



Forensicare

ANNUAL
REPORT
2016-2017



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OUR VISION

CLINICAL EXCELLENCE AND
TRANSLATIONAL RESEARCH
ENABLE OUR CONSUMERS
TO LEAD FULFILLING AND
MEANINGFUL LIVES IN A
SAFER COMMUNITY.



OUR STRATEGIC GOALS

- > Greater accessibility to services
- > Meet new challenges and drive change
- > Innovation in everything we do
- > Outstanding organisational performance

OUR MISSION

We will provide high-quality specialist clinical services that:

- > focus on the recovery of our consumers
 - > support our workforce
 - > build our translational research capacity
 - > work collaboratively with our stakeholders to achieve better and safer outcomes for our consumers and the community.
-





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

INTEGRITY – We will be honest, open and transparent in our dealings, use our powers responsibly, report improper conduct, avoid any real or apparent conflicts of interest and strive to earn and sustain public trust of a high level.

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

ACCOUNTABILITY – We will work to clear objectives in a transparent manner, accept responsibility for our decisions and actions, seek to achieve best use of resources and submit ourselves to appropriate scrutiny.

RESPECT – We will treat colleagues, other public officials and members of the Victorian community fairly and objectively, ensure freedom from discrimination, harassment and bullying, and use their views to improve outcomes on an ongoing basis.

LEADERSHIP – We will actively implement, promote and support these values.

HUMAN RIGHTS – We will respect and promote the human rights set out in the *Charter of Human Rights and Responsibilities* by making decisions and providing advice consistent with human rights and actively implementing, promoting and supporting human rights.

OUR VALUES



ABOUT US

The Victorian Institute of Forensic Mental Health, known as Forensicare, is the statewide specialist provider of forensic mental health services in Victoria.

Forensicare is the only agency in Victoria that provides clinical forensic mental health services that span all components of the mental health and criminal justice sectors, giving Forensicare a unique perspective on mental health and public safety issues. We are able to provide specialist forensic mental health services tailored to meet the specific needs of both sectors.

We provide forensic mental health services for people:

- with a serious mental illness in the criminal justice system
- at risk of offending who pose a risk to themselves or others
- referred from the general mental health system for specialist advice, support or treatment.

Forensicare's primary focus is to provide clinical services within a recovery framework. These services include the effective assessment, treatment and management of forensic patients, prisoners and clients. A comprehensive research program operates through Swinburne University of Technology's independent Centre for Forensic Behavioural Science, to support the ongoing development of clinical services. We deliver specialist training and ongoing professional education to our staff and the broader mental health and justice fields.

Forensicare operates under the *Mental Health Act 2014* and is governed by a board of nine directors who are accountable to the Minister for Mental Health. The Victorian Government, through the Department of Health and Human Services provides most of our funding. Our prison-based services are provided under a *Funding and Healthcare Services Agreement* with the Department of Justice and Regulation and, from 2017, through agreements with private prison operators.

OUR SERVICES



SERVICE LOCATIONS

Specialist forensic mental health services

- 1 Community Forensic Mental Health Service
- 2 Dame Phyllis Frost Centre
- 3 Melbourne Assessment Prison
- 4 Metropolitan Remand Centre
- 5 Thomas Embling Hospital

Visiting sessions at the following prisons

- Barwon Prison
- Dhurringile Prison
- Hopkins Correctional Centre (Ararat)
- Karreenga Annexe
- Langi Kal Kal Prison
- Loddon Prison Precinct (Middleton)
- Marngoneet Correctional Centre
- Tarrengower Prison

Mental Health Court Liaison Service

- 6 Broadmeadows Magistrates' Court
- 7 Dandenong Magistrates' Court
- 8 Frankston Magistrates' Court
- 9 Heidelberg Magistrates' Court
- 10 Melbourne Magistrates' Court
- 11 Ringwood Magistrates' Court
- 12 Sunshine Magistrates' Court

OUR SERVICES

THOMAS EMBLING HOSPITAL

The Thomas Embling Hospital is a 116-bed secure hospital with seven units that provide both acute care and continuing care programs, including a dedicated women's unit.

Patients are generally admitted to the hospital from the criminal justice system under the *Crimes (Mental Impairment and Unfitness to be Tried) Act 1997*, *Mental Health Act 2014* or the *Sentencing Act 1991*. A small group of patients is admitted each year from other public mental health services under the Mental Health Act.

PRISON MENTAL HEALTH SERVICE

Specialist mental health services are provided at the Melbourne Assessment Prison, Dame Phyllis Frost Centre and Metropolitan Remand Centre, as well as larger publicly-managed prisons.

Our services include the following.

Melbourne Assessment Prison

A 16 prison bed acute assessment unit, specialist clinics, outpatient services and a reception assessment program.

Marrmak Unit (Dame Phyllis Frost Centre)

A 20 prison bed residential program, intensive outreach program and a therapeutic day program for women.

Metropolitan Remand Centre

A mobile forensic mental health service providing outreach to other prisons and incorporating satellite psychology services at Barwon Prison and Marngoneet Correctional Centre.

State-managed prisons

Visiting consultant psychiatric and nurse practitioner sessions at Ararat, Langi Kal Kal and Loddon prisons as well as sessions by visiting psychiatrists at Ararat, Barwon, Dhurringile, Karreenga, Loddon, Marngoneet, Middleton and Tarrengower prisons.

Suicide and Self Harm training is also provided to Correctional Officers across the State.

COMMUNITY FORENSIC MENTAL HEALTH SERVICE

The Community Forensic Mental Health Service provides specialist statewide forensic mental health services to meet the needs of mentally ill offenders, the mental health and justice sectors, and the community. Services are evidence-based and include effectively assessing, treating and managing high-risk patients aimed at improving results for those people and contributing to increased community safety.

Referrals for specialist multidisciplinary services come from Area Mental Health Services, Corrections Victoria, courts, the Adult Parole Board, Thomas Embling Hospital, prison services, other government agencies and private practitioners.





Services are provided through the following programs.

Community Integration Program

Community treatment of forensic patients

We provide comprehensive mental health care and case management to people on a custodial supervision order under the Crimes (Mental Impairment and Unfitness to be Tried) Act who are on extended leave under the Act from Thomas Embling Hospital and living in the community.

Prison Transition Program

We provide linkage services for prisoners with serious mental illness who are released back into the community. Engagement is time-limited (generally 12 weeks per client) and ensures clients are well connected to Area Mental Health Services and other required supports.

Non-custodial supervision order consultation and liaison

Forensicare is responsible for monitoring adults with a mental illness in Victoria on a non-custodial supervision order under the Crimes (Mental Impairment and Unfitness to be Tried) Act. Primary treatment to this group is generally provided by a local Area Mental Health Service.

OUR SERVICES

Problem Behaviour Program

This specialist program provides psychiatric and psychological consultation and treatment for people with a range of problem behaviours associated with offending, and for whom publicly-funded services are not available elsewhere. Services are provided in relation to serious physical violence, stalking, threats to kill or harm others, adult sexual assault and rape, paedophilia, other problematic sexual behaviour related to offending (such as indecent exposure), collection and possession of child exploitation material including internet child pornography, and fire-setting. The program includes assessments and secondary consultations, and accepts a number of clients for specialist ongoing treatment. Several related group programs are offered. We also provide assessments for Child Protection of parents with a background of sexual offending or family violence in relation to requests for family access. In 2016–2017 the government funded a major expansion of this program to help manage serious violent and sexual offenders more effectively.

Enhanced Forensic Consultation Program

This program supports Community Correctional Services and mental health services in managing people who have a serious mental illness and complex needs, including a history of serious violent or sexual offending. The program specifically targets clients who are on a community corrections or other justice order and are either not engaged with Area Mental Health Services or where engagement is problematic.

Mental Health Court Liaison Service

The Mental Health Court Liaison Service is a court-based assessment and advice service that operates in seven metropolitan Magistrates' courts: Melbourne, Broadmeadows, Ringwood, Heidelberg, Dandenong, Frankston and Sunshine. Forensicare clinicians do clinical assessments and give feedback based on these assessments to the court. They liaise with court staff, police, lawyers, custodial nursing service and local mental health services to ensure the needs of people appearing before the court who have significant mental health issues are met. The 2017 State Budget included funding to expand this program.

Court and Other Reports Service

Forensicare provides psychiatric and psychological reports to judges and magistrates for people with mental disorders or problem behaviours, to help in sentencing dispositions, and to the Adult Parole Board to help in decisions about parole.

Mental Health Primary Consultations

Forensicare provides expert advice and support to Area Mental Health Services and other referrers such as general practitioners in managing complex and high-risk clients.

Forensic Clinical Specialist Coordination

Forensicare coordinates a network of forensic clinical specialists employed in Area Mental Health Services across Victoria. This program and the network we support was significantly expanded in 2016–2017.

Youth Justice Mental Health Program

This involves coordinating a network of five forensic clinicians in child and youth mental health services across Victoria. Our coordinator also provides services to support Youth Justice staff at the Parkville Youth Justice Centre.

Mental Health Community Corrections Screening Program

This program helps the Court Advisory Service of Corrections Victoria by providing clinical assessment and recommendations about including mental health treatment and rehabilitation conditions on community correction orders. This service was evaluated as a pilot in 2016–2017 and funding for it to become an ongoing program and be expanded was announced in the 2017 State Budget.

Family Violence Police Enhancement Pilot

For the past 18 months we have been involved in several evaluation pilots with Victoria Police and the Centre for Forensic Behavioural Science, which has included embedding senior clinical and forensic psychologists in Victoria. Police family violence teams to provide expert risk assessment consultancy and advice.

External Training Program

Each year we deliver a public calendar of training on a wide range of topics relating to forensic mental health such as risk assessment, dealing with difficult clients and the relationship between personality disorder and offending. Hundreds of participants from numerous agencies attend our training, which is highly regarded and well received.



BOARD CHAIR'S REPORT

This year has been a turning point in the development of Forensicare in ways not seen since its beginnings almost 20 years ago.

In particular there has been a significant increase in funding by government in recognition of the crucial role our services play in the health and safety of Victoria.

Current developments include:

- construction underway on 18 more beds at Thomas Embling Hospital, the first increase in more than 15 years
- the 'ramping up' of programs and staffing for the new 75 prison bed Ravenhall Correctional Centre due to open in November
- new programs for the 30 prison bed St Paul's Unit and consultant psychiatrist outpatient services at Port Phillip Prison beginning in September
- a significant increase in funding and thus greater appreciation of our complex and highly successful range of community programs
- an ongoing master planning process that promises to work towards the development of detailed plans for a major build of a new secure forensic mental health facility
- substantial progress on implementing the government's *Forensic Mental Health Implementation Plan*.

While all these increases in funding are welcomed they bring further challenges in regard to the enormous pressure on managing such a rate and scale of growth and especially on the recruitment of specialist staff with a trajectory to virtually double the size of Forensicare by 2020.

Yet at the same time the pressure on our limited secure beds from the complex mix of courts, prisons and Area Mental Health Services continues to mean that critical care for many, especially prisoners, remains a source of great concern and troubling limitation on the rights of patients to compulsory treatment. Meeting this challenge places great demands on clinical staff, especially at the Melbourne Assessment Prison, and they deliver exceptional services under very difficult circumstances.

Many factors have led to these advances in funding including the watershed *Targeting Zero* report on quality and safety in the health system that focused special attention on the critical shortage of forensic mental health beds in Victoria. They are also the outcome of continuous advocacy by both the board and the executive over several years together with a significantly more responsive and coordinated approach by departments, Health and Human Services, and Justice and Regulation, together with government more broadly.

In this context I wish to pay particular thanks to the work of our CEO, the executive management group and our staff right across all our programs for their commitment to providing the highest quality of services for an often highly challenging clientele.

Finally my thanks to hardworking and committed board directors who bring considerable knowledge, capacity and commitment to their work at the board and in our numerous committees. For all of us on the board it is greatly satisfying opportunity to support and contribute to such an important organisation as Forensicare.

In accordance with the *Financial Management Act 1994*, I am pleased to present the report of operations for Forensicare for the year ending 30 June 2017.

Adjunct Professor Bill Healy
Chair
Forensicare Board

28 August 2017



CHIEF EXECUTIVE OFFICER'S REPORT

All annual reports use facts and figures to tell a story about an organisation's performance.

Our report, like other government organisations' reports, must comply with rigorous requirements in the public sector to make sure we account for our use of public funds and fulfil our public sector responsibilities. Our *Quality Account*, which will be released later in the year, will focus more on the consumer experience and how we have improved and measured our services. This report of operations describes a story of significant growth, as we have seen a new focus by government on investment in forensic mental health, and our services have responded accordingly. As we have gone through this growth our staff have continued to work incredibly hard, often in stressful environments, to deliver high-quality services to consumers, most of whom fall into the most disadvantaged groups in our community. It is pleasing to see an increased investment in our sector, but it is truly rewarding to witness the continued dedication of staff and the progress and recovery that people with a mental illness make while in our care.

GREATER ACCESSIBILITY TO SERVICES

Construction has begun at Thomas Embling Hospital on the eight-bed Secure Psychiatric Intensive Care Unit, which will focus on treating people with a mental illness from the prison system. In addition to this investment the government has funded 10 more beds at the hospital, which have also commenced construction this year. Forensicare has worked closely with the Department of Justice and Regulation (DOJR) and the Department of Health and Human Services (DHHS) over the past 12 months to alleviate the serious quality and safety issues that arise from the length of time male prisoners requiring compulsory treatment at Thomas Embling Hospital wait for admission. Forensicare has reviewed and changed its own processes in prisons and at the hospital, put on more staff with new funding from both departments and not admitted five people where a court has found them liable for supervision and detention at the hospital but they can be safely treated in prison for three to six months. All of these are extreme measures. In this period, the average length of stay at Thomas Embling Hospital for male security treatment order patients who are returned to prison has reduced dramatically and throughput has increased, though we did not achieve the ambitious targets set in the *Statement of Priorities*.

None of these strategies have successfully addressed the demand that is being experienced.

The government has also committed further funding to identify a suitable site for a new secure forensic mental health facility in the coming year, and we will continue to work closely to see this goal achieved to improve the quality of care provided to prisoners with a mental illness.

We have continued to use internal resources to meet increased demand on mental health court liaison services at Magistrates' Courts, and it is pleasing that the government will fund more of these vital positions in the coming year. The package of initiatives focused on court services that has been announced will go a significant way to providing diversion from the criminal justice system and new services for people experiencing mental illness.

During the year there has been significant expansions in the Forensic Clinical Specialist Program coordinated by Forensicare, and we have trained more than 500 staff working in the community-based mental health sector on managing risk and recovery. Our community service has also increased service provision in the Problem Behaviour Program and the specialist services we provide to support Community Corrections and health services to work with people with a mental illness with complex needs who present a high risk of violence or serious offending in the community.

Continuing uncertainty as community-based support services transition to the National Disability Insurance Scheme has caused significant confusion for consumers in hospital as well as in the community and we have worked closely with DHHS to try to alleviate the impacts of this seismic shift in the way support is funded in the community.

MEET NEW CHALLENGES AND DRIVE CHANGE

Work on the innovative recovery-focused services we will provide at the Ravenhall Correctional Centre has continued apace. This year has seen increased recruitment activity, finalisation of the programs to be provided and a deepening of the alliances with all of the providers involved in the project.

Similarly we have been working hard to recruit staff (and transition staff from St Vincent's) ahead of taking on responsibility for mental health rehabilitation services at Port Phillip Prison and psychiatrist outpatient services from September 2017. Our strong relationships with St Vincent's Correctional Healthcare and G4S, the prison operator, have made this a really productive project as we have developed a new model of care that will shortly come to fruition.

During the year the innovative pilot program where our staff provided mental health screening at the Melbourne and Sunshine Magistrates' Courts for people being considered for a mental health treatment and rehabilitation condition on a community corrections order became an ongoing service. This recognised the positive impacts demonstrated by the external evaluations conducted by DOJR. This is another program the government has made a commitment to expand in the coming year.

We have commissioned an external review of our clinical governance, quality and safety systems to build on the improvements we have previously made in this area. We have recently received the final report and will work in the coming months to implement new systems to ensure a high standard of quality and safety in the services we provide.

INNOVATION IN EVERYTHING WE DO

During the year we continued to implement the 'Safewards' model on the Canning Unit at Thomas Embling Hospital, which is a model aimed at reducing restrictive practices and patient aggression. This has been a successful project, and consumers and staff presented their experience to the board, which was well received. The success of the program contributes to our commitment to expand this to a further two units in the coming year. We also worked collaboratively with unions and staff to implement new policies and frameworks for responding to occupational violence and reinforced the need for any aggression incidents to be reported so we can continue to improve our support to staff.

Independent research and evaluation by the Swinburne University Centre for Forensic Behavioural Science has continued to help us to improve our services. Evaluation on our Mobile Forensic Mental Health Service at the Metropolitan Remand Centre has continued and independent review of the Community Integration Program, which helps prisoners to transition to treatment from their local mental health service on release, demonstrated how successful completion of that program positively impacted on reoffending and contact with mental health services.

We completed the *Social and Emotional Wellbeing Assessment Tool* to better meet the needs of Aboriginal and Torres Strait Islander peoples in all our settings and are working on implementation.

OUTSTANDING ORGANISATIONAL PERFORMANCE

Our ability to recruit staff to new and expanding programs in a scarce labour market has allowed us to prepare for the coming expansions in all aspects of the service. We have also finalised a new certified agreement for Forensicare staff.

The board and management have worked closely with both DOJR and DHHS on a Sustainability Review to focus on aspects of our performance and long-term financial sustainability. An independent report was completed in January, and Forensicare has been working to implement many of the recommendations. In a funding environment that continues to be constrained and where funding increases from DHHS do not meet the costs of staffing, this remains a challenge. Our operating result is a deficit of \$242,000 or -0.35% of our total operating revenue for the year. This is significantly better than budget but masks an underlying deficit, which is a systemic issue of long standing. To achieve a balanced budget we will work with both Departments to jointly implement the recommendations of the Sustainability Review and ensure transparency and accountability for funding which supports our key programs.

Staff in all areas of the organisation, both clinical and corporate, have worked to maintain and improve the safety and quality of our services. I express my appreciation for the work of all our staff and ongoing support of the board and my executive team.



Tom Dalton
Chief Executive Officer

GOVERNANCE

Forensicare was established under s. 117B of the *Mental Health Act 1986* and continued under the *Mental Health Act 2014*. Our statutory functions are:

- a) to provide, promote and assist in the provision of forensic mental health and related services in Victoria
- b) to provide clinical assessment services to courts, the Adult Parole Board and other relevant government agencies
- c) to provide inpatient and community forensic mental health services and specialist assessment and treatment services
- d) to provide community education in relation to the services provided by Forensicare and forensic mental health generally
- e) to provide, promote and assist in undergraduate and postgraduate education and training of professionals in the field of forensic mental health
- f) to provide, promote and assist in the teaching of, and training in, clinical forensic mental health within medical, legal, general health and other education programs
- g) to conduct research in the fields of forensic mental health, forensic health, forensic behavioural science and associated fields
- h) to promote continuous improvements and innovations in the provision of forensic mental health and related services in Victoria
- i) to perform any other functions conferred on it under the *Mental Health Act 2014* or any other Act.

In performing our functions and exercising our powers, the board must have regard to:

- a) the needs and views of:
 - i. persons receiving mental health services and related services provided by Forensicare
 - ii. the communities served by Forensicare
 - iii. providers of mental health services and related services
 - iv. other relevant parties
- b) the need to ensure that Forensicare uses its resources in an effective and efficient manner.

RESPONSIBLE MINISTER

The Hon Martin Foley MP, Minister for Mental Health, is the minister responsible for Forensicare and the forensic mental health services we provide.

FORENSICARE BOARD

The board of Forensicare is appointed by the Governor in Council for three-year terms on the recommendation of the Minister for Mental Health. The board, which consists of up to nine directors, reports to the Minister for Mental Health quarterly on the operation and performance of the organisation. A copy of the report is also provided to the Minister for Corrections.

The board includes a nominee of the Attorney-General, a nominee of the minister administering the *Corrections Act 1986* and between four and seven other members, of whom at least one is able to reflect the perspective of people receiving mental health services and at least one has the knowledge of, or experience in, accountancy or financial management.

