 - 2.4.4 Fair value of assets and services received free of charge or for nominal consideration
 - 2.4.5 Other income
- 2.5 Annotated income agreements

Impact of COVID-19 on revenue and income

The department has received additional funding from the Victorian and Commonwealth Governments to meet COVID-19-related costs and to provide additional funding to the health agencies and other organisations to assist with their COVID-19 response. Rental income earned in respect of the Housing Assistance output (Note 4.1.2) has been impacted by the COVID-19 pandemic as rent reviews were deferred and rent subsidies were provided to tenants affected by the lockdowns of public housing towers.

2.1 Summary of revenue and income that fund the delivery of our services ⁽ⁱ⁾

	Note	2021 \$M	2020 \$M
Output appropriations	2.2, 2.3	21,551.4	17,600.0
Special appropriations	2.2, 2.3	1,098.9	1,371.9
Interest income	2.4.1	2.5	6.9
Rental income and income from services	2.4.2	477.5	501.1
Grants	2.4.3	2,549.2	2,514.0
Fair value of assets and services received free of charge or for nominal consideration	2.4.4	0.6	3.6
Other income	2.4.5	18.3	30.9
Total revenue and income from transactions		25,698.4	22,028.4

Note:

(i) Includes COVID-19-related funding from the Victorian and Commonwealth Governments.

Revenue and income that fund delivery of the department's services are accounted for consistently with the requirements of the relevant accounting standards in the following notes.

2.2 Appropriations

Once annual parliamentary appropriations are applied by the Treasurer, they become controlled by the department and are recognised as income when applied to the purposes defined under the relevant Appropriations Act.

Output appropriations: Income from the outputs the department provides to the government is recognised when those outputs have been delivered and the relevant minister has certified delivery of those outputs in accordance with specified performance criteria.

Special appropriations: Under ss. 3.6.11, 4.4.11, 4.6.8, 5.4.6, and 6A.4.4(1) of the *Gambling Regulation Act 2003*, and s. 114 of the *Casino Control Act 1991*, income related to the Hospitals and Charities Fund and Mental Health Fund is recognised when the amounts appropriated for that purpose are due and payable by the department. The department also receives special appropriations for various purposes approved under s. 10 of the *Financial Management Act 1994*.

2.3 Summary of compliance with annual parliamentary and special appropriations

The following table discloses the details of the various annual parliamentary appropriations received by the department for the year.

In accordance with accrual output-based management procedures 'provision of outputs' and 'additions to net assets' are disclosed as 'controlled' activities of the department. Administered transactions are those that are undertaken on behalf of the state over which the department has no control or discretion (refer to Note 4.2).

	Appropriations Act			Financial Management Act 1994				Total parliamentary authority \$M	Appropriations applied \$M	Variance \$M
	Annual appropriation \$M	Advance from Treasurer \$M	Section 3(2) \$M	Section 29 ⁽ⁱ⁾ \$M	Section 30 ⁽ⁱⁱ⁾ \$M	Section 32 \$M	Section 35 advances \$M			
2021										
Controlled										
Provision of outputs	19,377.1	1,606.4	–	979.3	28.8	44.9	–	22,036.5	21,551.4	485.1 ⁽ⁱⁱⁱ⁾
Additions to net assets	613.2	2.0	–	19.8	(28.8)	–	–	606.2	424.6	181.6 ^(iv)
Administered										
Payments made on behalf of the state	66.8	–	–	–	–	–	–	66.8	66.8	–
Total	20,057.1	1,608.4	–	999.1	–	44.9	–	22,709.5	22,042.8	666.7
2020										
Controlled										
Provision of outputs	15,590.5	1,431.8	–	847.4	42.1	51.8	–	17,963.6	17,600.0	363.6 ^(v)
Additions to net assets	261.6	243.5	–	3.6	(42.1)	–	–	466.6	266.6	200.0 ^(vi)
Administered										
Payments made on behalf of the state	63.8	0.7	–	–	–	–	–	64.5	64.5	–
Total	15,915.9	1,675.9	–	851.0	–	51.8	–	18,494.6	17,931.1	563.5

Notes:

- (i) Refer to Note 2.5 for further detail.
- (ii) Transfer from the additions to net assets authority to appropriation for provision of outputs mainly relates to capital projects that are delivered via non-portfolio agencies and result in output appropriation costs to the department.
- (iii) The provision of outputs variance of \$485.1 million comprises \$293.8 million relating to funding for services and projects that will be requested in 2021–22 for delivery of these services and projects in that year, and \$191.3 million relating to output appropriation authority not applied in 2020–21. The unapplied authority primarily reflects the change in nature of expenditure from operating to capital that will be funded by depreciation equivalent and funding re-cashflowed to deliver outputs in 2021–22 and outyears.
- (iv) The additions to net assets variance of \$181.6 million comprises \$117.7 million relating to funding for capital projects that will be requested in 2021–22 and outyears for delivery of these capital projects in those years, and \$63.9 million relating to appropriation authority not applied in 2020–21. The unapplied authority reflects utilisation of current year depreciation equivalent instead of additions to net assets.
- (v) The provision of outputs variance of \$363.6 million comprises \$44.9 million relating to funding for services and projects that were sought in 2020–21, and \$318.7 million relating to output appropriation authority not applied in 2019–20. The unapplied authority primarily reflects unutilised Advance to Treasurer, savings and funding re-cashflowed to deliver outputs in 2020–21 and outyears.
- (vi) The additions to net assets variance of \$200 million comprises \$40.3 million relating to funding for capital projects that were sought in 2020–21 and outyears and \$159.7 million relating to appropriation authority not applied in 2019–20. The unapplied authority reflects utilisation of current year depreciation equivalent instead of additions to net assets and unutilised Advance from Treasurer.

The following table discloses the details of compliance with special appropriations:

Authority	Purpose	Appropriation applied	
		2021 \$M	2020 \$M
Section 4.4.11 and 4.6.8 of the <i>Gambling Regulation Act 2003</i>	Contribution to the Hospitals and Charities Fund	152.2	108.7
Section 5.4.6 of the <i>Gambling Regulation Act 2003</i>	Contribution to the Hospitals and Charities Fund and Mental Health Fund	464.4	563.8
Section 114 of the <i>Casino Control Act 1991</i>	Contribution to the Hospitals and Charities Fund	3.9	13.9
Section 3.6.11 of the <i>Gambling Regulation Act 2003</i>	Contribution to the Hospitals and Charities Fund	463.5	675.4
Section 6A.4.4(1) of the <i>Gambling Regulation Act 2003</i>	Contribution to the Hospitals and Charities Fund	3.2	3.9
Section 10 of the <i>Financial Management Act 1994</i>	Access to various Commonwealth grants – provision of outputs	11.7	6.1
Total special appropriations – Provision of outputs		1,098.9	1,371.9
Section 10 of the <i>Financial Management Act 1994</i>	Access to various Commonwealth grants – additions to the net assets	2.9	1.0
Total special appropriations – Additions to net assets		2.9	1.0
Total special appropriations		1,101.8	1,372.9

2.4 Revenue and income from transactions

2.4.1 Interest income

	2021 \$M	2020 \$M
Interest from financial assets		
– Interest on short-term deposits	2.1	6.4
– Interest from loans	0.4	0.5
Total interest	2.5	6.9

Interest income includes interest received on bank, term deposits and other investments. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

2.4.2 Rental income and income from services

	2021 \$M	2020 \$M
Rental income raised	1,013.9	1,025.3
Rental rebates	(532.3)	(521.0)
Rental subsidies – welfare organisations	(10.6)	(10.1)
Shared Home Ownership Scheme – rent raised	1.9	2.0
Total net rent receivable	472.9	496.2
Total user charges – rental properties	4.6	4.8
Rendering of services	–	0.1
Total rental income and income from services	477.5	501.1

Rental income arising from tenancy operating agreements is recognised on a straight-line basis over the terms of the ongoing agreements. This is subject to annual review. Rental rebates or subsidies provided to tenants are recognised on a straight-line basis over the term of the agreements. These are subject to bi-annual review.

Operating leases – lessors

The department provides rental accommodation for a range of clients. These are public rental units that are owned and operated by the Director of Housing which have week-to-week tenancy agreements. These agreements are subject to the *Residential Tenancy Act 1997* provisions which allow termination of a lease under certain circumstances. Accordingly the future revenue streams from the lease agreements are not required to be reported under AASB 16.97.

2.4.3 Grants

	2021 \$M	2020 \$M
Income recognised under AASB 1058	2,537.0	2,507.9
Revenue recognised under AASB 15	12.2	6.1
Total grants	2,549.2	2,514.0
Represented by:		
Victorian Government		
Department of Treasury and Finance	93.0	101.2
Department of Education and Training	141.0	141.6
Department of Environment, Land, Water and Planning	43.7	3.7
Department of Justice and Community Safety	24.5	11.8
Department of Jobs, Precincts and Regions	43.4	28.9
Department of Premier and Cabinet	9.1	19.2
Department of Transport	(0.1)	0.6
Court Services Victoria	2.9	2.9
Development Victoria	–	6.3
Global Victoria	8.5	–
Other public bodies	0.2	0.4
Commonwealth Government		
National Health Funding Body	2,170.6	2,190.7
Other Australian jurisdictions		
Departments and agencies from other Australian jurisdictions	12.4	6.4
Total grants	2,549.2	2,514.0

Significant judgement: Grants revenue and income

The department has made judgement on the recognition of grants revenue and income as income of not-for-profit entities where they do not contain sufficiently specific performance obligations. Revenue from grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers is recognised when the department satisfies the performance obligation by providing the relevant services to the agencies. Income from grants to construct the capital assets that are controlled by the department is recognised progressively as the asset is constructed. The progressive percentage costs incurred are used to recognise income because these most closely reflect the progress to completion as costs are incurred as the works are done.

Grants recognised under AASB 1058

The department has determined that the grant income included in the table above under AASB 1058 has been earned under arrangements that are either not enforceable and/or linked to sufficiently specific performance obligations.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the department has an unconditional right to receive the cash, which usually coincides with receipt of cash. On initial recognition of the asset, the department recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- contributions by owners, in accordance with AASB 1004
- revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15
- a lease liability, in accordance with AASB 16
- a financial instrument, in accordance with AASB 9, or
- a provision, in accordance with AASB 137.

Grants recognised under AASB 15

Revenue from grants that are enforceable and with sufficiently specific performance obligations are accounted for as revenue from contracts with customers under AASB 15. Revenue is recognised when the department satisfies the performance obligation by providing the relevant services to the relevant organisations. This is recognised based on the consideration specified in the funding agreement and to the extent that it is highly probable a significant reversal of the revenue will not occur. The funding payments are normally received in advance or shortly after the relevant obligation is satisfied.

2.4.4 Fair value of assets and services received free of charge or for nominal consideration

	2021 \$M	2020 \$M
Land received at fair value	–	2.6
Buildings received at fair value	–	0.2
Plant and equipment received at fair value	0.3	0.5
Resources received free of charge	0.3	0.3
Total fair value of assets and services received free of charge or for nominal consideration	0.6	3.6

Contributions of resources received free of charge or for nominal consideration are recognised at their fair value when control is obtained over them, irrespective of whether these contributions are subject to restrictions or conditions over their use, unless received from another government department or agency as a consequence of a restructuring of administrative arrangements. In the latter case, such a transfer is recognised at its carrying value.

Voluntary services: Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not received as a donation. The department did not receive any voluntary services and does not depend on volunteers to deliver its services.

2.4.5 Other income

	2021 \$M	2020 \$M
State trust accounts	14.5	29.1
Other miscellaneous income	3.8	1.8
Total other income	18.3	30.9

Other income includes income received from departmental controlled trust funds and is recognised when the department gains control over the funds. It also includes income received from treasury trusts.

2.5 Annotated income agreements

The department is permitted under s. 29 of the *Financial Management Act 1994* to have certain income annotated to the annual appropriation. The income which forms part of a s. 29 agreement is recognised by the department and the receipts paid into the consolidated fund as an administered item. At the point of income recognition, s. 29 provides for an equivalent amount to be added to the annual appropriation.

The following is a listing of annotated income agreements under s. 29 of the *Financial Management Act 1994* approved by the Treasurer:

	2021 \$M	2020 \$M
User charges, or sales of goods and services		
Albury Wodonga Health (Capital)	1.6	1.6
Albury Wodonga Health (Output)	118.0	113.7
Community Residential Units Accommodation charges; includes full Board and Lodging Model (Output)	8.5	9.2
Department of Veteran Affairs Hospital Services (Output)	63.5	89.5
Health Technology Services (Output)	7.7	5.1
Revenue for Services Provided for the National Disability Insurance Agency (Output)	6.4	8.9
Seniors Card Directory Advertising (Output)	0.3	0.3
Transport Accident Commission Agreement (Output)	174.2	28.9
	380.2	257.1
Asset sales		
Proceeds from sale of land and buildings (Capital)	1.2	1.6
	1.2	1.6
Commonwealth specific purpose payments		
National Partnership Agreements		
Adult Public Dental Services (Output)	26.9	26.9
COVID-19 Domestic and Family Violence Response (Output)	24.3	7.2
Community Health and Hospitals Program – Victorian Children’s Colorectal Service (Output)	2.4	–
Community Health and Hospitals Program – Geelong Women’s and Children’s Hospital (Capital)	5.0	–
Community Health and Hospitals Program – Wodonga Hospital (Capital)	2.5	–
Community Health and Hospitals Program – Redevelopment of Rosebud Hospital (Capital)	5.0	–
Community Health and Hospitals Program – Expand Cancer Infrastructure in the West Gippsland Region (Capital)	4.5	–
Encouraging More Clinical Trials in Australia (Output)	–	0.2
Essential Vaccines (Output)	3.9	3.5
Expansion of the BreastScreen Australia Program (Output)	3.9	3.8
Family Law Information Sharing (Output)	0.3	0.3
Health Services – National Bowel Cancer Screening Program (Output)	2.2	2.2
Health Services – OzFoodNet (Output)	0.3	0.3
Health Services – Vaccine-Preventable Diseases Surveillance Program (Output)	0.2	0.2
Health Services – Victorian Cytology Service (Output)	10.6	10.5
Statewide Enhancements to Regional Cancer Services (Capital)	–	0.5
National Housing and Homelessness Agreement (Output)	413.1	405.4
Lymphoedema Compression Garment Scheme (Output)	1.0	–
Specialist Dementia Care Program (Output)	0.7	0.4

	2021 \$M	2020 \$M
Other		
Aged Care Assessment (Output)	31.9	31.4
National Rural Generalist Pathway (Output)	0.7	–
Regional Assessment Services (Output)	34.8	34.3
Human Quarantine Services (Output)	0.1	0.1
Mental Health Professional Online Development	0.2	0.2
National Reform Agenda for Organ and Tissue Donation (Output)	7.8	9.9
Continuity of Support Services for Clients Over 65 (Output)	33.3	53.1
Unattached Refugee Children (Output)	0.8	1.0
Women's Safety Measures – Keeping Women Safe in Their Homes (Output)	0.9	1.0
Women's Safety Measures – Local Support Coordinator (Output)	0.2	0.1
	617.7	592.3
Total annotated income agreements	999.1	851.0

3. The cost of delivering services

Introduction

This section provides an account of the expenses incurred by the department in delivering services and outputs. In section 2 'Funding delivery of our services', the funds that enable the provision of services were disclosed and in this note the costs associated with the provision of services are recorded. Section 4 'Disaggregated financial information by output' discloses aggregated information in relation to the income and expenses by output.

Structure

- 3.1 Expenses incurred in delivery of services
 - 3.1.1 Employee benefits
 - 3.1.2 Grants and other expense transfers
 - 3.1.3 Capital asset charge
 - 3.1.4 Fair value of assets and services provided free of charge or for nominal consideration
 - 3.1.5 Other operating expenses
 - 3.1.6 Other property management expenses

Impact of COVID-19 on expenses

The department has provided additional funding to the health agencies and other organisations to assist with the COVID-19 response, allocated additional resources to attend to COVID-19 public queries and contact tracing and also implemented work from home arrangements where appropriate.

3.1 Expenses incurred in the delivery of services

	Note	2021 \$M	2020 \$M
Employee benefits	3.1.1(a)	1,500.3	1,200.2
Grant and other expense transfers	3.1.2	19,720.7	17,308.0
Capital asset charge	3.1.3	1,427.7	1,319.8
Maintenance		239.6	236.1
Fair value of assets and services provided free of charge or for nominal consideration	3.1.4	297.2	32.3
Other operating expenses	3.1.5	1,361.5	689.4
Other property management expenses	3.1.6	274.6	199.3
Total expenses incurred in delivery of services		24,821.6	20,985.1

3.1.1 Employee benefits

3.1.1(a) Employee benefits in the comprehensive operating statement

	2021 \$M	2020 \$M
Defined contribution superannuation expense	93.0	77.0
Defined benefit superannuation expense	6.5	7.5
Termination benefits	23.7	18.1
Salaries and wages, annual leave and long service leave	1,377.1	1,097.6
Total employee benefits	1,500.3	1,200.2

Employee benefits include all costs related to employment, including salaries and wages, leave entitlements, fringe benefits tax, termination benefits, payroll tax and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. Excluding former employees of the Director of Housing, the department does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance discloses in its annual financial statements the net defined

benefit cost related to the members of these plans as an administered liability (on behalf of the state as the sponsoring employer).

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the department is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

3.1.1(b) Employee benefits in the balance sheet

Provision is made for benefits accruing to employees in respect of annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	2021 \$M	2020 \$M
Current provisions		
Annual leave		
Unconditional and expected to be settled within 12 months	84.9	91.2
Unconditional and expected to be settled after 12 months	42.4	49.5
Maternity leave		
Unconditional and expected to be settled within 12 months	11.1	5.2
Long service leave		
Unconditional and expected to be settled within 12 months	16.6	21.4
Unconditional and expected to be settled after 12 months	147.4	193.1
Superannuation		
Unconditional and expected to be settled within 12 months	2.5	2.6
Provisions for on-costs		
Unconditional and expected to be settled within 12 months	15.7	17.3
Unconditional and expected to be settled after 12 months	30.4	38.1
Total current provisions for employee benefits	351.0	418.4
Non-current provisions		
Conditional long service leave entitlements	28.2	31.1
Superannuation	28.9	29.6
Provisions for on-costs	4.5	4.9
Total non-current provisions for employee benefits	61.6	65.6
Total provisions for employee benefits	412.6	484.0

Reconciliation of movement in on-cost provision

	2021 \$M
Opening balance	60.3
Net movement in provisions recognised	(7.4)
Unwind of discount and effect of changes in the discount rate	(2.3)
Closing balance	50.6
Current	46.1
Non-current	4.5

Annual leave and sick leave: Liabilities for annual leave and on-costs are recognised as part of the provisions for employee benefits as 'current liabilities', because the department does not have an unconditional right to defer settlements of these liabilities.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as the department does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the comprehensive operating statement as it is taken.

Employment on-costs such as payroll tax, workers' compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Unconditional LSL is disclosed as a current liability; even where the department does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at present value where the department does not expect to wholly settle within 12 months. The components of current LSL liability are measured at nominal value where the department expects to settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

Any gain or loss following the revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

Provisions for superannuation – Defined benefit obligation

The department reports a liability for unfunded superannuation in respect of former employees of the Director of Housing for the shortfall of superannuation benefits paid to former housing staff who retired or resigned on or before 14 December 1987 or were employed by the Director of Housing as at 14 December 1987 and retired or resigned prior to or on 30 June 1994.

This liability represents the shortfall between the total net assets of the superannuation fund at 30 June 2021 and the total benefits that members have accrued up to that date, determined by an actuarial assessment. Information relating to the fund based on the latest actuarial assessment for 30 June 2021 is set out below. The amount expensed in respect of unfunded superannuation represents the contributions made by the department to the superannuation fund, adjusted by the movement in the liability or asset.

	2021 \$M	2020 \$M
Reconciliation of the superannuation liability in the balance sheet		
Defined benefit obligation	31.4	32.2
Net liability/(asset)	31.4	32.2
Total obligation and liability in the balance sheet	31.4	32.2
Represented by:		
Current liability	2.5	2.6
Non-current liability	28.9	29.6
Total liability	31.4	32.2
Principal actuarial assumptions		
Discount rate	2.0%	1.0%
Expected return on plan assets	6.8%	6.8%
Expected rate of salary increase	3.4%	2.3%
Inflation	1.9%	0.8%

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each asset class and allowing for the correlations of the investment returns between asset classes. The returns used for each asset class are net of investment tax (where applicable) and investment fees.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

Movements in the present value of the defined benefit obligation in the current period were as follows:

	2021 \$M	2020 \$M
Opening balance of defined benefit obligation	32.2	34.7
Interest cost	0.3	0.5
Actuarial losses/(gains)	1.5	(0.3)
Benefits paid	(2.6)	(2.7)
Closing balance of defined benefit obligation	31.4	32.2

Reconciliation of opening and closing balances of the fair value of plan assets

Movements in the present value of the plan assets in the current period were as follows:

	2021 \$M	2020 \$M
Contributions from the employer	2.6	2.7
Benefits paid	(2.6)	(2.7)
Closing balance of plan assets	-	-

Superannuation expense recognised in the comprehensive operating statement

	2021 \$M	2020 \$M
Interest cost	0.3	0.5
Actuarial losses/(gains)	1.5	(0.3)
Total expense recognised in respect of defined benefit plans	1.8	0.2

Net actuarial gains or losses reflect the change in superannuation liability that arises due to differences between the assumptions used to calculate the superannuation expense from transactions and actual outcomes. The effect of any change in actuarial assumptions during the period is also included. Net actuarial gains or losses are recognised in the period in which they occur.

3.1.1(c) Superannuation contributions

Employees of the department are entitled to receive superannuation benefits and the department contributes to both defined benefit and defined contribution plans. The defined benefit plan(s) provide benefits based on years of service and final average salary.

As noted in note 3.1.1(a), other than former employees of the Director of Housing, the defined benefit liability is recognised in the Department of Treasury and Finance as an administered liability. However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the department.

	Paid contribution for the year		Contribution outstanding at year end	
	2021 \$M	2020 \$M	2021 \$M	2020 \$M
Defined benefit plans				
State superannuation fund	6.5	6.4	0.2	0.8
Other	-	0.3	-	-
Defined contribution plans				
VicSuper	52.3	44.1	2.9	-
Other	37.7	32.9	-	-
Total	96.5	83.7	3.1	0.8

3.1.2 Grants and other expense transfers

	2021 \$M	2020 \$M
State contributions to the Administrator of the Victoria Health Funding Pool	5,628.4	6,239.3
Public health services and hospitals ⁽ⁱ⁾		
Monash Health	785.7	532.1
Melbourne Health	519.3	386.7
Alfred Health	432.8	266.2
Austin Health	350.8	184.9
Western Health	324.7	228.1
Eastern Health	328.2	193.9
Peter MacCallum Cancer Centre	316.9	227.1
The Royal Children's Hospital	281.8	210.3
Barwon Health	260.2	168.2
Dental Health Services Victoria	250.7	211.1
Northern Health	219.8	102.3
Peninsula Health	214.1	112.8
Bendigo Health	211.8	150.5
Albury Wodonga Health	176.6	164.5
Ballarat Health Services	143.9	123.7
Goulburn Valley Health	113.7	151.6
Latrobe Regional Hospital	78.4	60.3
The Royal Women's Hospital	77.8	59.9
Northeast Health Wangaratta	56.1	20.6
South West Healthcare	49.1	36.8
Central Highlands Rural Health	33.3	26.3
Mildura Base Public Hospital	37.6	–
Wimmera Health Care Group	32.2	13.4
The Royal Victorian Eye and Ear Hospital	47.1	32.8
Other public health services and hospitals with payments totalling less than \$30 million	681.9	509.8
	11,652.9	10,413.4
Denominational hospitals ⁽ⁱⁱ⁾		
St Vincent's Hospital (Melbourne) Limited	223.8	144.7
Mercy Hospitals Victoria Limited	105.3	67.3
Other denominational hospitals with payments totalling less than \$30 million	3.6	2.7
	332.7	214.7
Ambulance services		
Ambulance Victoria	939.6	857.6
	939.6	857.6
Other state government agencies		
Victorian Institute of Forensic Mental Health	86.0	69.8
Victorian Health Promotion Foundation	41.3	41.2
Other state government agencies with payments totalling less than \$30 million	111.8	2.2
	239.1	113.2
Local councils		
Casey City Council	10.8	9.8
Wyndham City Council	8.2	7.5
City of Greater Dandenong	7.2	6.5
City of Greater Geelong	6.9	6.7
Hume City Council	6.5	6.4
Whittlesea City Council	6.3	6.6
Brimbank City Council	6.0	5.5
Melton Shire Council	5.5	5.6

	2021 \$M	2020 \$M
City of Kingston	5.3	4.7
Other local councils with payments totalling less than \$5 million	116.7	107.7
	179.4	167.0
Commonwealth Government		
National Blood Authority	117.0	115.0
Other Commonwealth Government with payments totalling less than \$30 million	(0.7)	50.1
	116.3	165.1
Non-government agencies and individuals		
Home@Scope Pty Ltd	236.6	238.9
Anglicare Victoria	143.9	137.0
Wesley Mission Victoria	141.5	126.3
Epworth Healthcare	106.7	61.3
Life Without Barriers	124.1	137.8
Berry Street Victoria Incorporated	106.3	104.2
Salvation Army Property Trust	104.2	78.8
Mackillop Family Services Limited	102.0	81.7
Launch Housing Limited	95.9	45.6
Victorian Aboriginal Child Care Agency	77.0	56.8
Cohealth Ltd	65.9	38.7
Melba Support Services	70.9	81.2
Cabrini Health Limited	44.6	48.2
Australian Red Cross Society Victoria	54.5	3.0
Ramsay Health Care	32.3	48.5
Optia Ltd	55.6	64.9
BreastScreen Victoria Inc	53.4	51.6
Aruma	43.4	59.5
Eastern Access Community Health Inc	42.6	28.8
The University of Melbourne	37.6	32.1
Melbourne City Mission Inc	35.4	32.5
Yarra Community Housing Ltd	32.9	10.4
Latrobe Community Health Service	32.8	25.3
IPC Health	45.2	17.0
St Vincent's Private Hospital	41.8	37.4
Client/assistance payments	807.1	727.6
Other non-government agencies with payments totalling less than \$30 million	3,526.5	3,001.9
	6,260.7	5,377.1
Total grants and other expense transfers	19,720.7	17,308.0

Notes:

- (i) As defined in schedules 1 and 5 of the *Health Services Act 1988*.
- (ii) As defined in schedule 2 of the *Health Services Act 1988*.

Transactions in which the department provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant and other expense transfers'.

Grants can either be operating or capital in nature.

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as grants, subsidies and other transfer payments to public health services, public and denominational hospitals, other state government agencies, local councils and non-government agencies and individuals and the state contribution to the National Health Funding Pool.

State funds in the National Health Funding Pool are paid to health agencies for Activity Based Funding initiatives.

There are, however, a range of grant payments that remain out of scope for National Health Reform, such as aged care subsidies, home and community care payments and community-based drug and alcohol services that continue to be paid directly to health agencies.

3.1.3 Capital asset charge

	2021 \$M	2020 \$M
Capital asset charge	1,427.7	1,319.8

A **capital asset charge** is a charge levied on the written down value of controlled non-current physical assets in a department's balance sheet. It aims to attribute a cost of capital used in service delivery to the department outputs. Imposing this charge provides incentives for the department to identify and dispose of underutilised or surplus non-current physical assets.

The capital asset charge is calculated on the budgeted carrying amount of applicable non-financial physical assets.

3.1.4 Fair value of assets and services provided free of charge or for nominal consideration

	2021 \$M	2020 \$M
Land at fair value	1.6	–
Buildings at fair value	0.4	–
Resources provided free of charge ⁽ⁱ⁾	295.2	32.3
Total fair value of assets and services provided free of charge or for nominal consideration	297.2	32.3

Note:

(i) Figures include the transfers of personal protective equipment to health services and other agencies under the State Supply Arrangement set up in response to the COVID-19 pandemic.

Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the recipient obtains control over the resources, irrespective of whether restrictions or conditions are imposed over the use of the contributions. The exception to this would be when the resource is provided to another government department (or agency) as a consequence of a restructuring of administrative arrangements, in which case such a transfer will be recognised at carrying value.

Voluntary services: Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been sold if not donated.

3.1.5 Other operating expenses

	2021 \$M	2020 \$M
Accommodation and property services ⁽ⁱ⁾	129.5	63.7
Administrative costs	843.5	372.4
Short-term lease expenses	13.4	6.9
Variable lease expenses	0.4	2.3
Information, communications and technology costs	298.9	199.9
Medicines and drugs / pharmacy supplies	10.2	9.9
Direct care operating costs	65.5	34.3
Total other operating expenses	1,361.5	689.4

Note:

(i) Figures relate to the office accommodation-related costs.

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. They also include bad debts expense from transactions that are mutually agreed.

The following lease payments are recognised on a straight-line basis:

- Short-term leases – leases with a term 12 months or less
- Low-value leases – leases where the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

Variable lease payments that are not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate and which are not, in substance fixed) such as those based on performance or usage of the underlying asset, are recognised in the comprehensive operating statement (except for payments which have been included in the carrying amount of another asset) in the period in which the event or condition that triggers those payments occurs.

3.1.6 Other property management expenses

	2021 \$M	2020 \$M
Rates to local authorities	116.1	118.8
Tenant utilities and other expenses	158.5	80.5
Total other property management expenses	274.6	199.3

Other property management expenses generally include all costs and incidental expenses associated with the management of Director of Housing properties.

4. Disaggregated financial information by output

Introduction

The department is predominantly funded by accrual-based parliamentary appropriations for the provision of outputs. This section provides a description of the departmental outputs delivered during the year ended 30 June 2021 along with the objectives of those outputs.

This section disaggregates revenue and expenses that enables the delivery of services (described in section 2 'Funding delivery of our services') by output and records the allocation of expenses incurred (described in section 3 'The cost of delivering services') also by output, which form part of controlled balances of the department.

It also provides information on items administered in connection with these outputs.

Judgement is required in allocating income and expenditure to specific outputs. For the period under review there were no amounts unallocated.

The distinction between controlled and administered items is based on whether the department has the ability to deploy the resources in question for its own benefit (controlled items) or whether it does so on behalf of the state (administered). The department remains accountable for transactions involving administered items, but it does not recognise these items in its financial statements.

Structure

- 4.1 Departmental outputs
 - 4.1.1 Departmental outputs – Descriptions and objectives
 - 4.1.2 Departmental outputs – Controlled income and expenses
- 4.2 Administered (non-controlled) items
 - 4.2.1 Administered income and expenses
 - 4.2.2 Administered assets and liabilities
 - 4.2.3 Administered grants and other expense transfers
- 4.3 Restructuring of administrative arrangements

4.1 Departmental outputs

4.1.1 Departmental outputs – Descriptions and objectives

Department of Health output groups

Output group 1: Acute Health Services

The Acute Health Services output group includes a range of timely and high-quality acute hospital inpatient, ambulatory, emergency, community-based and specialist services.

Output group 2: Ambulance Services

The Ambulance Services output group includes emergency and non-emergency ambulance services.

Output group 3: Mental Health

The Mental Health output group includes the provision of a range of inpatient, community-based residential and ambulatory services which treat and support people with a mental illness and their families and carers, identify mental illness early, and seek to reduce its impact through providing timely acute care services and appropriate longer-term accommodation and support for those living with a mental illness.

Output group 4: Ageing, Aged and Home Care

The Ageing, Aged and Home Care output group encompasses leading and coordinating the whole of government policy on issues affecting our ageing community. It includes a range of in-home, specialist geriatric, residential care and community-based programs, such as Home and Community Care (HACC), that are targeted to older people, people with a disability, and their carers.

Output group 5: Primary, Community and Dental Health

The Primary, Community and Dental Health output group includes a range of in-home, community-based (including maternal and child health services), community, primary health and dental services designed to promote health and wellbeing and prevent the onset of more serious illnesses.

Output group 6: Small Rural Services

The Small Rural Services output group includes a range of health and aged care services delivered in small rural towns. The funding and service delivery approach focuses on achieving a sustainable, flexible service mix that is responsive to local needs. Service providers include small rural hospitals, community health services, bush nursing centres, multipurpose services and public sector residential aged care services.

Output group 7: Public Health

The Public Health output group encompasses services and support, including screening for health conditions and safety inspections that promote and protect the health and wellbeing of all Victorians.

Output group 8: Drug Services

The Drug Services output group includes programs and services aimed at promoting and protecting health by reducing death, disease and social harm caused by the use and misuse of licit and illicit drugs.

Department of Families, Fairness and Housing output groups**Output group 9: Disability Services**

The Disability Services output group includes provision of continuing care and support services for people with disabilities, their carers and their families, and aims to make a positive difference for Victorians experiencing disadvantage and provide excellent community services to meet clients' needs.

Output group 10: Child Protection and Family Services

The Child Protection and Family Services output group funds statutory child protection services, family support and early parenting services, family violence and sexual assault services, placement care services and specialist support services to ensure the safety and wellbeing of adolescents and children at risk of harm, abuse and neglect.

Output group 11: Concessions to Pensioners and Beneficiaries

Concessions to Pensioners and Beneficiaries output group includes the development and coordination of the delivery of concessions and relief grants to eligible consumers and concession card holders.

This output provides reductions in the price of energy, water, and municipal rates to eligible consumers and concession card holders. It also provides trustee services for people on a low income or those who are subject to an order by the Victorian Civil and Administrative Tribunal, and other social and community services, including the provision of emergency relief for individuals or families who are experiencing immediate and personal distress due to a financial or domestic crisis.

Output group 12: Empowering Individuals and Communities

The Empowering Individuals and Communities output group comprises:

- The Community Participation output, which funds programs that support community participation, including neighbourhood houses, Men's Sheds, community support projects and programs for people with a disability.
- The Senior Programs and Participation output, which supports broader community planning processes to facilitate community planning and response approach aimed at enabling older Victorians to fully participate and engage in the community.
- The Support to Veterans in Victoria output, which provides coordination of veteran-related issues at a state level, especially in relation to commemoration, education programs, grant programs, research and veteran welfare.
- The LGBTIQ+ Equality Policy and Programs output, which provides programs and services to promote equality for LGBTIQ+ Victorians and to support these communities' economic, social and civic participation.
- The Women's Policy output, which provides initiatives that support gender equality and better outcomes for women across all areas of their lives including economic security, safety, leadership, health and wellbeing.
- The Primary Prevention of Family Violence output, which provides initiatives that support primary prevention of family violence and violence against women.
- The Youth output, which leads and coordinates whole of government policy advice and delivers a range of initiatives for young people aged between 12 and 25 years to enable them to gain a range of skills and experience and to actively participate in their local communities.
- The Multicultural Affairs Policy and Program output, which provides policy advice on multicultural affairs and social cohesion in Victoria, including settlement coordination for newly arrived migrants and refugees, and delivers a range of programs to directly support Victoria's multicultural communities.

Output group 13: Family Violence Service Delivery

The Family Violence Service Delivery output group leads and coordinates whole of government family violence policy, and implements and delivers the government's family violence reform agenda. This includes establishing and operating Support and Safety Hubs, implementing information-sharing legislation, and delivering risk assessment and management programs.

Output group 14: Housing Assistance

The Housing Assistance output group, through the provision of homelessness services, crisis and transitional accommodation and long-term, adequate, affordable and accessible housing assistance, coordinated with support services where required, home renovation assistance and the management of the home loan portfolio, aims to make a positive difference for Victorians experiencing disadvantage by providing excellent housing and community services to meet clients' needs. This output provides:

- housing assistance for low-income families, older people, singles, youth and other households. It responds to the needs of clients through the provision of appropriate accommodation, including short-term and long-term properties that assist in reducing and preventing homelessness, and
- housing support services to people who are homeless or at risk of homelessness, in short-term housing or crisis situations. Support will assist clients in accessing and maintaining tenancies in appropriate accommodation. Services provided will assist in the prevention and overall reduction of homelessness.

Output group 15: Shared Services

Shared Services output group reflects the range of corporate services that the department provides to the Department of Education and Training. These costs are included across the outputs of the Department of Education and Training. This output group is shared between the Department of Health and the Department of Families, Fairness and Housing. Further details on the objectives of each output can be found in Budget Paper No. 3 Service Delivery.

4.1.2 Departmental outputs – Controlled income and expenses

Year ended 30 June 2021	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Elimination	Total
Output group ⁽ⁱ⁾	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Income from transactions																	
Output appropriations	9,622.9	869.0	1,224.9	558.4	709.8	356.1	1,363.6	198.4	2,150.1	1,708.0	820.2	290.2	345.9	1,333.9	–	–	21,551.4
Special appropriations	919.5	33.0	23.8	13.5	27.4	5.0	7.9	4.4	63.9	–	–	0.5	–	–	–	–	1,098.9
Interest income	–	–	–	–	–	–	–	–	–	–	–	–	–	2.5	–	–	2.5
Rental income and income from services	–	–	–	–	–	–	–	–	–	–	–	–	–	477.5	–	–	477.5
Grants	1,707.1	–	453.5	–	4.0	131.4	78.8	103.1	10.4	12.8	–	10.4	1.0	53.8	1.8	(18.9)	2,549.2
Other income	7.7	–	3.5	0.7	–	(0.3)	2.6	–	0.3	–	0.2	0.6	–	3.9	75.5	(76.4)	18.3
Fair value of assets and services received free of charge or for nominal consideration	–	–	–	–	–	–	1.5	–	0.7	–	–	–	–	0.3	–	(2.0)	0.6
Total revenue and income from transactions	12,257.2	902.0	1,705.7	572.6	741.2	492.2	1,454.4	305.9	2,225.4	1,720.8	820.4	301.7	346.9	1,871.9	77.3	(97.3)	25,698.4
Expenses from transactions																	
Employee benefits	179.9	1.6	43.0	21.3	28.6	6.2	285.7	11.3	244.9	430.7	11.1	26.5	40.7	142.6	26.2	–	1,500.3
Depreciation and amortisation	22.0	0.1	12.4	0.9	5.0	–	2.7	0.3	8.4	12.9	0.4	0.4	13.7	265.8	0.1	–	345.1
Interest expense	2.6	–	–	–	–	–	–	–	–	0.5	–	–	–	0.9	–	–	4.0
Maintenance	0.8	–	–	–	–	–	–	–	12.5	5.9	–	0.2	–	220.2	–	–	239.6
Fair value of assets and services provided free of charge or for nominal consideration	294.8	–	–	–	–	–	–	–	0.7	1.7	–	–	–	2.0	–	(2.0)	297.2
Other operating expenses	203.9	0.4	40.3	9.0	30.3	0.8	666.4	15.3	97.7	197.7	6.1	15.0	31.6	72.0	51.4	(76.4)	1,361.5
Grants and other expense transfers	10,191.6	841.2	1,484.2	429.5	614.6	402.7	550.1	267.3	1,815.0	1,058.8	803.1	256.4	277.7	747.1	0.2	(18.9)	19,720.7
Capital asset charge	1,121.9	27.4	84.8	61.0	29.1	35.8	2.5	6.8	40.3	14.6	–	–	3.5	–	–	–	1,427.7
Other property management expenses	–	–	–	–	–	–	0.1	–	0.3	0.2	–	–	–	274.0	–	–	274.6
Total expenses from transactions	12,017.5	870.7	1,664.7	521.7	707.6	445.5	1,507.5	301.0	2,219.8	1,723.0	820.7	298.5	367.2	1,724.6	77.9	(97.3)	25,170.7
Net result from transactions (net operating balance)	239.7	31.3	41.0	50.9	33.6	46.7	(53.1)	4.9	5.6	(2.2)	(0.3)	3.2	(20.3)	147.3	(0.6)	–	527.7
Other economic flows included in net result																	
Net gain/(loss) on non-financial assets	(0.1)	–	–	–	–	–	0.1	–	(0.5)	1.2	–	–	–	(3.6)	–	–	(2.9)
Net gain/(loss) on financial instruments	0.5	–	–	–	–	–	–	–	0.8	0.3	–	–	–	–	–	–	1.6
Impairment of joint venture	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other gains/(losses) from other economic flows	(16.3)	0.1	0.7	0.5	0.3	0.2	1.0	0.1	(3.1)	2.6	–	0.3	0.4	0.9	–	–	(12.3)
Total other economic flows included in net result	(15.9)	0.1	0.7	0.5	0.3	0.2	1.1	0.1	(2.8)	4.1	–	0.3	0.4	(2.7)	–	–	(13.6)
Net result	223.8	31.4	41.7	51.4	33.9	46.9	(52.0)	5.0	2.8	1.9	(0.3)	3.5	(19.9)	144.6	(0.6)	–	513.9

Note:

(i) Refer to Note 4.1.1 for output definitions.

Year ended 30 June 2020	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Elimination	Total
Output group ⁽ⁱ⁾	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Income from transactions																	
Output appropriations	8,305.1	854.5	1,142.7	536.3	618.3	334.2	335.7	173.8	2,056.2	1,505.5	752.8	61.9	276.7	646.2	–	–	17,600.0
Special appropriations	1,135.7	48.0	34.7	20.4	39.9	7.3	10.8	6.3	68.8	–	–	–	–	–	–	–	1,371.9
Interest income	–	–	–	–	–	–	–	–	–	–	–	–	–	6.9	–	–	6.9
Rental income and income from services	–	–	–	–	–	–	–	–	–	–	–	–	–	501.1	–	–	501.1
Grants	1,733.7	–	368.7	0.5	0.4	128.7	123.2	88.5	8.8	6.8	–	0.5	13.0	49.8	2.6	(11.2)	2,514.0
Other income	22.7	–	2.3	0.8	–	–	2.2	–	1.6	–	0.2	–	–	0.4	0.7	–	30.9
Fair value of assets and services received free of charge or for nominal consideration	–	–	–	–	–	–	–	–	0.5	–	–	–	–	3.1	–	–	3.6
Total revenue and income from transactions	11,197.2	902.5	1,548.4	558.0	658.6	470.2	471.9	268.6	2,135.9	1,512.3	753.0	62.4	289.7	1,207.5	3.3	(11.2)	22,028.4
Expenses from transactions																	
Employee benefits	154.8	1.6	41.6	7.6	22.8	7.2	80.5	11.0	298.5	397.4	10.7	7.1	39.0	118.4	2.0	–	1,200.2
Depreciation and amortisation	23.1	0.4	13.0	2.1	5.5	0.1	3.6	0.7	18.1	18.4	0.4	0.2	8.6	333.8	0.1	–	428.1
Interest expense	0.7	–	0.2	0.3	0.1	–	0.5	0.1	1.3	2.5	–	–	0.1	1.2	–	–	7.0
Maintenance	0.2	–	0.4	–	0.1	–	–	–	11.1	6.0	–	–	–	218.3	–	–	236.1
Fair value of assets and services provided free of charge or for nominal consideration	31.6	–	–	–	–	–	–	–	0.6	0.1	–	–	–	–	–	–	32.3
Other operating expenses	176.1	0.8	19.4	19.4	95.3	3.6	74.1	7.3	74.4	132.9	4.1	1.1	27.1	52.0	1.8	–	689.4
Grants and other expense transfers	9,163.4	807.1	1,344.9	416.6	512.5	380.4	326.5	246.3	1,698.5	947.1	737.6	53.9	210.0	474.4	–	(11.2)	17,308.0
Capital asset charge	1,028.1	26.4	83.6	55.4	26.4	35.8	2.5	4.3	39.9	14.6	–	–	2.8	–	–	–	1,319.8
Other property management expenses	–	–	–	–	–	–	–	–	0.4	0.2	–	–	–	198.7	–	–	199.3
Total expenses from transactions	10,578.0	836.3	1,503.1	501.4	662.7	427.1	487.7	269.7	2,142.8	1,519.2	752.8	62.3	287.6	1,396.8	3.9	(11.2)	21,420.3
Net result from transactions (net operating balance)	619.2	66.2	45.3	56.6	(4.1)	43.1	(15.8)	(1.1)	(6.9)	(6.8)	0.2	0.1	2.1	(189.3)	(0.6)	–	608.1
Other economic flows included in net result																	
Net gain/(loss) on non-financial assets	0.1	–	–	–	–	–	0.1	–	(0.1)	1.0	–	–	–	(5.6)	–	–	(4.5)
Net gain/(loss) on financial instruments	0.3	–	0.1	0.1	–	–	–	–	(0.1)	–	–	–	–	–	–	–	0.4
Impairment of joint venture	(35.0)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(35.0)
Other gains/(losses) from other economic flows	(7.2)	(0.1)	(0.8)	(0.8)	(0.4)	(0.3)	(0.5)	(0.2)	(5.2)	(3.5)	(0.1)	–	(0.2)	(4.3)	–	–	(23.6)
Total other economic flows included in net result	(41.8)	(0.1)	(0.7)	(0.7)	(0.4)	(0.3)	(0.4)	(0.2)	(5.4)	(2.5)	(0.1)	–	(0.2)	(9.9)	–	–	(62.7)
Net result	577.4	66.1	44.6	55.9	(4.5)	42.8	(16.2)	(1.3)	(12.3)	(9.3)	0.1	0.1	1.9	(199.2)	(0.6)	–	545.4

Note:

(i) Refer to Note 4.1.1 for output definitions.

4.2 Administered (non-controlled) items

Administered income includes taxes, fees and fines and the proceeds from the sale of administered surplus land and buildings. Administered expenses include payments made on behalf of the state and payments into the consolidated fund. Administered assets include government income earned but yet to be collected. Administered liabilities include government expenses incurred but yet to be paid. Except as otherwise disclosed, administered resources are accounted for on an accrual basis using the same accounting policies adopted for recognition of the departmental items in the financial statements. Both the controlled department financial statements and these administered items are consolidated into the financial statements of the state.

The department does not gain control over assets arising from taxes, fines and regulatory fees, consequently no income is recognised in the department's financial statements. The department collects these amounts on behalf of the state. Accordingly, the amounts are disclosed as income in the schedule of Administered Items.