All directors whose appointments expired during 2016–2017 were reappointed.

BOARD DIRECTORS

During 2016–2017 Forensicare's board directors were:

Adjunct Professor Bill Healy

MA, DipSocStud

Appointed as the Forensicare board Chair 10 April 2013

- Adjunct Associate Professor, School of Social Work and Social Policy, La Trobe University
- Formerly Associate Professor of Mental Health and Social Work, La Trobe University and the Psychosocial Research Centre, NorthWestern Mental Health
- Extensive academic background and widely published on mental health issues
- Director of Mind Australia (1992–2013) and Chair (1999–2011)
- Community member, Mental Health Review Board from 2000 and Mental Health Tribunal since July 2014

Ms Julie Anderson

CertBus(Acc), CertTheo, completion AICD course

Appointed to reflect the perspective of people receiving mental health services 1 December 2013

- Member of Mental Health Australia National Register of Consumer and Carer Leaders; Consumer Partnership Forum, Consumer and Carer and National Relations, Department of Health and Human Services, Victoria; National Disability Insurance Agency, Mental Health Sector Reference Group; consults with federal and state governments on mental health issues from a lived experience perspective
- Past Director, Neami National (1998 –2013), President (2000–2011), Vice President (2011–2012)
- Past Chair, Victorian Mental Illness Awareness Council (May 2015–October 2015)
- Graduate of Leadership Plus Program and National Mental Health Commission Future Leaders Program
- Experienced consumer leader with lived experience of recovery

Mr Andrew Buckle OAM

Appointed 10 April 2013

- Extensive corporate management experience in wide-ranging portfolios
- Awarded OAM in 1992 for his work with disadvantaged and underprivileged youth
- Consultant with Activetics, focusing on providing solutions to challenges driven by an ageing workforce

Ms Janet Farrow OAM

BSW, MBA, GradDipLaw, GAID, Churchill Fellow, Williamson Fellow

Appointed 27 April 2011

- Adjunct academic staff member, School of Social Work, The University of Melbourne
- Director, Children's Protection Society Board; Chair, Quality and Risk Committee
- Awarded an OAM in 2016 for service to community health through a range of roles

Dr Cristea Mileschkin

MBBS, FRANZCP

Appointed as the nominee of the Attorney-General 10 April 2013

- 2010 recipient of the Ian Simpson Award by the Royal Australian and New Zealand College of Psychiatry
- Sessional academic teacher with the Faculty of Medicine, The University of Melbourne
- Current member of the Mental Health Tribunal
- More than 30 years in senior positions in the Victorian public mental health service
- Most recently Clinical Director of St Vincent's Hospital Mental Health Service
- Previously Director of Psychiatry of Maroondah Hospital Mental Health Service

GOVERNANCE

Mr Greg Pullen

MBA, FCPA, FAICD

Appointed 10 April 2013

- Formerly CEO, Villa Maria Catholic Homes, an aged care and disability provider in the not-for-profit sector
- 33 years' experience in various senior roles within the public healthcare industry in regional Victoria and metropolitan Melbourne
- Former CEO of Northern Health, Melbourne
- Has formal accounting, management and board director training and qualifications

Mr John Rimmer

MA, DipSocStud, AMusA, FAICD

Appointed 12 May 2015

- Former Assistant Director, Policy and Program Development, Office of Psychiatric Services Victoria (1986–1989) and Acting Director (1989)
- Former Director, Policy and Planning, Health Department Victoria (1989–1992) and Deputy Secretary to the Victorian Department of Premier and Cabinet (1992–1995)
- Founding Executive Director of Multimedia Victoria 1995–1997 and then CEO of the National Office for the Information Economy (2001–2004)
- Former board director, The Royal Children's Hospital Melbourne (2004–2014)
- Principal, Acuity Consulting Pty Ltd and Acuity Ventures Pty Ltd 2004 to current

Ms Jenny Roberts

BASocSci

Appointed as the nominee of the Minister for Corrections
1 December 2016

- Senior Projects Manager within the Operations Division, Corrections Victoria
- More than 30 years' experience in corrections, including senior operational, policy and project management roles in prisons, community corrections services and women's, drugs and education areas.

Associate Professor Ruth Vine

MBBS, FRANZCP, LLB

Appointed 12 May 2015

- Executive Director, NorthWestern Mental Health
- Previously worked in the Department of Health – Director of Mental Health (2003–2008) and Chief Psychiatrist for Victoria (2009– 2012)
- Worked as a consultant psychiatrist in forensic mental health, in a community health setting
- Worked with the Commonwealth Department of Health and Ageing to develop the fourth *National Mental Health Plan*
- Holds medical and law degrees and has contributed to the development of legislation and policy in areas including mental health, disability and the management of mentally ill offenders

BOARD COMMITTEES

Six committees help the board to fulfil its responsibilities. Each committee reports to the board, and some include non-board members.

AUDIT, SECURITY AND RISK MANAGEMENT COMMITTEE

The Audit, Security and Risk Management Committee's role is to help the board to fulfil its corporate governance and oversight responsibilities in relation to Forensicare's financial reporting, internal control structure, legal and regulatory compliance, risk management systems and the internal and external audit functions.

Members at 30 June 2017: Janet Farrow (chair), Andrew Buckle, Cristea Mileshkin, Jenny Roberts and Brian Keane (external member).

CLINICAL GOVERNANCE AND QUALITY COMMITTEE

The Clinical Governance and Quality Committee plays a key role in ensuring effective clinical governance by providing leadership and advice to the board in assessing and evaluating the safety and quality of Forensicare's clinical services.

Members at 30 June 2017: Janet Farrow (chair), Cristea Mileshkin, Julie Anderson, Ruth Vine and Danny Sullivan (co-opted member).

EXECUTIVE PERFORMANCE AND REMUNERATION COMMITTEE

This committee helps the board to fulfil its responsibilities in relation to the review of performance and remuneration of the Chief Executive Officer and the executive.

Members at 30 June 2017: Bill Healy (chair), Janet Farrow, John Rimmer and Greg Pullen.

FINANCE COMMITTEE

The Finance Committee's role is to help the board to fulfil its financial governance responsibilities.

Members at 30 June 2017: Greg Pullen (chair), Bill Healy, Janet Farrow and John Rimmer.

RESEARCH COMMITTEE

This committee determines research priorities and activities, monitors and develops guidelines and ensures progress of and adherence to ethical standards of research. It also encourages research across the organisation.

Members at 30 June 2017: Janet Hiller (external chair), Bill Healy, Cristea Mileshkin, Julie Anderson and Ruth Vine (co-opted members – James Ogloff and Danny Sullivan).

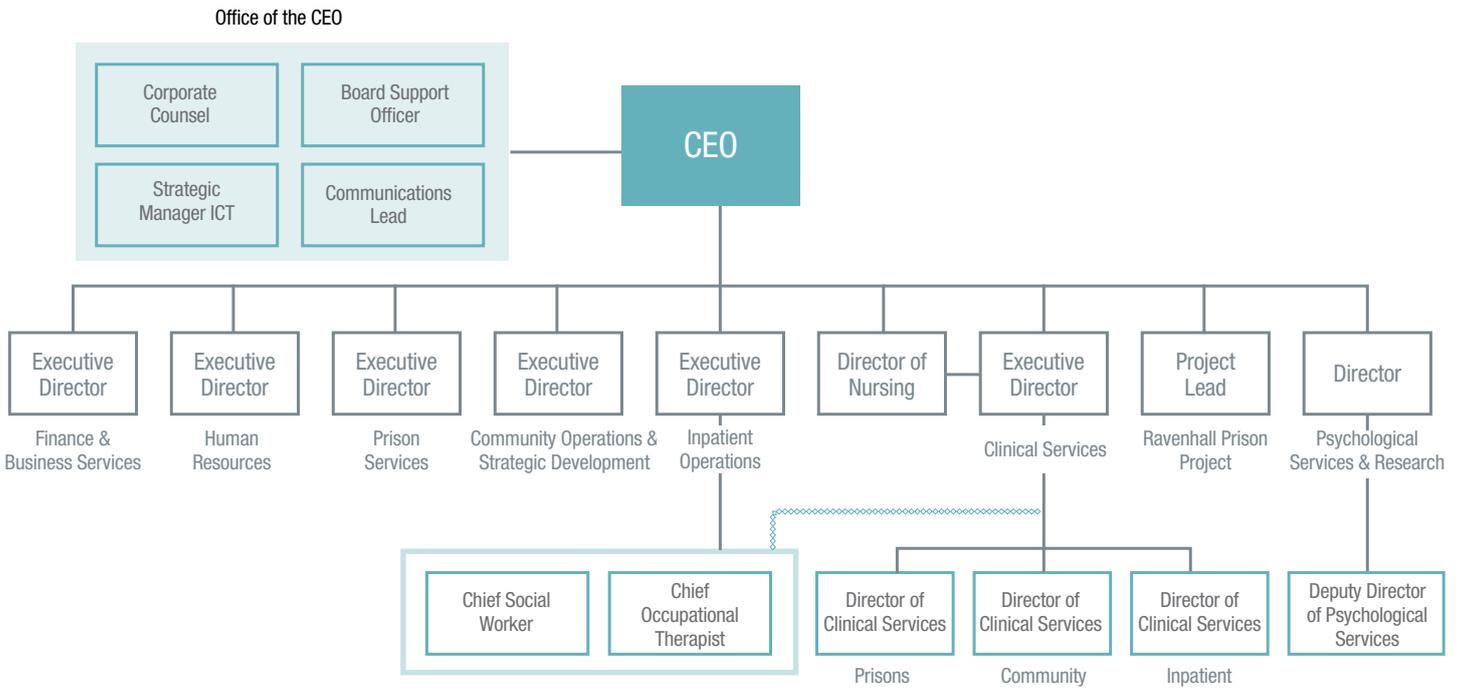
STRATEGIC PLANNING AND OVERSIGHT COMMITTEE

The Strategic Planning and Oversight Committee works to identify, review and prioritise key strategic challenges and risks and to develop recommendations for the board on Forensicare's strategic plans and governance framework.

Members at 30 June 2017: John Rimmer (chair), Bill Healy, Andrew Buckle, Janet Farrow, Tom Dalton, Danny Sullivan, James Ogloff and Jonathan Norton.

GOVERNANCE

ORGANISATIONAL CHART



As at 30 June 2017

EXECUTIVE LEADERSHIP TEAM

The board appoints Forensicare's Chief Executive Officer. An executive leadership group helps the Chief Executive Officer in the overall management and strategic development of the organisation.

Tom Dalton

Chief Executive Officer

BA, LLB, EMPA

A lawyer by background, Tom has worked in private practice, community legal centres and for government. He joined Forensicare in 1999 as Corporate Counsel and has been CEO since 2009. He is responsible for the management and performance of Forensicare.

Dr Maurice Magner

Clinical Director

MBCChB, MMed, FFPsych, MRCPsych, LLM, FRANZCP

Maurice joined Forensicare as Clinical Director in March 2011. He is responsible for leadership and governance of clinical services across the organisation and heads the medical team. Maurice formally finished his role as Clinical Director in June 2017 and will continue to work at Forensicare as a Consultant Psychiatrist.

Dr Danny Sullivan

Executive Director of Clinical Services

MBBS, MBioeth, MHlthMedLaw, AFRACMA, FRCPsych, FRANZCP

Danny joined Forensicare in 2004 and has held a range of consultant positions throughout the organisation. He was appointed as Executive Director of Clinical Services in June 2017.

Danny is responsible for the leadership and governance of clinical services across the organisation and heads up the medical team. He is keen to cement Forensicare's position as a high-quality service, with great expertise in assessing and treating mentally disordered offenders.

Louise Bawden

Project Lead, Ravenhall Prison Project

RN, RPN, DipAppSci(AdvPsychNurs), BAppSci(AdvNurs)(Ed)

Louise was appointed as the Project Lead for the Ravenhall Prison Project in October 2013. She is responsible for leading all aspects of the expansion of Forensicare's prison-based services into the new prison. Louise is managing a project team that is expanding the Forensicare workforce by more than 100 staff, and she is implementing an innovative suite of bed-based, at-risk and outpatient forensic mental health services at the Ravenhall Correctional Centre.

Ryan Dube

Executive Director, Prison Operations

RN(MenHlth), BA(Hons)HlthAdmin, PGDipForensic(MenHlth), MBA(Hlth)

Ryan joined Forensicare in May 2016. Prior to joining Forensicare, Ryan was the Operations Manager for the Acute Inpatient Unit at The Alfred with operational oversight of the statewide psychiatric intensive care unit. Ryan is a UK-trained registered mental health nurse with 16 years' experience of managing forensic and psychiatric intensive care units. Ryan is responsible for the management and performance of Forensicare's prison services delivered under the *Funding and Healthcare Services Agreement* with Justice Health, Department of Justice and Regulation.

Ian Holland

Executive Director, Finance and Business Services

BBus(Admin), CA

Ian joined Forensicare in April 2017. He is a member of the Institute of Chartered Accountants. He is responsible to the CEO for Forensicare's overall financial management and compliance, maintenance, procurement and contract management services. Ian has worked in public health for more than 10 years. Prior to joining Forensicare Ian was the Director of Finance for Peter MacCallum Cancer Centre from 2014 until 2017, and almost eight years at Melbourne Health, six of which as the Business Manager for the Royal Melbourne Hospital.

GOVERNANCE

Wendy McManus

Executive Director, Human Resources

GradDipMgt, DipSocSc, CertIVTrngAssmnt, CertIVOHS, CAHRI, LEADR Accredited Mediator, FAICD

Wendy joined Forensicare in August 2008 and is responsible for the development and implementation of Forensicare's occupational health and safety and human resources strategies, policies and guidelines, and provides high-level advice and services to meet the needs of the entire organisation. Wendy's management of the human resources area helps the organisation to build and maintain a positive work environment that engages a valued, skilled and appropriately credentialled workforce.

Jonathan Norton

Executive Director, Community Operations and Strategic Development

BA, BSc(Hons), MSc(CounsPsych), EMPA, MAPS

A psychologist with more than 20 years' experience in the health, community and higher education sectors, Jonathan joined Forensicare in October 2011. He is responsible for oversight and performance of the Community Forensic Mental Health Service and plays a key role in the strategic development and reporting of all Forensicare services.

Professor James Ogloff AM

Executive Director of Psychological Services and Research

BA, MA(ClinPsych), JD, PhD, FAPS

Professor Ogloff was appointed to Forensicare in November 2001. Jim is responsible for delivering psychology services and research across the organisation and helps provide vital service development advice. He also holds the positions of Foundation Professor of Forensic Behavioural Science at Swinburne University of Technology and Director of the Centre for Forensic Behavioural Science.

Les Potter

Executive Director, Inpatient Operations

RN, BAppSc(AdvNurs), Administration (Dist)

Les was appointed as Executive Director, Inpatient Operations in May 2014. He is responsible for managing Inpatient Services at the 116-bed Thomas Embling Hospital facility and the strategic management and planning of service changes or enhancements. He provides leadership to drive the development of services that are sensitive to the needs of consumers and carers and ensures the delivery of clinical excellence, the maintenance of staff morale, and community confidence in service delivery.

Jo Ryan

Director of Nursing

RN, BEd, CertForPsychNurs

Jo was appointed as Director of Nursing in December 2013. Jo is responsible for providing nursing leadership and embedding a nursing culture that values professional standards and the delivery of best-practice nursing care. She has extensive experience as a psychiatric nurse in forensic mental health settings as a clinician, manager and educator.



CLINICAL DIRECTOR'S REPORT

Forensicare is preparing for a major expansion of services.

Late 2017 sees the opening of a well-designed and modern prison mental health service at Ravenhall Correctional Centre. Thomas Embling Hospital will receive 18 desperately needed beds over the next year with the building of an eight-bed intensive care unit and a further 10 beds across several units. In September 2017 Forensicare takes over responsibility for the psychosocial rehabilitation unit at Port Phillip Prison. The Community Forensic Mental Health Service's Problem Behaviour Program has been funded for major expansion. The new developments across a number of sites present many challenges to clinicians and managers, but Forensicare will maintain its high standard of patient care delivery and support for staff.

Everyone at Forensicare is conscious of the bed availability challenges, particularly for acutely ill prisoners waiting at Melbourne Assessment Prison. Throughout the year the Department of Health and Human Services, the Department of Justice and Regulation and Forensicare have explored opportunities to improve this dire situation. Forensicare has implemented a number of initiatives and the Department of Justice and Regulation has funded more positions. A new bed flow coordinator has been appointed at Thomas Embling Hospital and a second position focusing specifically on the prisons will be filled in the coming year.

The initiatives to improve bed flow have meant changes in practice for clinicians and managers. I can say with confidence that our teams have done their best to improve the flow of patients through available beds. The demand shows no sign of abating, and it seems clear that more resources in the form of beds and staff will be needed to address the treatment needs of forensic patients.

With expansion of Forensicare comes opportunity to improve how things are done. Systems for quality and safety of care have been reviewed and actions taken to improve them. In particular, we undertook a detailed internal review of clinical governance processes and engaged Mullins Health Consulting to undertake a comprehensive external review of clinical governance systems and structures; this work will guide developments in this vital area in the coming year. In addition, Forensicare's ability to audit and manage clinically relevant data will be improved by the appointment of a quality manager assistant and by the appointment of a second quality manager attached to Ravenhall.

The nursing team has led the successful trial of Safewards in Canning Unit. Over the next two years the remaining units at Thomas Embling Hospital will implement this approach.

Across the organisation our clinical teams have implemented structured risk assessments, as described in the *Clinical Risk Assessment and Management Policy*, as part of a routine assessment of patients and clients.

At Thomas Embling Hospital we have established a Reducing Restrictive Interventions Committee, which will have oversight of seclusion and restraint practices in particular. Forensicare is committed to the safe reduction of restrictive interventions.

All of our staff have worked hard this year to ensure the best care for Forensicare patients and clients. But of all the teams, those who work with the most acutely unwell should be specifically acknowledged. They work under the greatest pressure to deliver effective, safe care. They do an outstanding job of managing these difficult circumstances day after day. This situation is not being accepted as the norm. Senior clinical and management leaders continue to advocate strongly for better resourcing and alternatives to improve care and staff safety.

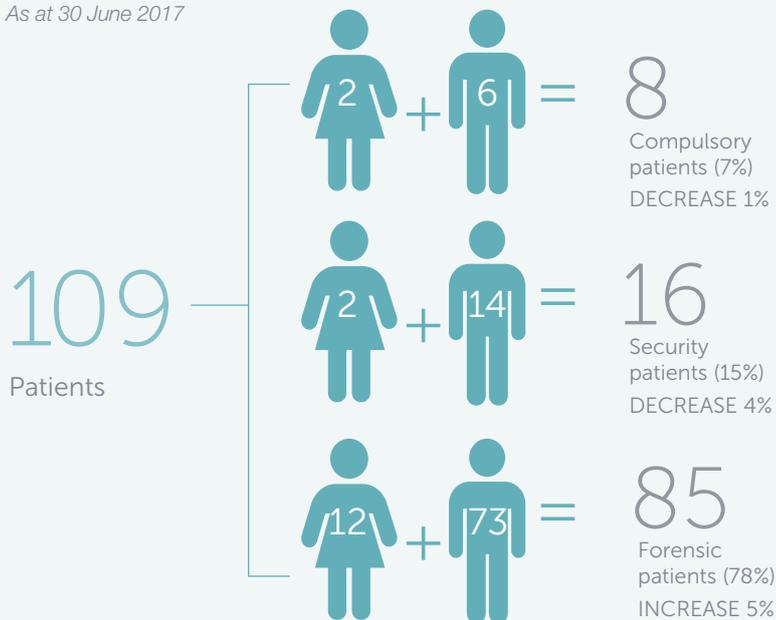
Finally, I would like to express my thanks to everyone at Forensicare. The past six years have been the most rewarding of my career in psychiatry and this is entirely attributable to the people I have worked with. Forensicare is filled with a diverse range of skilled and talented individuals who aim for excellence in everything they do. It has been a privilege to have been a part of the Forensicare team.

A handwritten signature in dark ink, appearing to read 'M. Magner'.