4.2.1 Administered income and expenses

Year ended 30 June 2021	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total
Output group ^{(i),(ii)}	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Administered income from transactions																
Commonwealth contribution to the national health reform	4,750.2	–	690.0	–	0.3	131.4	115.6	13.5	–	–	–	–	–	–	–	5,701.0
State contribution to the national health reform	5,450.2	–	178.2	–	–	–	–	–	–	–	–	–	–	–	–	5,628.4
State contribution to the National Disability Insurance Agency	–	–	–	–	–	–	–	–	1,260.3	–	–	–	–	–	–	1,260.3
Commonwealth grants	1,047.6	–	0.2	66.7	–	–	5.1	–	35.6	0.8	–	–	1.1	–	–	1,157.1
Sales of goods and services	344.9	–	12.5	–	3.8	2.5	–	0.6	14.9	0.3	–	0.1	–	–	–	379.6
Appropriations – payments made on behalf of the state	–	–	–	50.1	–	–	–	–	16.7	–	–	–	–	–	–	66.8
Interest income	0.1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.1
Fees	–	–	–	–	–	–	10.5	0.8	–	–	–	–	–	–	–	11.3
Grants	137.4	–	–	–	–	–	–	–	611.0	7.1	0.3	–	–	–	–	755.8
Other	8.4	8.7	–	–	0.4	–	0.1	–	0.1	15.1	–	–	4.0	–	–	36.8
Fair value of assets and services received free of charge or for nominal consideration	–	–	–	–	–	–	–	–	3.2	–	–	0.1	–	–	–	3.3
Total administered revenue and income from transactions	11,738.8	8.7	880.9	116.8	4.5	133.9	131.3	14.9	1,941.8	23.3	0.3	0.2	5.1	–	–	15,000.5

Year ended 30 June 2021	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total
Output group ⁽ⁱ⁾⁽ⁱⁱ⁾	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Administered expenses from transactions																
Grants and other expense transfers	9,885.9	–	449.5	50.1	–	–	–	–	2,032.9	7.1	0.9	–	–	–	–	12,426.4
Employee benefits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other operating expenses	0.1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.1
Payments into the consolidated fund	409.9	9.4	9.1	30.6	2.8	2.2	2.7	0.8	51.3	15.7	–	0.1	5.1	–	–	539.7
Payment from the national health funding pool to the departmental controlled entity	1,486.1	–	418.7	–	0.3	131.4	120.7	13.5	–	–	–	–	–	–	–	2,170.7
Fair value of assets and services provided free of charge or for nominal consideration	–	–	–	–	–	–	–	–	3.3	0.1	–	–	–	–	–	3.4
Total administered expenses from transactions	11,782.0	9.4	877.3	80.7	3.1	133.6	123.4	14.3	2,087.5	22.9	0.9	0.1	5.1	–	–	15,140.3
Total administered net result from transactions	(43.2)	(0.7)	3.6	36.1	1.4	0.3	7.9	0.6	(145.7)	0.4	(0.6)	0.1	–	–	–	(139.8)
Administered other economic flows included in net result																
Net gain/(loss) on non-financial assets	0.1	0.1	–	–	–	–	–	–	–	(0.1)	–	–	0.3	–	–	0.4
Other gains/(losses) from other economic flows	(9.3)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(9.3)
Total administered other economic flows	(9.2)	0.1	–	–	–	–	–	–	–	(0.1)	–	–	0.3	–	–	(8.9)
Administered net result	(52.4)	(0.6)	3.6	36.1	1.4	0.3	7.9	0.6	(145.7)	0.3	(0.6)	0.1	0.3	–	–	(148.7)

Notes:

(i) Refer to Note 4.1.1 for output group definitions.

(ii) Output group 14 Housing Assistance and output group 15 Shared Services are not applicable for administered activities.

Year ended 30 June 2020	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total
Output group ⁽ⁱ⁾⁽ⁱⁱ⁾	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Fair value of assets and services provided free of charge or for nominal consideration	–	–	1.8	–	–	–	–	–	7.1	–	–	–	–	–	–	8.9
Total administered expenses from transactions	12,270.6	–	782.6	131.7	4.4	141.4	122.9	14.1	1,316.2	10.9	17.6	0.1	–	–	–	14,812.5
Total administered net result from transactions	8.0	–	(1.8)	–	0.3	–	0.1	–	333.2	(0.5)	(0.3)	–	–	–	–	338.9
Administered other economic flows included in net result																
Net gain/(loss) on non-financial assets	(0.1)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(0.1)
Other gains/(losses) from other economic flows	–	–	–	–	–	–	–	–	4.5	–	–	–	–	–	–	4.5
Total administered other economic flows	(0.1)	–	–	–	–	–	–	–	4.5	–	–	–	–	–	–	4.4
Administered net result	7.9	–	(1.8)	–	0.3	–	0.1	–	337.7	(0.5)	(0.3)	–	–	–	–	343.3

Notes:

(i) Refer to Note 4.1.1 for output group definitions.

(ii) Output group 14 Housing Assistance and output group 15 Shared Services are not applicable for administered activities.

4.2.2 Administered assets and liabilities

	2021 \$M	2020 \$M
Administered assets		
Financial assets		
Cash and deposits	–	51.6
Trust funds	3.4	3.4
Receivables	713.9	912.2
Loans	–	3.3
Total administered assets	717.3	970.5
Administered liabilities		
Financial liabilities		
Amounts payable to the consolidated fund	203.1	354.4
Payables	510.8	609.4
Other	3.4	6.7
Total administered liabilities	717.3	970.5
Total administered net assets	–	–

4.2.3 Administered grants and other expense transfers

	2021 \$M	2020 \$M
Public health services, public and denominational hospitals ⁽ⁱ⁾		
Monash Health	1,398.1	1,377.8
Alfred Health	723.7	814.1
Eastern Health	780.3	798.8
Melbourne Health	715.4	742.4
Austin Health	647.7	674.8
Western Health	661.5	649.4
Northern Health	487.4	521.3
St Vincent's Hospital (Melbourne) Limited	458.4	470.3
Peninsula Health	472.1	466.2
Barwon Health	467.9	470.6
The Royal Children's Hospital	458.2	460.4
Mercy Hospitals Victoria Limited	353.3	355.1
Bendigo Health	297.8	293.3
Ballarat Health Services	268.6	277.1
The Royal Women's Hospital	223.2	219.0
Latrobe Regional Hospital	195.6	185.3
Goulburn Valley Health	194.0	177.5
Peter MacCallum Cancer Centre	149.5	169.7
South West Healthcare	140.0	136.1
Albury Wodonga Health	136.7	130.3
Northeast Health Wangaratta	110.5	119.0
The Royal Victorian Eye and Ear Hospital	99.6	94.0
Mildura Base Public Hospital	86.6	–
West Gippsland Health Care Group	82.3	77.6
Wimmera Health Care Group	62.0	67.7
Bairnsdale Regional Health Service	65.9	64.0

	2021 \$M	2020 \$M
Echuca Regional Health	61.4	60.9
Central Gippsland Health Service	62.3	59.9
Bass Coast Health	52.9	54.5
Djerriwarrh Health Services	45.7	49.3
Western District Health Service	45.1	45.6
Swan Hill District Health	41.4	43.6
Other public health services, public and denominational hospitals with payments totalling less than \$30 million	238.4	336.9
	10,283.3	10,462.3
Commonwealth government		
National Disability Insurance Agency	2,083.0	1,300.6
Other		
Cross Border with other jurisdictions	52.1	313.3
Other organisations with payments totalling less than \$10 million	8.0	35.0
Total grants and other expense transfers	12,426.4	12,111.2

Note:

(i) As defined in schedules 1, 2 and 5 of the *Health Services Act 1988*.

4.3 Restructuring of administrative arrangements

The Victorian Government issued an administrative order restructuring some of its activities via machinery of government changes. As part of the machinery of government restructure:

The Department of Health transferred the Medical Research function to the Department of Jobs, Precincts and Regions effective from 1 July 2020. The net assets transferred by the department for this function are at the carrying amount of those assets in the department's balance sheet immediately before the transfer:

Function	Transferor	Transferee	\$M
Medical Research	Department of Health and Human Services (now Department of Health)	Department of Jobs, Precincts and Regions	2.7

The Department of Health transferred the Child Protection, Prevention of Family Violence, Housing and Disability functions to the Department of Families, Fairness and Housing effective from 1 February 2021.

The Department of Premier and Cabinet transferred the Fairer Victoria and Family Violence, Respect Victoria, Victorian Multicultural Commission, and Victorian Veterans Council to the Department of Families, Fairness and Housing effective from 1 February 2021.

The net assets transferred by the departments for these functions are at the carrying amount of those assets in the departments' respective balance sheets immediately before the transfers:

Function	Transferor	Transferee	\$M
Child Protection, Prevention of Family Violence, Housing and Disability	Department of Health and Human Services (now Department of Health)	Department of Families, Fairness and Housing	1,282.4
Fairer Victoria and Family Violence	Department of Premier and Cabinet	Department of Families, Fairness and Housing	5.6
Respect Victoria	Department of Premier and Cabinet	Department of Families, Fairness and Housing	0.7
Victorian Multicultural Commission	Department of Premier and Cabinet	Department of Families, Fairness and Housing	–
Victorian Veterans Council	Department of Premier and Cabinet	Department of Families, Fairness and Housing	0.5

As a result of a determination made by the Assistant Treasurer under s. 53(1)(b) of the *Financial Management Act 1994*, the Department of Health's financial statements include the financial transactions and balances relating to the:

- Child Protection, Prevention of Family Violence, Housing and Disability functions for the period 1 July 2020 to 30 June 2021.
- Fairer Victoria and Family Violence, Respect Victoria, Victorian Multicultural Commission, and Victorian Veterans Council for the period 1 February 2021 to 30 June 2021.

The net asset transfers were treated as a contribution of capital by the state.

	DFFH 2021 Transfer in \$M	DH 2021 Transfer out \$M	2021 Net transfer \$M
Assets			
Cash and deposits	82.7	(81.2)	1.5
Prepayment	38.3	(37.5)	0.8
Receivables	546.7	(536.7)	10.0
Property, plant and equipment	1,229.9	(1,228.6)	1.4
Intangibles assets	56.5	(56.5)	–
Other non-financial assets	1.5	(1.5)	–
Liabilities			
Borrowings	(24.8)	24.7	(0.2)
Payables	(238.2)	234.1	(4.1)
Employee related provisions	(328.7)	323.4	(5.3)
Other liabilities	(74.6)	74.6	–
Net assets recognised/(transferred)	1,289.3	(1,285.2)	4.1
Net capital contribution from the Crown			4.1

Portfolio agencies that provide services relating to the above functions or policy areas also moved from the Department of Health and Human Services or the Department of Premier and Cabinet to the Department of Families, Fairness and Housing.

Accordingly, responsibility for the Director of Housing, which is a public non-financial corporation, moved from the Department of Health and Human Services to the Department of Families, Fairness and Housing portfolio effective from 1 February 2021. However, there is no financial reporting impact of this change in 2020–21 financial statements of the Department of Health as the Department of Families, Fairness and Housing and the Director of Housing continue to be included in the department's financial report under s. 53(1)(b) of the *Financial Management Act 1994*.

5. Key assets available to support output delivery

Introduction

The department controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to the department to be utilised for delivery of those outputs.

Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 8.3 in connection with how those fair values were determined.

Structure

- 5.1 Total property, plant and equipment
 - 5.1(a) Total right-of-use assets
 - 5.1(b) Total service concession assets
 - 5.1.1 Depreciation and amortisation
 - 5.1.2 Carrying values by 'purpose' groups
 - 5.1.3 Reconciliation of movements in carrying values of property, plant and equipment
- 5.2 Intangible assets
- 5.3 Investments accounted for using the equity method
 - 5.3.1 Details of joint venture

5.1 Total property, plant and equipment ⁽ⁱ⁾

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2021 \$M	2020 \$M	2021 \$M	2020 \$M	2021 \$M	2020 \$M
Land at fair value	23,080.8	18,525.1	(1.6)	(0.8)	23,079.2	18,524.3
Buildings at fair value	9,952.9	10,060.0	(206.4)	(409.7)	9,746.5	9,650.3
Plant, equipment and vehicles at fair value	39.2	54.6	(32.9)	(43.0)	6.3	11.6
Motor vehicles at fair value	28.2	41.9	(1.7)	(11.7)	26.5	30.2
Assets under construction at cost	906.0	576.2	–	–	906.0	576.2
Net carrying amount	34,007.1	29,257.8	(242.6)	(465.2)	33,764.5	28,792.6

Note:

(i) AASB 16 has been applied for the first time from 1 July 2019.

The following tables are subsets of land, buildings, plant and equipment, motor vehicles and assets under construction by right-of-use assets and service concessions assets.

5.1(a) Total right-of-use assets

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2021 \$M	2020 \$M	2021 \$M	2020 \$M	2021 \$M	2020 \$M
Land at fair value	10.6	11.6	(1.6)	(0.8)	9.0	10.8
Buildings at fair value	97.4	62.7	(37.9)	(18.1)	59.5	44.6
Plant and equipment at fair value	8.2	6.0	(5.0)	(2.5)	3.2	3.5
Motor vehicles at fair value	28.2	41.9	(1.7)	(11.7)	26.5	30.2
Net carrying amount	144.4	122.2	(46.2)	(33.1)	98.2	89.1

	Land \$M	Buildings \$M	Plant and equipment \$M	Motor vehicles \$M	Total \$M
Opening balance – 1 July 2020	10.8	44.6	3.5	30.2	89.1
Additions	–	8.9	–	5.7	14.6
Transfers	–	–	–	0.4	0.4
Lease modifications	(1.0)	29.0	2.2	–	30.1
Disposals	–	(0.8)	–	(3.4)	(4.3)
Depreciation	(0.8)	(22.1)	(2.5)	(6.4)	(31.8)
Closing balance – 30 June 2021	9.0	59.5	3.2	26.5	98.2
Opening balance – 1 July 2019 ⁽ⁱ⁾	11.5	572.5	4.7	36.1	624.8
Additions	–	27.7	1.3	15.1	44.1
Transfers ⁽ⁱⁱ⁾	–	(527.3)	–	(4.9)	(532.2)
Lease modifications	0.1	11.8	–	–	11.9
Disposals	–	(0.5)	–	(7.3)	(7.8)
Depreciation	(0.8)	(39.6)	(2.5)	(8.8)	(51.7)
Closing balance – 30 June 2020	10.8	44.6	3.5	30.2	89.1

Notes:

- (i) This balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019 along with the transfer from finance lease assets (recognised under AASB 117 at 30 June 2019) to right-of-use assets (recognised under AASB 16 at 1 July 2019).
- (ii) In October 2019, the department transferred the right-of-use asset to the Department of Treasury and Finance Shared Service Provider.

5.1(b) Total service concession assets

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2021 \$M	2020 \$M	2021 \$M	2020 \$M	2021 \$M	2020 \$M
Land at fair value	429.1	430.4	–	–	429.1	430.4
Buildings at fair value	570.0	594.1	(47.3)	(26.0)	522.7	568.1
Plant and equipment at fair value	–	7.0	–	(5.6)	–	1.4
Intangible assets at fair value	–	2.4	–	(0.2)	–	2.2
Assets under construction	–	56.6	–	–	–	56.6
Net carrying amount	999.1	1,090.5	(47.3)	(31.8)	951.8	1,058.7

Initial recognition

Items of property, plant and equipment, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal consideration, the cost is the asset's fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The cost of leasehold improvements is capitalised and depreciated over the shorter of the remaining term of the leases or their estimated useful lives.

Right-of-use asset acquired by lessees – Initial measurement

The department recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date, plus
- any initial direct costs incurred, and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Service concession assets (under AASB 1059 – Service Concession Arrangements: Grantors) – Initial measurement

The department initially recognises service concession assets and service concession assets under construction, including land, buildings, equipment and intangible assets, at current replacement cost in accordance with the cost approach to fair value in AASB 13 *Fair Value Measurement*. Where existing assets and assets under construction, including land, buildings, equipment and intangible assets, meet the definition of service concession assets under AASB 1059, the department reclassifies the existing assets as service concession assets and measures the assets at current replacement cost in accordance with the cost approach to fair value in AASB 13 as at the date of reclassification.

Subsequent measurement

Property, plant and equipment as well as right-of-use assets under leases and service concession assets are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised on the following page by asset category.

Right-of-use asset – Subsequent measurement

The department depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Service concession assets – Subsequent measurement

Service concession assets are subject to revaluation as required by FRD 103I. As at 30 June 2021, no revaluation is required. When revalued, the fair value of service concession assets will be determined as follows.

Non-specialised land and non-specialised buildings are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

Specialised land and specialised buildings: The market approach is used for specialised land, although it may be adjusted for a community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants.

For the majority of the department's specialised buildings, the current replacement cost method is used, adjusting for the associated depreciation.

Vehicles are valued using the current replacement cost method. The department acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in the department who set the relevant depreciation rates during use to reflect the utilisation of the vehicles.

Fair value for **plant and equipment** is determined using the current replacement cost method.

Refer to Note 8.3.2 for additional information on fair value determination of property, plant and equipment.

Impairment of property, plant and equipment

The recoverable amount of primarily non-cash generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 does not apply to such assets that are regularly revalued.

5.1.1 Depreciation and amortisation

Charge for the period

	2021 \$M	2020 \$M
Buildings	243.6	321.3
Health and Welfare	15.2	12.6
Housing	228.4	308.7
Plant, equipment and vehicles	2.3	3.2
Health and Welfare	2.3	3.0
Housing	–	0.3
Intangible assets	44.3	25.7
Health and Welfare	25.8	17.5
Housing	18.5	8.2
Right-of-use assets	31.8	51.8
Land	0.8	0.9
Buildings	22.1	39.6
Plant and equipment	2.5	2.5
Motor vehicles	6.4	8.8
Service concession assets	25.5	27.1
Buildings	25.2	25.9
Plant and equipment	0.2	1.0
Intangible assets	0.1	0.2
Aggregate depreciation and amortisation allocated	347.5	429.1
Less depreciation and amortisation capitalised to carrying amount of other assets during the year	(2.4)	(1.0)
Total depreciation and amortisation	345.1	428.1

All buildings, plant, equipment, vehicles and other non-current physical assets that have finite useful lives are depreciated. The exceptions to this rule include items under assets held for sale and land.

Depreciation is calculated on a straight-line basis at rates that allocate the asset value, less any estimated residual value, over its estimated useful life.

Typical estimated useful lives for the different asset classes for the current and prior year are included in the table below:

Asset class	2021	2020
Buildings	5 to 85 years	5 to 85 years
Plant, equipment and vehicles	3 to 15 years	3 to 15 years
Intangible assets	3 to 20 years	3 to 20 years

The estimated useful lives, residual value and depreciation method are reviewed at the end of each annual reporting period. Estimated useful lives for buildings, and plant, equipment and vehicles remain unchanged since June 2020.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where the department obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

5.1.2 Carrying values by 'purpose' groups ⁽ⁱ⁾

Nature-based classification	Health and Welfare		Housing		Total	
	2021 \$M	2020 \$M	2021 \$M	2020 \$M	2021 \$M	2020 \$M
Land at fair value						
Rental property	–	–	21,599.2	17,325.6	21,599.2	17,325.6
Community services	1,045.5	761.1	–	–	1,045.5	761.1
Right-of-use land	–	–	10.6	11.6	10.6	11.6
Service concession land	429.1	430.4	–	–	429.1	430.4
<i>Less accumulated depreciation</i>	–	–	(1.6)	(0.8)	(1.6)	(0.8)
<i>Less allowance for Shared Home Ownership Scheme equity conversion</i>	–	–	(3.6)	(3.6)	(3.6)	(3.6)
Total land at fair value	1,474.6	1,191.5	21,604.6	17,332.8	23,079.2	18,524.3
Buildings at fair value						
Rental property	–	–	8,800.4	8,902.4	8,800.4	8,902.4
Other property – regional offices	–	–	2.8	3.5	2.8	3.5
Community services	484.2	499.2	–	–	484.2	499.2
Right-of-use buildings	16.9	8.2	80.5	54.5	97.4	62.7
Service concession buildings	570.0	594.1	–	–	570.0	594.1
<i>Less accumulated depreciation</i>	(75.7)	(94.7)	(130.7)	(315.0)	(206.4)	(409.7)
<i>Less allowance for Shared Home Ownership Scheme equity conversion</i>	–	–	(1.9)	(1.9)	(1.9)	(1.9)
Total buildings at fair value	995.4	1,006.8	8,751.1	8,643.5	9,746.5	9,650.3
Plant, equipment and vehicles at fair value						
Plant, equipment and vehicles	28.8	39.3	2.2	2.3	31.0	41.6
Right-of-use plant and equipment	8.2	6.0	–	–	8.2	6.0
Service concession plant and equipment	–	7.0	–	–	–	7.0
<i>Less accumulated depreciation</i>	(30.7)	(40.7)	(2.2)	(2.3)	(32.9)	(43.0)
	6.3	11.6	–	–	6.3	11.6
Right-of-use motor vehicles	28.2	41.9	–	–	28.2	41.9
<i>Less accumulated depreciation</i>	(1.7)	(11.7)	–	–	(1.7)	(11.7)
	26.5	30.2	–	–	26.5	30.2
Total plant, equipment and vehicles at fair value	32.8	41.8	–	–	32.8	41.8

	Health and Welfare		Housing		Total	
	2021 \$M	2020 \$M	2021 \$M	2020 \$M	2021 \$M	2020 \$M
Nature-based classification						
Assets under construction at cost						
Rental property	–	–	630.5	451.1	630.5	451.1
Other property	275.0	67.8	0.5	0.6	275.5	68.4
Service concession assets under construction	–	56.7	–	–	–	56.7
Total assets under construction at cost	275.0	124.5	631.0	451.7	906.0	576.2
Net carrying amount of property, plant and equipment	2,777.8	2,364.6	30,986.7	26,428.0	33,764.5	28,792.6

Note:

- (i) Property, plant and equipment are classified primarily by the purpose for which the assets are used, according to one of six purpose groups based upon government purpose classifications. All assets within a purpose group are further subcategorised according to the asset nature (for example buildings, plant and equipment), with each subcategory being classified as a separate class of asset for financial reporting purposes.