Dr Maurice Magner
Clinical Director

THOMAS EMBLING HOSPITAL

As at 30 June 2017



40,055

Occupied bed days

96

Separations

95

Admissions, 6.89% identified as Aboriginal and Torres Strait Islander people

94.6%

Occupancy rate

SAFEGUARDS

This year the Canning Unit celebrated 12 months' successful engagement with the Safeguards model. Among the benefits experienced is a more positive collaboration between staff and patients. Participation in unit-based therapeutic programs has increased, together with an increase in attendance by Canning patients at TAFE and Healthstream Gym. An open day was held in March to celebrate the first 12 months of Safeguards. Eighty people attended including staff and patients from all over Thomas Embling Hospital.

The success of the program means that in the coming year it will be rolled out in the Bass and Daintree units.

BREATHE EASY

From its smoke-free beginning on 1 July 2015, the hospital has continued its commitment to a smoke-free environment for patients, staff and visitors. This includes a nicotine replacement program and targeted diversionary activities.

Occupational therapy staff used the learning from the initiative to provide input into several QUIT Victoria staff developmental videos for mental health services across Victoria.

The initiative placed the hospital as a finalist in the VicHealth award in the 'Tackling Tobacco' category.

CELEBRATING CULTURAL DIVERSITY

We have successfully implemented new approaches to responding to consumers' cultural backgrounds in our treatment.

With funding from the Koolin Balit Strengthening Clinical Care and Pathways Initiative, we developed the **Boon-gim Ngaga Social and Emotional Wellbeing Assessment Package**. Named in the Woi Wurrung language of the Wurundjeri people, Boon-gim Ngaga ('deep understanding') reflects the central focus of the assessment: to build and embed a holistic and culturally responsive understanding of the Aboriginal person's social and emotional wellbeing (SEWB) across all service domains. The package consists of:

1. Guidelines
2. SEWB questions
3. SEWB Tree (for goal setting)
4. SEWB Fire Circle (eco-map)
5. Formulation

A steering committee of Aboriginal representatives from a range of organisations oversaw the package's development. While we are in the process of implementing this new approach, we have already had a number of approaches from interstate organisations interested in using the tool.

In addition, we have continued to work with members on the Consumer Advisory Group who represent the perspectives of culturally and linguistically diverse communities, Aboriginal communities and women to develop their roles.

SPECIALIST CARE FOR WOMEN

The Women's Specialist Senior Social Work position works exclusively with female patients at Thomas Embling Hospital in a clinical capacity and more broadly as an advocate at the unit and system levels. We have established a women's-only therapeutic group program and have begun developing a female peer support model.

COORDINATING ACCESS FLOW

Access to compulsory treatment at Thomas Embling Hospital for prisoners has continued to be one of our highest priorities. Funding from DHHS allowed us to establish an access flow coordinator position. The focus of this position so far has been on improving systems for moving patients between prison and hospital forensic mental health beds. This has included work with DOJR on the new systems that will be necessary to allow prisoner movement between the different mental health service components in the prison system as Forensicare takes on the operational management of the 30 prison bed psychosocial rehabilitation unit at Port Phillip Prison and establishes the Ballert Yeram-boo-ee precinct at Ravenhall Correctional Centre.

SERVICE DEVELOPMENT

Thomas Embling Hospital

Further DHHS funding in 2016–2017 will add 10 beds onto existing units at the hospital. Fast-tracked design development allowed this to coincide with construction of the eight-bed Secure Psychiatric Intensive Care Unit (SPICU) already underway. Construction of both projects is progressing well, and together these initiatives will provide a crucial 18 extra beds at Thomas Embling Hospital and allow improved access and flow in response to huge pressures in the forensic mental health system.

New hospital

The State Budget committed \$40 million for land acquisition and planning for a new secure forensic mental health facility. A light refurbishment of the Thomas Embling Hospital was also included in the funding.

A new business case will be developed to seek the capital funding for the new high-secure hospital.

COMMUNITY FORENSIC MENTAL HEALTH SERVICE



12,332
service hours
Excluding the Mental Health
Court Liaison Service



50
reports prepared
for the Adult
Parole Board



10,049
client related contacts provided by the
Mental Health Court Liaison Service



140
pre-sentence court
reports for people in bail



62
clients on a NCSO
(at 30 June 2017)



256
pre-sentence court reports
for people in custody



12
extended leave clients
(at 30 June 2017)



90
court reports prepared
for criminal trials



52
accepted referrals from Area
Mental Health Services for high
risk clients with mental illness



15
Enhanced Forensic
Consultation Program
assessments completed



288
clients seen by the Problem
Behaviour Program



20
sessions delivered of the
'Handling Anger Wisely'
Group program



43
prisoners helped with post-release
support to link and integrate to Area
Mental Health Services



507
staff from mental health community
support services attending risk
and recovery training, plus 261
participants from external agencies
in other professional training
delivered by Forensicare



100%
of clients completing the community
service feedback survey rating the
service as good, very good or excellent



FORENSIC CLINICAL SPECIALIST PROGRAM

New funding from DHHS has expanded this program in the past year so more Area Mental Health Services are resourced to build capacity and expertise in forensic mental health. The network now stretches statewide and constitutes 25 clinicians in 17 different services. During this year Forensicare supported services to recruit new clinicians and provided extensive orientation and training to these new clinicians, as well as integrating them into the existing network and processes of professional development, practice exchange and supervision. This contributes to a more integrated and effective service system. Through the program, Forensicare also led the training of more than 500 staff from mental health community support services on 'risk and recovery' as part of capacity building in the broader mental health sector.

PROBLEM BEHAVIOUR PROGRAM EXPANSION

In 2016–2017 a major injection of funding has helped expand the Problem Behaviour Program. This program reduces reoffending among participants and leads to less use of mainstream public mental health services. Over the past year we have developed a detailed service model, recruited and oriented more staff, and entered into discussions with DHHS and DOJR to ensure the work of this program meets its intended targets, complements existing services and develops in alignment with other system reforms related to serious sexual and violent offenders.

ENHANCED FORENSIC CONSULTATION PROGRAM

After a period of design and planning, in 2016–2017 the Enhanced Forensic Consultation Program became operational in one metropolitan and one regional area. This program supports Community Correctional Services and Area Mental Health Services to respond to people with serious mental illness and complex needs who present a high risk of violence or serious offending in the community. The program consists of a small but experienced forensic mental health multidisciplinary team providing comprehensive assessments and helps coordinate multi-agency responses, including access to mental health services. At the beginning of 2017 the program began accepting statewide referrals for pre-release assessments of people with a mental illness coming out of prison on parole and began a full rollout to all Corrections Victoria regions across the state.

TACKLING FAMILY VIOLENCE

Forensicare maintained its activity in this important area of public policy in 2016–2017. We began providing Child Protection with risk assessments of family violence offenders regarding access to children. In addition, we partnered with Victoria Police and Swinburne University in a fully evaluated pilot that included Forensicare clinicians being embedded in Victoria Police Family Violence Teams as expert risk consultants and advising on risk assessment tools. Finally, we provided training for staff from external agencies in working with victims and perpetrators of family violence. Forensicare is also represented on the Family Violence and Mental Health Project Advisory Group, which is helping the Chief Psychiatrist to implement recommendations from the Royal Commission on Family Violence.

COMMUNITY INTEGRATION PROGRAM (PRISON TRANSITION) EVALUATION

Under Forensicare's *Strategic Plan 2015–2017* we have committed to embedding a culture of evaluation in our programs and actively sharing our research findings. The Centre for Forensic Behavioural Science undertook an evaluation of the prison transition work as part of the Community Integration Program in 2016. The evaluation compared those who completed the program with those who dropped out or did not take it up, and found that when released from prison people who had completed the program showed improved mental health outcomes and lower rates of crisis-based outpatient contacts with public mental health services. People who completed the program also had a significantly lower rate of subsequent overall offending and a lower rate of violent offending compared with the non-completers. These results are very pleasing, and the expansion of the program accompanying the opening of the Ravenhall Correctional Centre later in 2017 will ensure more participants complete the program and receive the support they need when released from prison.

COMMUNITY INTEGRATION PROGRAM – FORENSIC PATIENT CASE MANAGEMENT

With the impending growth in bed numbers at the Thomas Embling Hospital we have planned for increases in the Community Integration Program to help with the flow of patients through and out of the hospital. Implementing this will be a strategic priority for the community service in 2017–2018.

PERFORMANCE, SAFETY AND QUALITY IMPROVEMENTS

We have introduced a range of internal initiatives to improve our performance, safety and quality systems. This includes implementing a full electronic patient record from 1 July 2016. We also adopted and implemented the sector-wide Health Service Emergency Colour Code system as part of our safety and security procedures. Finally, we engaged in an extensive planning and consultation processes with staff and consumers to design, develop and adopt a set of 'Best Service' principles to guide our activity and engagement with consumers and to ensure we deliver high-quality care. This provides a foundation to guide service delivery and service development into the future.

IMPROVING SYSTEM DESIGN

Forensicare has been involved in a range of broad systemic mental health review processes in 2016–2017. This includes participating in the stakeholder advisory committee for developing the DHHS *Design, Service and Infrastructure Plan* for the public mental health system, which included a component examining forensic mental health needs. Finally, we had input into the development of the government's *Forensic Mental Health Implementation Plan*, including providing detailed information about service needs in the community.

COURT SERVICES

During 2016–2017, in consultation with DHHS, Forensicare introduced more clinical staff at Melbourne Magistrates' Court in response to the demand for mental health court liaison services. We also continued to be involved in delivering the pilot program to undertake mental health screening at the Melbourne and Sunshine Magistrates' Courts for those being considered for a mental health treatment and rehabilitation condition on a community corrections order. A formal KPMG evaluation showed this activity to be highly effective in targeting mental health treatment conditions to those who need it, and that Community Correctional Services are well supported with information and advice to help with overseeing such conditions. We were delighted that a major expansion of both these programs was announced in the 2017 State Budget as part of the *Forensic Mental Health Implementation Plan* initiatives. We look forward to working with the government to design these expanded services.

YOUTH SERVICES

We have maintained coordination of the Youth Justice Mental Health Program in 2016–2017. It has been a turbulent time in Youth Justice, but this program has continued to meet its aims. The 2017 State Budget included funding for a new forensic youth mental health service and also for specialist mental health in-reach in the youth justice system.

PRISON MENTAL HEALTH SERVICE

MELBOURNE ASSESSMENT PRISON

8350

Reception assessments

161

Admissions to the Acute
Assessment Unit

34.58

Days average length of stay in
the Acute Assessment Unit

97.35%

Occupancy rate

METROPOLITAN REMAND CENTRE

995

Reception assessments

4163

Occasions of service
by Mobile Forensic
Mental Health Service

2043

Clients seen by the
Mobile Forensic
Mental Health Service

DAME PHYLLIS FROST CENTRE

158

Admissions to the
Marrmak Unit

31.12

Days average length
of stay in the Marrmak Unit

84.86%

Occupancy rate

ACUTE ASSESSMENT UNIT, MELBOURNE ASSESSMENT PRISON

Throughout the year, despite ongoing pressure and demand, staff have worked to continually improve consumer engagement and align our practice with a recovery approach consistent with Forensicare's overarching clinical framework. We have changed the format of community meetings and improved our consumer engagement and feedback systems.

We have made changes to our systems for training new staff to improve continuity of care and focused on the challenges of managing a complex population of consumers where demand is continually high. We have also initiated strategies aimed at treating as many of the men who are waiting for admission to Thomas Embling Hospital in the Acute Assessment Unit.

SOCIAL WORK, MELBOURNE ASSESSMENT PRISON

We introduced a new model for social work outpatient services in January 2017, which has provided 595 occasions of service. The outpatient social worker provides psychosocial assessment and planning to the most acutely unwell prisoners to help those with mental health problems manage in this complex and challenging environment.

We have also improved handover processes between Thomas Embling Hospital units and the prison, introduced family work for prisoners in Unit 13 and in outpatients and implemented new therapeutic interventions for prisoners in management units.

THROUGHPUT AND MANAGING ACCESS TO OUR SERVICES

Access to beds at Thomas Embling Hospital for prisoners who meet criteria for compulsory treatment has remained a challenge. During the year there has remained a 'waiting list' of men requiring treatment of between 14 and 24 prisoners. We have adopted new strategies to address this issue, but these have not succeeded. With funding from DOJR we have put on extra staff to ensure appropriate levels of care can be provided and also improved our processes for review and escalation of care to the Acute Assessment Unit.

To increase access to treatment at Thomas Embling Hospital, we have also instituted a policy of transferring three prisoners per week to Thomas Embling Hospital and accepting a similar number of patients each week back to the Melbourne Assessment Prison. This policy has been difficult to sustain and has challenges, but we have been determined to consider new ways of managing access to services in the face of ongoing shortages of hospital beds for those most in need.

DAME PHYLLIS FROST CENTRE

Continuing demand and the rapid movement of prisoners through the unit has been a challenge for staff throughout the year as the women's prison population and the proportion of women on remand have increased. Working closely with DOJR staff we have developed new approaches to allow women who have been on restrictive management regimes to access therapeutic programs designed to improve their chances of reintegration into the wider prison community, which in turn promotes rehabilitation in preparation for eventual release from prisons.

RAVENHALL PRISON PROJECT

BALLERT YERAM-BOO-EE FORENSIC MENTAL HEALTH SERVICES

Ballert Yeram-boo-ee (pronounced *balit yerimboy*) is the official name of the forensic mental health service that will operate at the new Ravenhall Correctional Centre.

Ballert Yeram-boo-ee comes from the Woiwurung language and means 'strong tomorrow'. The name was chosen by Elder Colin Hunter on behalf of the Wurundjeri Tribe Land and Compensation Cultural Heritage Council that represents the traditional people of the area where Ravenhall Correctional Centre is located.

RECOVERY-ORIENTED FORENSIC MENTAL HEALTH SERVICES

Ballert Yeram-boo-ee Forensic Mental Health Services have been designed to be recovery-oriented, promoting hope and optimism in each consumer's future and ability to live a meaningful life.

The architectural layout of the buildings as well as the clinical processes and therapeutic programs have all been designed to place the consumer at the centre of the care they receive. This will support them in being an expert on their own life, able to make their own choices about their recovery, and to take as much responsibility as possible for their care and treatment.

WORKFORCE DEVELOPMENT

We began a highly successful recruitment program for staff for the new services. The success of the program can be attributed to the extensive planning and promotional work undertaken before the recruitment began.

Key appointments include:

- the Ballert Yeram-boo-ee Forensic Mental Health Services Operations Manager
- program managers for the Aire, Erskine, Moroka, Tambo and Outpatients programs
- a clinical training educator
- a quality and governance coordinator
- specialist psychiatric training positions
- senior psychology, occupational therapy and social work positions
- registered psychiatric nurse positions (international recruits).

Recruitment for internal and domestic psychiatric nursing positions as well as the remaining clinical, administrative and support positions continues ahead of the opening of the Ravenhall Correctional Centre in late 2017.

TRAINING AND INDUCTION

The recovery-oriented forensic mental health services model will be supported by a comprehensive eight-week training and induction program for around 150 Forensicare staff. We have also developed a mental health awareness training program for our Ravenhall partners such as custodial officers and other prison staff.

CLINICAL PROGRAM DEVELOPMENT

The Clinical Program development process was completed in late 2016. The Clinical Program, built across 18 months with the involvement of 80 clinicians and 11 consumers, now forms the basis of the *Operations Manual*, which was submitted to the Victorian Government in April 2017.





RESEARCH

– CENTRE FOR FORENSIC BEHAVIOURAL SCIENCE AND FORENSICARE RESEARCH

Elsewhere, competing funding priorities, lack of capacity and the absence of a research culture bedevil the ability of most mental health and forensic mental health services to engage in meaningful research and evaluation.

Since its inception, Forensicare has embedded strong research values, and our research record has continued to strengthen and is recognised worldwide. Through our partnership with Swinburne University of Technology in operating the Centre for Forensic Behavioural Science (CFBS), our research group is among the most productive of any forensic mental health service in the world.

Forensicare works hard, particularly with our growth, to ensure the culture of evidence-based practice and systematic evaluation persists. To this end, Forensicare's *Strategic Research Plan* identifies strategies for continuing to focus on excellence, research and evaluation in our work. Moreover, we endeavour to focus even more on translational research and the dissemination of our findings.

The lack of focus on research and evaluation relegates services to continually play catch-up in the race to ensure practices are evidence-based, providing maximum benefit to our consumers.

The World Health Organization's *Mental Health Action Plan (2013–2020)* emphasises that “evidence and research are critical ingredients for appropriate mental health policy, planning and evaluation” (p. 18). Similarly the recent *Targeting Zero* ('Duckett Review') notes the importance of research and relationships between health services, researchers and universities.

STAFF HIGHLIGHTS

All of our staff have presented their work at national and international conferences and have made contributions to the scientific literature. Professor Michael Daffern (professor in the CFBS and part-time principal consultant psychologist with Forensicare) delivered the annual Derek Eaves Oration at the 2017 meeting of the International Association of Forensic Mental Health Services in Split, Croatia, in June. This is a prestigious lecture that honours Dr Derek Eaves, the foundation president of the association. Several staff members attended and spoke at the conference.

Dr Svenja Senkans, who earned a PhD this year, was awarded the Lagerspetz Award at the 2016 Bi-annual World meeting of the International Society for Research of Aggression. This award is given to graduate students, postdoctoral fellows and junior faculty for excellent presentations at the meeting. The award was made for her work in understanding the perceptions of perpetrators of intimate partner violence and stalking.

Swinburne University of Technology has made three ongoing appointments to the CFBS. Dr Stephane Shepherd completed a Fulbright Fellowship in the United States and was appointed as senior lecturer. Dr Shepherd has expertise in cross-cultural issues in forensic psychology. Dr Caleb Lloyd, with expertise in correctional psychology, was recruited into a senior lectureship associated with the Catalyst Consortium. His areas of research examine the process of offender change in criminal justice and corrections environments (such as prisons, probation offices and mandated rehabilitation). Dr Margaret Nixon, who held a limited-term appointment as a lecturer in the CFBS, has been appointed to an ongoing lecturer position. She is convenor of the successful postgraduate courses in forensic behavioural science and forensic mental health. Her research is in the area of intellectual disability and offending.

Dr Justin Trounson was appointed as Swinburne University of Technology's inaugural Aboriginal and Torres Strait Islander Research Fellow. As part of its commitment to Indigenous employment and their *Reconciliation Action Plan*, Swinburne awards one Aboriginal and Torres Strait Islander Research Fellowship annually to an Aboriginal and/or Torres Strait Islander researcher to increase the representation of Aboriginal and Torres Strait Islander people within the university. Dr Trounson is a registered psychologist with a PhD in clinical psychology who has worked with the CFBS as the project manager and research fellow on the 'Enhancing well-being and resilience within prisons' ARC Linkage Grant. He will continue to work at the CFBS throughout his three-year fellowship. As part of this work, he is working with Forensicare to help evaluate our *Aboriginal Social and Emotional Wellbeing Plan*.

VISITING ACADEMIC APPOINTMENTS

Professor Barry Rosenfeld, professor and chair of the psychology department at Fordham University in New York and president of the International Association of Forensic Mental Health Services, was a visiting scholar to the CFBS. During his visit, which Swinburne University funded, he spent time with staff and students and presented lectures at Swinburne and a public lecture that was co-sponsored by the Australian and New Zealand Association of Psychiatry, Psychology and Law.

Dr Henning Hachtel joined the CFBS as a visiting lecturer for one year in October 2016. He is a senior medical consultant in the Forensic Psychiatric Clinic at the Universitaere Psychiatrische Kliniken in Basel, Switzerland, and has advanced knowledge in treating and assessing violent and sex offenders. He is also court expert in German-speaking Switzerland. Dr Hachtel is collaborating with staff on a range of research projects.

Associate Professor Susanne Strand works in the Center for Criminological and Psychosocial Research at Örebro University in Sweden. She has had a long association with the CFBS, where she holds an appointment of adjunct professor. She visits regularly and collaborates closely with CFBS staff. She plays an active role in training Victoria Police in the area of family violence risk assessment as part of our ongoing work with Victoria Police in this area.

OUR COURSES

The Graduate Program in Forensic Behavioural Science continues to thrive. We offer six different courses enabling professionals to improve their knowledge in the forensic realm. We have had more than 300 individual enrolments in our courses this year. Students are drawn from all over Australia and New Zealand and the program was approved in 2016 to allow international students to enrol. To this end, we have entered into an agreement with the Executive Counselling and Training Academy in Singapore to offer one of courses, the Graduate Certificate in Specialist Forensic Assessment and Risk Management, collaboratively to students in Singapore.

RESEARCH DISSEMINATION

We hold two research dissemination seminars each year for Forensicare staff members. During these sessions, which run for half a day, research and clinical staff present their work. The events this year, which were held in December 2016 and March 2017, were well attended and covered a range of topics relevant to our clinical staff.

The CFBS hosts seminar series where invited speakers share their work with research staff from the CFBS and clinical staff from Forensicare.

This year's presentations included:

- 16 July 2016 – Professor Barry Rosenfeld, Fordham University, USA. Can we treat 'stalking'? Development and evaluation of a treatment program for stalking offenders
- 16 August 2016 – Professor Bill Lindsay, Abertay University and Danshell Learning Disability and Autism Services, UK. Working with sex offenders with intellectual and developmental disabilities
- 16 November 2016 – Dr Stuart Ross, The University of Melbourne. Research and family violence: old and new challenges on the path to reform
- March 2017 – Associate Professor Susanne Strand, Örebro University, Sweden. How to work with risk assessment and risk management to prevent violence where honour is the motive for the crime

- April 2017 – Professor Mirko Bagaric, School of Law, Swinburne University of Technology. Introducing disruptive technology to the prison sector and providing an efficient and normatively-sound solution to America's incarceration crisis
- May 2017 – Professor Chris Trotter, Monash University. Offender supervision: worker skills and client outcomes
- June 2017 – Professor Monica Miller, University of Nevada, USA. A cultural perspective on the past, present and future of specialty courts in the US and abroad

In closing, I want to express my sincere gratitude to Dr Maurice Magner, who has recently completed his term as Clinical Director of Forensicare. During his tenure, he provided strong support to the research program. I also owe a debt of gratitude to Dr Rachael Fullam, the Forensicare research lead and development officer, who oversees the research governance and research evaluation work for Forensicare. We are also grateful to the CEO, board and executive of Forensicare for the support they provide for research and the value they place on our work. Also, we have benefitted from the work of many research students, research fellows, CFBS staff members and Forensicare members of staff, without whom the important work highlighted in this report could not continue.

Perhaps most importantly, returning to theme of the importance of research highlighted at the outset of this report, the research undertaken by Forensicare and the CFBS translates to service development and evaluation. Our work has transformed people's understanding in a number of areas relating to mental illness and offending. This work is used to continuously improve evaluation and intervention work within Forensicare and in the broader forensic mental health, justice and mental health fields. In short, it helps ensure better results for our consumers and contributes to a safer Victorian community.



Professor James Ogloff AM FAPS
Director of Psychological Services and Research and Director, Centre for Forensic Behavioural Science

The Catalyst Consortium was launched by the Hon Gayle Tierney MP, Minister for Corrections in April 2017. Catalyst establishes a partnership between leading researchers, clinical leaders and correctional/forensic mental health partner organisations to systematically address persistent violence and sexual offending. The name Catalyst was chosen for the consortium since it focuses research, clinical and administrative expertise on the problem of violence to precipitate change in those who have engaged, or are likely to engage, in persistent violence and sexual offending, and the agencies that provide services to them. The problem of violence, broadly defined, is of national and international significance and requires innovative and transformational research and practice to improve understanding and assessment, intervention, reintegration and prevention efforts. The aim of the Catalyst Consortium is to improve our understanding of the causal factors of violence and to intervene effectively with people who engage in violence in a way that will increase community safety. We will target people who commit interpersonal violence, including those with mental disorders (including personality disorders), substance misuse disorders and cognitive impairment.

The Centre for Forensic Behavioural Science at Swinburne University of Technology received a grant from the Victorian Corrections Minister (\$1.76 million over four years) to establish the Catalyst Consortium. Forensicare has contributed extra funding (\$600,000 over four years) to ensure the work extends to forensic mental health consumers and forensic mental health services. Swinburne University has funded a senior lecturer in forensic psychology, a doctoral scholarship and infrastructure support for the consortium. The consortium is seeking other partner organisations, including corrections departments, forensic mental health services, private prison providers and charitable foundations, to add collaborators and funding to build and extend the consortium.

The objectives of the Catalyst Consortium are to:

- consolidate an understanding of the psychological and related factors that contribute to persistent violent crime and sexual offending, including the complex and interrelated effects of mental illness, substance misuse and personality dysfunction
- refine and validate assessment methods to ensure they measure factors related to violence and that changes in measurements correspond with actual changes in behaviour
- systematically develop and test innovative psychological intervention strategies that draw upon new technologies to produce positive behavioural change
- validate and implement mechanisms to help assess readiness for community release in those detained in prisons, forensic psychiatric hospitals and other secure facilities
- model community environments and strategies that support people to sustain these positive changes
- focus on solutions and mechanisms to reintegrate people back into society in ways that ensure public safety.



CORPORATE SERVICES

LEGAL SERVICES

Forensicare operates under a complex legislative environment that governs our relationships with government and the services we provide to consumers. The *Mental Health Act 2014* and the *Crimes (Mental Impairment and Unfitness to be Tried) Act 1997* provide the legal framework for providing treatment to consumers.

Our organisation has high levels of interaction with the broader criminal justice system, including courts, the Office of Public Prosecutions, criminal defence lawyers, the Mental Health Tribunal, the Forensic Leave Panel, the Adult Parole Board, Victoria Police and the Coroner's Court. These links are maintained in various ways, including through formal tours of Thomas Embling Hospital, which were provided this year for County Court Associates, the Office of Public Prosecutions, Victoria Legal Aid, and the Mental Health Tribunal.

We support our clinical staff to meet their legislative and regulatory obligations including providing training on a range of legal issues and witness support in various circumstances, including coronial inquests.

Crimes (Mental Impairment and Unfitness to be Tried) Act

This legislation governs the disposition and treatment of people who are found not guilty by reason of mental impairment or unfit to plead. People placed on a supervision order under the Crimes (Mental Impairment and Unfitness to be Tried) Act (the Act) due to their mental illness are supervised by Forensicare and also receive treatment from us if they are placed on a custodial supervision order (CSO). This is a significant area of Forensicare's work.

The coordination of litigation in the County and Supreme Courts under the Act is an important area of responsibility for Forensicare's legal team. The demands of this work increase in size and complexity each year.

Through the legal team, Forensicare has taken an active role in developing amendments arising from the Victorian Law Reform Commission review undertaken of the Act in 2014 that were introduced to Parliament this year.

In 2016–2017 we received requests for reports about 27 people who had criminal trials in either the Supreme and County Courts where the court was considering placing the person on a supervision order under the Act. At the end of the financial year we had prepared 25 reports for 21 of these matters, which make recommendations for appropriate treatment and supervision on the basis of assessed risk and needs. In the case of non-custodial supervision orders (NCSOs), this involves liaising with a person's existing treatment providers and organising arrangements for further community treatment. Forensicare must provide a certificate to the court indicating that facilities and services to provide the treatment are available.

During the year there were seven criminal trials where a court wanted the accused detained on a CSO at Thomas Embling Hospital. In five of these cases we were not able to do this due to the lack of available beds for male patients at Thomas Embling Hospital. In these cases we requested that the court adjourn the matter for a period of time. Three of these patients were admitted within three months. Two patients are yet to be admitted and we anticipate a six-month wait.

The cumulative number of people under supervision orders has decreased again over the past year for the second year in a row. There were 19 new supervision orders made during the year and 19 revocations of supervision orders. At 30 June 2017 there were 157 people with a mental illness on supervision orders under the Act. These orders were made up of 83 CSOs, 12 CSOs (extended leave) and 62 NCSOs.

Custodial supervision orders

- In 2016–2017 nine new CSOs were made by the courts, one less than in 2015–2016. The Supreme Court placed five people on CSOs following a finding of unfitness to plead or not guilty by reason of mental impairment at criminal trial, compared with nine in 2015–2016. The County Court placed four people on a CSO following a finding of unfitness to plead or not guilty by reason of mental impairment at criminal trial, compared with one in 2015–2016. This number of new CSOs continues to be high.
- In addition, a person was placed on a custodial order at Thomas Embling Hospital under the Crimes Act 1914 (Cwlth).

- One of the nine people who were put on a CSO in 2016–2017 had been admitted to Thomas Embling Hospital as a remandee pending the final result of their case. Another person was already placed at Thomas Embling Hospital under a CSO, prior to been placed under a second CSO for subsequent offences.
- During the year three people were remanded to Thomas Embling Hospital pending disposition.
- Eight patients moved from Thomas Embling Hospital to live full time in the community on extended leave (compared with zero in the previous year).
- Two patients had their extended leave suspended and were admitted to Thomas Embling Hospital.
- Eighteen patients on CSOs returned to court for a review of their order, which was required under the legislation or had been ordered by the court at either the time of making the order or at a previous review. In all cases the CSO was confirmed and a further review date set by the court.
- Five people on extended leave had their leave renewed for a further period of time. Under the Act, a court is only able to grant extended leave for a period of up to 12 months at a time.
- Eight people on extended leave had their CSO varied to an NCSO.

Non-custodial supervision orders

- 10 new NCSOs were made for new offenders (five more than in 2015–2016).
- Three people on NCSOs were apprehended and admitted to Thomas Embling Hospital following a breach of the conditions of their order.
- All of the 62 clients in the community on NCSOs at 30 June 2017 are supervised by Forensicare through the Community Forensic Mental Health Service.
- Nineteen people on an NCSO had their order revoked (the same number as in 2015–2016) and one person on an order under the Crimes Act 1914 (Cwlth) had their order expire.
- Twenty-six review hearings were held for people on NCSOs in 2016–2017. This was either due to the review being set by the court or being triggered by the major review provisions in s. 35 of the Act, or for an application by the person to revoke the NCSO or to vary it to a CSO. In 2015–2016 there were 36.

CORPORATE SERVICES

As well as preparing annual reports for the courts for people on supervision orders, Forensicare staff prepared 127 reports for 82 different clients on supervision orders who had court hearings under the Act during the year. Forensicare staff attended court to give evidence in 66 of these court hearings.

Participating in court hearings involves considerable time for clinical staff, both at Thomas Embling Hospital and the Community Forensic Mental Health Service. This has a significant impact on the workload of staff, in addition to the responsibilities of their clinical workload.

Court reports

The strong demand from courts for psychiatric and psychological reports experienced in previous years continued in 2016–2017. During the year we completed 140 on bail pre-sentence court reports (a decrease of 10 per cent from 2015–2016) and 256 in custody pre-sentence court reports (an increase of 15 per cent from 2015–2016). We also completed 50 reports for the Adult Parole Board to guide the board in decisions and conditions regarding parole.

Requests from the Office of Public Prosecutions (OPP) for reports on issues of fitness to plead or the mental impairment defence under the Act continued to be an important area of activity. In 2016–2017 Forensicare processed 79 assessment requests and provided 62 assessments to the OPP.

Fourteen fitness assessment reports were also provided directly to the Supreme and County Courts pursuant to the Act. This was four more than in 2015–2016.

As in previous years, a significant number of the reports provided (24) were for accused people whose primary diagnosis was not a mental illness. Thirteen of the requests were for reports relating to people with an intellectual disability and four for people with dementia.

Since 2011, the Department of Justice (now DOJR) has funded this important work that Forensicare undertakes to help the OPP. DHHS will take over funding this work from 1 July 2017.

FIGURE 1: SUPERVISION ORDERS, 30 JUNE 2003–2017

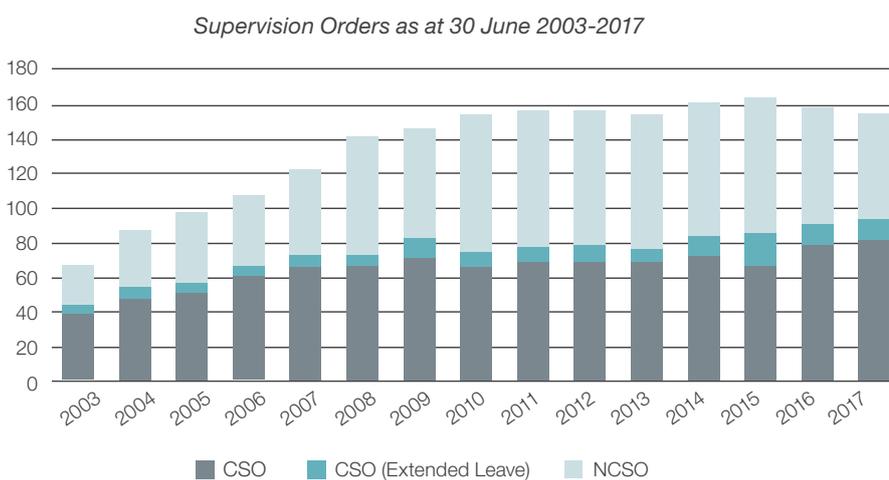


Figure 1 shows the trend of increasing numbers of patients at Thomas Embling Hospital on CSOs, despite an overall decrease in the number of people on supervision orders.

Table 1 shows the number of people on supervision orders at 30 June from 2003–2017.

TABLE 1: PEOPLE ON SUPERVISION ORDERS AT 30 JUNE FROM 2003–2017

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
CSO	40	48	52	60	66	67	72	67	69	69	70	72	67	78	83
CSO (EL)	4	6	6	4	7	6	10	7	8	9	7	12	19	13	12
NCSO	23	33	40	43	50	68	64	80	79	78	77	77	77	68	62

Note: EL refers to Extended Leave

HUMAN RESOURCES – OUR PEOPLE

LENGTH OF SERVICE AWARDS

To acknowledge the longstanding commitment of our highly experienced and valued employees, we introduced a Service Recognition award to celebrate their major milestones of employment. Ceremonies have been held for the past two financial years, with the Chief Executive Officer and Board Chair presenting awards to the following recipients. We thank these staff members for their ongoing support and hard work.

Sixty people received a 15-year award and 46 people received a 10-year award.

WORKFORCE PLANNING

The staff we attract and employ at Forensicare are highly skilled and sought after across the mental health sector. During 2016–2017 we embarked on an unprecedented recruitment drive to attract staff to work in a number of new service areas including the new Forensic Mental Health Unit, Ballert Yeram-boo-ee (located within the new Ravenhall Corrections Centre), an expanded Problem Behaviour Program, St Paul's Unit at Port Phillip Prison, and the growth of a number of our other existing services.

We have recruited 142 new staff members, with successful campaigns conducted domestically and internationally. Our internal staff development programs, along with well-supported graduate programs, have seen all recruitment workforce planning milestones achieved during this period.

Attracting and retaining talented applicants to Forensicare is vital to ensuring high-quality care for the people we work with. By providing our staff with flexible work options to help them achieve a work/life balance we believe our retention rates will be better than average.

25 YEAR SERVICE AWARD

Name	Position
Helen Cunningham	Psychiatric Nurse
Tony Fyffe	Psychiatric Nurse
Viv Miller	Psychiatric Nurse
David Pearce	Psychiatric Nurse
Jo Ryan	Director of Nursing

20 YEAR SERVICE AWARD

Name	Position
Rohana Arambewala	Psychiatric Nurse
Doug Bell	Consultant Psychiatrist
Sue Briggs	Senior Advisor
Nick Gladstone	Psychiatric Nurse
Lauren Lougher	Psychiatric Nurse
Julie Thompson	Personal Assistant
David Willshire	Psychologist

TRAINING AND PROFESSIONAL EDUCATION PROGRAM

Forensicare implemented an in-house online learning system called FITS in late 2015, and it is now used as a central booking system for our face-to-face training sessions while holding a growing number of online learning modules. The system also provides employee and manager reporting on training participation rates. Over 2016–2017 there were 1371 completions of online modules.

Staff continue to access the Forensicare Further Study Incentive Program, which is viewed favourably by those considering working at Forensicare. This scheme supports staff to undertake development through higher education and aims to maintain Forensicare as a leader in the forensic mental health area.

Seventeen staff have been supported under this scheme in the past 12 months with both financial assistance and paid time provided to undertake qualifications in areas that support the work of our organisation. Every year further study and education opportunities are offered to Forensicare staff.

Our focus remains on developing the leadership and capability skills of our managers, with all new managers attending the Management Induction Program and existing managers offered courses in areas such as a performance management, time management and OHS. A project is underway to develop a range of online learning modules for Forensicare managers.

OUR SERVICES

WORKFORCE PROFILE

All Forensicare employees are correctly classified and employed in accordance with the relevant enterprise bargaining agreement and are required to meet the standards set out in the VPSC Code of Conduct. Forensicare has policies and procedures to ensure all recruitment and employment-related practices are in line with the key principles of merit and equity.

TABLE 2: FORENSICARE'S WORKFORCE PROFILE, 2015 TO 2017

STAFF	30 JUNE 2017		30 JUNE 2016		30 JUNE 2015	
	Staff number	Total EFT	Staff number	Total EFT	Staff number	Total EFT
CLINICAL STAFF			426	380.73	399	353.79
Nursing	295	267.35	270	251.01	249	229.58
Clinical support	31	25.10	28	24.55	27	24.88
Allied Health						
Psychologist	47	33.22	44	32.65	42	30.39
Social worker	24	22.60	19	18.40	15	14.6
Occupational therapist	18	16.88	19	18.32	16	14.93
Music therapist	0	0.00	0	0.00	1	0.63
Art therapist	0	0.00	1	0.80	0	0.00
Consumer consultant	3	1.59	1	0.59	3	1.96
Family advocate	1	0.46	1	0.39	2	0.66
Welfare worker	1	1.00	1	1.00	2	1.63
<i>A/H Total</i>	94	75.75	86	72.15	81	64.8
MEDICAL						
Consultants/medical Officers/registrars	46	37.20	42	33.02	42	34.53
Rotating registrars	0	0	0	0	0	0
<i>Medical Total</i>	46	37.20	42	33.02	42	34.53
CORPORATE/ADMIN						
Administration	50	42.36	43	36.87	41	36
Corporate Support	14	13.40	12	10.89	11	10.14
TOTAL STAFF	530	461.16	481	428.49	451	399.93
AGE						
Under 25	35	34.40	23	22.53	23	5.1%
25-34	128	116.61	128	118.80	109	24.2%
35-44	152	125.52	135	117.42	137	30.4%
45-54	104	90.61	93	79.82	86	19.1%
55-64	96	80.08	88	77.58	84	18.6%
Over 64	15	13.94	14	12.29	12	2.6%
TOTAL	530	461.16	481	428.49	451	
GENDER						
Women	329	285.43 (62%)	307	64%	294	65%
Men	201	175.73 (38%)	174	36%	157	35%

CORPORATE SERVICES

EXECUTIVE OFFICERS

Some executive officers at Forensicare are employed as GSERP Executives, Group 3, Cluster 2. The breakdown of staff is shown in Table 3.

PEOPLE MATTER SURVEY

Forensicare participated in the 2016 People Matter Survey, with a response rate of 28 per cent. In the reportable area of Patient Safety, Forensicare recorded a performance rating of 69 per cent, tracking 5 per cent below the group average.

TABLE 3: FORENSICARE'S EXECUTIVE STAFF, 2015 TO 2017

	30 JUNE 2017	30 JUNE 2016	30 JUNE 2015
Number of executives	5	5	4
Vacancies	0	0	0
Ongoing/special projects	5 ongoing	5 ongoing	4 ongoing
Gender	5 males	5 males	4 males



CORPORATE SERVICES

OCCUPATIONAL VIOLENCE

During the reporting period, significant project work was undertaken in the important area of occupational violence and aggression. We produced a professional video using Forensicare staff playing out scenarios relevant to our setting, emphasising the importance of reporting occupational violence and aggression. After a successful launch, we now use the video in staff orientation and it is available across the organisation on the intranet. This video has been very well received by staff.

Key occupational violence statistics are shown in Table 4.

WORKPLACE BULLYING

In the 2016 People Matter Survey, the percentage of staff who reported having experienced bullying at work was 28 per cent, which is higher than the industry experience. We continue to work on providing support to staff and we have reviewed our workplace conduct policy.

All existing Forensicare staff have been asked to attend training sessions to support the newly launched *Respectful Workplace Conduct Policy*. These sessions are designed to brief staff members on the policy content and skill them to identify and report behaviours that would constitute a breach of the policy.