5.1.3 Reconciliation of movements in carrying values of property, plant and equipment

2021	Land at fair value \$M	Buildings at fair value \$M	Plant, equipment and vehicles at fair value \$M	Motor vehicles at fair value \$M	Assets under construction at cost \$M	Total \$M
Balance at 1 July 2020	18,524.3	9,650.3	11.6	30.2	576.2	28,792.6
Machinery of government transfer in/(out)	–	–	–	0.2	1.2	1.4
Additions	94.7	28.7	0.7	5.7	828.8	958.6
Administrative instrument transfers	(1.3)	(78.4)	(3.1)	–	(3.5)	(86.3)
Disposals	(32.5)	(26.4)	–	(3.4)	–	(62.3)
Net revaluation increments/(decrements)	4,467.4	(30.8)	–	–	2.4	4,439.1
Depreciation and amortisation	(0.8)	(290.9)	(5.0)	(6.4)	–	(303.1)
Fair value of assets received free of charge or for nominal considerations	–	–	–	0.2	–	0.2
Fair value of assets provided free of charge or for nominal considerations	(1.6)	(0.4)	–	–	(0.1)	(2.1)
Transfers in/(out) of assets under construction	29.7	469.8	–	–	(499.5)	–
Transfers between classes	–	–	–	(0.5)	–	(0.5)
Transfers to provision for equity reduction	(0.2)	(0.1)	–	–	–	(0.2)
Transfers (to)/from assets held for sale	0.5	(4.4)	–	0.5	–	(3.3)
Other changes	(1.1)	29.0	2.1	–	0.5	30.5
Balance at 30 June 2021	23,079.2	9,746.6	6.3	26.5	906.0	33,764.5

2020	Land at fair value \$M	Buildings at fair value \$M	Plant, equipment and vehicles at fair value \$M	Motor vehicles at fair value \$M	Assets under construction at cost \$M	Total \$M
Balance at 1 July 2019	18,514.9	9,797.6	11.6	36.1	458.0	28,818.2
Recognition of right-of-use assets on initial application of AASB 16	11.5	569.6	4.7	–	–	585.9
Adjusted balance at 1 July 2019	18,526.4	10,367.2	16.3	36.1	458.0	29,404.1
Machinery of government transfer in/(out)	–	–	–	–	(0.8)	(0.8)
Additions	–	30.1	2.3	15.2	354.5	402.1
Administrative instrument transfers	7.0	(522.6)	–	(6.8)	–	(522.4)
Disposals	(19.7)	(50.7)	–	(7.3)	–	(77.6)
Net revaluation increments/(decrements)	(4.4)	(14.8)	–	–	–	(19.2)
Asset impairment	–	–	–	–	1.0	1.0
Depreciation and amortisation	(0.9)	(386.8)	(6.7)	(8.8)	–	(403.2)
Fair value of assets received free of charge or for nominal considerations	2.5	0.2	–	0.1	–	2.8
Fair value of assets provided free of charge or for nominal considerations	–	–	(0.3)	(0.4)	–	(0.7)
Transfers in/(out) of assets under construction	16.7	219.9	–	–	(236.6)	–
Transfers (to)/from assets held for sale	(3.6)	(3.9)	–	2.3	–	(5.2)
Other changes	0.1	11.7	–	–	–	11.8
Balance at 30 June 2020	18,524.3	9,650.3	11.6	30.2	576.2	28,792.6

5.2 Intangible assets ⁽ⁱ⁾

	2021 \$M	2020 \$M
Gross carrying amount		
Opening balance	265.2	213.4
Administrative instrument transfers	(2.2)	–
Additions from internal development	88.1	51.8
Closing balance	351.1	265.2
Accumulated amortisation and impairment		
Opening balance	(130.8)	(104.9)
Amortisation of intangible produced assets	(44.4)	(25.9)
Closing balance	(175.2)	(130.8)
Net book value at end of financial year	175.9	134.4

Note:

(i) Intangible assets comprise computer software.

Initial recognition

An **internally generated intangible asset** arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- an intention to complete the intangible asset and use or sell it
- the ability to use or sell the intangible asset
- the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent measurement

Intangible produced assets with finite useful lives, are amortised as an 'expense from transactions' on a straight-line basis over their useful lives. Produced intangible assets have useful lives of between 3 and 20 years.

Service concession intangible assets recognised by applying AASB 1059 are subsequently measured at fair value (current replacement cost).

Impairment of intangible assets

Intangible assets with finite useful lives are tested annually for impairment whenever an indication of impairment is identified.

5.3 Investments accounted for using the equity method

The department had an interest in a joint venture with Monash University in the Australian Regenerative Medical Institute (ARMI). This investment was accounted for at cost however the investment was impaired as at 30 June 2020 due to commencement of termination proceedings.

5.3.1 Details of joint venture

ARMI was established to construct and operate a facility which will promote Victoria as a global leader in regenerative medical research, foster and develop existing research collaboration on domestic and overseas projects, and provide a major site for undergraduate and postgraduate training programs. In accordance with the Joint Venture Agreement, either party of the joint venture may terminate the joint venture from June 2020. Monash University commenced termination proceedings in June 2020 and accordingly the Joint Venture investment has been impaired to its fair value of nil. The Joint Venture has been formally deregistered as at 1 October 2020.

Name of entity	Country of incorporation	Measurement method	Ownership interest (%)		Published fair value (\$M)	
			2021	2020	2021	2020
Joint venture						
ARMI	Australia	Equity method	–	20	–	–

6. Other assets and liabilities

Introduction

This section sets out those assets and liabilities that arose from the department's controlled operations.

Structure

- 6.1 Receivables
- 6.2 Loans
 - 6.2.1 Ageing analysis of contractual loans
- 6.3 Other non-financial assets
- 6.4 Payables
 - 6.4.1 Maturity analysis of contractual payables
- 6.5 Other provisions
 - 6.5.1 Reconciliation of movements in other provisions
- 6.6 Inventories
- 6.7 Other non-financial liabilities

6.1 Receivables

	2021 \$M	2020 \$M
Current receivables		
<i>Contractual</i>		
Tenants in arrears	12.3	15.0
Other receivables	357.3	483.5
<i>Less allowance for impairment losses of contractual receivables</i>	(27.7)	(10.8)
	341.9	487.7
<i>Statutory</i>		
Amounts owing from Victorian Government	1,634.4	1,310.6
GST input tax credit recoverable	50.4	62.7
	1,684.8	1,373.3
Total current receivables	2,026.7	1,861.0
Non-current receivables		
<i>Statutory</i>		
Amounts owing from Victorian Government	2,627.5	2,383.6
	2,627.5	2,383.6
Total non-current receivables	2,627.5	2,383.6
Total receivables	4,654.2	4,244.6

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The department holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The department applies AASB 9 for initial measurement of the statutory receivables and, as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction costs. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

Details about the department's impairment policies, the department's exposure to credit risks and the calculation of the loss allowance are set out in Note 8.1.3.

6.2 Loans

	2021 \$M	2020 \$M
Current loans		
<i>Contractual</i>		
Fixed interest home loans	0.6	0.7
Indexed interest home loans	8.0	8.2
Other loans	13.5	316.1
Total current loans	22.1	325.0
Non-current loans		
<i>Contractual</i>		
Fixed interest home loans	1.0	1.2
Indexed interest home loans	1.8	3.0
Community housing loans	20.2	20.2
Other loans	74.1	40.5
Total non-current loans	97.1	64.9
Less allowance for impairment losses of contractual loans		
Fixed interest home loans	(0.1)	(0.1)
Indexed interest home loans	(0.3)	(0.3)
Total allowance for impairment losses of contractual loans	(0.4)	(0.4)
Total loans	118.8	389.5

The department has housing-related loans and loans and advances to health agencies.

The housing-related loans relate to loan programs that have ceased. The majority of housing loans are secured by a registered mortgage. However, there are a small number of loans that are on terms in contracts of sale. The title remains in the name of the vendor, Director of Housing as successor in title to the Housing Commission, until the amount owing under the contract of sale is paid in full. Some mortgage relief and home renovation loans are subject to an unregistered mortgage with a caveat on the title noting the Director of Housing as having an interest in the property. The Home Renovation Service loan program did not require security for loans of \$10,000 or less.

Cash advances were paid in 2019–20 to health agencies for the purpose of providing funding to meet July 2020 payroll and supplier payments. Health agencies were required to repay this cash advance in 2020–21.

Loans are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.

Defaults and breaches: During the current and prior year, there were no defaults and breaches of any of the loans.

6.2.1 Ageing analysis of contractual loans

	Carrying amount \$M	Not past due \$M	Past due			
			Less than 1 month \$M	1–3 months \$M	3 months – 1 year \$M	1–5 years \$M
2021						
Loans	118.8	118.8	–	–	–	–
Total	118.8	118.8	–	–	–	–
2020						
Loans	389.5	389.5	–	–	–	–
Total	389.5	389.5	–	–	–	–

6.3 Other non-financial assets

	2021 \$M	2020 \$M
Prepayments	162.9	286.2
Total other non-financial assets	162.9	286.2

Prepayments represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period.

6.4 Payables

	2021 \$M	2020 \$M
Current payables		
<i>Statutory</i>		
FBT payable	–	0.2
<i>Contractual</i>		
Employee benefits payable	59.0	24.3
Supplies and services	287.8	162.2
Amounts payable to government agencies	681.2	670.5
Concession payments to pensioners	111.4	93.9
Tenants in advance	26.7	24.5
Capital works	4.2	9.6
Other	(3.9)	10.3
Total current payables	1,166.4	995.5
Non-current payables		
<i>Contractual</i>		
Amounts payable to government agencies	962.9	850.9
Other	0.8	0.8
Total non-current payables	963.7	851.7
Total payables	2,130.1	1,847.2

Payables consist of:

- **contractual payables**, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the department prior to the end of the reporting period that are unpaid, and
- **statutory payables**, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and are not included in financial liabilities at amortised cost, because they do not arise from a contract.

Payables for supplies and services have an average credit period of 30 days.

The terms and conditions of amounts payable to the government and agencies vary according to the particular agreements and as they are not legislative payables, they are not classified as financial instruments.

6.4.1 Maturity analysis of contractual payables ⁽ⁱ⁾

	Carrying amount \$M	Nominal amount \$M	Maturity dates				
			Less than 1 month \$M	1–3 months \$M	3 months – 1 year \$M	1–5 years \$M	5+ years \$M
2021							
Payables	2,130.1	2,130.1	767.8	103.4	295.2	0.9	962.8
Total	2,130.1	2,130.1	767.8	103.4	295.2	0.9	962.8
2020							
Payables	1,847.0	1,847.0	526.5	217.5	251.4	0.8	850.8
Total	1,847.0	1,847.0	526.5	217.5	251.4	0.8	850.8

Note:

(i) Maturity analysis is presented using the contractual undiscounted cash flows.

6.5 Other provisions

	2021 \$M	2020 \$M
Current provisions		
NDIS service providers' leave	79.3	–
Insurance claims	46.6	43.5
Make-good provision	1.2	1.0
Total current provisions	127.1	44.5
Non-current provisions		
NDIS service providers' leave	33.1	–
Insurance claims	75.2	76.9
Make-good provision	6.4	3.5
Total non-current provisions	114.7	80.4
Total other provisions	241.8	124.9

Other provisions are recognised when the department has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time, value of money and risks specific to the provision.

6.5.1 Reconciliation of movements in other provisions

	Make-good 2021 \$M	Insurance claims 2021 \$M	NDIS providers' leave 2021 \$M	Total 2021 \$M
Opening balance	4.5	120.4	–	124.9
Additional provisions recognised	3.1	–	112.4	115.5
Reductions arising from payments/claims handling expenses/other sacrifices of future economic benefits	–	(46.0)	–	(46.0)
Actuarial revaluations of insurance claims liability inclusive of risk margin	–	46.6	–	46.6
Unwind of discount and effect of changes in the discount rate	–	0.8	–	0.8
Closing balance	7.6	121.8	112.4	241.8

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

The **make-good** provision is recognised in accordance with the lease agreement over the building facilities. The department must remove any leasehold improvements from the leased building and restore the premises to its original condition at the end of the lease term.

Insurance claims: The department engaged the Victorian Managed Insurance Authority (VMIA) under a claims administration agreement to manage non-medical indemnity claims resulting from public healthcare incidents occurring on or after 1 July 2005. These claims are managed by VMIA on behalf of the department under a service level agreement. VMIA has engaged an independent actuary to determine these liability provisions in accordance with the Institute of Actuaries of Australia's professional standard PS300. The estimation of outstanding claims liabilities is based on actuarial modelling including analysis of claims experience, loss trends, risk exposure data and industry data.

The **NDIS service providers' leave** provision is recognition of the outstanding amount of employee leave benefits owed to the five non-government NDIS service providers from the direct employment transfer of former departmental staff to these providers as part of the transfer of government disability services. The department's obligation and schedule to pay the new non-government NDIS service providers for transferred employee leave benefit balances was agreed in the transfer commercial contracts signed with these providers. The direct employment transfer of the former departmental disability staff occurred on 31 December 2020.

6.6 Inventories

	2021 \$M	2020 \$M
Current inventories		
Supplies and consumables:		
At cost	638.4	411.8
Total current inventories	638.4	411.8
Total inventories	638.4	411.8

Inventories include goods, principally personal protective and other equipment, for distribution at zero or nominal cost to assist in the response to COVID-19.

Inventories held for distribution are measured at cost, adjusted for any loss of service potential.

6.7 Other non-financial liabilities

	2021 \$M	2020 \$M
PPP-related non-financial liabilities	2.6	–
Total other non-financial liabilities	2.6	–

The non-financial liabilities relate to the New Footscray Hospital Project.

7. How we financed our operations

Introduction

This section provides information on the sources of finance utilised by the department during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the department.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances).

Notes 8.1 and 8.3 provide additional, specific financial instrument disclosures.

Structure

- 7.1 Borrowings
 - 7.1.1 Maturity analysis of borrowings
 - 7.1.2 Interest expense
- 7.2 Leases
 - 7.2.1 Leases
- 7.3 Cash flow information and balances
 - 7.3.1 Reconciliation of net result for the period to net cash flow from operating activities
- 7.4 Trust account
 - 7.4.1 Trust account balances
 - 7.4.2 Trust account – Legislative references and nature
- 7.5 Commitments for expenditure
 - 7.5.1 Total commitments payable
 - 7.5.2 Public private partnership (PPP) commitments
 - 7.5.3 AASB 1059 Service Concession Arrangements: Grantors

7.1 Borrowings

	2021 \$M	2020 \$M
Current borrowings		
Advances from Victorian Government	46.9	366.1
Lease liabilities	38.4	35.1
Total current borrowings	85.3	401.2
Non-current borrowings		
Advances from Victorian Government	57.1	23.0
PPP-related financial liabilities	175.4	–
Lease liabilities	52.8	48.4
Total non-current borrowings	285.3	71.4
Total borrowings	370.6	472.6

Borrowings are classified as financial instruments. All interest-bearing liabilities are initially recognised at the fair value of the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether the department has categorised its interest-bearing liabilities as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'. The classification depends on the nature and purpose of the interest-bearing liabilities. The department determines the classification of interest-bearing liabilities at initial recognition.

Defaults and breaches: During the current and previous financial year, there were no defaults or breaches of required conditions in relation to any of the borrowings.

Advances from Victorian Government are advances from the Department of Treasury and Finance. These advances are non-interest bearing.

Lease liabilities are secured by the assets leased. Leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Public private partnership (PPP)-related financial liabilities arise on uncommissioned PPPs where either a service concession asset or an item of property, plant and equipment is in construction.

7.1.1 Maturity analysis of borrowings

	Carrying amount \$M	Nominal amount \$M	Maturity dates				
			Less than 1 month \$M	1–3 months \$M	3 months – 1 year \$M	1–5 years \$M	5+ years \$M
2021							
Advances from Victorian Government	104.0	104.0	41.2	–	5.7	57.1	–
PPP-related financial liabilities	175.4	322.6	0.3	–	–	0.4	321.9
Lease liabilities	91.2	96.3	8.8	5.6	25.3	48.9	7.7
Total	370.6	522.9	50.3	5.6	31.0	106.4	329.6
2020							
Advances from Victorian Government	389.1	389.1	57.2	–	308.9	23.0	–
Lease liabilities	83.5	88.8	5.6	8.8	22.4	43.1	8.9
Total	472.6	477.9	62.8	8.8	331.3	66.1	8.9

7.1.2 Interest expense

	2021 \$M	2020 \$M
Interest on lease liabilities	1.5	7.0
Interest on PPP-related financial liabilities	2.5	–
Total interest expense	4.0	7.0

'Interest expense' includes costs incurred in connection with the borrowing of funds and includes interest on bank overdrafts and short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings and interest component of finance leases repayments.

Interest expense is recognised in the period in which it is incurred.

The department recognises borrowing costs immediately as an expense, even where they are directly attributable to the acquisition, construction or production of a qualifying asset.

7.2 Leases

7.2.1 Leases

Information about leases for which the department is a lessee is presented below.

The department's leasing activities

The department leases various IT data centres, equipment and motor vehicles. The lease contracts are typically made for fixed periods of 1 to 5 years. The department leases some office accommodation which are short-term leases of 12 months or less. The department has elected not to recognise right-of-use assets and lease liabilities for these leases.

The department entered into various printing contracts. The payments are based on consumption. The department considers these printing payments as variable lease payments.

In October 2019, the department agreed to the Centralised Accommodation Management with the Department of Treasury and Finance Shared Service Provider (SSP). Following this agreement, the right-of-use asset and lease liability recognised for the accommodation leases at that date were derecognised and transferred to SSP as a transfer through equity, in accordance with the requirements of FRD 119A *Transfers through contributed capital*. From November 2019, accommodation has been recognised as an expense (refer to Note 3.1.5 Other operating expenses) and the commitment for the service payments has been disclosed (refer to Note 7.5 Commitments).

The Director of Housing leases various properties for the social housing program. These lease contracts are typically made for a fixed period of 2 to 5 years.

Leases at significantly below-market terms and conditions

The Director of Housing entered into a number of land leases with lease term ranging from 5 years to indefinite. These lease contracts specify lease payments of \$1 per annum. In accordance with FRD 103I *Non-financial physical assets*, the below-market leases are recognised at cost.

7.2.1(a) Right-of-use assets

Right-of-use assets are presented in Note 5.1(a).

7.2.1(b) Amounts recognised in the comprehensive operating statement

The following amounts relating to leases are recognised in the comprehensive operating statement:

	2021 \$M	2020 \$M
Amounts recognised in the comprehensive operating statement		
Interest expense on lease liabilities	1.5	7.0
Expenses relating to short-term leases	13.4	6.9
Variable lease payments, not included in the measurement of lease liabilities	0.4	2.3
Total amount recognised in the comprehensive operating statement	15.3	16.2

7.2.1(c) Amounts recognised in the cash flow statement

The following amounts relating to leases are recognised in the cash flow statement:

	2021 \$M	2020 \$M
Total cash outflow for leases	49.9	61.3

For any new contracts entered into, the department considers whether a contract is or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the department assesses whether the contract meets three key evaluations:

- whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the department and for which the supplier does not have substantive substitution rights
- whether the department has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract, and the department has the right to direct the use of the identified asset throughout the period of use, and
- whether the department has the right to make decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Recognition and measurement of leases as a lessee

Lease liability – initial measurement

Lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the department's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments)
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee, and
- payments arising from purchase and termination options reasonably certain to be exercised.

Lease liability – subsequent measurement

Subsequent to initial measurement, the lease liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short-term leases and leases of low-value assets

The department has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these types of leases are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term.

Below-market/peppercorn leases

Right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable the department to further its objectives, are initially and subsequently measured at cost. These right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Presentation of right-of-use assets and lease liabilities

The department presents right-of-use assets as 'property, plant and equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

7.3 Cash flow information and balances

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes and are readily convertible to known amounts of cash with an insignificant risk of changes in value.

	2021 \$M	2020 \$M
Total cash and deposits disclosed in the balance sheet		
Short-term deposits ⁽ⁱ⁾	705.7	482.1
Cash at bank ⁽ⁱ⁾⁽ⁱⁱ⁾	38.4	(29.3)
Funds held in trust	169.7	145.1
Cash advances	0.1	(0.2)
Balance as per cash flow statement	913.9	597.7

Notes:

- (i) Cash and short-term deposits include funds held by the Director of Housing in the Central Banking System as well as funds that have been committed to a number of significant projects and are expected to be expensed in 2021–22 (as disclosed in Note 7.5).
- (ii) Cash at bank was in overdraft due to timing difference of salary payment withdrawn on 30 June 2020 and the replenishment from the Department of Treasury and Finance on 1 July 2020.

Due to the state's investment policy and funding arrangements, the department does not hold a large cash reserve in its bank accounts. Cash received from generation of income is generally paid into the state's bank account ('public account'). Similarly, departmental expenditure, including in the form of cheques drawn for the payments to its suppliers and creditors, are made via the public account. The public account remits to the department the cash required upon presentation of cheques by the department's suppliers or creditors.

7.3.1 Reconciliation of net result for the period to net cash flow from operating activities

	2021 \$M	2020 \$M
Net result for the period	513.9	545.4
Non-cash movements		
(Gain)/loss on sale of non-financial assets	3.0	4.5
Depreciation and amortisation	345.1	428.3
Impairment of joint venture	–	35.0
Change in net market values of VMIA liability	47.4	40.6
Other income from investing activities	–	(1.4)
Net gain/(loss) on financial instruments	(1.6)	(0.4)
Other gains or losses from other economic flows	12.4	23.6
Resources (received)/provided free of charge	296.6	28.5
Movements in assets and liabilities		
(Increase)/decrease in receivables	(440.0)	(929.3)
(Increase)/decrease in prepayments	122.8	(271.2)
Increase/(decrease) in payables	325.3	413.1
Increase/(decrease) in provisions	(8.8)	(1.5)
(Increase)/decrease in inventories	(226.6)	(412.0)
Net cash flows from/(used in) operating activities	989.6	(96.9)

Restructuring of administrative arrangements: The administrative restructuring is not reflected in the cash flow statement.

7.4 Trust account

7.4.1 Trust account balances

The department has responsibility for transactions and balances relating to trust funds held on behalf of third parties external to the department. Funds managed on behalf of third parties are not recognised in these financial statements as they are managed on a fiduciary and custodial basis, and therefore are not controlled by the department.

Any earnings on the funds held pending distribution are also applied to the trust funds under management as appropriate.

The following is a listing of trust account balances relating to trust accounts controlled and administered by the department. During 2020–21, there were no trust accounts closed.