A major focus of this policy is to eliminate workplace bullying. All new employees are invited to attend a full-day organisation-wide orientation program where participants are provided with detailed information on the policy and the procedures in place across the organisation as they relate to workplace bullying and harassment.

All new managers are required to take part in the Manager Induction Program. This five-day program has recently been reviewed and now includes more practical sessions on identifying and dealing with inappropriate workplace conduct including workplace bullying.

Our WorkCover performance over the past five years is shown in Table 5.

TABLE 4: OCCUPATIONAL VIOLENCE EXPERIENCED AT FORENSICARE, 2014-2015 TO 2016-2017

OCCUPATIONAL VIOLENCE STATISTICS	2016-2017	2015-2016	2014-2015
WorkCover-accepted claims with an occupational violence cause per 100 EFT	0.87	2.1	1.77
Number of accepted WorkCover claims with lost time with an occupational violence cause per 1,000,000 hours worked	4.83	11.28	10.10
Number of occupational violence incidents reported	143	141	77
Number of occupational violence incidents reported per 100 EFT	31	32.88	17.07
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	3%	26.24%	10.38%

Definitions

For the purpose of the above statistics the following definitions apply:

- occupational violence – any incident where an employee is abused, threatened, assaulted or injured in circumstances out of, or in the course of, their employment
- incident – OHS incidents reported in the Forensicare RiskMan reporting system.

COUNSELLING SERVICES

Forensicare provides access to a free employee assistance program for staff and their immediate family members. This confidential service provides short-term professional counselling undertaken by an independent provider. During the reporting period eight staff members accessed this service.

OCCUPATIONAL HEALTH AND SAFETY

Forensicare is committed to providing a safe and healthy workplace for employees, contractors and our patients and visitors. In the past 12 months we have ensured all members of our OHS committee are all trained and available to attend our bi-monthly OHS committee meetings.

We have provided one-day refresher training for our managers and provided initial training to our new managers in OHS, ensuring all managers have an increased awareness and understanding of their accountabilities to meet the requirements under the *Victorian Occupational Health and Safety Act 2004*.

The Forensicare board and executive participated in a strategic session looking at our OHS and WorkCover performance and reviewed our KPIs in this area.

TABLE 5: WORKCOVER PERFORMANCE – FIVE-YEAR CLAIMS TRACKING, 2012–2013 TO 2016–2017

Insurance year	Wages	Premium (inc. GST)	Premium rate	Av Industry rate	Days paid	Time lost claim	Total standard claims
2012–2013	\$34,779,555	\$571,771	1.50%	1.17%	1250	7	7
2013–2014	\$35,763,384	\$489,489	1.24%	1.26%	639	1	1
2014–2015	\$39,993,293	\$582,222	1.33%	1.36%	770	6	8
2015–2016	\$40,976,317	\$670,852	1.49%	1.38%	604	14	14
2016–2017	\$45,537,898	\$784,894	1.56%	1.24%	476	6	16

CORPORATE SERVICES

SUSTAINABILITY – OUR ENVIRONMENT

Forensicare continues to monitor and report on our environmental performance. We continued to reduce our total greenhouse gas emissions in 2016–2017, and we will continue to monitor this closely. Our *Environmental Strategy – Our Contribution to a Healthier Environment – 2015–2017* continues through to its expiry at the end of 2017.

Environmental achievements in 2016–2017

In 2016–2017 our *Environmental Strategy* achievements include:

- as our vehicle fleet has expanded, only purchasing smaller four-cylinder vehicles that are more fuel-efficient
- continuing to recycle redundant ICT hardware
- continuing water-saving initiatives
- transitioning from bottled water coolers to plumbed-in water filter systems
- expanding the electronic patient record system to reduce paper usage across the organisation
- introducing biodegradable paper medicine cups and drinking cups
- reducing waste bins and increasing recycling bins
- better signage on recycling bins
- introducing composting bins
- using 'keep' cups for patients and staff.

RECYCLING



Plastic bottles recycled (240 litre bins)

329 2014–2015
419 2015–2016
349 2016–2017



Cardboard and paper recycling (4 cubic metres)

52 2014–2015
53 2015–2016
53 2016–2017



Paper recycling (Kg)

2597 2014–2015
2345 2015–2016
2223 2016–2017



General waste (tonnes)

230 2014–2015
221 2015–2016
219 2016–2017

WATER CONSUMPTION



Water consumption (L)

13,990 2014–2015
13,680 2015–2016
16,028 2016–2017

Water reduction goal (L)

10,550 2014–2015
10,666 2015–2016
14,426 2016–2017

VEHICLE USE



Kilometres travelled

251,566 2014–2015
281,711 2015–2016
323,488 2016–2017

Total tonnes of fleet CO₂-e

57 2014–2015
65 2015–2016
95 2016–2017

TOTAL GREENHOUSE GAS EMISSIONS



Total tonnes of CO₂-e

3461 2014–2015
2928 2015–2016
3178 2016–2017

DISCLOSURES

BUILDING ACT

Forensicare complies with the building and maintenance provisions of the *Building Act 1993*.

During the financial year, building permits have been obtained for building projects at Thomas Embling Hospital. We also engaged registered building practitioners for building projects at Thomas Embling Hospital.

FREEDOM OF INFORMATION ACT

Forensicare complies with the *Freedom of Information Act 1982*. No fees were charged for accessing information in 2016–2017. During the reporting period the following numbers of requests were processed:

- 88 freedom of information applications received
- 87 applications completed
- one application carried over to be completed in 2017–2018
- 50 applications released in full
- one application received for which no documents were found
- four applications denied
- six applications transferred (two full release, two no release, two partial release)
- 31 applications had some exemptions applied.

Of the 31 applications that were not released in full, the following exemptions were applied to documents:

- 21 were exempt under s. 33(1)
- 16 were exempt under s. 33(4)
- 15 were exempt under s. 35(1).

PROTECTED DISCLOSURE ACT

Forensicare complies with its obligations under the *Protected Disclosure Act 2012*. Forensicare's policy and procedure is available to all staff on the Forensicare intranet site and to the public at www.forensicare.vic.gov.au.

CARERS RECOGNITION ACT

Forensicare acknowledges that families and carers are important contributors to the care and wellbeing of our consumers and their ongoing recovery. Every effort is made to support the role of families and carers and to encourage and promote their involvement in all elements of our service delivery.

In compliance with the *Carers Recognition Act 2012*, the initiatives undertaken in 2016–2017 to develop staff, carer and consumer awareness and understanding of the care relationships principles can be found in Forensicare's *Quality Account 2016–2017*, available at www.forensicare.vic.gov.au.

NATIONAL COMPETITION POLICY

Forensicare continues to comply with the *National Competition Policy* and the *Competitive Neutrality Policy Victoria* on competitive neutrality.

LOCAL JOBS FIRST – VICTORIAN INDUSTRY PARTICIPATION POLICY

Forensicare complies with the *Victorian Industry Participation Policy Act 2003*, which requires local industry participation in supplier use, taking into account the value for money principle and transparent tendering processes.

There were no contracts awarded or competed under this policy in 2016–2017.

DISCLOSURES

ADDITIONAL INFORMATION

In compliance with the requirements of Financial Reporting Direction (FRD) 22H, the following information is retained by the accountable officer and made available on request to the relevant ministers, Members of Parliament and the public, subject to the provisions of the *Freedom of Information Act 1982*:

- a) a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- b) details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- c) details of publications produced by the entity about the entity, and how these can be obtained
- d) details of changes in prices, fees, charges, rates and levies charged by the entity
- e) details of any major external reviews carried out on the entity
- f) details of major research and development activities undertaken by the entity
- g) details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- h) details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services
- i) details of assessments and measures undertaken to improve the occupational health and safety of employees
- j) general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes
- k) list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved
- l) details of all consultancies and contractors including:
 - i. consultants/contractors engaged
 - ii. services provided
 - iii. expenditure committed to for each engagement.

CONSULTANCIES USED IN 2016-2017

In 2016-2017, there were 12 consultancies where the total fees payable to the consultants were \$10,000 or greater, with the details shown below.

Consultant	Purpose Of Consultancy	Total Approved Project Fee (\$ Ex Gst)	Expenditure 2016-2017 (\$ Ex Gst)	Future Expenditure (\$ Ex Gst)
AUT University Enterprises Ltd	Consultancy services – use of restrictive interventions	10,000	10,000	0
Corporate Fitout Solutions	Architectural services for Community Program expansion	11,780	11,780	0
Data Agility	ICT services for Problem Behaviour Program module in EMR	49,238	49,238	0
Dog and Bone Consulting	ICT specialist advice –‘Infrastructure as a Service’ tender	29,520	29,520	0
Health Nexus Group	Consulting for ‘Model of Care’	91,200	91,200	0
Managed Property Services Pty Ltd	Tender: Management of Rostering System	13,390	13,390	0
Mullins Health Consulting	Review of Forensicare’s clinical governance system	26,450	26,450	0
Paxton Partners Pty Ltd	Consulting for market review for the Ravenhall Prison contract	47,987	47,987	0
Piper Alderman Management Pty Ltd	Legal advice on tender documents for the ‘Infrastructure as a Service’ tender	14,838	14,838	0
PSI Asia Pacific Pty Ltd	Probity advice on large procurement projects	27,813	27,813	0
The Geo Group Australia Pty Ltd	Specialist advice on a pharmacy tender	18,400	18,400	0
DW BOWE and Associates Pty Ltd	Independent investigation of grievances lodged	11,986	11,986	0
Total		352,602	352,602	0

Throughout the financial year, Forensicare engaged nine consultancies where the total fees payable to the consultants were less than \$10,000, with a total expenditure of \$32,025 (excl. GST).

DETAILS OF INFORMATION AND COMMUNICATION TECHNOLOGY EXPENDITURE

The total ICT expenditure incurred during 2016-2017 is \$1,340,995 (excluding GST), with the details shown below.

(\$ million)

Business as usual (BAU) ICT expenditure (Total) (excluding GST)	Non-business as usual (non-BAU) ICT expenditure (Total = operational expenditure and capital expenditure) (excluding GST)	Operational expenditure (OPEX) (excluding GST)	Capital expenditure (CAPEX) (excluding GST)
1.2m	0.14	0.03m	0.11m

STATEMENT OF PRIORITIES 2016–2017

The *Statement of Priorities* is the key accountability agreement between Forensicare and the Victorian Minister for Mental Health and is in accordance with s. 344 of the *Mental Health Act 2014*.

PART A: STRATEGIC PRIORITIES

DOMAIN: QUALITY AND SAFETY

ACTION

PROGRESS IMPLEMENTATION OF A WHOLE-OF-HOSPITAL MODEL FOR RESPONDING TO FAMILY VIOLENCE.

DELIVERABLES

Develop and implement a whole-of-hospital model for responding to family violence experienced by consumers and carers.

Implement policies to support staff who are experiencing family violence directly or indirectly.

OUTCOMES

Ongoing.

Social workers are developing a model and policy framework for responding to family violence and are receiving domestic violence response training through RMIT.

Achieved.

The payroll award interpreter has been reviewed to ensure that the new paid leave entitlements for staff impacted by family violence has been updated.

ACTION

DEVELOP A STATEWIDE LEADERSHIP CULTURE THAT FOSTERS MULTIDISCIPLINARY AND MULTI-ORGANISATIONAL COLLABORATION TO PROMOTE LEARNING AND THE PROVISION OF SAFE, QUALITY CARE ACROSS VICTORIA.

DELIVERABLES

Coordinate and the support the statewide expansion of the response to forensic mental health in Area Mental Health Services.

Chair the Forensicare–MHCSS Steering Group and oversee the delivery of training to MHCSS staff via forensic clinical specialists.

OUTCOMES

Achieved.

Senior staff from the Community Forensic Mental Health Service:

- contributed to recruitment processes in multiple services
- had input into DHHS guidelines for the expansion
- delivered a three-week intensive core skills orientation program in February to new forensic clinical specialists
- appointed an assistant coordinator
- instigated a statewide site visits meeting with clinicians and managers
- convened and led monthly meetings of the network including supervision and professional development.

Achieved.

507 individual MHCSS staff received training in risk and recovery.

ACTION

USE PATIENT FEEDBACK TO DRIVE IMPROVED HEALTH OUTCOMES AND EXPERIENCES THROUGH A STRONG FOCUS ON PERSON- AND FAMILY-CENTRED CARE IN THE PLANNING, DELIVERY AND EVALUATION OF SERVICES, AND THE DEVELOPMENT OF NEW MODELS FOR PUTTING PATIENTS FIRST.

DELIVERABLES

Use the results of the 2015–2016 DHHS 'Your Experience of Service' and internal consumer satisfaction surveys to inform and develop actions for improved consumer experience at Thomas Embling Hospital and the Community Forensic Mental Health Service.

OUTCOMES

Achieved.

The results of the YES survey have resulted in the following actions:

- *Use of Interpreters* policy reinforced with staff.
- open disclosure processes raised in unit meetings
- input from consumers obtained on the Community 'Best Service' document, which includes a section outlining what consumers can expect if receiving a high standard of service
- development of a client survey as part of the Problem Behaviour Program expansion
- drafting of a health information and privacy sheet for clients
- procedure and duty of care to Community Advisory Group members discussed in the event that it becomes apparent that a group member may be unwell.

ACTION

DEVELOP A WHOLE-OF-HOSPITAL APPROACH TO REDUCE THE USE OF RESTRICTIVE PRACTICES FOR PATIENTS, INCLUDING SECLUSION AND RESTRAINT.

DELIVERABLES

Train all staff in trauma-informed care.

Work to reduce the length of time consumers spend in seclusion.

OUTCOMES

Ongoing.

163 staff have completed module 1, 86 staff have completed module 2, and 84 staff have completed both modules.

Ongoing.

The implementation of Safewards was finalised on the Canning Unit during this year with positive results.

The seclusion policy has been reviewed, and practice has been improved in this area.

STATEMENT OF PRIORITIES 2016–2017

DOMAIN: ACCESS AND TIMELINESS

ACTION

WORK WITH DHHS AND DOJR TO ESTABLISH, IMPLEMENT AND MANAGE PROCESSES/SYSTEMS TO ADDRESS DEMAND FOR ACUTE FORENSIC MENTAL HEALTH SERVICES.

DELIVERABLES

Work with DHHS and DOJR to implement high-priority initiatives from the Acute Bed Access Review.

Establish, implement and manage a referral management process/system to improve patient flow, transfer times and efficiency to:

- reduce the length of stay of security patients discharged to prison
- support the transition of civil patients (who were formerly security patients) to an Area Mental Health Service or the community.

Provide input into DHHS capital projects as required.

OUTCOMES

Achieved.

Justice Health has funded more services at Melbourne Assessment Prison. Policy implemented to discharge three security patients per week back to prison.

Achieved.

Access flow coordinator position developed in conjunction with DHHS. Position became operational.

Achieved.

The business case for the expansion of forensic mental health beds has been finalised. CEO and executives have been extensively involved in this process as well as in planning for the construction of the extra 18 beds at Thomas Embling Hospital.

ACTION

IDENTIFY OPPORTUNITIES AND IMPLEMENT PATHWAYS TO AID PREVENTION AND INCREASE CARE OUTSIDE HOSPITAL WALLS BY OPTIMISING APPROPRIATE USE OF EXISTING PROGRAMS.

DELIVERABLES

Implement the expansion of the Problem Behaviour Program.

OUTCOMES

Achieved.

Project Control Group chaired by DHHS and with DOJR and Forensicare representation was established. Government accepted a detailed expansion service model proposal. Recruitment progressively occurred and discussions proceeded with DOJR programs in relation to delivering in-custody pre-release assessments. PMI redevelopment was undertaken to digitise risk assessment forms and automate reporting. An internal steering committee oversaw progress.

ACTION

THAT HEALTH SERVICES FOCUS ON PRIMARY PREVENTION, INCLUDING SUICIDE PREVENTION ACTIVITIES, TO TACKLE THE MULTIPLE RISK FACTORS OF POOR HEALTH.

DELIVERABLES

Ensure all staff attend training in suicide assessment and prevention training.

OUTCOMES

Ongoing.

Training program in suicide assessment and prevention was run for nurses at Thomas Embling. Suicide and self-harm training program for clinicians in the prison units also run.

DOMAIN: SUPPORTING HEALTHY POPULATIONS

ACTION

DEVELOP AND IMPLEMENT STRATEGIES THAT ENCOURAGE CULTURAL DIVERSITY SUCH AS PARTNERING WITH CULTURALLY DIVERSE COMMUNITIES, REFLECTING THE DIVERSITY OF OUR COMMUNITY IN THE ORGANISATIONAL GOVERNANCE, AND HAVING CULTURALLY SENSITIVE, SAFE AND INCLUSIVE PRACTICES.

DELIVERABLES

Complete and implement the Forensicare/Victorian Transcultural Mental Health Sustainability Framework.

Audit of cultural assessments completed and cultural safety plans implemented.

OUTCOMES

Achieved.
Sustainability framework completed. Framework and recommendations for implementation presented at clinical governance meeting.

Achieved.
Draft *Cultural Safety Plan* was completed and forwarded to the Victorian Transcultural Mental Health and Clinical Implementation Committee.

ACTION

IMPROVE THE HEALTH OUTCOMES OF ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLE BY ESTABLISHING CULTURALLY SAFE PRACTICES THAT RECOGNISE AND RESPECT THEIR CULTURAL IDENTITIES AND SAFELY MEETS THEIR NEEDS, EXPECTATIONS AND RIGHTS.

DELIVERABLES

Develop a social and emotional wellbeing assessment tool.

Embed the Aboriginal clinical consultant position to be accessible to all healthcare providers in Victorian public prisons.

OUTCOMES

Achieved.
Project worker was appointed and networks established. Assessment tool established. Written guidelines for use of tool completed.

Ongoing.
The Aboriginal clinical consultant role was discontinued in December 2016. We engaged with Justice Health to review the challenges in this area and design a new role.

ACTION

DRIVE IMPROVEMENTS TO VICTORIA'S MENTAL HEALTH SYSTEM THROUGH FOCUS AND ENGAGEMENT IN ACTIVITY DELIVERING ON THE *10 YEAR PLAN FOR MENTAL HEALTH* AND ACTIVE INPUT INTO CONSULTATIONS ON THE *DESIGN, SERVICE AND INFRASTRUCTURE PLAN FOR VICTORIA'S CLINICAL MENTAL HEALTH SYSTEM*.

DELIVERABLES

Actively contribute to the forensic mental health implementation plan component of the 10-year plan for mental health.

Provide executive-level participation in interviews and steering committee in relation to the *Design, Service and Infrastructure Plan for the Clinical Mental Health System*.

OUTCOMES

Achieved.
We provided extensive advice and information to help with the processes that led to results in the 2017 State Budget.

Achieved.
The executive director of Community Operations and Strategic Development attended all stakeholder advisory committee meetings and participated in direct consultation with KPMG.

STATEMENT OF PRIORITIES 2016–2017

ACTION

USING THE GOVERNMENT'S *RAINBOW eQUALITY GUIDE*, IDENTIFY AND ADOPT 'ACTIONS FOR INCLUSIVE PRACTICES' AND BE MORE RESPONSIVE TO THE HEALTH AND WELLBEING OF LESBIAN, GAY, BISEXUAL, TRANSGENDER AND INTERSEX (LGBTI) INDIVIDUALS AND COMMUNITIES.

DELIVERABLES

Recruit a LGBTIQ Consumer Advisory Group representative.

Identify strategies to make Thomas Embling Hospital 'rainbow friendly'.

OUTCOMES

Achieved.

A Diversity Consumer Advisory Group Representative was appointed.

Achieved.

Liaison with Gay and Lesbian Health Victoria, Queerspace and Vic Aids Council completed. Staff survey to assess training needs developed.

ACTION

DEMONSTRATE IMPLEMENTATION OF THE *VICTORIAN CLINICAL GOVERNANCE POLICY FRAMEWORK* FOR PROVIDING SAFE, QUALITY HEALTHCARE AT EACH LEVEL OF THE ORGANISATION, WITH CLEARLY DOCUMENTED AND UNDERSTOOD ROLES AND RESPONSIBILITIES. ENSURE EFFECTIVE INTEGRATED SYSTEMS, PROCESSES AND LEADERSHIP ARE IN PLACE TO HELP PROVIDE SAFE, QUALITY, ACCOUNTABLE AND PERSON-CENTRED HEALTHCARE. IT IS AN EXPECTATION THAT HEALTH SERVICES IMPLEMENT TO BEST MEET THEIR EMPLOYEES' AND COMMUNITY'S NEEDS, AND THAT CLINICAL GOVERNANCE ARRANGEMENTS UNDERGO FREQUENT AND FORMAL REVIEW, EVALUATION AND AMENDMENT TO DRIVE CONTINUOUS IMPROVEMENT.