	2021						2020					
	Opening balance as at 1 July 2020 \$M	Machinery of government transfer in/(out) \$M	Total receipts \$M	Total payments \$M	Non cash movement \$M	Closing balance as at 30 June 2021 \$M	Opening balance as at 1 July 2019 \$M	Machinery of government transfer in/(out) \$M	Total receipts \$M	Total payments \$M	Non cash movement \$M	Closing balance as at 30 June 2020 \$M
Controlled trusts												
Casey Hospital Escrow Account	6.8	–	–	–	(1.5)	5.3	6.8	–	–	–	–	6.8
Health State Managed Fund	2.2	–	1,908.5	1,908.5	–	2.2	2.2	–	1,698.1	1,697.5	(0.6)	2.2
Hospital and Charities Fund	–	–	1,481.3	1,465.0	(14.5)	1.8	155.9	–	1,664.1	1,912.2	92.2	–
Intellectually Handicapped Children's Amenities Fund	0.1	–	–	–	–	0.1	0.1	–	–	–	–	0.1
Mental Health Fund	2.1	–	63.9	63.9	–	2.1	2.1	–	63.9	63.9	–	2.1
Public Health Fund	0.2	–	2,698.1	2,511.8	(123.4)	63.1	0.2	–	1,493.0	1,023.6	(469.3)	0.2
Treasury Trust	64.4	0.6	65.1	42.8	(0.7)	86.6	74.8	–	47.9	57.5	(0.8)	64.4
Inter-Departmental Transfer Trust	65.8	(2.0)	360.2	349.7	(74.6)	(0.3)	71.2	2.1	265.8	278.5	5.2	65.8
Vehicle Lease Trust Account	10.3	–	1.5	0.1	–	11.7	31.0	–	2.1	22.7	(0.1)	10.3
Victorian Health Promotion Fund	–	–	41.3	41.3	–	–	–	–	40.7	40.7	–	–
Departmental Suspense Account	–	2.4	(0.4)	0.4	–	1.6	–	–	–	–	–	–
Victorian Veterans Fund	–	0.5	–	0.1	–	0.4	–	–	–	–	–	–
Anzac Day Proceeds Fund	–	–	0.5	0.2	–	0.3	–	–	–	–	–	–
Total controlled trusts	151.9	1.5	6,620.0	6,383.8	(214.8)	174.9	344.3	2.1	5,275.7	5,096.7	(373.4)	151.9

	2021						2020					
	Opening balance as at 1 July 2020 \$M	Machinery of government transfer in/(out) \$M	Total receipts \$M	Total payments \$M	Non cash movement \$M	Closing balance as at 30 June 2021 \$M	Opening balance as at 1 July 2019 \$M	Machinery of government transfer in/(out) \$M	Total receipts \$M	Total payments \$M	Non cash movement \$M	Closing balance as at 30 June 2020 \$M
Administered trusts												
National Disability Insurance Scheme Trust Account	–	–	1,871.2	2,016.2	145.0	–	73.1	–	1,577.8	1,231.8	(419.1)	–
National Health Funding Pool – Victoria State Pool Account	–	–	12,506.0	12,506.1	0.1	–	–	–	13,071.0	13,071.0	–	–
Public Service Commuter Club	(0.7)	–	0.7	0.1	–	(0.1)	(1.0)	–	1.8	1.5	–	(0.7)
Revenue Suspense Account	3.8	–	0.2	–	–	4.0	3.4	–	0.4	–	–	3.8
Victorian Natural Disasters Relief Fund	–	–	7.4	8.0	–	(0.6)	–	–	25.4	25.4	–	–
Total administered trusts	3.1	–	14,385.5	14,530.4	145.1	3.3	75.5	–	14,676.3	14,329.7	(419.1)	3.1

7.4.2 Trust account – Legislative references and nature

Controlled trusts

Casey Hospital Escrow Account

Established to manage and control payments to the contractor for the completion of the Casey Hospital refurbishment.

Health State Managed Fund

Established under the *Health (Commonwealth State Funding Arrangements) Act 2012* for the purpose of receiving funding for block grants, teaching, training and research.

Hospitals and Charities Fund

Established under the *Health Services Act 1988* to record funding for health service agencies. Monies are paid into the fund from the *Gambling Regulation Act 2003*, *Casino Control Act 1991* and s. 10 of the *Financial Management Act 1994*.

Intellectually Handicapped Children's Amenities Fund

Established under the *Intellectually Disabled Persons Act 1986* which was then repealed by the *Disability Act 2006*. The trust was established to meet the cost of the provision of amenities for children under the age of 16 years in the care of the department.

Mental Health Fund

Established under the *Gaming Regulation Act 2003* for the establishment and maintenance of mental health services and residential institutions and facilities, for the administration of the *Mental Health Act 1986* and for the administration of the *Disability Act 2006*.

Public Health Fund

Established by the Assistant Treasurer in accordance with the National Health Reform Agreement to allow the Department of Health to access public health funding contributions paid by the Commonwealth through the National Health Funding Pool and apply the funding to deliver public health activities managed by the state.

Treasury Trust

Established to record the receipt and disbursement of unclaimed monies and other funds held in trust.

Inter-Departmental Transfer Trust

Established under s. 19 of the *Financial Management Act 1994* by the Assistant Treasurer to record inter-departmental transfers when no other trust arrangement exists.

Vehicle Lease Trust Account

Established to record transactions relating to the government's vehicle pool and fleet management business.

Victorian Health Promotion Fund

Established under s. 32 of the *Tobacco Act 1987*, prior to the abolition by the High Court in July 1997 of taxes on tobacco products. Following the High Court decision, the Act was amended and the source of funding was specified by the Treasurer under s. 32(3a).

Departmental Suspense Account

Short-term clearing account pending correct identification of payments.

Victorian Veterans Fund

Established under s. 20 of the *Veterans Act 2005* to educate Victorians about Victoria's involvement in Australia's war and service history, to honour or commemorate the service or sacrifice of veterans, to assist the education of veterans' dependants and any other purpose agreed in writing by the Minister for Veterans. The Victorian Veterans Council may invest any part of the Victorian Veterans Fund not immediately required for the purposes of the Victorian Veterans Fund in any manner approved by the Treasurer.

Anzac Day Proceeds Fund

Established under s. 4A of the *ANZAC Day Act 1958* to receive funds as required to be paid by the *ANZAC Day Act 1958* and the *Racing Act 1958* and to be credited to the Victorian Veterans Fund.

Administered trusts

National Disability Insurance Scheme Trust Account

Established in accordance with a memorandum of understanding (MOU) between Department of Health and Human Services, Department of Education and Training, Taxi Services Commission, and Department of Treasury and Finance. The trust is used solely to manage the state's payments to the NDIA, as required under the bilateral agreement between the Commonwealth and Victoria that outlines the transition to the National Disability Insurance Scheme.

National Health Funding Pool – Victoria State Pool Account

Established under the *Health (Commonwealth State Funding Arrangements) Act 2012* to record funding made available by the Commonwealth and the state under the National Health Reform Agreement.

Public Service Commuter Club

Established to record the receipt of amounts associated with the Public Service Commuter Club Scheme and deductions from club members' salaries as well as to record payment to the Public Transport Corporation.

Revenue Suspense Account

Short-term clearing account pending correct identification of receipts.

Victorian Natural Disasters Relief Fund

Established for the purpose of granting assistance to persons who suffer losses as a result of flood, bushfires and other natural disasters.

7.5 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

7.5.1 Total commitments payable ⁽ⁱ⁾

	2021 \$M	2020 \$M
The following commitments have not been recognised as liabilities in the financial statements.		
(a) Capital expenditure commitments ⁽ⁱⁱ⁾		
Less than 1 year	837.3	399.8
Longer than 1 year and not longer than 5 years	214.8	345.9
Longer than 5 years	–	–
Total capital commitments	1,052.1	745.7
(b) Accommodation expenses payable ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾		
Less than 1 year	32.5	101.3
Longer than 1 year and not longer than 5 years	–	104.7
Longer than 5 years	–	–
Total accommodation expenses payable	32.5	206.0
(c) Other expenditure commitments ⁽ⁱⁱ⁾		
Less than 1 year	570.8	345.9
Longer than 1 year and not longer than 5 years	198.8	169.4
Longer than 5 years	11.2	37.2
Total other expenditure commitments	780.8	552.5
Total commitments other than PPP	1,865.4	1,504.2
(d) PPP funding commitments		
1. The Royal Women's Hospital		
Less than 1 year	50.4	50.6
Longer than 1 year and not longer than 5 years	211.0	204.5
Longer than 5 years	397.3	461.9
Total The Royal Women's Hospital commitments	658.7	717.0
2. Monash Health		
Less than 1 year	24.7	23.9
Longer than 1 year and not longer than 5 years	128.4	122.0
Longer than 5 years	106.5	135.8
Total Monash Health commitments	259.6	281.7
3. The Royal Children's Hospital		
Less than 1 year	165.0	159.1
Longer than 1 year and not longer than 5 years	650.7	655.3
Longer than 5 years	2,088.3	2,295.3
Total The Royal Children's Hospital commitments	2,904.0	3,109.7
4. Peter MacCallum Cancer Centre		
Less than 1 year	136.4	171.6
Longer than 1 year and not longer than 5 years	604.0	561.1
Longer than 5 years	1,537.9	1,651.3
Total Peter MacCallum Cancer Centre commitments	2,278.3	2,384.0

	2021 \$M	2020 \$M
5. Bendigo Health		
Less than 1 year	68.4	67.3
Longer than 1 year and not longer than 5 years	306.3	290.0
Longer than 5 years	1,452.2	1,543.3
Total Bendigo Health commitments	1,826.9	1,900.6
Total PPP funding commitments	7,927.5	8,393.0
(e) Uncommissioned PPP commitments		
1. New Footscray Hospital		
Less than 1 year	–	–
Longer than 1 year and not longer than 5 years	639.3	–
Longer than 5 years	5,733.2	–
Total New Footscray Hospital commitments	6,372.5	–
2. New social, affordable, specialist disability and private housing in Flemington, Brighton and Prahran		
Less than 1 year	13.5	–
Longer than 1 year and not longer than 5 years	73.7	–
Longer than 5 years	665.0	–
Total New social, affordable, specialist disability and private housing in Flemington, Brighton and Prahran commitments	752.2	–
Total uncommissioned PPP commitments	7,124.7	–
Total commitments for expenditure (inclusive of GST)	16,917.6	9,897.2
Less GST recoverable from the ATO	1,364.9	876.6
Total commitments for expenditure (exclusive of GST)	15,552.7	9,020.6

Notes:

- (i) For future finance lease and non-cancellable operating lease payments that are recognised on the balance sheet, refer to Note 7.2 Leases.
- (ii) GST is not included in some of the above commitments as they relate to either input taxed or exempt goods and services.
- (iii) The department has an occupancy agreement, ending on 31 October 2021, with the Department of Treasury and Finance Shared Service Provider for office accommodation at various locations across Victoria and other related services, including management fee, repairs and maintenance, cleaning, security, utilities, etc. A significant judgement was made that the occupancy agreement is a service contract (rather than a 'lease' as defined in AASB 16 Leases). The cost for the accommodation and other related services are expensed (refer to Note 3.1.5 Other operating expenses) based on the agreed payments as per the occupancy agreement.

Public private partnership funding commitments

The Minister for Health entered into six long-term contracts with various private sector consortiums for the design, construction, maintenance and financing of hospital infrastructure assets, one for the Royal Women's Hospital, the Royal Children's Hospital, the Victorian Comprehensive Cancer Centre and Bendigo Hospital, and two for Casey Hospital. These arrangements are referred to as public private partnerships (PPP).

The respective health agency is the operator of the PPP infrastructure assets and consequently recognises the associated assets, finance lease liabilities, transactions and commitments to the private sector provider in their own financial statements. For additional information relating to these balances, transactions and commitments (including present value information) refer to the relevant health agencies' financial reports.

In the table above, the department has disclosed the total nominal amounts due to the private sector consortiums, as the department has agreed to fund these amounts on behalf of the relevant health sector agencies to satisfy the terms of the PPP arrangements. These amounts include the principal, interest, maintenance and ancillary services payments required over the remaining terms of the contracts. These payments will be funded via appropriation revenue and will be recognised as a grant expense to the health agency.

7.5.2 Public private partnership (PPP) commitments

The department sometimes enters into arrangements with private sector participants to design and construct or upgrade assets used to provide public services. These arrangements usually include the provision of operational and maintenance services for a specified period of time. These arrangements are often referred to as public private partnerships (PPP).

PPPs usually take one of two main forms. In the more common form, the department pays the operator over the arrangement period, subject to specified performance criteria being met. At the date of commitment to the principal provisions of the arrangement, these estimated periodic payments are allocated between a component related to the design and construction or upgrading of the asset and components related to the ongoing operation and maintenance of the asset. The former component is accounted for as either a lease, a service concession arrangement or construction of an item of property, plant and equipment. The remaining components are accounted for as commitments for operating costs, which are expensed in the comprehensive operating statement as they are incurred. The other, less common, form of PPP is one in which the department grants to an operator, for a specified period of time, the right to collect fees from users of the PPP asset, in return for which the operator constructs the asset and has the obligation to supply agreed-upon services, including maintenance of the asset for the period of the concession. These private sector entities typically lease land, and sometimes state works, from the department and construct infrastructure. At the end of the concession period, the land and state works, together with the constructed facilities, will be returned to the department.

AASB 1059 Service Concession Arrangements: Grantors applies to arrangements where an operator provides public services, using a service concession asset, on behalf of the state and importantly, the operator manages at least some of the public service at its own discretion. The state must also control the asset for AASB 1059 to apply. This means that certain PPP arrangements will not be within the scope of AASB 1059 and will continue to be accounted for as either leases or assets being constructed by the state and conversely, certain arrangements that are not PPPs (such as certain external service arrangements) could be captured within the scope of AASB 1059. The department has determined which arrangements should be accounted for under AASB 1059 and details of these are included in Note 7.5.3 below.

	Liability	Capital contribution	Other commitments	Total commitments
	Discounted value	Nominal value	Present value	Nominal value
	\$M	\$M	\$M	\$M
PPP commitments ⁽ⁱ⁾				
2021				
Uncommissioned PPPs ^{(ii)(iii)(iv)}				
New Footscray Hospital ^(v)	1,646.1	573.0	1,335.0	6,372.5
New social, affordable, specialist disability and private housing in Flemington, Brighton and Prahran ^(vi)	223.3	50.0	38.0	752.2
Total uncommissioned PPPs	1,869.4	623.0	1,373.0	7,124.7
Total commitments for PPPs	1,869.4	623.0	1,373.0	7,124.7

Notes:

- (i) The discounted values of the minimum lease payments for uncommissioned PPPs have been discounted to the projects' expected dates of commissioning, and the present values of other commitments have been discounted to 30 June of the respective financial years. After adjusting for GST, the discounted values of minimum lease payments reflect the expected impact on the balance sheet when the PPPs are commissioned.
- (ii) The discounted values of the minimum lease payments have not been totalled for the uncommissioned PPPs due to individual PPPs having different expected dates of commissioning.
- (iii) The total commitments will not equal the sum of the PPP-related liabilities and other commitments because they are discounted, whereas total commitments are at nominal value.
- (iv) For uncommissioned PPPs relating to service concessions or recognised as assets under construction under AASB 116 *Property, Plant and Equipment*, the asset and liability are recognised progressively during the construction term and therefore not recognised in the table above.
- (v) On 10 March 2021, the State Government of Victoria entered into a PPP contract with Plenary Health to deliver the New Footscray Hospital Project. The contract expires on 9 September 2050. The department will be reimbursed by Victoria University for the state contribution relating to the construction of the Victoria University project components. It has been determined that this arrangement represents the construction of an item of property, plant and equipment in the scope of AASB 116 *Property, Plant and Equipment*.
- (vi) On 18 May 2021, the department entered into an arrangement with Building Communities (Vic) Limited to deliver new social, affordable, specialist disability accommodation and private housing at sites in Flemington, Brighton and Prahran through a Ground Lease Model. The term of the arrangement is 40 years. The project was procured and will be delivered as a PPP under the Partnerships Victoria Framework. Under this model, Building Communities (Vic) Limited is responsible for the design, construction, financing and management of social, affordable and private dwellings at each site.

7.5.3 AASB 1059 Service Concession Arrangements: Grantors

For arrangements within the scope of AASB 1059, at initial recognition the department records a service concession asset (SCA) at current replacement cost in accordance with the cost approach to fair value under AASB 13 *Fair Value Measurement*, with a related liability, which could be a financial liability, an accrued revenue liability (referred to as the 'Grant Of A Right To The Operator' or GORTO liability) or a combination of both.

The nature of the liability and subsequent accounting depends on the consideration exchanged in the arrangement between the department and the operator.

The department initially recognised the liability at the same amount as the SCA, adjusted by the amount of any consideration from the department to the operator, or from the operator to the department.

Exception to this occurs when the department reclassifies an existing asset to a SCA. When this occurs, no liability is recognised unless additional consideration is provided to the operator. Instead, the department recognises a SCA and a corresponding liability for the amounts spent on the upgrade/expansion work.

A **financial liability** is recognised where the department has a contractual obligation to pay the operator for providing the SCA. It is measured in accordance with AASB 9 *Financial Instruments* and is recognised as a borrowing (Note 7.1). The liability is increased by interest charges (Note 7.1.2), based on the interest rate implicit in the arrangement. Where the interest rate is not specified in the arrangement, the prevailing market rate of interest for a similar instrument with similar credit ratings is used. The liability is reduced by any payments made by the department to the operator as required by the contract.

The department has arrangements in place with two private hospitals and other non-public entities, where the private hospitals and non-public entities operate the department-owned assets including land, buildings and equipment to deliver health services to the general public. The department maintains the ownership and control of the assets throughout the arrangements and does not incur any related liability.

8. Risks, contingencies and valuation judgements

Introduction

The department is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information (including exposures to financial risks), as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the department related mainly to fair value determination.

Structure

- 8.1 Financial instruments specific disclosures
 - 8.1.1 Financial instruments: categorisation
 - 8.1.2 Financial instruments: net holding gain/(loss) on financial instruments by category
 - 8.1.3 Financial risk management objectives and policies
- 8.2 Contingent assets and contingent liabilities
- 8.3 Fair value determination
 - 8.3.1 Fair value determination of financial assets and liabilities
 - 8.3.2 Fair value determination of non-financial physical assets

8.1 Financial instruments specific disclosures

Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the department's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Guarantees issued on behalf of the department are financial instruments because, although authorised under statute, terms and conditions for each financial guarantee may vary and are subject to an agreement.

Categories of financial assets

Financial assets at amortised cost are recognised if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the department to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The department recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables)
- term deposits
- loan receivables.

Categories of financial liabilities

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initially recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method. The department recognises the following liabilities in this category:

- payables (excluding statutory payables)
- borrowings (including lease liabilities).

Offsetting financial instruments: Financial instrument assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the department has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where the department does not have a legally enforceable right to offset recognised amounts, because the right to offset is

enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

Derecognition of financial assets: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the department retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement, or
- the department has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset, or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the department has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the department's continuing involvement in the asset.

Derecognition of financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

8.1.1 Financial Instruments: categorisation

2021	Cash and deposits \$M	Financial assets at amortised cost (AC) \$M	Financial liabilities at amortised cost (AC) \$M	Total \$M
Contractual financial assets				
Cash and deposits	913.9	–	–	913.9
Receivables ⁽ⁱ⁾	–	341.9	–	341.9
Loans	–	118.8	–	118.8
Total contractual financial assets	913.9	460.7	–	1,374.6
Contractual financial liabilities				
Payables ⁽ⁱ⁾	–	–	2,130.1	2,130.1
Borrowings ⁽ⁱ⁾	–	–	329.4	329.4
Total contractual financial liabilities	–	–	2,459.5	2,459.5

2020	Cash and deposits \$M	Financial assets at amortised cost (AC) \$M	Financial liabilities at amortised cost (AC) \$M	Total \$M
Contractual financial assets				
Cash and deposits	597.7	–	–	597.7
Receivables ⁽ⁱ⁾	–	487.7	–	487.7
Loans	–	389.5	–	389.5
Total contractual financial assets	597.7	877.2	–	1,474.9
Contractual financial liabilities				
Payables ⁽ⁱ⁾	–	–	1,847.0	1,847.0
Borrowings ⁽ⁱ⁾	–	–	415.4	415.4
Total contractual financial liabilities	–	–	2,262.4	2,262.4

Note:

- (i) The total amounts disclosed here exclude statutory amounts, for example, amounts owing to/from Victorian Government and GST input tax credit recoverable and taxes payable. Refer to Note 6.1 for the breakdown of contractual and statutory receivables, Note 6.4 for the breakdown of contractual and statutory payables, and Note 7.1 for the breakdown of borrowings.

8.1.2 Financial Instruments: net holding gain/(loss) on financial instruments by category

	Total interest income/ (expense) \$M	Total \$M
2021		
Contractual financial assets		
Cash and deposits	–	–
Receivables ⁽ⁱ⁾	–	–
Loans	0.4	0.4
Short-term investments – term deposits	2.1	2.1
Total contractual financial assets	2.5	2.5
Contractual financial liabilities		
Payables ⁽ⁱ⁾	–	–
Borrowings	(4.0)	(4.0)
Total contractual financial liabilities	(4.0)	(4.0)
2020		
Contractual financial assets		
Cash and deposits	–	–
Receivables ⁽ⁱ⁾	–	–
Loans	0.5	0.5
Short-term investments – term deposits	6.4	6.4
Total contractual financial assets	6.9	6.9
Contractual financial liabilities		
Payables ⁽ⁱ⁾	–	–
Borrowings	(7.0)	(7.0)
Total contractual financial liabilities	(7.0)	(7.0)

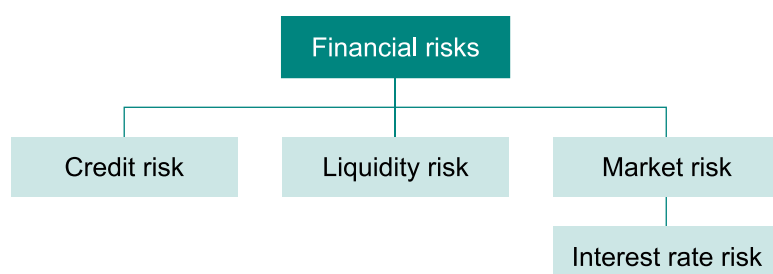
Note:

- (i) The total amounts disclosed here exclude statutory amounts, for example, amounts owing to/from Victorian Government and GST input tax credit recoverable and taxes payable.

The net holding gains or losses disclosed above are determined as follows:

- for cash and cash equivalents, loans and receivables, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest income, and minus any impairment recognised in the net result
- for financial liabilities measured at amortised cost, the net gain or loss is the interest expense.

8.1.3 Financial risk management objectives and policies



As a whole, the department's financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability, are disclosed in Note 8.3.1.

The main purpose in holding financial instruments is to prudentially manage the department's financial risks within the government policy parameters.

The department's main financial risks include credit risk, liquidity risk and interest rate risk. The department manages these financial risks in accordance with its financial risk management policy.

The department uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the accountable officer of the department.

8.1.3.1 Financial instruments: credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. The department's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the department. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the department's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Victorian Government and home loan recipients, it is the department's policy to only deal with entities with high credit ratings of a minimum triple-B rating and to obtain sufficient collateral or credit enhancements, where appropriate.

In addition, the department does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, the department's policy is to only deal with banks with high credit ratings.

Provision of impairment for financial assets is calculated based on past experience, and current and expected changes in client credit ratings, or based on the assumptions about risk of default and expected credit loss rates. Tenant loans are made up of small amounts therefore the likelihood of default is considered immaterial.

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial report statements, net of any allowances for losses, represents the department's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to the department's credit risk profile in 2020–21.

Credit quality of contractual financial assets

	Financial institutions double-A credit rating Total \$M	Government agencies triple-A credit rating Total \$M	Government agencies double-A credit rating Total ⁽ⁱ⁾ \$M	Credit ratings not disclosed \$M	Total \$M
2021					
Cash and deposits (not assessed for impairment due to materiality)	743.0	–	170.9	–	913.9
Contractual receivables applying the simplified approach for impairment ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	–	–	251.8	90.1	341.9
Loans ⁽ⁱⁱⁱ⁾	–	–	87.5	31.3	118.8
Statutory receivables (with no impairment loss recognised)	4,312.3	–	–	–	4,312.3
Total financial assets	5,055.3	–	510.2	121.4	5,686.9
2020					
Cash and deposits (not assessed for impairment due to materiality)	452.2	145.5	–	–	597.7
Contractual receivables applying the simplified approach for impairment ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	–	382.5	–	105.2	487.7
Loans ⁽ⁱⁱⁱ⁾	–	323.5	–	66.0	389.5
Statutory receivables (with no impairment loss recognised)	3,756.9	–	–	–	3,756.9
Total financial assets	4,209.1	851.5	–	171.2	5,231.8

Notes:

- (i) State of Victoria credit rating was downgraded from AAA to AA as at 30 June 2021.
- (ii) The total amounts disclosed here exclude statutory amounts, for example, amounts owing from Victorian Government, GST input tax credit recoverable and other taxes payable.
- (iii) The carrying amounts consist of amounts due from numerous counterparties for which no credit ratings have been disclosed due to impracticability.