DELIVERABLES

Conduct a formal review of Forensicare's clinical governance systems.

OUTCOMES

Achieved.

Internal review undertaken. External consultant engaged and report received.

DOMAIN: GOVERNANCE AND LEADERSHIP

ACTION

ENSURE ANTI-BULLYING AND HARASSMENT POLICIES EXIST AND IDENTIFY APPROPRIATE BEHAVIOUR AND INTERNAL AND EXTERNAL SUPPORT MECHANISMS FOR STAFF AND A CLEAR PROCESS FOR REPORTING, INVESTIGATION, FEEDBACK, CONSEQUENCE AND APPEAL. THE POLICY SPECIFIES A REGULAR REVIEW SCHEDULE.

DELIVERABLES

Develop and implement a good-conduct policy explicitly related to the organisation's values.

Develop a relevant online training tool for staff.

OUTCOMES

Ongoing.

Respectful workplace conduct awareness training is continuing to be delivered across all areas of the organisation, and the revised policy is now featured in orientation for all new starters and new managers.

Achieved.

An online training module is now being trialled for use in orientation on Forensicare's *Appropriate and Respectful Workplace Conduct Policy*.

ACTION

BOARD AND SENIOR MANAGEMENT ENSURE THAT AN ORGANISATION-WIDE OCCUPATIONAL HEALTH AND SAFETY (OHS) RISK MANAGEMENT APPROACH IS IN PLACE THAT INCLUDES:

- A FOCUS ON PREVENTION AND THE STRATEGIES USED TO MANAGE RISKS, INCLUDING THE REGULAR REVIEW OF THESE CONTROLS
- STRATEGIES TO IMPROVE REPORTING OF OHS INCIDENTS, RISKS AND CONTROLS, WITH A PARTICULAR FOCUS ON PREVENTING OCCUPATIONAL VIOLENCE AND BULLYING AND HARASSMENT, THROUGHOUT ALL LEVELS OF THE ORGANISATION, INCLUDING TO THE BOARD
- MECHANISMS FOR CONSULTING WITH, DEBRIEFING AND COMMUNICATING WITH ALL STAFF REGARDING RESULTS OF INVESTIGATIONS AND CONTROLS FOLLOWING OCCUPATIONAL VIOLENCE AND BULLYING AND HARASSMENT INCIDENTS.

DELIVERABLES

Produce a video for staff to support reporting of occupational violence.

Implement a new policy framework on occupational violence and aggression (OVA).

OUTCOMES

Achieved.

Activity completed with a successful launch undertaken.

Achieved.

Resource kits have been provided to units and OHS reps to ensure OVA incidents are being reported, detailing how to support staff when dealing with OVA.

STATEMENT OF PRIORITIES 2016–2017

ACTION

IMPLEMENT AND MONITOR WORKFORCE PLANS THAT:

- IMPROVE INDUSTRIAL RELATIONS
- PROMOTE A LEARNING CULTURE
- ALIGN WITH THE BEST PRACTICE *CLINICAL LEARNING ENVIRONMENT FRAMEWORK*
- PROMOTE EFFECTIVE SUCCESSION PLANNING
- INCREASE EMPLOYMENT OPPORTUNITIES FOR ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLE
- ENSURE THE WORKFORCE IS APPROPRIATELY QUALIFIED AND SKILLED
- SUPPORT THE DELIVERY OF HIGH-QUALITY AND SAFE PERSON-CENTRED CARE.

DELIVERABLES

Expand content of internal training platform (FITS).

Finalise and implement new organisation-wide Forensicare enterprise bargaining agreement (EBA).

OUTCOMES

Achieved.

An in-house authoring tool that supports the development of online training by our staff with support from our training and development coordinator. Current and new training content is converted into online modules and delivered in a more productive way.

Ongoing.

Forensicare EBA has been with the Fair Work Commission for certification for an extended period. The FWC is seeking clarification about the application of wage increases to several classification levels, and we are providing ongoing help to resolve these queries.

ACTION

CREATE A WORKFORCE CULTURE THAT:

- INCLUDES STAFF IN DECISION MAKING
- PROMOTES AND SUPPORTS OPEN COMMUNICATION, RAISING CONCERNS AND RESPECTFUL BEHAVIOUR ACROSS ALL LEVELS OF THE ORGANISATION
- INCLUDES CONSUMERS AND THE COMMUNITY.

DELIVERABLES

Continue consultation through the Workplace Consultative Committee.

Actively promote a positive organisational culture.

Revise the format of CEO Forums to be more broadly inclusive for staff.

OUTCOMES

Achieved.

All industrial parties and Forensicare management representatives meet monthly at our Workplace Consultative Committee.

Ongoing.

The People Matter Survey was conducted during May 2017. Thirty-four per cent of Forensicare staff responded to the survey, with results received in July now being reviewed.

Achieved.

A new model for 2017 has been implemented and includes a focus on clinical matters raised by direct patient-facing staff.

ACTION

ENSURE THAT THE VICTORIAN CHILD SAFE STANDARDS ARE EMBEDDED IN EVERYDAY THINKING AND PRACTICE TO BETTER PROTECT CHILDREN FROM ABUSE, WHICH INCLUDES THE IMPLEMENTATION OF:

- STRATEGIES TO EMBED AN ORGANISATIONAL CULTURE OF CHILD SAFETY
- A CHILD SAFE POLICY OR STATEMENT OF COMMITMENT TO CHILD SAFETY
- A CODE OF CONDUCT THAT ESTABLISHES CLEAR EXPECTATIONS FOR APPROPRIATE BEHAVIOUR WITH CHILDREN
- SCREENING, SUPERVISION, TRAINING AND OTHER HUMAN RESOURCES PRACTICES THAT REDUCE THE RISK OF CHILD ABUSE
- PROCESSES FOR RESPONDING TO AND REPORTING SUSPECTED ABUSE TO CHILDREN
- STRATEGIES TO IDENTIFY AND REDUCE OR REMOVE THE RISK OF ABUSE
- STRATEGIES TO PROMOTE THE PARTICIPATION AND EMPOWERMENT OF CHILDREN

DELIVERABLES

Review and update policies relating to:
Reporting of Child Abuse and Visitors for Patients – Children – Thomas Embling Hospital.

OUTCOMES

Achieved.
The reviewed policies are in place.

ACTION

IMPLEMENT POLICIES AND PROCEDURES TO ENSURE PATIENT-FACING STAFF HAVE ACCESS TO VACCINATION PROGRAMS AND ARE APPROPRIATELY VACCINATED AND/OR IMMUNISED TO PROTECT STAFF AND PREVENT THE TRANSMISSION OF INFECTION TO SUSCEPTIBLE PATIENTS OR PEOPLE IN THEIR CARE.

DELIVERABLES

Implement a strategy to vaccinate staff and patients against potential infections.

OUTCOMES

Achieved.
Monitoring of uptake ongoing.

STATEMENT OF PRIORITIES 2016–2017

DOMAIN: FINANCIAL SUSTAINABILITY

ACTION

MANAGEMENT STRATEGIES TO IMPROVE CASH SUSTAINABILITY AND MEET FINANCIAL OBLIGATIONS AS THEY ARE DUE.

DELIVERABLES

Finalise *Cash Management Policy* to ensure liquidity practices surrounding debtor and creditor management sustain cash reserves.

Monitor capital expenditure in line with capital budgets and reporting against any deviations.

OUTCOMES

Ongoing.

Achieved.

ACTION

ACTIVELY CONTRIBUTE TO THE DEVELOPMENT OF THE VICTORIAN GOVERNMENT'S POLICY TO BE NET ZERO CARBON BY 2050. IMPROVE ENVIRONMENTAL SUSTAINABILITY BY IDENTIFYING AND IMPLEMENTING PROJECTS, INCLUDING WORKFORCE EDUCATION, TO REDUCE MATERIAL ENVIRONMENTAL IMPACTS, WITH PARTICULAR CONSIDERATION OF PROCUREMENT AND WASTE MANAGEMENT. PUBLICLY REPORT ENVIRONMENTAL PERFORMANCE DATA, INCLUDING MEASUREABLE TARGETS RELATED TO REDUCTION OF CLINICAL, SHARPS AND LANDFILL WASTE, WATER AND ENERGY USE AND IMPROVED RECYCLING.

DELIVERABLES

Reduction of:

- Co2 emissions by 2 per cent per annum
- general waste, clinical waste and sharps by 2 per cent per annum
- water consumption by 1 per cent per annum.

Increase the use of recycling of paper, cardboard, co-mingled glass and plastic bottles and other recyclables by 2 per cent per annum.

OUTCOMES

Ongoing.

- It will be no longer possible to meet the current 2 per cent per annum reduction in Co2 emissions as new construction works (SPICU) are using more electrical power. When commissioned they will operate 24 hours a day, consuming even more power. A new target will have to be set once SPICU and infills beds are open.
- General waste was reduced by a program of identifying waste inputs and removing the unwanted items.
- Green team continued to provide education to patients about water usage.

Achieved.

All possible avenues for a further reduction in waste in various waste streams have been explored.

ACTION

UNDERSTAND AND ADDRESS STRUCTURAL AND OPERATIONAL SUSTAINABILITY ISSUES.

DELIVERABLES

Actively participate in the Forensicare Sustainability Review, an independent review focusing on analysing operational effectiveness and sustainability and providing services to Victorians within available resources.

Work with DHHS to implement the recommendations of the Forensicare Sustainability Review.

OUTCOMES

Achieved.

Report finalised.

Ongoing.

PART B: PERFORMANCE PRIORITIES

KEY PERFORMANCE INDICATOR	TARGET	RESULT
Quality and safety		
Accreditation		
Healthcare accreditation (NSQHS)	Accredited	Accredited
Healthcare accreditation (NSMHS)	Accredited	Accredited
Infection prevention and control		
Cleaning standards	Full compliance	Full compliance
Hand hygiene	80%	43%
Healthcare worker immunisation	75%	67%
Consumer		
Patient experience (TEH)	90%	87%
Patient experience (CFMHS)	90%	100%
Mental health		
Seclusion	≤ 15/1,000	21.16
Governance and leadership		
Organisational culture		
Safety culture	80%	69%
Access and timeliness		
Thomas Embling Hospital		
Admissions – male acute units (security patients)	> 80	59
Percentage of security patients discharged to prison within 80 days	75%	75%
Percentage of security patients discharged within 21 days of becoming a civil patient	75%	70%
Prison Mental Health Services		
Percentage of male security patients admitted to TEH within 14 days of certification	100%	12%
Financial sustainability		
Finance		
Operating result	– 0.95%	– 0.347%
Creditors	60 days	55.56 days
Adjusted current asset ratio (ACAR)	0.70	0.8
Number of days with available cash	14 days	27.68 days
Asset management		
Basic asset management plan	Full compliance	Full compliance

PART C: ACTIVITY AND FUNDING

Program activity	TARGET	ACTIVITY 2016–2017
Acute mental health funded beds	40	40
Non-acute mental health funded beds	76	76
Ambulatory service hours	10,097	10,691

SUMMARISING OUR FINANCIAL PERFORMANCE IN 2016-2017

At the end of the reporting period, Forensicare recorded an Operating Loss of \$0.242 million. This result excludes depreciation, capital grants, revaluations of Long Service Leave provisions due to probability or bond rate movements.

The reported operating deficit of \$0.242m was favourable against a Statement of Priorities projected budget deficit of \$0.635m. The key favourable factors were:

- The timing of the Ravenhall Correctional Centre Project revenue relative to project readiness expenditure
- Significant efficiency savings in nurse agency expenditure and a reduction in nursing overtime

REVENUE

The total operating revenue for 2016-2017 was \$68.2m up from \$61.7m in 2015-2016 (a 10.5% increase).

Government grants were \$67.05m up from \$60.9m in 2015-2016 (10%). The increases were due in part to indexation and the following funding initiatives:

- DHHS funded an Access Flow Co-coordinator to assist with patient access for Thomas Embling Hospital
- DOJR funded additional positions to enhance the care of unwell prisoners at Melbourne Assessment Prison, and to increase the psychiatric services at country prisons.
- DHHS provided funding to expand the Problem Behaviour Program conducted by the Community Forensic Mental Health Service
- The Ravenhall readiness funding increased from 2015-2016 to cover the increase in clinical staff in readiness for the commencement of the Ravenhall Correctional Centre due to go operational in November 2017

EXPENDITURE

Salary and Wages

There was an increase in Employee Benefits in 2017-2018 to \$56.7m up from \$49.9m in 2015-2016 (13.6%). This increase was due in part to EBA accruals (\$2.1m) and an increase in staff numbers associated with Ravenhall project and new funding initiatives from DHHS and DOJR.

During the 2016-2017 financial year Ernst Young undertook a Sustainability review in collaboration with Forensicare, DHHS and DOJR. Forensicare's sustainability program focused on expenditure efficiencies, and reduced contract staff expenditure by \$0.45m and overtime by \$0.9m when compared to 2015-2016.

Non Salary Expenditure

Non salary expenditure was reasonably stable in 2016-2017 with patient consumables increasing by only \$0.016m (1.7%) and property expenditure increasing by \$0.17m (2.6%) which were at or below CPI.

Other Expenses increased by \$0.48m (17%).

- Microsoft licensing increased by \$0.18m due to an increase in registered users
- Forensicare allowed for \$0.15m to support the Catalyst Consortium, a partnership agreement with Swinburne University focused on research into reducing persistent violence and sexual offending.
- Recruitment expenditure increased \$0.14m partially due to the recruitment of staff for the Ravenhall project.

OTHER COMMENTS TO THE FINANCIAL STATEMENTS

- The cash and cash equivalents balance was \$5.1m up from \$3.3m. This was mainly due to the non-payment of the Forensicare EBA increments which are still awaiting ratification from the Fair Work Commissioner
- Current liability provisions have increased by \$4.9m (51% increase) because of an increase in LSL liabilities due to additional staff and to a change in the Department of Treasury & Finance issued LSL provision model which has been used to reassessed LSL probabilities and bond rate movements
- There has been an increase in the net assets of Forensicare to \$89m up from \$80m in 2015-2016 (restated). This is due to an increase of \$7.9m in the assessed land value, within an increase in overall assets of \$13m, and a smaller increase in liabilities \$3.8m

SUMMARISING OUR FINANCIAL PERFORMANCE

HISTORICAL FINANCIAL ANALYSIS AND KEY FINANCIAL STATISTICS

	2017	2016	2015	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000
FINANCIAL PERFORMANCE					
Operating revenue	\$68,200	\$61,706	\$57,344	\$52,325	\$49,449
Operating expenditure	\$68,442	(\$61,455)	(\$57,585)	(\$51,944)	(\$49,046)
	(\$242)	\$251	(\$241)	\$381	\$403
Other gains/(losses) from other economic flows	(\$163)	(\$228)	(\$230)	(\$165)	–
Capital revenues	\$3,729	\$483	\$315	\$46	\$250
Depreciation and amortisation	\$1,907	(\$1,859)	(\$1,898)	(\$1,706)	(\$1,811)
Net result	\$1,417	(\$1,353)	(\$2,054)	(\$1,444)	(\$1,158)
FINANCIAL POSITION					
Current assets	\$8,469	\$6,054	\$5,413	\$4,192	\$3,827
Non-current assets	\$101,574	\$109,917	\$91,341	\$90,938	\$49,061
Total assets	\$110,043	\$115,971	\$96,754	\$95,130	\$52,888
Current liabilities	\$17,171	\$12,777	\$9,887	\$9,319	\$8,481
Non-current liabilities	\$3,517	\$4,077	\$5,437	\$2,327	\$2,120
Total liabilities	\$20,688	\$16,854	\$15,324	\$11,646	\$10,601
Net assets	\$89,355	\$99,117	\$81,430	\$83,484	\$42,287
Equity	\$89,355	\$99,117	\$81,430	\$83,484	\$42,287
CASH HELD					
Cash at the end of reporting period	\$5,097	\$3,258	\$1,964	\$3,045	\$2,121
KEY STATISTICS					
Current ratio – liquidity	0.49	0.47	0.55	0.45	0.45
Equity/assets – stability	0.81	0.85	0.84	0.88	0.80

ATTESTATIONS

DISCLOSURE INDEX

The index prepared to help identify Forensicare's compliance with statutory disclosure requirements is provided at pages 128 and 129.

ATTESTATION FOR COMPLIANCE WITH THE MINISTERIAL STANDING DIRECTION 3.7.1 – RISK MANAGEMENT FRAMEWORK AND PROCESSES

I, Tom Dalton, certify that the Victorian Institute of Forensic Mental Health has complied with *Ministerial Direction 3.7.1 – Risk Management Framework and Processes*. The Victorian Institute of Forensic Mental Health Audit Committee has verified this.



Tom Dalton
Chief Executive Officer
Accountable Officer

Melbourne
28 August 2017

ATTESTATION ON COMPLIANCE WITH HEALTH PURCHASING VICTORIA (HPV) HEALTH PURCHASING POLICIES

I, Tom Dalton, certify that the Victorian Institute of Forensic Mental Health has put in place internal controls and processes to ensure it has complied with all requirements set out in the HPV Health Purchasing Policies including mandatory HPV collective agreements as required by the *Health Services Act 1988 (Vic)* and has critically reviewed these controls and processes during the year.



Tom Dalton
Chief Executive Officer
Accountable Officer

Melbourne
28 August 2017

FINANCIAL STATEMENTS

2016–2017

Victorian Institute of Forensic Mental Health Comprehensive Operating Statement For the Year Ended 30 June 2017

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Victorian Institute of Forensic Mental Health

Understanding Our Financials

What do financial statements show?

Our financial statements provide an insight into the Institute's financial health by showing:

- how the Institute performed financially during the year
- the value of assets held by the Institute
- the ability of the Institute to pay its debts.

What's in the financial statements?

The Financial Statements of the Institute consist of four financial reports, explanatory notes supporting the financial statements and the endorsement statement by the Institute and the Victorian Auditor-General.

The four financial reports are:

- Comprehensive Operating Statement
- Balance Sheet
- Statement of Changes in Equity
- Cash Flow Statement.

Comprehensive Operating Statement

The Comprehensive Operating Statement (previously known as the Operating statement and the Statement of Financial Performance and sometimes called the Profit and Loss Statement) show how well the Institute has financially performed during the financial year.

The Statement lists the main sources of revenue under Revenue (eg. Department of Health and Human Services) and expenses included in the Operating Statement only include day to day running costs. Costs associated with the purchase of assets (eg. Buildings, Plant and Equipment) are not included in the Comprehensive Operating Statement. Depreciation is included and is the value of any asset that is used up during the year.

The Statement is prepared on an accrual basis, which means that all revenue and costs for the year are recognised, even though the income may not yet be received or expenses not yet paid.

The Institute's financial performance is reflected in the net result before capital and specific items. A surplus or deficit is the difference between revenue and expenses for the Institute.

Balance Sheet

The Balance Sheet discloses the Institute's net accumulated financial worth at the end of the financial year. It shows the value of assets that we hold, as well as liabilities or claims against these assets.

The assets and liabilities are expressed as current or non-current. Current refers to assets or liabilities that will be expected to be paid or converted into cash within the next 12 months.

Significant assets consist of Property, Plant and Equipment which includes all infrastructure assets such as buildings and land as detailed in the notes of the Financial Statements.

Statement of Changes in Equity

This statement summarises the change in the Institute's net worth.

Our net worth can only change as a result of :

- a 'net result' as recorded in the Comprehensive Operating Statement
- an increase in the value of non-current assets resulting from a revaluation of those assets. This amount is transferred to an Asset Revaluation Reserve until the asset is sold or a realised profit occurs, as opposed to being book entry only. The value of all non-current assets must be reviewed each year to ensure that they reflect their fair value in the Balance Sheet.

Any movements in other reserves within this statement are adjusted through accumulated surplus.