Impairment of financial assets under AASB 9

The department records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment includes the department's contractual receivables and statutory receivables.

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

Contractual receivables at amortised cost

The department applies the AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. The department has grouped contractual receivables on shared credit risk characteristics and days past due and selected the expected credit loss rate based on the department's past history, existing market conditions, as well as forward-looking estimates at the end of financial year.

On this basis, the department determines the loss allowance at the end of financial year as follows:

	Gross amount \$M	Not past due and not impaired ⁽ⁱ⁾ \$M	Past due				Total \$M
			Less than 1 month \$M	1–3 months \$M	3 months – 1 year \$M	1–5 years \$M	
2021							
Expected loss rate		–	19%	34%	52%	76%	
Gross carrying amount of contractual receivables	369.6	299.1	26.1	18.3	14.1	12.0	
Loss allowance		–	5.0	6.3	7.3	9.1	27.7
2020							
Expected loss rate		–	3%	9%	18%	90%	
Gross carrying amount of contractual receivables	498.5	424.1	34.6	20.2	13.6	6.0	
Loss allowance		–	1.1	1.8	2.5	5.4	10.8

Note:

- (i) The amounts disclosed here include repayments of borrowings that are not scheduled to be repaid in the next 12 months.

The average credit period for receivables is 30 days.

Reconciliation of movement in the loss allowance for contractual receivables is shown as follows:

	2021 \$M	2020 \$M
Balance at beginning of the year	(10.8)	(13.1)
Increase in provision recognised in the net result	(20.3)	(2.5)
Reversal of provision of receivables written off during the year as uncollectible	3.4	4.8
Balance at the end of the year	(27.7)	(10.8)

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

Statutory receivables at amortised cost

The department's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

Both statutory receivables and investments in debt instruments are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses. No loss allowance has been recognised.

8.1.3.2 Financial instruments: liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. The department operates under the government's fair payments policy of settling financial obligations within 30 days and, in the event of a dispute, of making payments within 30 days from the date of resolution.

The department is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. The department manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations
- holding investments and other contractual financial assets that are readily tradeable in the financial markets
- careful maturity planning of its financial obligations based on forecasts of future cash flows
- a high credit rating for the State of Victoria (Moody's Investor Services, Standard & Poor's double-A, which assists in accessing debt market at a lower interest rate).

The department's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The carrying amount detailed in Notes 6.4.1 and 7.1.1, of contractual financial liabilities recorded in the financial statements, represents the department's maximum exposure to liquidity risk.

8.1.3.3 Financial instruments: market risk

The department's exposure to market risk is primarily through interest rate risk. The department's exposure to other price risks is insignificant. Objectives, policies and processes used to manage the risk are disclosed below.

Sensitivity disclosure analysis and assumptions

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the department believes the following movements are 'reasonably possible' over the next 12 months:

- A shift of +0.5% and –0.5% (2020: +0.5% and –0.5%) in market interest rates (AUD) from year-end cash deposits.

Several loan programs have loans with interest rates linked to movement in the consumer price index (CPI). The total balances outstanding under these programs have reduced to a level that any changes to the CPI have a limited impact on the amount of interest charged and no new lending is made under these programs.

The tables that follow show the impact on the department's net result and equity for each category of financial instrument held by the department at the end of the reporting period, if the above movements were to occur.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The department does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The department has minimal exposure to cash flow interest rate risks through cash and deposits and term deposits.

Exposure to interest rate risk is insignificant and might arise primarily through the department's interest-bearing assets. Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest-bearing financial instruments. For financial liabilities, the department mainly incurs financial liabilities with relatively even maturity profiles.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and the department's sensitivity to interest rate risk are set out in the table that follows.

Interest rate exposure of financial instruments

	Weighted average effective interest rate %	Carrying amount \$M	Interest rate exposure		
			Fixed interest rate \$M	Variable interest rate \$M	Non- interest bearing \$M
2021					
Financial assets					
Cash and deposits	0.1%	913.9	–	775.0	138.9
Receivables ⁽ⁱ⁾		341.9	–	–	341.9
Loans	3.8%	118.8	1.7	9.4	107.7
Total financial assets		1,374.6	1.7	784.4	588.5
Financial liabilities					
Payables ⁽ⁱ⁾		2,130.1	–	–	2,130.1
Borrowings ⁽ⁱ⁾	2.3%	329.4	266.4	–	63.0
Total financial liabilities		2,459.5	266.4	–	2,193.1
2020					
Financial assets					
Cash and deposits	0.6%	597.7	–	489.8	107.9
Receivables ⁽ⁱ⁾		487.7	–	–	487.7
Loans	3.2%	389.5	1.5	10.9	377.1
Total financial assets		1,474.9	1.5	500.7	972.7
Financial liabilities					
Payables ⁽ⁱ⁾		1,847.0	–	–	1,847.0
Borrowings ⁽ⁱ⁾	2.6%	415.4	83.5	–	331.9
Total financial liabilities		2,262.4	83.5	–	2,178.9

Note:

- (i) The carrying amounts disclosed here exclude statutory amounts, for example, amounts owing to/from Victorian Government and GST input tax credit recoverable and taxes payable.

Interest rate risk sensitivity analysis

	Carrying amount \$M	Interest rate risk		Consumer Price Index (CPI)	
		-0.50% Net result \$M	+0.50% Net result \$M	-0.25% Net result \$M	1.50% Net result \$M
2021					
Contractual financial assets					
Cash and deposits ⁽ⁱ⁾	913.9	(3.9)	3.9	–	–
Receivables ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	341.9	–	–	–	–
Loans ⁽ⁱⁱⁱ⁾	118.8	–	–	–	0.1
Total impact	1,374.6	(3.9)	3.9	–	0.1
Contractual financial liabilities					
Payables ⁽ⁱⁱⁱ⁾	2,130.1	–	–	–	–
Borrowings ^(iv)	329.4	–	–	–	–
Total impact	2,459.5	–	–	–	–

	Carrying amount \$M	Interest rate risk		Consumer Price Index (CPI)	
		-0.50% Net result \$M	+0.50% Net result \$M	-0.25% Net result \$M	1.50% Net result \$M
2020					
Contractual financial assets					
Cash and deposits ⁽ⁱ⁾	597.7	(2.4)	2.4	–	–
Receivables ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	487.7	–	–	–	–
Loans ⁽ⁱⁱⁱ⁾	389.5	(0.1)	0.1	–	0.2
Total impact	1,474.9	(2.5)	2.5	–	0.2
Contractual financial liabilities					
Payables ⁽ⁱⁱⁱ⁾	1,847.0	–	–	–	–
Borrowings ^(iv)	415.4	–	–	–	–
Total impact	2,262.4	–	–	–	–

Notes:

- (i) All cash and deposits are held in Australian dollars and were held on deposits at fixed and variable interest rates. This item is not subject to any other identified risk sensitivities.
- (ii) The carrying amount is denominated in Australian dollars and is non-interest bearing. This item is not subject to the identified risk sensitivities.
- (iii) The total amounts disclosed here exclude statutory amounts, for example, amounts owing to/from Victorian Government and GST input tax credit recoverable and taxes payable.
- (iv) Borrowings are denominated in Australian dollars. \$91.4 million (2020: \$83.5 million) relates to lease liabilities, \$175.4 million (2020: \$0.0) relates to PPP financial liabilities.

8.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a disclosure and, if quantifiable, are stated at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

	2021 \$M	2020 \$M
Quantifiable contingent assets		
Details and estimates of contingent assets are as follows:		
(a) Bank guarantee held for:		
– building contracts	22.5	16.9
(b) Letter of comfort held for Community Chef recallable grant	–	6.4
(c) Litigation for the recovery of costs in relation to defective construction work	–	2.1
(d) Reimbursement claim for the work undertaken by the landlord to Orange Door site	1.0	0.2
Total	23.5	25.6

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations, or
 - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

	2021 \$M	2020 \$M
Quantifiable contingent liabilities		
(a) The department has estimated that potential liability exists in respect of a number of legal actions instigated by clients and their representatives, employees and others, and other contractual liabilities.	43.6	38.4
Total	43.6	38.4

Non-quantifiable contingent liabilities

In response to the concerns of some health services, the department has undertaken to provide certain health services adequate cash flow support to enable these health services to meet their current and future obligations as and when they fall due in the 2021–22 financial year, should this be required. In line with processes already established by the department, it is expected that each health service that has been pledged this support will:

- continue to provide monthly advice on its financial position, including the likelihood of any short-term liquidity issues
- commit to achieve the agreed budget targets, and all other requirements of their service agreements or statement of priorities in 2021–22.

The department has other potential obligations which arise from legal actions and that are non-quantifiable at this time.

8.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of the department.

This section sets out information on how the department determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through 'other comprehensive income'
- land, buildings, plant and equipment

In addition, the fair values of other assets and liabilities which are carried at amortised cost also need to be determined for disclosure purposes.

The department determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Fair value hierarchy

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The department determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer-General Victoria (VGV) is the department's independent valuation agency. The department, in conjunction with VGV, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value)
- which level of the fair value hierarchy was used to determine the fair value
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
 - a reconciliation of the movements in fair values from the beginning of the year to the end
 - details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for financial instruments (refer Note 8.3.1) and non-financial physical assets (refer Note 8.3.2).

8.3.1 Fair value determination of financial assets and liabilities

The fair values and net fair values of financial assets and liabilities are determined as follows:

- Level 1 – the fair value of financial instruments with standard terms and conditions and traded in active markets are determined with reference to quoted market prices
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The department currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair values, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2020–21 reporting period.

The fair value of the financial instruments is the same as the carrying amounts.

8.3.2 Fair value determination of non-financial physical assets

Fair value measurement hierarchy

2021	Carrying amount \$M	Fair value measurement at the end of reporting period using:		
		Level 1 ⁽ⁱ⁾ \$M	Level 2 ⁽ⁱ⁾ \$M	Level 3 ⁽ⁱ⁾ \$M
Land at fair value				
Non-specialised land	22,346.5	–	22,346.5	–
Specialised land	723.7	–	77.2	646.5
Total land at fair value	23,070.2	–	22,423.7	646.5
Buildings at fair value				
Non-specialised building	8,995.5	–	8,995.5	–
Specialised building	645.1	–	0.9	644.2
Total buildings at fair value	9,640.6	–	8,996.4	644.2
Plant, equipment and vehicles at fair value				
Plant and equipment	2.7	–	–	2.7
Motor vehicles	0.3	–	–	0.3
Total plant, equipment and vehicles at fair value	3.1	–	–	3.1

2020	Carrying amount \$M	Fair value measurement at the end of reporting period using:		
		Level 1 ⁽ⁱ⁾ \$M	Level 2 ⁽ⁱ⁾ \$M	Level 3 ⁽ⁱ⁾ \$M
Land at fair value				
Non-specialised land	17,920.8	–	17,920.8	–
Specialised land	592.7	–	77.2	515.5
Total land at fair value	18,513.5	–	17,998.0	515.5
Buildings at fair value				
Non-specialised building	8,885.6	–	8,885.6	–
Specialised building	704.6	–	1.0	703.6
Total buildings at fair value	9,590.2	–	8,886.6	703.6
Plant, equipment and vehicles at fair value				
Plant and equipment	11.0	–	3.4	7.6
Motor vehicles	0.4	–	–	0.4
Total plant, equipment and vehicles at fair value	11.4	–	3.4	8.0

Note:

(i) Classified in accordance with the fair value hierarchy. The department, in conjunction with the VGV, monitors the changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

There was a transfer of \$2.8 million from level 3 specialised buildings to level 2 non-specialised buildings in 2020–21 due to the reclassification of property type.

Non-specialised land and non-specialised buildings are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

Director of Housing land and buildings are primarily held in Level 2 as it is considered that each residential dwelling assessed has an active and liquid market. As such, the market value of each residential asset has been determined by reference to the current property market for similar assets.

Specialised land and specialised buildings: The market approach is used for specialised land, although this may be adjusted for a community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible,

legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land with a CSO adjustment would primarily be classified as Level 3 assets.

For the majority of the department's specialised buildings, the current replacement cost method is used, adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are primarily classified as Level 3 fair value measurements.

The last scheduled revaluation of the department's land and buildings was performed by the VGV in June 2019. For the financial year ended 30 June 2021, in compliance with FRD 103I *Non-financial physical assets*, the department conducted an annual assessment of the fair value of land and buildings by applying the VGV indices. Management regards the VGV indices to be a reliable and relevant data set to form the basis of their estimates. Whilst these indices are applicable at 30 June 2021, the fair value of land and buildings will continue to be subjected to the impacts of COVID-19 in future accounting periods.

As a result of the machinery of government changes in 2020–21, separate assessments were performed for the Department of Health and for the Department of Families, Fairness and Housing. Land and buildings of the Director of Housing, which are included into the department's financial statements under s. 53(1)(b) of the *Financial Management Act 1994*, were assessed as part of the Department of Families, Fairness and Housing portfolio.

For the Department of Health, the cumulative impact of the VGV indices on the fair value since the last scheduled revaluation is an increase of 4.9% for land assets and an increase of 3.6% for buildings. As the accumulated movement was less than the 10% material threshold as defined in FRD 103I, no managerial revaluation was required. The land and building balances are considered to be sensitive to market conditions. To trigger a managerial revaluation:

- an additional increase of 5.1% or a decrease of 14.9% in the land indices would be required.
- an additional increase of 6.4% or a decrease of 13.6% in the building indices would be required.

For the Department of Families, Fairness and Housing and Director of Housing, the cumulative impact of the VGV indices on the fair value of land assets since the last scheduled revaluation is an increase of 24.8%. The movement exceeds the 10% material threshold, which triggered a managerial revaluation on land assets. Total land value increased by \$4.5 billion as a result of the managerial revaluation. The cumulative impact of the VGV indices on the fair value of building assets is an increase of 7.7%. As the movement is less than 10%, a managerial revaluation on buildings is not required. To trigger a managerial revaluation, an additional increase of 2.3% or a decrease of 17.7% in the building indices would be required.

Vehicles are valued using the current replacement cost method. The department acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in the department who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2021.

For all assets measured at fair value, the current use is considered the highest and best use.

Reconciliation of Level 3 fair value movements

	Specialised land \$M	Specialised buildings \$M	Plant and equipment \$M	Motor vehicles \$M	Total \$M
2021					
Opening balance	515.5	703.6	7.6	0.4	1,227.2
Additions	93.6	–	–	–	93.6
Capitalisation of work in progress	2.9	58.6	0.7	–	62.2
Disposals	(0.4)	(0.1)	–	–	(0.4)
Administrative instrument transfers	(1.3)	(78.4)	(3.1)	–	(82.7)
Transfers in/(out) of Level 3	–	(2.8)	–	–	(2.8)
Gains or losses recognised in net result					
Depreciation	–	(35.1)	(2.5)	(0.1)	(37.7)
Subtotal of gains or losses recognised in net result	–	(35.1)	(2.5)	(0.1)	(37.7)
Gains or losses recognised in other economic flows – other comprehensive income					
Net revaluation increments/(decrements)	36.1	(1.7)	–	–	34.5
Subtotal of gains or losses recognised in other economic flows	36.1	(1.7)	–	–	34.5
Closing balance	646.5	644.2	2.7	0.3	1,293.8
	Specialised land \$M	Specialised buildings \$M	Plant and equipment \$M	Motor vehicles \$M	Total \$M
2020					
Opening balance	502.3	741.6	10.8	0.8	1,255.6
Additions	7.3	0.8	1.1	–	9.2
Capitalisation of work in progress	–	0.6	–	–	0.6
Disposals	–	–	(0.1)	(0.2)	(0.3)
Administrative instrument transfers	6.1	4.7	–	–	10.8
Gains or losses recognised in net result					
Depreciation	–	(39.2)	(4.1)	(0.1)	(43.4)
Subtotal of gains or losses recognised in net result	–	(39.2)	(4.1)	(0.1)	(43.4)
Gains or losses recognised in other economic flows – other comprehensive income					
Net revaluation increments/(decrements)	(0.2)	(5.0)	–	–	(5.2)
Subtotal of gains or losses recognised in other economic flows	(0.2)	(5.0)	–	–	(5.2)
Closing balance	515.5	703.6	7.6	0.4	1,227.2

Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant unobservable inputs
Non-specialised land	Market approach	Not applicable
Specialised land	Market approach	Community service obligation (CSO) adjustment (rate 10–40%)
Non-specialised buildings	Market approach	Not applicable
Specialised buildings	Current replacement cost	Direct cost per square metre Useful life of specialised buildings
Plant and equipment	Current replacement cost	Useful life of equipment
Vehicles	Current replacement cost	Useful life of vehicles

Significant unobservable inputs have remained unchanged since June 2020.

Non-financial physical assets classified as held for sale

The following table provides the fair value measurement hierarchy of the department's non-financial physical assets held for sale.

	Carrying amount	Fair value measurement at the end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
2021	\$M	\$M	\$M	\$M
Land held for sale				
Specialised land	1.5	–	1.5	–
Total land held for sale	1.5	–	1.5	–
Buildings held for sale				
Specialised building	3.1	–	3.1	–
Total buildings held for sale	3.1	–	3.1	–

	Carrying amount	Fair value measurement at the end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
2020	\$M	\$M	\$M	\$M
Land held for sale				
Specialised land	6.0	–	6.0	–
Total land held for sale	6.0	–	6.0	–
Buildings held for sale				
Specialised building	2.5	–	2.5	–
Total buildings held for sale	2.5	–	2.5	–

Note:

(i) Classified in accordance with the fair value hierarchy.

There have been no transfers between levels during 2020–21.

9. Other disclosures

Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

- 9.1 Ex-gratia expenses
- 9.2 Other economic flows included in net result
- 9.3 Non-financial assets held for sale
- 9.4 Reserves
- 9.5 Entities included in the Department of Health financial statements pursuant to section. 53(1)(b) of the FMA
- 9.6 Responsible persons
- 9.7 Remuneration of executives
- 9.8 Related parties
- 9.9 Remuneration of auditors
- 9.10 Subsequent events
- 9.11 Other accounting policies
- 9.12 Australian Accounting Standards issued that are not yet effective
- 9.13 Glossary of technical terms
- 9.14 Style conventions

9.1 Ex-gratia expenses

Ex-gratia expenses are the voluntary payments of money or other non-monetary benefit (for example a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability of or claim against the entity.

There were no ex-gratia expense items greater than or equal to \$5,000 in the current and previous year.

9.2 Other economic flows included in net result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates and the effects of changes in actuarial assumptions
- other revaluations on the value of outstanding insurance claims and liabilities
- bad debt expenses.

	2021 \$M	2020 \$M
(a) Net gain/(loss) on non-financial assets		
Revenue from disposal of non-financial physical assets		
Land	38.3	33.5
Buildings	22.4	54.1
Shared home ownership scheme	1.7	2.1
Miscellaneous assets	4.9	9.5
Total revenue from disposal of non-financial physical assets	67.3	99.3
Costs on disposal of non-financial physical assets		
Land	40.0	45.0
Buildings	24.3	48.3
Shared home ownership scheme	1.7	2.1
Community services properties	0.5	1.0
Miscellaneous assets	3.7	7.4
Total costs on disposal of non-financial physical assets	70.2	103.8
Net gain/(loss) on non-financial assets	(2.9)	(4.5)
(b) Net gain/(loss) on financial instruments		
Net gain/(loss) on financial instruments and statutory receivables/payables	1.6	0.4
Total net gain/(loss) on financial instruments	1.6	0.4
(c) Impairment of joint venture		
Impairment of joint venture	–	(35.0)
Total impairment of joint venture	–	(35.0)
(d) Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	8.0	(6.9)
Revaluation and adjustments of insurance claims	(0.5)	(12.6)
Bad debt expenses	(19.8)	(4.1)
Total other gains/(losses) from other economic flows	(12.3)	(23.6)

9.3 Non-financial assets held for sale

In addition to the assets and liabilities disclosed above, the following non-financial assets held for sale exist at the reporting date:

	2021 \$M	2020 \$M
Non-financial assets classified as held for sale		
Buildings held for sale	3.1	2.5
Land held for sale	1.5	6.0
Plant, equipment and vehicles	0.4	0.5
Total non-financial assets classified as held for sale	5.0	9.1

Measurement of non-financial physical assets

Non-financial physical assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

This condition is regarded as met only when:

- the asset is available for immediate sale in the current condition
- the sale is highly probable and the asset sale is expected to be completed within 12 months from the date of classification.

These non-financial physical assets, related liabilities and financial assets are measured at the lower of carrying amount and fair value less costs to sell, and are not subject to depreciation or amortisation.

9.4 Reserves

	2021 \$M	2020 \$M
Accumulated surplus / (deficit)		
Balance at beginning of financial year	2,145.0	1,599.3
Prior period error ⁽ⁱ⁾	55.7	–
Restated balance at beginning of financial year	2,200.7	1,599.3
Net result for the year	513.9	545.4
Remeasurement of superannuation defined benefit plans	(1.5)	0.2
Transfer to contributed capital related to machinery of government	(5,937.6)	–
Transfer from physical asset revaluation surplus related to machinery of government	6,938.4	–
Balance at the end of financial year	3,714.0	2,145.0
Physical asset revaluation surplus		
Balance at beginning of financial year	7,377.2	7,396.4
Revaluation increments/(decrements) of land and buildings ⁽ⁱⁱ⁾	4,439.1	(19.2)
Transfer to accumulated surplus/(deficit) related to machinery of government	(6,938.4)	–
Balance at the end of financial year	4,877.9	7,377.2
Contributed capital		
Balance at beginning of financial year	22,415.0	22,199.3
Machinery of government transfer in/out	4.1	18.5
Transfer from accumulated surplus/(deficit) related to machinery of government	5,937.6	–
Capital contributions to health agencies	(9.6)	(61.2)
Capital contributions by Victorian State Government	427.5	267.6
Capital transferred to administered entity	(90.4)	(9.2)
Balance at the end of financial year	28,684.1	22,415.0
Total equity	37,275.9	31,937.2
Physical asset revaluation surplus – represented by:		
– Land	4,283.8	6,353.0
– Building	594.2	1,024.2
Total physical assets revaluation surplus	4,877.9	7,377.2

Notes:

(i) The prior period error relates to:

- The capitalisation of land amounting to \$54.3 million which was purchased for the New Footscray Hospital Project and had been incorrectly expensed as capital grants
- The capitalisation of payments that had been previously expensed less capitalised items that should have been expensed which results in a net increase to intangible assets of \$3.07 million.

(ii) Movements in the physical asset revaluation reserve arise from the revaluation of land and buildings and the impairment of land and buildings that were previously revalued.

9.5 Entities included in the Department of Health financial statements pursuant to section 53(1)(b) of the FMA

The financial information of the following entities has been included into the department's 2020–21 financial statements pursuant to a determination made by the Assistant Treasurer under s. 53(1)(b) of the *Financial Management Act 1994*:

- Director of Housing (from 1 July 2006)
- Mental Health Tribunal (from 1 July 2014)
- Commission for Children and Young People (from 1 July 2015)
- Disability Worker Registration Board (from 1 June 2020)
- Victorian Disability Worker Commission (from 1 June 2020)
- Department of Families, Fairness and Housing (from 1 February 2021)
- Respect Victoria (from 1 February 2021)
- Victorian Multicultural Commission (from 1 February 2021)
- Victorian Veterans Council (from 1 February 2021).

The financial effects of each of those entities, except the Department of Families, Fairness and Housing and the Director of Housing, were trivial to the financial statements, both individually and in aggregate. Therefore, those entities are reported in aggregate, together with the Department of Health in the table below.

	Department of Health and other section 53(1)(b) entities		Department of Families, Fairness and Housing		Director of Housing		Eliminations and adjustments		Total	
	2021 \$M	2020 \$M	2021 \$M	2020 \$M	2021 \$M	2020 \$M	2021 \$M	2020 \$M	2021 \$M	2020 \$M
Total revenue and income from transactions	21,918.4	20,832.0	2,005.4	–	1,871.9	1,207.5	(97.3)	(11.1)	25,698.4	22,028.4
Total expenses from transactions	21,550.8	20,034.7	1,992.5	–	1,724.6	1,396.7	(97.3)	(11.1)	25,170.7	21,420.3
Net result from transactions	367.6	797.3	12.9	–	147.3	(189.2)	–	–	527.7	608.1
Total assets	6,336.8	7,839.1	2,354.6	–	31,889.9	27,031.1	(147.7)	(4.3)	40,433.6	34,865.9
Total liabilities	2,220.1	2,759.0	861.7	–	223.5	173.4	(147.7)	(3.7)	3,157.7	2,928.7

9.6 Responsible persons

In accordance with the Directions of the Assistant Treasurer under the *Financial Management Act 1994* the following disclosures are made for the responsible persons for the reporting period.

Names

The persons who held the positions of ministers and accountable officers in the department were as follows:

Relevant office	Minister or accountable officer	Period
Minister for Ambulance Services	The Hon. Jenny Mikakos MP	1 July 2020 to 26 September 2020
	The Hon. Martin Foley MP	26 September 2020 to 30 June 2021
Minister for Health	The Hon. Jenny Mikakos MP	1 July 2020 to 26 September 2020
	The Hon. Martin Foley MP	26 September 2020 to 30 June 2021
Minister for the Coordination of Health and Human Services: COVID-19	The Hon. Jenny Mikakos MP	1 July 2020 to 26 September 2020
	The Hon. Martin Foley MP	26 September 2020 to 9 November 2020
Minister for Mental Health	The Hon. Martin Foley MP	1 July 2020 to 29 September 2020
	The Hon. James Merlino MP	29 September 2020 to 30 June 2021
Minister for Housing	The Hon. Richard Wynne MP	1 July 2020 to 30 June 2021
Minister for Child Protection	The Hon. Luke Donnellan MP	1 July 2020 to 30 June 2021
Minister for Disability, Ageing and Carers	The Hon. Luke Donnellan MP	1 July 2020 to 30 June 2021
Minister for Multicultural Affairs	The Hon. Ros Spence MP	1 February 2021 to 30 June 2021
Minister for Youth	The Hon. Ros Spence MP	1 February 2021 to 30 June 2021
Minister for Prevention of Family Violence	The Hon. Gabrielle Williams MP	1 July 2020 to 30 June 2021
Minister for Women	The Hon. Gabrielle Williams MP	1 February 2021 to 30 June 2021
Minister for Equality	The Hon. Martin Foley MP	1 February 2021 to 30 June 2021
Minister for Veterans	The Hon. Shaun Leane MP	1 February 2021 to 30 June 2021
Secretary, Department of Health and Human Services	Kym Peake	1 July 2020 to 16 November 2020
	Euan Wallace	28 November 2020 to 31 January 2021
Secretary, Department of Health	Euan Wallace	1 February 2021 to 30 June 2021
Secretary, Department of Families, Fairness and Housing ⁽ⁱ⁾	Sandy Pitcher	1 February 2021 to 30 June 2021
Director of Housing under the <i>Housing Act 1983</i>	Ben Rimmer	1 July 2020 to 30 June 2021

Note:

- (i) Sandy Pitcher was appointed as a Secretary-designate of the Department of Families, Fairness and Housing on 14 December 2020 before the establishment of the department on 1 February 2021.

The persons who acted in the positions of ministers and accountable officers in the department were as follows:

Relevant office	Acting minister or accountable officer	Period
Minister for Ambulance Services	The Hon. James Merlino MP	18 January 2021 to 30 January 2021
Minister for Health	The Hon. James Merlino MP	18 January 2021 to 30 January 2021
Minister for Mental Health	The Hon. Martin Foley MP	27 December 2020 to 10 January 2021
Minister for Housing	The Hon. Gabrielle Williams MP	1 January 2021 to 8 January 2021
	The Hon. Luke Donnellan MP	9 January 2021 to 26 January 2021
Minister for Child Protection	The Hon. Richard Wynne MP	19 December 2020 to 31 December 2020
	The Hon. Gabrielle Williams MP	1 January 2021 to 8 January 2021
	The Hon. Ros Spence MP	2 April 2021 to 5 April 2021
	The Hon. Gabrielle Williams MP	6 April 2021 to 7 April 2021
	The Hon. Gabrielle Williams MP	10 April 2021 to 14 April 2021
	The Hon. Gabrielle Williams MP	26 June 2021 to 30 June 2021

Relevant office	Acting minister or accountable officer	Period
Minister for Disability, Ageing and Carers	The Hon. Richard Wynne MP	19 December 2020 to 31 December 2020
	The Hon. Gabrielle Williams MP	1 January 2021 to 8 January 2021
	The Hon. Martin Foley MP	2 April 2021 to 5 April 2021
	The Hon. Gabrielle Williams MP	6 April 2021 to 7 April 2021
	The Hon. Gabrielle Williams MP	10 April 2021 to 14 April 2021
	The Hon. Gabrielle Williams MP	26 June 2021 to 30 June 2021
Minister for Multicultural Affairs	The Hon. Gabrielle Williams MP	27 June 2021 to 30 June 2021
Minister for Youth	The Hon. Gabrielle Williams MP	27 June 2021 to 30 June 2021
Minister for Prevention of Family Violence	The Hon. Luke Donnellan MP	11 January 2021 to 24 January 2021
Secretary, Department of Health and Human Services	Euan Wallace	16 November 2020 to 27 November 2020
	Terry Symonds	1 January 2021 to 3 January 2021
Secretary, Department of Health	Jacinda de Witts	10 March 2021 to 21 March 2021
Secretary, Department of Families, Fairness and Housing	Argiri Alisandratos	12 April 2021 to 16 April 2021
	Ben Rimmer	16 June 2021 to 25 June 2021
Director of Housing under the <i>Housing Act 1983</i>	Sherri Bruinhout	11 January 2021 to 16 January 2021
	Chris Hotham	18 January 2021 to 29 January 2021
	David Snadden	14 April 2021 to 19 April 2021
	David Snadden	16 June 2021 to 25 June 2021

Remuneration

Remuneration received or receivable by the accountable officers in connection with the management of the department during the reporting period was in the range:

Income band	Department of Health 30 June 2021 ⁽ⁱ⁾⁽ⁱⁱ⁾	Department of Families, Fairness and Housing 30 June 2021 ⁽ⁱⁱ⁾	Department of Health and Human Services 30 June 2020 ⁽ⁱⁱⁱ⁾
\$40,000 – \$49,999	–	–	1
\$90,000 – \$99,999	–	–	1
\$200,000 – \$209,999	–	1	–
\$220,000 – \$229,999	–	1	–
\$250,000 – \$259,999	–	–	1
\$280,000 – \$289,999	1	–	–
\$390,000 – \$399,999	1	–	–
\$570,000 – \$579,999	–	–	1
\$700,000 – \$709,999	1	–	–
Total	3	2	4

Notes:

(i) The figures include the Department of Health and the former Department of Health and Human Services.

(ii) The remuneration of the Director of Housing is disclosed in the Department of Health (including the former Department of Health and Human Services) for the period 1 July 2020 – 31 January 2021 and in the Department of Families, Fairness and Housing for the period 1 February 2021 – 30 June 2021.

(iii) There were 3 people occupying Director of Housing position in 2019–20.

9.7 Remuneration of executives

The number of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalent provides a measure of full-time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefit or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

Share-based payments are cash or other assets paid or payable as agreed between the entity and the employee, provided specific vesting conditions, if any, are met.

Remuneration of executive officers (including Key Management Personnel disclosed in Note 9.8)	Department of Health ⁽ⁱ⁾⁽ⁱⁱ⁾	Department of Families, Fairness and Housing	Department of Health and Human Services
	2021 \$M	2021 \$M	2020 \$M
Short-term employee benefits	56.0	15.4	47.6
Post-employment benefits	5.0	1.2	4.1
Other long-term benefits	1.4	0.4	1.2
Termination benefits	0.5	0.2	0.3
Total remuneration ⁽ⁱⁱⁱ⁾	62.9	17.1	53.2
Total number of executives ⁽ⁱⁱⁱ⁾	376	190	288
Total annualised employee equivalent (AEE) ^{(iii)(iv)}	247.2	173.1	228.6

Notes:

(i) The figures include the Department of Health and the former Department of Health and Human Services.

(ii) Remuneration of KMPs seconded from other departments are not included.

(iii) Total figures for 2020–21 include the remuneration of the CFO who delivered services, as an executive officer to the department but is employed by the Department of Treasury and Finance. In 2019–20, the remuneration of the CFO was reported by the Department of Treasury and Finance. Comparatives have not been restated to include these numbers.

(iv) Annualised employee equivalent is based on the time fraction worked over the reporting period.

9.8 Related parties

The department is a wholly owned and controlled entity of the State of Victoria.

The following Administrative Offices have been included into the department's financial statements under s. 45(4) of the *Financial Management Act 1994*:

- Family Safety Victoria
- Mental Health Reform Victoria
- Safer Care Victoria
- Victorian Agency for Health Information (abolished as an Administrative Office and became part of the Department of Health on 1 February 2021).

The following entities have been included into the department's financial statements pursuant to the determination made by the Assistant Treasurer under section 53(1)(b) of the *Financial Management Act 1994*:

- Director of Housing
- Mental Health Tribunal
- Commission for Children and Young People
- Disability Worker Registration Board
- Victorian Disability Worker Commission
- Department of Families, Fairness and Housing
- Respect Victoria
- Victorian Multicultural Commission
- Victorian Veterans Council.

Related parties of the department, and the abovementioned Administrative Offices and entities include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over)
- all Cabinet ministers and their close family members

- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

Significant transactions with government-related entities

The department received funding and made payments to the Consolidated Fund of \$22,650.3 million (2020: \$18,971.9 million) and \$539.7 million (2020: \$405.0 million) respectively.

Refer to Note 3.1.2 for other government-related entity transactions.

Key management personnel of the department include the Portfolio Ministers, The Hon. Martin Foley MP, The Hon. Luke Donnellan MP and The Hon. James Merlino MP; the Secretary, Euan Wallace; and members of the senior executive team, which includes:

Entity	Key management personnel	Position title	Period
Department of Health	Jodie Geissler	Deputy Secretary, Commissioning and System Improvement	1 March 2021 to 30 June 2021
Department of Health	Katherine Whetton	Deputy Secretary, Mental Health	1 February 2021 to 30 June 2021
Department of Health	Nick Chiam	Deputy Secretary, Public Health	1 February 2021 to 26 March 2021
Department of Health	Louise McKinlay	Deputy Secretary, Public Health	27 March 2021 to 19 June 2021
Department of Health	Zoe Wainer	Deputy Secretary, Public Health	20 June 2021 to 30 June 2021
Department of Health	Jeroen Weimar	Deputy Secretary, COVID-19 Response	1 February 2021 to 30 June 2021
Department of Health	Chris Hotham	Deputy Secretary, Health Infrastructure	1 February 2021 to 30 June 2021
Department of Health	Peter Breadon	Deputy Secretary, Reform and Planning	1 February 2021 to 30 June 2021
Department of Health	Greg Stenton	Deputy Secretary, Corporate Services	1 February 2021 to 30 June 2021
Department of Health	Jacinda de Witts	Deputy Secretary, Regulatory, Risk, Integrity and Legal	1 February 2021 to 30 June 2021
Department of Health	Lance Emerson	Chief Executive Officer, Victorian Agency for Health Information	1 February 2021 to 30 June 2021
Department of Health	Jenny Zahara	Chief Finance Officer	1 February 2021 to 30 June 2021
Department of Health	Beth Gubbins	Deputy Chief Finance Officer	1 February 2021 to 30 June 2021

Key management personnel of the former Department of Health and Human Services include the Portfolio Ministers, The Hon. Jenny Mikakos MP, The Hon. Martin Foley MP, The Hon. Richard Wynne MP, The Hon. Gabrielle Williams MP, The Hon. Luke Donnellan MP and The Hon. James Merlino MP; the Secretaries, Kym Peake and Euan Wallace; and members of the senior executive team, which includes:

Entity	Key management personnel	Position title	Period
Department of Health and Human Services	Greg Stenton	Deputy Secretary, Corporate Services and Legal and Executive Services	1 July 2020 to 16 August 2020
		Deputy Secretary, Corporate Services	17 August 2020 to 31 January 2021
Department of Health and Human Services	Ben Rimmer	Associate Secretary and Deputy Secretary, Housing	1 July 2020 to 31 January 2021
Department of Health and Human Services	Chris Hotham	Deputy Secretary, Infrastructure	1 July 2020 to 31 January 2021
Department of Health and Human Services	Melissa Skilbeck	Deputy Secretary, Regulation, Health Protection and Emergency Management	1 July 2020 to 31 January 2021
Department of Health and Human Services	Terry Symonds	Deputy Secretary, Health and Wellbeing	1 July 2020 to 31 January 2021
Department of Health and Human Services	Chris Asquini	Deputy Secretary, Community Services Operations	1 July 2020 to 31 January 2021
Department of Health and Human Services	Amity Durham	Deputy Secretary, Strategy and Planning	1 July 2020 to 31 January 2021
Department of Health and Human Services	Argiri Alisandratos	Deputy Secretary, Children, Families, Communities and Disability	1 July 2020 to 31 January 2021
Department of Health and Human Services	Nick Chiam	Deputy Secretary, Organisational Transformation	1 July 2020 to 31 January 2021
Department of Health and Human Services	Jacinda de Witts	Deputy Secretary, COVID-19 Public Health	1 July 2020 to 6 September 2020
		Deputy Secretary, Legal and Executive Services	7 September 2020 to 31 January 2021
Department of Health and Human Services	Annalise Bamford	Assistant Deputy Secretary, COVID-19 Public Health	1 July 2020 to 16 August 2020
Department of Health and Human Services	Jodie Geissler	Associate Secretary, COVID-19	1 July 2020 to 31 July 2020
Department of Health and Human Services	Ben Fielding	Deputy Secretary, Health and Wellbeing	31 August 2020 to 31 January 2021
Department of Health and Human Services	Katherine Whetton	Deputy Secretary, Policy and Strategy, COVID-19	28 October 2020 to 13 December 2020
Department of Health and Human Services	Kate Houghton	Deputy Secretary, Policy and Strategy, COVID-19	20 July 2020 to 4 October 2020
Department of Health and Human Services	Jeremi Moule	Deputy Secretary, Intelligence and Corporate, COVID-19	20 July 2020 to 4 October 2020

Entity	Key management personnel	Position title	Period
Department of Health and Human Services	Sandy Pitcher	Deputy Secretary, Case Contact and Outbreak Management, COVID-19	20 July 2020 to 13 December 2020
Department of Health and Human Services	Euan Wallace	Deputy Secretary, Case Contact and Outbreak Management, COVID-19	20 July 2020 to 15 November 2020
Department of Health and Human Services	Nicola Quin	Deputy Secretary, COVID-19 Intelligence and Corporate	6 August 2020 to 13 December 2020
Department of Health and Human Services	Brigid Monagle	Deputy Secretary, Policy and Strategy, COVID-19	5 October 2020 to 13 December 2020
Department of Health and Human Services	Andrew Minack	Deputy Secretary, COVID-19 Intelligence and Corporate	5 October 2020 to 13 December 2020
Department of Health and Human Services	Jeroen Weimar	Deputy Secretary, Community Engagement and Testing, COVID-19	15 July 2020 to 13 December 2020
		Deputy Secretary, COVID-19	14 December 2020 to 31 January 2021
Department of Health and Human Services	Julie Walsh	Deputy Secretary, Policy and Strategy, COVID-19	14 September 2020 to 11 January 2021
Department of Health and Human Services	Jenny Zahara	Chief Finance Officer	1 July 2020 to 31 January 2021
Department of Health and Human Services	Beth Gubbins	Deputy Chief Finance Officer	1 July 2020 to 31 January 2021

Key management personnel of the Administrative Offices included pursuant to s. 45(4) of the *Financial Management Act 1994* into the department's financial statements include:

Entity	Key management personnel	Position title	Period
Victorian Agency for Health Information	Lance Emerson	Chief Executive Officer	1 July 2020 to 31 January 2021
Safer Care Victoria	Euan Wallace	Chief Executive Officer	1 July 2020 to 19 July 2020
Safer Care Victoria	Ann Maree Keenan	Acting Chief Executive Officer	20 July 2020 to 3 January 2021
Safer Care Victoria	Robyn Hudson	Acting Chief Executive Officer	4 January 2021 to 15 January 2021
Safer Care Victoria	Ann Maree Keenan	Acting Chief Executive Officer	16 January 2021 to 30 May 2021
Safer Care Victoria	Robyn Hudson	Acting Chief Executive Officer	31 May 2021 to 30 June 2021
Family Safety Victoria	Eleri Butler	Chief Executive Officer	1 July 2020 to 30 June 2021
Mental Health Reform Victoria	Pam Anders	Chief Executive Officer	1 July 2020 to 30 June 2021

Key management personnel of the entities included pursuant to s. 53(1)(b) of the *Financial Management Act 1994* into the department's financial statements include:

Entity	Key management personnel	Position title	Period
Mental Health Tribunal	Matthew Carroll	President	1 July 2020 to 30 June 2021
Commission for Children and Young People	Liana Buchanan	Principal Commissioner	1 July 2020 to 30 June 2021
Commission for Children and Young People	Justin Mohamed	Commissioner for Aboriginal Children and Young People	1 July 2020 to 30 June 2021
Victorian Multicultural Commission	Vivienne Nguyen	Chairperson	1 February 2021 to 30 June 2021
Respect Victoria	Melanie Eagle	Board Chair	1 February 2021 to 30 June 2021
Respect Victoria	Tracey Gaudry	Chief Executive Officer	1 February 2021 to 7 May 2021
Respect Victoria	Amy Prendergast	Acting Chief Executive Officer	8 May 2021 to 30 June 2021
Respect Victoria	Andi Diamond	Board Director	1 February 2021 to 30 June 2021
Respect Victoria	Kate Fitz-Gibbon	Board Director	1 February 2021 to 30 June 2021
Respect Victoria	Rod Jackson	Board Director	1 February 2021 to 30 June 2021
Respect Victoria	Julia Mason	Board Director	1 February 2021 to 30 June 2021
Respect Victoria	Wei Leng Kwok	Board Director	1 February 2021 to 30 June 2021
Respect Victoria	Liana Papoutsis	Board Director	1 February 2021 to 30 June 2021
Respect Victoria	Steve Walsh	Board Director	1 February 2021 to 30 June 2021
Victorian Veterans Council	Roger Clifton	Chair	1 February 2021 to 30 June 2021
Disability Worker Registration Board	Melanie Eagle	Chairperson	1 July 2020 to 30 June 2021
Victorian Disability Worker Commission	Dan Stubbs	Victorian Disability Worker Commissioner	1 July 2020 to 30 June 2021
Department of Families, Fairness and Housing	The Hon. Richard Wynne MP	Minister for Housing	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	The Hon. Luke Donnellan MP	Minister for Child Protection	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	The Hon. Luke Donnellan MP	Minister for Disability, Ageing and Carers	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	The Hon. Ros Spence MP	Minister for Multicultural Affairs	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	The Hon. Ros Spence MP	Minister for Youth	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	The Hon. Gabrielle Williams MP	Minister for Prevention of Family Violence	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	The Hon. Gabrielle Williams MP	Minister for Women	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	The Hon. Martin Foley MP	Minister for Equality	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	The Hon. Shaun Leane MP	Minister for Veterans	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	Sandy Pitcher	Secretary	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	Ben Rimmer	Associate Secretary and Chief Executive Officer, Homes Victoria	1 February 2021 to 30 June 2021

Entity	Key management personnel	Position title	Period
Department of Families, Fairness and Housing	Nicola Quin	Deputy Chief Executive Officer, Homes Victoria	19 April 2021 to 30 June 2021
Department of Families, Fairness and Housing	Chris Asquini	Deputy Secretary, Community Services Operations	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	Argiri Alisandratos	Deputy Secretary, Children, Families, Communities and Disability	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	Brigid Monagle	Deputy Secretary, Fairer Victoria	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	Annette Lancy	Deputy Secretary, Readiness, Response and Emergency Management	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	Andrew Minack	Deputy Secretary, Corporate and Delivery Services	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	Christina Dickinson	Deputy Secretary, Strategy and Regulation	1 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	Louise Perry	Chief of Engagement and Reform	14 February 2021 to 30 June 2021
Department of Families, Fairness and Housing	Jenny Zahara	Interim Chief Finance Officer	1 February 2021 to 11 April 2021
Department of Families, Fairness and Housing	Cynthia Lahiff	Chief Finance Officer	12 April 2021 to 30 June 2021

Remuneration of key management personnel

The compensation detailed below excludes the salaries and benefits the Portfolio Ministers received. The Ministers' remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and are reported within the Department of Parliamentary Services' Financial Report.

Compensation of KMPs	Department of Health ⁽ⁱ⁾⁽ⁱⁱ⁾		Department of Families, Fairness and Housing		Administrative Offices ⁽ⁱⁱⁱ⁾		Other section 53 ^(iv)	
	2021 \$M	2020 \$M	2021 \$M	2020 \$M	2021 \$M	2020 \$M	2021 \$M	2020 \$M
Short-term employee benefits	5.2	3.8	1.5	–	1.1	1.3	1.2	0.7
Post-employment benefits	0.3	0.2	0.1	–	0.1	0.1	0.1	0.1
Other long-term benefits	0.2	0.1	–	–	–	–	–	–
Termination benefits	0.5	–	–	–	–	–	0.1	–
Total ^{(v)(vi)}	6.2	4.1	1.6	–	1.2	1.4	1.4	0.8

Notes:

- (i) The figures include the Department of Health and the former Department of Health and Human Services.
- (ii) Remuneration of KMPs seconded from other departments are not included.
- (iii) This includes remuneration of KMPs for Victorian Agency for Health Information, Safer Care Victoria, Family Safety Victoria and Mental Health Reform Victoria.
- (iv) This includes remuneration of KMPs for Mental Health Tribunal, Commission for Children and Young People, Victorian Multicultural Commission, Respect Victoria, Victorian Veterans Council, Disability Worker Registration Board, and Victorian Disability Worker Commission. The remuneration of the Director of Housing is disclosed in the Department of Health (including the former Department of Health and Human Services) for the period 1 July 2020 – 31 January 2021 and in the Department of Families, Fairness and Housing numbers for the period 1 February 2021 – 30 June 2021.
- (v) Total figures for 2020–21 include the remuneration of the CFO who delivered services, as an executive officer to the department but is employed by the Department of Treasury and Finance. In 2019–20, the remuneration of the CFO was reported by the Department of Treasury and Finance. Comparatives have not been restated to include these numbers.
- (vi) Note that KMPs are also reported in the disclosure of remuneration of accountable officers (refer to Note 9.6) and in the disclosure of remuneration of executive officers (refer to Note 9.7).