FINANCIAL STATEMENTS

Victorian Institute of Forensic Mental Health**Understanding Our Financials (continued)****Cash Flow Statement**

Cash flows are classified according to whether or not they arise from operating activities, investing activities, or financing activities. This classification is consistent with requirements AASB 107 Statement of Cash Flows.

The Cash Flow Statement summarises our cash receipts and payments for the financial year and shows the net increase or decrease in cash held by the Institute.

Cash Flow Statement represents cash 'in hand', whereas the Comprehensive Operating Statement is prepared on an accrual basis (including money not yet paid or spent). This means that the values in both statements may differ. The Institute's cash arises from, and is used in, two main areas:

- the 'Cash Flows from Operating Activities' section summarises all income and expenses relating to the Institute's delivery of services.
- the 'Cash Flows from Investing Activities' refers to the Institute's capital expenditure or other long-term revenue producing assets, as well as money received from the sale of assets.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from or payable to the taxation authority are presented as an operating cash flow.

See the Cash Flow Statement of the Financial Statements.

Notes to the Financial Statements

The Notes to the Financial Statements provide further information in relation to the rules and assumptions used to prepare the Financial Statements, as well as additional information and details about specific items within the statements.

The Notes also advise if there have been any changes to accounting standards, policy or legislation that may change the way the statements are prepared. Within the four Financial Statements, there is a column that indicates to which note the reader can refer for additional information.

Information in the notes is particularly useful where there has been a significant change from the previous year's comparative figure.

Board Member's, Accountable Officer's and Chief Finance and Accounting Officer's Declaration

The certification is made by the persons responsible for the financial management of the Institute, that in their opinion, the Financial Statements have met all the statutory and professional reporting requirements and that, in their opinion, the Financial Statements are fair and not misleading.

Auditor General Victoria – Independent Audit Report

This provides a written undertaking of the fairness of the accounts. It provides an independent view of the statements and advises the reader if there are any issues of concern.

Victorian Institute of Forensic Mental Health

Board Member's, Accountable Officer's and Chief Finance and Accounting Officer's Declaration

The attached financial statements for the Victorian Institute of Forensic Mental Health have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance 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, Statement of Changes in Equity, Cash Flow Statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2017 and the financial position of the Victorian Institute of Forensic Mental Health at 30 June 2017.

At the time of signing, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 28th August 2017.



Mr William Healy
Chairperson
(on behalf of Board)



Tom Dalton
Chief Executive Officer
(Accountable Officer)



Ian Holland
Executive Director Finance and Business Services
(Chief Finance and Accounting Officer)

Dated this 28th August 2017.
Melbourne, Victoria

Independent Auditor's Report

To the Board of the Victorian Institute of Forensic Mental Health

Opinion	<p>I have audited the financial report of the Victorian Institute of Forensic Mental Health (the institute) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2017• 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 a summary of significant accounting policies• board member's, accountable officer's and chief finance and accounting officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the institute as at 30 June 2017 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. My responsibilities under the Act are further described 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 institute 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 Australia. 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>
Board's responsibilities for the financial report	<p>The Board of the institute 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 Board 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 Board is responsible for assessing the institute's ability to continue as a 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 our 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 institute's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board'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 institute'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 institute 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 Board 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
7 September 2017



Charlotte Jeffries

as delegate for the Auditor-General of Victoria

FINANCIAL STATEMENTS

Victorian Institute of Forensic Mental Health
Comprehensive Operating Statement
For the Year Ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
Revenue from operating activities	2.1	68,200	61,706
Employee benefits	3.1	(56,716)	(49,943)
Contracted staff costs	3.1	(823)	(1,275)
Medicines, drugs and diagnostics	3.1	(942)	(926)
Property maintenance and contracts	3.1	(6,713)	(6,543)
Other expenses	3.1	(3,248)	(2,768)
Net result before capital and specific items		(242)	251
Capital purpose income	2.1	3,729	483
Depreciation and amortisation	3.2	(1,907)	(1,859)
Net result after capital and specific items		1,580	(1,125)
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	4.5	8	24
Revaluation of long service leave	3.1	(171)	(252)
Total other economic flows included in net result		(163)	(228)
NET RESULT FOR THE YEAR		1,417	(1,353)
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	6.1(a)	7,861	-
Total other comprehensive income		7,861	-
Comprehensive result		9,278	(1,353)

This Statement should be read in conjunction with the accompanying notes.

Victorian Institute of Forensic Mental Health
Balance Sheet
As at 30 June 2017

	Note	2017 \$'000	2016 \$'000
Current assets			
Cash and cash equivalents	4.1	5,097	3,258
Receivables	4.2	1,658	2,711
Other assets	4.3	1,714	85
Total current assets		8,469	6,054
Non-current assets			
Receivables	4.2	5,330	4,547
Property, plant and equipment	4.4	96,244	86,330
Total non-current assets		101,574	90,877
TOTAL ASSETS		110,043	96,931
Current liabilities			
Payables	5.1	2,251	2,563
Provisions	5.2	14,514	9,605
Other current liabilities	5.3	406	627
Total current liabilities		17,171	12,795
Non-current liabilities			
Provisions	5.2	3,517	4,059
Total non-current liabilities		3,517	4,059
TOTAL LIABILITIES		20,688	16,854
NET ASSETS		89,355	80,077
EQUITY			
Asset revaluation reserve	6.1(a)	61,414	53,553
Contributed capital	6.1(b)	34,139	34,139
Accumulated surpluses/(deficits)	6.1(c)	(6,198)	(7,615)
TOTAL EQUITY		89,355	80,077
Contingent assets and contingent liabilities	8.3		
Commitments	8.1		

This Statement should be read in conjunction with the accompanying notes, particularly Note 8.11 (Supplementary Balance Sheet).

FINANCIAL STATEMENTS

Victorian Institute of Forensic Mental Health
Statement of Changes in Equity
For the Year Ended 30 June 2017

		Asset Revaluation Reserve	Contributed Capital	Accum Surpluses/ (Deficits)	Total
	Note	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2015		53,553	34,139	(6,262)	81,430
Net result for the year as restated		-	-	(1,353)	(1,353)
Other comprehensive income for the year	6.1(a)	-	-	-	-
Restated balance at 30 June 2016		53,553	34,139	(7,615)	80,077
Net result for the year		-	-	1,417	1,417
Other comprehensive income for the year	6.1(a)	7,861	-	-	7,861
Balance at 30 June 2017		61,414	34,139	(6,198)	89,355

This Statement should be read in conjunction with the accompanying notes, particularly Note 8.11 (Supplementary Balance Sheet).

Victorian Institute of Forensic Mental Health
Cash Flow Statement
For the Year Ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating grants from government		47,194	44,605
Capital grants from government		577	483
Justice Health		13,790	13,462
Ravenhall project funding		5,671	3,385
Other program funding		1,909	990
Interest received		122	104
Other receipts		1,132	1,436
Total receipts		70,395	64,465
Employee expenses paid		(51,540)	(47,792)
Payments for supplies		(16,314)	(14,537)
Total payments		(67,854)	(62,329)
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES	7.1	2,541	2,136
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for non-financial assets		(795)	(1,127)
Proceeds from sale of non-financial assets		134	177
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		(661)	(950)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of monies held in trust		(41)	-
Proceeds of monies held in trust		-	108
NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		(41)	108
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		1,839	1,294
Cash and cash equivalents at beginning of financial year		3,258	1,964
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	4.1	5,097	3,258

This Statement should be read in conjunction with the accompanying notes.

Victorian Institute of Forensic Mental Health

Basis of Preparation

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 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.

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the ATO. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Consistent with the requirements of *AASB 1004 Contributions* (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 hospital.

Judgements, estimates and assumptions are required to be made about 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 future periods that are affected by the revision. If Applicable, Judgements and assumptions made by management in applying the application of AASB that have significant effect on the financial statements and estimates are disclosed in the notes.

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Victorian Institute of Forensic Mental Health - Introduction

The Victorian Institute of Forensic Mental Health ('the Institute') came into being on 1 January 1998. The Institute commenced operations with effect from 1 July 1998 and has registered and operates under the trading name Forensicare. The enabling legislation is the *Mental Health Act 2014* ('the Act') which establishes the Institute. The Institute is a body corporate managed by a Board of up to nine members, appointed in accordance with s. 332 of the principal Act.

Note 1.1 Summary of Significant Accounting Policies

(a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB 101 Presentation of Financial Statements.

The financial statements also comply with relevant Financial Reporting Directions (FRDs) issued by the Department of Treasury and Finance, and relevant Standing Directions (SDs) authorised by the Minister for Finance.

The Institute is a not-for profit entity and therefore applies the additional AUS paragraphs applicable to "not-for-profit" entities under the AASB's.

The annual financial statements were authorised for issue by the Board on 28th August 2017.

(b) Reporting entity

The financial statements include the controlled activities of the Victorian Institute of Forensic Mental Health, trading as Forensicare.

Its principal address is:
Thomas Embling Hospital
Yarra Bend Road, Fairfield
Victoria, Australia 3078

Locked Bag 10 Fairfield
Victoria, Australia 3078

A description of the nature of the Institute's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

Objectives and funding

The Institute's overall objective is clinical excellence and translational research enabling our consumers to lead fulfilling and meaningful lives in a safer community.

(c) Basis of accounting preparation and measurement

Accounting policies are selected and applied in a manner which ensures 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.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2017, and the comparative information presented in these financial statements for the year ended 30 June 2016.

The going concern basis was used to prepare the financial statements.

These financial statements are presented in Australian dollars, the functional and presentation currency of the Institute.

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 1.1 Summary of Significant Accounting Policies (continued)

(c) Basis of accounting preparation and measurement (continued)

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definition and recognition criteria for those items, that is they are recognised in the reporting period to which they relate regardless of when cash is received or paid.

The financial statements are prepared in accordance with the historical cost convention, except for:

- non-current physical assets, which subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made and are re-assessed when new indices are published by the Valuer-General Victoria to ensure that the carrying amounts do not materially differ from their
- the fair value of assets other than land is generally based on their depreciated replacement value.

Historical cost is based on the fair values of the consideration given in exchange for assets.

In the application of AASs management is required to make judgments, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision, and future periods if the revision affects both current and future periods.

(d) Prior year comparative changes

Disclosure changes in the 30 June Financial Year have resulted in changes to the comparative prior year financial information. These changes are across the Balance Sheet in Property, Plant and Equipment and in Equity under Asset Revaluation Reserve. Refer to Notes 8.9 and 8.11.

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 2.1: Analysis of Revenue by Source

	Hospital / Inpatients	Community Services	Prison Services	Other	Total
	2017 \$'000	2017 \$'000	2017 \$'000	2017 \$'000	2017 \$'000
Government Grant	40,264	8,069	16,828	1,891	67,052
Indirect contributions by Department of Health and Human Services - Insurance	-	-	-	38	38
Professional Fees	-	-	302	52	354
Interest	-	-	-	122	122
Other Revenue from Operating Activities	63	329	25	217	634
Total Revenue from Operating Activities	40,327	8,398	17,155	2,320	68,200
Government Grant - General Purpose - (Department of Health and Human Services)	-	-	-	577	577
Government Grant - Buildings -Construction in Progress (Department of Health and Human Services)	-	-	-	3,152	3,152
Total Capital Purpose Income	-	-	-	3,729	3,729
Net Gain/(Loss) on Non-Financial Assets	-	-	-	8	8
Total Other Economic Flows	-	-	-	8	8
Total Revenue	40,327	8,398	17,155	6,057	71,937

Department of Health and Human Services makes certain payments on behalf of the Institute. These amounts have been brought to account in determining the operating result for the year by recording them as revenue and expenses.

FINANCIAL STATEMENTS

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 2.1: Analysis of Revenue by Source (continued)

	Hospital / Inpatients	Community Services	Prison Services	Other	Total
	2016 \$'000	2016 \$'000	2016 \$'000	2016 \$'000	2016 \$'000
Government Grant	40,365	5,336	14,446	790	60,937
Indirect contributions by Department of Health and Human Services - Insurance	-	-	-	42	42
Professional Fees	-	6	209	56	271
Interest	-	-	-	105	105
Other Revenue from Operating Activities	5	82	9	255	351
Total Revenue from Operating Activities	40,370	5,424	14,664	1,248	61,706
Government Grant - General Purpose - (Department of Health and Human Services)	116	15	-	113	244
Government Grant - Buildings -Construction in Progress (Department of Health and Human Services)	-	-	-	239	239
Total Capital Purpose Income	116	15	-	352	483
Net Gain/(Loss) on Non-Financial Assets	-	7	-	17	24
Total Other Economic Flows	-	7	-	17	24
Total Revenue	40,486	5,446	14,664	1,617	62,213

The Department of Health and Human Services makes certain payments on behalf of the Institute. These amounts have been brought to account in determining the operating result for the year by recording them as revenue and expenses.

Income from transactions

Income is recognised in accordance with *AASB 118 Revenue* and is recognised to the extent that it is probable that the economic benefits will flow to the Institute and the income can be reliably measured at fair value.

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes.

Government grants and other transfers of income (other than contributions by owners)

Grants are recognised as income when the Institute gains control of the underlying assets in accordance with *AASB 1004 Contributions*. For reciprocal grants, the Institute is deemed to have assumed control when the performance has occurred under the grant. For non-reciprocal grants, the Institute is deemed to have assumed control when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

Contributions are deferred as income in advance when the Health Service has a present obligation to repay them and the present obligation can be reliably measured.

Indirect contributions from the Department of Health and Human Services

- Insurance is recognised as revenue following advice from the Department of Health and Human Services.
- Long Service Leave (LSL) – Revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Metropolitan Health and Aged Care Services Division Hospital Circular 04/2017.

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 2.1: Analysis of Revenue by Source (continued)

Interest revenue

Interest revenue is recognised on a time proportionate basis that takes in account the effective yield of the financial asset, which allocates interest over the relevant period.

Sale of investments

The gain/loss on the sale of investments is recognised when the investment is realised. Refer to Note 4.5.

Other income

Other Income includes fees for external training, expense recoveries, student placement fees and other project based revenue.

Category Groups

The Institute has used the following category groups for reporting purposes for the current and previous financial years;

Hospital / inpatients - refers to the operations of the 116 bed Thomas Embling Hospital based at Yarra Bend Rd Fairfield. Funding for this segment is exclusively from DHHS.

Community services - Refers to the Community Forensic Mental Health Service located in Clifton Hill. The Community based programs are primarily for people who have a serious mental illness and have offended, or are at high risk of offending. Specialist assessment and treatment is also provided for people who present with a range of serious problem behaviours. Funding for this segment is predominantly from DHHS but also includes some funding from The Department of Justice and Regulation.

Prison services - refers to the specialist Mental health work of Forensicare based in the Prison system including the 16 bed based unit at the Melbourne Assessment Prison and the 20 bed unit run at the Dame Phyllis Frost Centre. The Institute also provides Psychiatric Assessment and Psychiatry services for many of the state's prison population, and the larger publicly managed prisons. Funding for this segment is a combination of the Department of Justice and Regulation and private prison operators.

Other - includes the Clinical and Corporate Support provided to the wider organisation.

FINANCIAL STATEMENTS

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 3.1: Analysis of Expenses by Source

	Hospital / Inpatients 2017 \$'000	Community Services 2017 \$'000	Prison Services 2017 \$'000	Other 2017 \$'000	Total 2017 \$'000
Employee Expenses					
Salaries and Wages	21,473	5,997	11,665	5,700	44,835
Employee Entitlements	3,095	943	1,868	1,198	7,104
Superannuation	1,875	569	1,063	529	4,036
Workcover	336	104	198	103	741
Total Employee Expenses	26,779	7,613	14,794	7,530	56,716
Non-Salary Labour costs					
Agency Staff	283	5	218	127	633
Medical Salaries	107	(15)	-	98	190
Total Non-Salary Labour Costs	390	(10)	218	225	823
Medicines, Drugs and Diagnostics					
Medicines and Drugs	729	-	101	(30)	800
Diagnostics	140	-	1	1	142
Total Medicines, Drugs and Diagnostics	869	-	102	(29)	942
Property Maintenance and Contracts					
Property Expenses	7	272	93	331	703
Maintenance Expenses	167	25	17	208	417
Contracts	3,149	20	15	112	3,296
Security	2,054	3	4	236	2,297
Total Property Maintenance and Contracts	5,377	320	129	887	6,713
Other operating expenses					
Information Technology	13	-	6	531	550
Supplies and Consumables	360	220	593	808	1,981
Patient Stores and Provisions	94	3	13	8	118
Financial Expenses	-	-	-	45	45
Internal Audit Fees	-	-	-	46	46
*Other	5,217	1,288	2,818	(8,815)	508
Total Other Operating Expenses	5,684	1,511	3,430	(7,377)	3,248
Total Expenditure from Operating Activities	39,099	9,434	18,673	1,236	68,442
Depreciation and Amortisation (refer Note 3.2)	-	-	-	1,907	1,907
Revaluation of Long Service Leave	-	-	-	171	171
Total Other Expenses	-	-	-	2,078	2,078
Total Expenses *	39,099	9,434	18,673	3,314	70,520

* Other Includes Transfer Pricing

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 3.1: Analysis of Expenses by Source (continued)

	Hospital / Inpatients 2016 \$'000	Community Services 2016 \$'000	Prison Services 2016 \$'000	Other 2016 \$'000	Total 2016 \$'000
Employee Expenses					-
Salaries and Wages	20,437	4,779	9,896	4,823	39,935
Employee Entitlements	2,889	744	1,444	681	5,758
Superannuation	1,820	464	926	485	3,695
Workcover	314	82	107	52	555
Total Employee Expenses	25,460	6,069	12,373	6,041	49,943
Non-Salary Labour Costs					-
Agency Staff	490	13	402	188	1,093
Medical Salaries	119	29	-	34	182
Total Non Salary Labour costs	609	42	402	222	1,275
Medicines, Drugs and Diagnostics					-
Medicines and Drugs	735	-	120	(57)	798
Diagnostics	128	-	-	-	128
Total Medicines, Drugs and Diagnostics	863	-	120	(57)	926
Property Maintenance and Contracts					-
Property Expenses	5	203	54	318	580
Maintenance Expenses	127	24	-	217	368
Contracts	3,155	18	-	114	3,287
Security	1,851	4	-	453	2,308
Total Property Maintenance and Contracts	5,138	249	54	1,102	6,543
Other Operating Expenses					-
Information Technology	6	-	46	289	341
Supplies and Consumables	454	183	629	734	2,000
Patient Stores and Provisions	102	2	9	15	128
Financial Expenses	-	-	-	48	48
Internal Audit Fees	-	-	-	50	50
*Other	5,731	1,177	1,155	(7,862)	201
Total Other Operating Expenses	6,293	1,362	1,839	(6,726)	2,768
Total Expenditure from Operating Activities	38,363	7,722	14,788	582	61,455
Depreciation and Amortisation (refer Note 3.2)	-	-	-	1,859	1,859
Revaluation of Long Service Leave	-	-	-	252	252
Total Other Expenses	-	-	-	2,111	2,111
Total Expenses *	38,363	7,722	14,788	2,693	63,566

* Other Includes Transfer pricing

Expense Recognition

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

Basis of allocation

The basis of the allocation of expenses across the categories is by a combination of directly captured expenses and an allocation of Clinical and Corporate support.

Employee expenses

Employee expenses include:

- Wages and salaries;
- Leave entitlements;
- Termination payments;
- Fringe benefits tax;
- Work cover premiums;
- Superannuation expenses which are reported differently depending upon whether employees are members of defined benefit or defined contribution plans.

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 3.1: Analysis of Expenses by Source (continued)

Other operating expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and include:

Supplies and services

Supplies and services costs are recognised as an expense in the reporting period in which they are incurred.

Other economic flows included in net result

Other economic flows are changes in the volume or value of assets or liabilities that do not result from transactions.

Net gain/ (loss) on non-financial assets

Net gain/ (loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

Revaluation gains/ (losses) of non-financial physical assets

Refer to Note 4.4 Property, Plant and Equipment

Disposal of non-financial assets

Any gain or loss on the sale of non-financial assets is recognised at the date that control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time.