Transactions and balances with key management personnel and other related parties

Given the breadth and depth of state government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen-type transactions, there were no material related party transactions that involved key management personnel, their close family members and their personal business interests with the department, the Administrative Offices or its s. 53(1)(b) entities.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

9.9 Remuneration of auditors

	2021 \$	2020 \$
Victorian Auditor-General's Office – audit of the financial report	633,500	546,500

9.10 Subsequent events

On 29 September 2021, the Department of Health was made aware that WorkSafe had charged the department with 58 breaches of the *Occupational Health and Safety Act 2004* in relation to Operation Soteria, Victoria's first hotel quarantine program. The maximum penalty faced by the department for each of these charges is \$1.636 million. The department has not yet determined the liability that may arise from this event and it is not included in the quantifiable contingent liabilities in Note 8.2.

9.11 Other accounting policies

Contributions by owners

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and therefore do not form part of the income and expenses of the department.

Additions to net assets that have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

9.12 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2020–21 reporting period. These accounting standards have not been applied to the financial statements. The state is reviewing its existing policies and assessing the potential implications of these accounting standards, which include:

- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*

This standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted. However, the AASB has recently issued AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date* to defer the application by one year to periods beginning on or after 1 January 2023. The department will not early adopt the standard.

The department is in the process of analysing the impacts of this standard. However, it is not anticipated to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on the department's reporting.

- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C)*
- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments*
- AASB 2020-7 *Amendments to Australian Accounting Standards – Covid-19 – Rent Related Concessions: Tier 2 Disclosures*
- AASB 2020-8 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*
- AASB 2020-9 *Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments*.

9.13 Glossary of technical terms

The following is a summary of the major technical terms used in this report.

Actuarial gains or losses on superannuation defined benefit plans are changes in the present value of the superannuation defined benefit liability resulting from:

- experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred)
- the effects of changes in actuarial assumptions.

Administered item generally refers to a department lacking the capacity to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

Amortisation is the expense that results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an 'other economic flow'.

Borrowings refers to interest-bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, finance leases and other interest-bearing arrangements. Borrowings also include non-interest-bearing advances from government that are acquired for policy purposes.

Capital asset charge is a charge levied on the written-down value of controlled non-current physical assets in a department's balance sheet which aims to: attribute to agency outputs the opportunity cost of capital used in service delivery; and provide incentives to departments to identify and dispose of underutilised or surplus assets in a timely manner.

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Comprehensive result is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

Controlled item generally refers to the capacity of a department to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

Current grants are amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

Effective interest method is the method used to calculate the amortised cost of a financial asset or liability and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or, where appropriate, a shorter period.

Employee benefits expenses includes all costs related to employment including salaries and wages, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Ex-gratia expenses mean the voluntary payment of money or other non-monetary benefit (for example a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

Finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

Financial asset is any asset that is:

- cash
- an equity instrument of another entity
- a contractual or statutory right:
 - to receive cash or another financial asset from another entity, or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity, or
- a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments, or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial liability is any liability that is:

- a contractual or statutory obligation:
 - to deliver cash or another financial asset to another entity, or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity, or
- a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments, or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements comprise:

- a balance sheet as at the end of the year
- a comprehensive operating statement for the year
- a statement of changes in equity for the year
- a statement of cash flows for the year
- notes, comprising a summary of significant accounting policies and other explanatory information
- comparative information in respect of the preceding year as specified in paragraphs 38 of AASB 101 *Presentation of Financial Statements*
- a balance sheet as at the beginning of the preceding year when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraph 41 of AASB 101.

Grants and other expense transfers are transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

General government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those that are mainly non-market in nature, those that are largely for collective consumption by the community and those that involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

Grants for on-passing are grants paid to one institutional sector (for example a state general government entity) to be passed on to another institutional sector (for example local government or a private non-profit institution).

Intangible assets represent identifiable non-monetary assets without physical substance.

Interest expense represents costs incurred in connection with the borrowings. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of lease repayments, service concession financial liabilities and amortisation of discounts or premiums in relation to borrowings.

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Investment properties are properties held to earn rentals or for capital appreciation or both. Investment properties exclude properties held to meet service delivery objectives of the State of Victoria.

Joint ventures are contractual arrangements between the department and one or more other parties to undertake an economic activity that is subject to joint control and where all (or the respective) parties have rights to the net assets of the arrangement. Joint control only exists when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Leases are rights conveyed in a contract, or part of a contract, to use an asset (the underlying asset) for a period of time in exchange for consideration.

Net acquisition of non-financial assets (from transactions) is the purchase (and other acquisition) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. Includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write-offs, impairment write-downs and revaluations.

Net financial liabilities are calculated as liabilities less financial assets, other than equity in public non-financial corporations (PNFC) and public financial corporations (PFC). This measure is broader than net debt as it includes significant liabilities, other than borrowings (for example accrued employee liabilities such as superannuation and long service leave entitlements). For the PNFC and PFC sectors, it is equal to negative net financial worth.

Net financial worth is equal to financial assets minus liabilities. It is a broader measure than net debt as it incorporates provisions made (such as superannuation, but excluding depreciation and bad debts) as well as holdings of equity. Net financial worth includes all classes of financial assets and liabilities, only some of which are included in net debt.

Net operating balance or **net result from transactions** is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as other economic flows – other comprehensive income.

Net worth is calculated as assets less liabilities, which is an economic measure of wealth.

Non-financial assets are all assets that are not financial assets. It includes inventories, land, buildings, plant and equipment, and intangible assets.

Non-financial public sector represents the consolidated transactions and assets and liabilities of the general government and PNFC sectors. In compiling statistics for the non-financial public sector, transactions and debtor/creditor relationships between sub-sectors are eliminated to avoid double counting.

Non-produced assets are assets needed for production that have not themselves been produced. They include land, subsoil assets, and certain intangible assets. Non-produced intangibles are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

Operating result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner movements in equity'. Refer also 'net result'.

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. In simple terms, other economic flows are changes arising from market remeasurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; actuarial gains and losses arising from defined benefit superannuation plans; fair value changes of financial instruments.

Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards. They include changes in physical asset revaluation surplus; share of net movement in revaluation surplus of associates and joint ventures; and gains and losses on remeasuring available-for-sale financial assets.

Other operating expenses generally represent cost of goods sold and the day to day running costs, including maintenance costs, incurred in the normal operations of the department.

Payables include short and long-term accounts payable, grants, taxes and interest payable.

Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films and research and development costs (which do not include the start-up costs associated with capital projects).

Public financial corporations (PFC) are bodies primarily engaged in the provision of financial intermediation services or auxiliary financial services. They are able to incur financial liabilities on their own account (for example by taking deposits, issuing securities or providing insurance services). Estimates are not published for the public financial corporation sector.

Public non-financial corporation (PNFC) sector comprises bodies mainly engaged in the production of goods and services (of a non-financial nature) for sale in the market place at prices that aim to recover most of the costs involved (for example water and port authorities). In general, PNFCs are legally distinguishable from the governments which own them.

Receivables includes amounts owing from government through appropriation receivable, short and long-term accounts receivable, accrued investment income, grants, taxes and interest receivable.

Rental income and income from services includes rental income under operating leases and income from the provision of services.

Service Concession Arrangement is a contract effective during the reporting period between a grantor and an operator in which:

- the operator has the right of access to the service concession asset (or assets) to provide public services on behalf of the grantor for a specified period of time
- the operator is responsible for at least some of the management of the public services provided through the asset and does not act merely as an agent on behalf of the grantor, and
- the operator is compensated for its services over the period of the service concession arrangement.

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (for example assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

9.14 Style conventions

Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

- zero, or rounded to zero
- (xxx.x) negative numbers
- 20xx year end
- 20xx–xx year period

The financial statements and notes are presented based on the illustration for a government department in the 2020–21 model report for Victorian Government departments. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the department's annual reports.

Appendices

Appendix 1: Disclosure index

The annual report of the Department of Families, Fairness and Housing is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the department's compliance with statutory disclosure requirements. [FRD 10A]

[Click on the page number \(Ctrl+click in Microsoft Word\) to refer to the relevant requirements for the corresponding disclosure requirements, or alternatively, refer to the corresponding page references.](#)

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ⁱ References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are in the nature of disclosure.

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Note: FRD = Financial Reporting Direction; SD = Standing Direction

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Appendix 2: Budget portfolio outcomes

Comprehensive operating statement for the financial year ended 30 June 2021

	2020–21 Actual \$M	2020–21 Revised budget \$M	Variation to revised budget %	Notes
Net result from continuing operations				
Income from transactions				
Output appropriations	2,540	2,454	3.5	(a)
Special appropriations	27	27	–	
Sales of goods and services	6	–	–	
Grants	54	73	(26.8)	
Other income	1	–	–	
Total income from transactions	2,627	2,554	2.9	
Expenses from transactions				
Employee benefits	338	291	16.4	
Depreciation and amortisation	19	22	(15.5)	
Interest expense	–	2	–	
Grants and other transfers	1,154	1,114	3.6	
Capital asset charge	25	25	–	
Other operating expenses	1,089	1,163	(6.4)	
Total expenses from transactions	2,624	2,617	0.3	
Net result from transactions (net operating balance)	3	(63)	(105.0)	
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	–	(3)	(105.5)	
Net gain/(loss) on financial instruments and statutory receivables/payables	1	–	–	
Other gains/(losses) from other economic flows	6	–	–	
Total other economic flows included in net result	7	(3)	(312.9)	
Net result	10	(67)	(115.7)	
Other economic flows – other comprehensive income				
Changes in non-financial asset revaluation surplus	187	–	–	
Total other economic flows – other comprehensive income	187	–	–	
Comprehensive result	198	(67)	(396.2)	

(a) Actuals are higher than revised budget mainly due to additional funding that was approved under a Treasurer's Advance late in the financial year.

Balance sheet as at 30 June 2021

	2020–21 Actual \$M	2020–21 Revised budget \$M	Variation to revised budget %	Notes
Assets				
Financial assets				
Cash and deposits	51	32	62.0	
Receivables from government	776	741	4.6	
Other receivables	28	29	(2.4)	
Total financial assets	855	802	6.7	
Non-financial assets				
Non-financial assets classified as held for sale including disposal group assets	2	1	24.7	
Property, plant and equipment	1,440	1,267	13.7	(a)
Intangible assets	59	59	1.4	
Other	7	38	(82.6)	
Total non-financial assets	1,508	1,365	10.5	
Total assets	2,364	2,167	9.1	
Liabilities				
Payables	446	249	79.2	(b)
Borrowings	26	25	2.8	
Provisions	399	400	(0.1)	
Total liabilities	871	673	29.3	
Net assets	1,493	1,494	(0.1)	
Equity				
Accumulated surplus/(deficit)	10.5	(67)	(115.8)	
Contributed capital and reserves	1,482.2	1,560	(5.0)	
Total equity	1,493	1,494	(0.1)	

(a) The variance is primarily driven by revaluations of non-financial physical assets in accordance with FRD103I.

(b) The variance primarily reflects accrued expenses at year end that are not known when the budgets are prepared.

Statement of cash flows for the financial year ended 30 June 2021

	2020–21 Actual \$M	2020–21 Revised budget \$M	Variation to revised budget %	Notes
Cash flows from operating activities				
Receipts				
Receipts from government	2,514	2,451	2.6	
Receipts from other entities	54	73	(25.7)	
Interest received	–	–	–	
Other receipts	2	6	(61.6)	
Total receipts	2,570	2,530	1.6	
Payments				
Payments of grants and other transfers	(1,154)	(1,114)	3.6	
Payments to suppliers and employees	(1,179)	(1,435)	(17.8)	(a)
Capital asset charge	(25)	(25)	–	
Interest and other costs of finance	–	(2)	(94.0)	
Total payments	(2,357)	(2,576)	(8.5)	
Net cash flows from/(used in) operating activities	213	(46)	(562.6)	
Cash flows from investing activities				
Net investment	–	–	–	
Payments for non-financial assets	(49)	(64)	(23.4)	
Proceeds from sale of non-financial assets	1	–	–	
Net loans to other parties	2	2	–	
Net cash flows from/(used in) investing activities	(46)	(63)	(26.3)	
Cash flows from financing activities				
Owner contributions by state government	(167)	105	(260.3)	(b)
Repayment of leases and service concession liabilities	11	–	–	
Net borrowings	41	35	16.7	
Net cash flows from/(used in) financing activities	(116)	140	(182.6)	
Net increase (decrease) in cash and cash equivalents	51	32	60.1	
Cash and cash equivalents at the beginning of the financial year	–	–	–	
Cash and cash equivalents at the end of the financial year	51	32	60.1	

(a) The variance is mainly due to the timing of expense payments.

(b) The variance reflects movements in the equity investment relating to the Director of Housing that could not be reflected at the time of the budget.

Statement of changes in equity for the financial year ended 30 June 2021

	2020–21 Actual \$M	2020–21 Revised budget \$M	Variation to revised budget %
Accumulated funds	–	–	–
Adjustment due to change in accounting policy	–	–	–
Transactions with owners in their capacity as owners	–	–	–
Comprehensive result	11	(67)	(115.8)
Accumulated surplus/(deficit)	11	(67)	(115.8)
Net contributions by owners	–	–	–
Transactions with owners in their capacity as owners	1,295	1,560	–
Contributions by owners	1,295	1,560	(17.0)
Physical asset revaluation reserve	–	–	–
Transactions with owners in their capacity as owners	187	–	–
Comprehensive result	–	–	–
Physical asset revaluation reserve	187	–	–
Financial assets available-for-sale reserve	–	–	–
Other reserves	–	–	–
Other reserves	–	–	–
Changes in equity	1,493	1,494	(0.1)

Administered items statement for the financial year ended 30 June 2021

	2020–21 Actual \$M	2020–21 Revised budget \$M	Variation to revised budget %
Administered income			
Appropriations – Payments made on behalf of the state	17	17	–
Sales of goods and services	8	11	(30.8)
Grants	528	505	4.6
Other Income	–	–	–
Total administered income	553	533	3.7
Administered expenses			
Grants and other transfers	324	353	(8.3)
Payments into consolidated fund	33	20	67.6
Expenses on behalf of the state	4	–	674
Total administered expenses	360	373	(3.4)
Income less expenses	193	161	19.6
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	–	6	(97.2)
Total other economic flows included in net result	–	6	(97.2)
Net result	196	167	17.6
Total other economic flows – other comprehensive income	–	–	–
Comprehensive result	196	167	17.6
Administered assets			
Cash and deposits	(1)	–	–
Receivables	197	174	13.8
Other financial assets	3	3	(1.3)
Total administered assets	200	177	13.1
Administered liabilities			
Payables	–	–	–
Provisions	3	7	(50.2)
Total administered liabilities	3	7	(48.8)
Net assets	197	170	15.6

Appendix 3: Director of Housing

Comprehensive operating statement for the financial year ended 30 June 2021

	2021 \$M	2020 \$M
Income from transactions		
Grants from the Department of Health and Human Services and from the Department of Families, Fairness and Housing	1,333.9	646.1
Interest income	2.5	6.9
Rental income and income from services	477.5	501.2
Grants	53.8	49.8
Fair value of assets and services received free of charge or for nominal consideration	0.3	3.1
Other revenue and income	3.9	0.4
Total income from transactions	1,871.9	1,207.5
Expenses from transactions		
Employee benefits	142.6	118.4
Depreciation and amortisation	265.8	334.4
Interest expense	0.9	1.1
Maintenance	220.2	218.2
Grant and other expense transfers	747.1	474.4
Fair value of assets and services provided free of charge or for nominal consideration	2.0	–
Other operating expenses	72.0	51.9
Other property management expenses	274.0	198.3
Total expenses from transactions	1,724.6	1,396.7
Net result from transactions (net operating balance) ⁽ⁱ⁾	147.3	(189.2)
Other economic flows included in net result		
Net gain/(loss) on non-financial assets ⁽ⁱⁱ⁾	(3.6)	(5.5)
Other gains/(losses) from other economic flows	0.9	(4.3)
Total other economic flows included in net result	(2.7)	(9.8)
Net result	144.6	(199.0)
Other economic flows – other comprehensive income: Items that will not be reclassified to net result		
Changes in physical asset revaluation surplus	4,249.2	(17.4)
Remeasurement of superannuation defined benefit plans	(1.5)	0.3
Total other economic flows – other comprehensive income	4,247.7	(17.1)
Comprehensive result	4,392.2	(216.1)

Notes:

- (i) The net result from transactions for 2020–21 of \$147.3 million surplus reflects the net impact of additional government investment in social and affordable housing, including timing-related impacts of the Building Works and Big Housing Build programs. Public housing revenue and costs have also been significantly impacted by the COVID-19 pandemic, with rental revenue reflecting lower household incomes, the impact of government decisions to provide temporary support to public housing renters and costs reflecting higher demand for cleaning and security services.
- (ii) Net gain/(loss) on non-financial assets includes unrealised and realised gains/(losses) from revaluations, impairments and disposals of all physical assets and intangible assets, except when these are taken through the asset revaluation surplus.

Balance sheet as at 30 June 2021

	2021 \$M	2020 \$M
Assets		
Financial assets		
Cash and deposits ⁽ⁱ⁾	745.2	486.7
Receivables	70.3	43.4
Loans	31.2	32.8
Total financial assets	846.7	562.9
Non-financial assets		
Non-financial physical assets classified as held for sale	3.2	7.2
Property, plant and equipment	30,986.6	26,428.1
Intangible assets	28.1	32.9
Other non-financial assets	25.3	–
Total non-financial assets	31,043.2	26,468.2
Total assets	31,889.9	27,031.1
Liabilities		
Payables	73.8	30.0
Borrowings	63.2	59.1
Employee related provisions	86.5	84.3
Total liabilities	223.5	173.4
Net assets	31,666.4	26,857.7
Equity		
Accumulated surplus/(deficit)	96.0	(783.8)
Physical asset revaluations surplus	4,278.8	6,697.9
Contributed capital	27,291.6	20,943.6
Net worth	31,666.4	26,857.7

Note:

- (i) The increase in cash at bank reflects timing differences between the receipts of funding for the Building Works Stimulus Package, Big Housing Build and COVID-19 response commitments and the actual cash outflows to deliver these programs.

Statement of changes in equity for the financial year ended 30 June 2021

	Physical asset revaluation surplus \$M	Accumulated surplus/ (deficit) \$M	Contributed capital \$M	Total \$M
Balance at 1 July 2019	6,715.3	(585.1)	20,855.1	26,985.3
Net result for the year	–	(199.0)	–	(199.0)
Remeasurement of superannuation defined benefit plans	–	0.3	–	0.3
Changes in physical asset revaluation surplus	(17.4)	–	–	(17.4)
Capital contribution by Victorian State Government	–	–	90.1	90.1
Capital contributed from asset transfers	–	–	(1.6)	(1.6)
Balance at 30 June 2020	6,697.9	(783.8)	20,943.6	26,857.7
Net result for the year	–	144.6	–	144.6
Remeasurement of superannuation defined benefit plans	–	(1.5)	–	(1.5)
Transfer to contributed capital related to machinery of government	–	(5,931.5)	5,931.5	–
Transfer to accumulated surplus/(deficit) related to machinery of government	(6,668.2)	6,668.2	–	–
Changes in physical asset revaluation surplus	4,249.2	–	–	4,249.2
Capital contribution by Victorian State Government	–	–	416.5	416.5
Balance at 30 June 2021	4,278.8	96.0	27,291.6	31,666.4

Cash flow statement for the financial year ended 30 June 2021

	2021 \$M	2020 \$M
Cash flows from operating activities		
Receipts		
Receipts of output appropriations	1,334.1	646.1
Receipts of funds from other authorities	73.4	28.5
Rent received	476.0	491.4
User charges received – rental properties	4.5	4.8
Interest received	2.6	7.1
Other receipts	3.7	0.2
GST recovered from Australian Taxation Office ⁽ⁱ⁾	61.4	44.4
Total receipts	1,955.7	1,222.5
Payments		
Payments of grants and other expense transfers	(809.6)	(520.3)
Payments for employee benefits	(142.0)	(118.9)
Payments for supplies and services	(107.9)	(56.5)
Interest and other costs of finance paid	(2.8)	(3.3)
Maintenance	(216.3)	(223.0)
Other property management expenses	(268.8)	(203.1)
Total payments	(1,547.3)	(1,125.1)
Net cash flows from/(used in) operating activities	408.4	97.4
Cash flows from investing activities		
Proceeds from the sale of non-financial assets	64.8	95.5
(Purchase)/redemption of short-term investments – term deposits	–	100.0
Client loans repaid	1.3	1.4
Payment for non-financial assets	(636.8)	(400.9)
Net cash flows from/(used in) investing activities	(570.7)	(204.0)
Cash flows from financing activities		
Net receipts/(payments) for advances	(1.9)	(4.7)
Owner contributions by Victorian Government – appropriation for capital expenditure purposes	416.5	90.1
Repayment of borrowings and principal portion of lease liability	6.1	50.5
Net cash flows from/(used in) financing activities	420.7	135.9
Net increase/(decrease) in cash and deposits	258.4	29.3
Cash and deposits at the beginning of the financial year	486.7	457.4
Cash and deposits at the end of the financial year	745.2	486.7

Note:

(i) GST recovered from the Australian Taxation Office is presented on a net basis.

Appendix 4: Additional departmental information available on request

In compliance with the requirements of the Standing Directions 2018 under the *Financial Management Act 1994*, details in respect of the items listed below have been retained by the department and are available on request, subject to the provisions of the *Freedom of Information Act 1982*.

- > a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- > details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- > details of publications produced by the entity about itself, and how these can be obtained
- > details of changes in prices, fees, charges, rates and levies charged by the entity
- > details of any major external reviews carried out on the entity
- > details of major research and development activities undertaken by the entity
- > details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- > details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services
- > details of assessments and measures undertaken to improve the occupational health and safety of employees
- > a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes
- > a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved
- > details of all consultancies and contractors including consultants/contractors engaged; services provided; and expenditure committed to for each engagement.

Requests for additional information may be made in writing to the following:

Chief of Engagement and Reform
GPO Box 1774 Melbourne Vic 3001

[Email Senior Executive Director, Communications & Community Engagement](mailto:DFFHcomms@dffh.vic.gov.au)
<DFFHcomms@dffh.vic.gov.au>