Other gains/ (losses) from other economic flows

Other gains/ (losses) include:

- a. the revaluation of the present value of the long service leave liability due to changes in the bond interest rates, this does also include the impact of changes related to the impact of moving from the 2004 long service leave model to the 2008 long service leave model, and;
- b. transfer of amounts from the reserves to accumulated surplus or net result due to disposal or de-recognition or reclassification.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written-off as an expense except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that same class of asset.

It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 3.2: Depreciation and Amortisation

	2017 \$'000	2016 \$'000
Depreciation		
Buildings	1,047	1,047
Plant and Equipment	640	594
Medical Equipment	6	6
Leasehold Improvements	214	212
Total Depreciation	1,907	1,859
Total Depreciation and Amortisation	1,907	1,859

All buildings, plant and equipment and other non-financial physical assets that have finite useful lives are depreciated (excludes land). Depreciation begins when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in a manner intended by management.

Depreciation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value, over its estimated useful life. Estimates of the remaining useful lives and depreciation and amortisation method for all assets are reviewed at least annually, and adjustments made where appropriate. This depreciation and amortisation charge is not funded by the Department of Health and Human Services. Assets with a cost in excess of \$1,000 are capitalised and depreciation and amortisation has been provided so as to allocate their cost or valuation over their estimated useful lives.

The following table indicates the expected useful lives of non-current assets on which the depreciation and amortisation charges are based.

	2017	2016
Buildings	50 Years	40 to 50 Years
Plant and Equipment	3 to 15 Years	3 to 15 Years
Medical Equipment	10 Years	10 Years
Leasehold Improvements	10 Years	2 to 10 Years

As part of the buildings valuation, building values were separated into components and each component assessed for its useful life which is represented above.

FINANCIAL STATEMENTS

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 3.3: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Defined benefit plans⁽ⁱ⁾:				
State Superannuation Fund	127	141	-	-
Other	-	-	-	-
Defined contribution plans:				
Health Employee Superannuation Trust				
Australia Fund	2,469	2,167	-	-
First State Super	1,324	1,299	-	-
Other Funds	101	89	-	-
Total	4,021	3,696	-	-

(i) The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

Employees of the Institute are entitled to receive superannuation benefits and the Institute contributes to both defined benefit and defined contribution plans. The defined benefit plan(s) provides benefits based on years of service and final average salary.

The Institute does not recognise any defined benefit liability in respect of the plan(s) because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance discloses the State's defined benefits liabilities in its disclosure for administered items.

However superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the Health Service.

Defined contribution superannuation plans

In relation to defined contribution (i.e. accumulation) superannuation plans, the associated expense is simply the employer contributions that are paid or payable in respect of employees who are members of these plans during the reporting period. Contributions to defined contribution superannuation plans are expensed when incurred.

Defined benefit superannuation plans

The amount charged to the comprehensive operating statement in respect of defined benefit superannuation plans represents the contributions made by the Health Service to the superannuation plans in respect of the services of current Health Service staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan, and are based upon actuarial advice.

Employees of the Institute are entitled to receive superannuation benefits and the Institute contributes to both the defined benefit and **defined** contribution plans. The defined benefit plan(s) provide benefits based on years of service and final average salary.

Superannuation liabilities

The Institute does not recognise any unfunded defined benefit liability in respect of the superannuation plans because the Institute has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due.

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 4.1: Cash and Cash Equivalents

	2017	2016
	\$'000	\$'000
Cash on Hand	19	19
Cash at Bank	1,078	3,239
Deposits at Call - TCV	4,000	-
Total Cash and Cash Equivalents	5,097	3,258
Represented by:		
Cash for Health Service Operations	4,697	2,884
Cash for Monies Held in Trust		
Cash at Bank	-	-
Cash at bank - Salary Packaging	301	297
Cash on Hand - Salary Packaging	5	5
Cash at Bank - Patient Funds	66	60
Cash on Hand - Patient Funds	28	12
Total Cash and Cash Equivalents	5,097	3,258

Cash and cash equivalents recognised on the balance sheet 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, which are readily convertible to known amounts of cash with an insignificant risk of changes in value.

For the cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as current interest bearing liabilities in the balance sheet.

FINANCIAL STATEMENTS

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 4.2: Receivables

	2017 \$'000	2016 \$'000
CURRENT		
Contractual		
Trade Debtors	1,544	2,711
Less Allowance for Doubtful Debts	-	-
	1,544	2,711
Statutory		
GST Receivable	114	-
	114	-
TOTAL CURRENT RECEIVABLES	1,658	2,711
NON CURRENT		
Contractual	-	-
Statutory		
Long Service Leave - Department of Health and Human Services	5,330	4,547
TOTAL NON-CURRENT RECEIVABLES	5,330	4,547
TOTAL RECEIVABLES	6,988	7,258

(a) Ageing analysis of receivables

Please refer to Note 8.2 for the ageing analysis of contractual receivables

(b) Nature and extent of risk arising from receivables

Please refer to Note 8.2 for the nature and extent of credit risk arising from contractual receivables

Receivables

Receivables consist of:

- Contractual receivables, which includes mainly debtors in relation to goods and services.
- Statutory receivables, which includes predominantly amounts owing from the Victorian Government and Goods and Services Tax ("GST") input tax credits recoverable.

Receivables that are contractual are classified as financial instruments and categorised as receivables. Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less any accumulated impairment.

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis, and debts which are known to be uncollectible are written off. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred. Bad debts are written off when identified. Non-Current Receivables are amounts recognised for Long Service Leave Debtor to the Department of Health and Human Services.

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 4.3: Prepayments and Other Non-Financial Assets

	2017	2016
	\$'000	\$'000
CURRENT		
Prepayments	109	69
Security Deposit	40	-
Accrued Revenue	1,565	16
TOTAL CURRENT OTHER ASSETS	1,714	85

Other non-financial assets include prepayments which represent payments in advance of the receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Accrued revenue represents income that has been earned but no payment yet received or Invoice generated as at the reporting period.

FINANCIAL STATEMENTS

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 4.4: Property, Plant and Equipment**(a) Gross carrying amount and accumulated depreciation**

	2017 \$'000	2016 \$'000
Land ⁽ⁱ⁾		
Land at Fair Value	47,600	47,600
Revaluation increment / (decrements)	7,861	-
Total Land	55,461	47,600
Buildings		
Buildings at Fair Value	37,557	37,557
Additions at Cost	102	102
Less Acc'd Depreciation	(3,141)	(2,094)
Total Buildings	34,518	35,565
Leasehold Improvements		
Improvements at Cost	2,154	2,140
Less Acc'd Depreciation	(1,762)	(1,549)
Total Leasehold Improvements	392	591
Plant and Equipment		
Plant and Equipment at Fair Value	8,446	8,194
Less Acc'd Depreciation	(6,392)	(5,963)
Total Plant and Equipment	2,054	2,231
Medical Equipment		
Medical Equipment at Fair Value	143	147
Less Acc'd Depreciation	(105)	(103)
Total Medical Equipment	38	44
Assets Under Construction		
Assets Under Construction - Plant and Equipment	164	59
Assets Under Construction - Buildings	3,617	240
Total Assets Under Construction	3,781	299
TOTAL	96,244	86,330

(i) The Institute has had a correction of an error that, as outlined in Note 8.9, has caused a restatement of Property, Plant and Equipment as at 30 June 2016

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 4.4: Property, Plant and Equipment (continued)

(b) Reconciliations of the carrying amounts of each class of asset

	Land (i)	Buildings	leasehold Improv'ts	Plant and Equipment	Medical Equipment	Assets Under Construct'n	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2015	47,600	36,574	802	1,962	26	251	87,215
Additions	-	38	1	765	24	299	1,127
Disposals	-	-	-	(153)	-	-	(153)
Net Transfers between Classes	-	-	-	251	-	(251)	-
Depreciation (Note 3.2)	-	(1,047)	(212)	(594)	(6)	-	(1,859)
Balance at 1 July 2016	47,600	35,565	591	2,231	44	299	86,330
Additions	-	-	15	547	-	3,514	4,076
Disposals	-	-	-	(116)	-	-	(116)
Revaluation							
Increments/(Decrements)	7,861	-	-	-	-	-	7,861
Net Transfers between Classes	-	-	-	32	-	(32)	-
Depreciation (Note 3.2)	-	(1,047)	(214)	(640)	(6)	-	(1,907)
Balance at 30 June 2017	55,461	34,518	392	2,054	38	3,781	96,244

The Health Service has had a correction of an error that, as outlined in Note 8.9, has caused a restatement of Property, Plant and Equipment as at 30 June 2016.

Land and buildings carried at valuation

An independent valuation of the Health Service's land and buildings was performed by *the Valuer-General Victoria* to determine the fair value of the land and buildings. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments.

The effective date of the building valuation is 30 June 2014. Land was revalued for June 30 2017 through a desk top management revaluation using the Valuer General's Indices

FINANCIAL STATEMENTS

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 4.4: Property, Plant and Equipment (continued)**(c) Fair value measurement hierarchy for assets**

	Carrying amount as at 30 June 2017 \$'000	Fair value measurement at end of reporting period using:		
		Level 1 ⁽¹⁾ \$'000	Level 2 ⁽¹⁾ \$'000	Level 3 ⁽¹⁾ \$'000
Land at Fair Value				
Specialised land	55,461	-	-	55,461
Total of Land at Fair Value	55,461	-	-	55,461
Buildings at Fair Value				
Specialised buildings	34,518	-	-	34,518
Total of Building at Fair Value	34,518	-	-	34,518
Leasehold Improvements				
Leasehold Improvements at fair value	392	-	-	392
Total Leasehold Improvements at Fair Value	392	-	-	392
Plant and Equipment at Fair Value				
Plant equipment and vehicles at fair value				
- Vehicles (ii)	498	-	-	498
- Plant and equipment	1,556	-	-	1,556
Total Plant, Equipment and Vehicles at Fair Value	2,054	-	-	2,054
Medical Equipment at Fair Value				
Medical equipment	38	-	-	38
Total Medical Equipment at Fair Value	38	-	-	38
Assets Under Construction at Fair Value				
Assets under construction	3,781	-	-	3,781
Total assets under construction at fair value	3,781	-	-	3,781
	96,244	-	-	96,244

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 4.4: Property, Plant and Equipment (continued)

(c) Fair value measurement hierarchy for assets (continued)

	Carrying amount as at 30 June 2016 \$'000	Fair value measurement at end of reporting period using:		
		Level 1 ⁽¹⁾ \$'000	Level 2 ⁽¹⁾ \$'000	Level 3 ⁽¹⁾ \$'000
Land at Fair Value				
Specialised land	47,600	-	-	47,600
Total of Land at Fair Value	47,600	-	-	47,600
Buildings at Fair Value				
Specialised buildings	35,565	-	-	35,565
Total of Building at Fair Value	35,565	-	-	35,565
Leasehold Improvements				
Leasehold improvements at fair value	591	-	-	591
Total Leasehold Improvements at Fair Value	591	-	-	591
Plant and Equipment at Fair Value				
Plant, equipment and vehicles at fair value				
- Vehicles (ii)	545	-	-	545
- Plant and equipment	1,686	-	-	1,686
Total Plant, Equipment and Vehicles at Fair Value	2,231	-	-	2,231
Medical Equipment at Fair Value				
Medical equipment	44	-	-	44
Total Medical Equipment at Fair Value	44	-	-	44
Assets Under Construction at Fair Value				
Assets under construction	299	-	-	299
Total assets under construction at fair value	299	-	-	299
	86,330	-	-	86,330

⁽ⁱ⁾ Classified in accordance with the fair value hierarchy,

⁽ⁱⁱ⁾ Vehicles are categorised to Level 3 assets if the depreciated replacement cost is used in estimating the fair value. However, entities should consult with an independent valuer in determining whether a market approach is appropriate for vehicles with an active resale market available. If yes, a Level 2 categorisation for such vehicles would be appropriate.

There have been no transfers between levels during the period.

A full revaluation of land normally occurs every 5 years, based on the asset's government purpose classification, but may occur more frequently if fair value assessments indicate material changes in values.

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 the application of AASBs that have significant effect on the financial statements and estimates relate:

- The fair value of land, buildings, infrastructure, plant and equipment
- Superannuation expense
- Assumptions for employee benefit based on likely tenure of existing staff, patterns of leave claims, future Salary movements and future discount rates.

Notes to and forming part of the financial statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 4.4: Property, Plant and Equipment (continued)

(c) Fair value measurement hierarchy for assets (continued)

Consistent with *AASB 13 Fair Value Measurement*, the Institute determines the policies and procedures for recurring fair value measurements such as property, plant and equipment, financial instruments, and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 Fair Value Measurement and the relevant FRDs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Institute has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, the Institute determines whether transfers have occurred between levels in the hierarchy by re-assessing 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 Institute's independent valuation agency.

The Institute, in conjunction with VGV, monitors the changes in the fair value of each individual or class of asset through relevant data sources to determine whether revaluation is required.

Valuation Policies and Processes

Specialised Land and Specialised Buildings

The market approach is used for specialised land and specialised buildings although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the assets being valued. Specialised assets contain significant, unobservable adjustments; therefore these assets are classified as Level 3 under the market based direct comparison approach.

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 would be classified as Level 3 assets.

For the Institute, the depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

An independent valuation of the Institute's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2014.

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 4.4: Property, Plant and Equipment (continued)

(c) Fair value measurement hierarchy for assets (continued)

Vehicles

The Institute acquires new vehicles and at times disposes of them before completion of their economic life. The process of acquisition, use and disposal in the market is managed by the Institute who set relevant depreciation rates during use to reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying value (depreciated cost).

Plant and Equipment

Plant and equipment is held at carrying value (depreciated cost). When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the depreciated replacement cost is used to estimate the fair value. Unless there is market evidence that current replacement costs are significantly different from the original acquisition cost, it is considered unlikely that depreciated replacement cost will be materially different from the existing carrying amount.

Medical Equipment

Medical equipment is held at carrying value (depreciated cost). When Medical equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the depreciated replacement cost is used to estimate the fair value. Unless there is market evidence that current replacement costs are significantly different from the original acquisition cost, it is considered unlikely that depreciated replacement cost will be materially different from the existing carrying value.

There were no changes in valuation techniques throughout the year to 30 June 2017.

For all assets measured at fair value, the current use is considered the highest and best use.

FINANCIAL STATEMENTS

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 4.4: Property, plant and equipment continued**(d) Reconciliation of Level 3 fair value**

	Land	Buildings	Leasehold	Plant and equipment	Medical equipment	Assets under construction	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2017							
Opening Balance	47,600	35,565	591	2,231	44	299	86,330
Purchases (sales)	-	-	15	431	-	3,514	3,960
Transfers in (out)	-	-	-	32	-	(32)	-
Recognised in net result							
- Depreciation	-	(1,047)	(214)	(640)	(6)	-	(1,907)
Subtotal	47,600	34,518	392	2,054	38	3,781	88,383
Items recognised in other comprehensive income							
- Revaluation	7,861	-	-	-	-	-	7,861
Subtotal	7,861	-	-	-	-	-	7,861
Closing Balance	55,461	34,518	392	2,054	38	3,781	96,244

	Land	Buildings	Leasehold	Plant and equipment	Medical equipment	Assets under construction	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2016							
Opening Balance	47,600	36,574	802	1,962	26	251	87,215
Purchases (sales)	-	38	1	612	24	299	974
Transfers in (out)	-	-	-	251	-	(251)	-
Recognised in net result							
- Depreciation	-	(1,047)	(212)	(594)	(6)	-	(1,859)
Subtotal	47,600	35,565	591	2,231	44	299	86,330
Closing Balance	47,600	35,565	591	2,231	44	299	86,330

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 4.4: Property, Plant and Equipment (continued)

(e) Description of significant unobservable inputs to Level 3 valuations:

	Valuation technique	Significant unobservable inputs
Specialised land	Market approach	Community Service Obligation (CSO) adjustment
Specialised buildings	Depreciated replacement cost	Direct cost per square metre Useful life of specialised buildings
Plant and equipment at fair value	Depreciated replacement cost	Cost per unit Useful life of PPE
Vehicles	Depreciated replacement cost	Cost per unit Useful life of vehicles
Medical equipment at fair value	Depreciated replacement cost	Cost per unit Useful life of medical equipment
Assets under construction at fair value	Depreciated replacement cost	Cost per unit

The significant unobservable inputs have remain unchanged from 2016.

FINANCIAL STATEMENTS

Property, Plant and Equipment

All non-current physical assets 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 cost, the cost is its fair value at the date of acquisition. More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 4.4 Property, Plant and Equipment.

Crown Land is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or constructive restrictions imposed on the asset and any public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset are not taken into account until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non - financial physical assets will be their highest and best uses.

Land and Buildings are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and impairment.

Plant, Equipment and Vehicles are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and impairment. Depreciated historical cost is generally a reasonable proxy for fair value because of the short lives of the assets concerned.

Leasehold Improvements

The cost of a leasehold improvement is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

Revaluations of Non-current Physical Assets

Non-current physical assets are measured at fair value and are revalued in accordance with FRD 103F Non-current physical assets. This revaluation process normally occurs at least every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRD. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

Revaluation increments are recognised in 'other comprehensive income' and are credited directly to the asset revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that same class of asset previously recognised as an expense in net result, the increment is recognised as income in the net result.

Revaluation decrements are recognised in 'other comprehensive income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment.

Revaluation increases and revaluation decreases relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes.

Revaluation surplus is not transferred to accumulated funds on de-recognition of the relevant asset.

In accordance with FRD 103F, the Institute's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required.

The next scheduled revaluation is due for the financial year ending 30 June 2019.

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 4.5: Net Gain/(Loss) on Disposal of Non-Financial Assets

	2017 \$'000	2016 \$'000
Proceeds from Disposals of Non-Current Assets*		
Plant and Equipment	124	177
Total Proceeds from Disposal of Non-Current Assets	124	177
Less: Written Down Value of Non-Current Assets Sold*		
Plant and Equipment	116	153
Total Written Down Value of Non-Current Assets Sold	116	153
Net gain/(loss) on Disposal of Non-Financial Assets	8	24

Disposal of Non-Financial Assets

Any gain or loss on the sale of non-financial assets is recognised in the comprehensive operating statement.

FINANCIAL STATEMENTS

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 5.1: Payables

	2017	2016
	\$'000	\$'000
CURRENT		
Contractual		
Trade Creditors ⁽ⁱ⁾	573	1,283
Accrued Expenses	1,642	362
	2,215	1,645
Statutory		
GST Payable	36	-
Group Tax Payable	-	915
Child Support payable	-	3
	36	918
TOTAL CURRENT	2,251	2,563
TOTAL PAYABLES	2,251	2,563

(i) The average credit period is 30 days. No interest is charged on the other payables for the first 30 days from the date of the invoice.

Maturity analysis of payables

Please refer to Note 8.2 for the ageing analysis of contractual payables.

Nature and extent of risk arising from payables

Please refer to Note 8.2 for the nature and extent of risks arising from contractual payables.

Payables

Payables consist of:

- Contractual payables which consist predominantly of accounts payable representing liabilities for goods services provided to the Institute prior to the end of the financial year that are unpaid, and arise when the Institute becomes obliged to make future payments in respect of the purchase of those goods and services. The normal credit terms for accounts payable are Net 30 days.
- Statutory payables, such as goods and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and are initially recognised at fair value, and then subsequently carried at amortised cost. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 5.2: Employee Benefits in the Balance Sheet

	2017 \$'000	2016 \$'000
Current Provisions		
Employee Benefits ⁽ⁱ⁾		
Annual Leave		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱⁱ⁾	2,615	2,181
- Unconditional and expected to be settled wholly after 12 months ⁽ⁱⁱⁱ⁾	1,352	903
Long Service Leave		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱⁱ⁾	680	3,503
- Unconditional and expected to be settled wholly after 12 months ⁽ⁱⁱⁱ⁾	5,360	987
	10,007	7,574
Provisions related to Employee Benefit On-Costs		
- Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	480	848
- Unconditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	903	282
Other Accrued Salaries and Wages	3,124	901
	4,507	2,031
Total Current Provisions	14,514	9,605
Non-Current Provisions		
Employee Benefits Long Service Leave ⁽ⁱ⁾	3,110	3,531
Provisions related to Employee Benefit On-Costs	407	528
Total Non-Current Provisions	3,517	4,059
Total Provisions	18,031	13,664
(a) Employee Benefits and Related On-Costs		
Current Employee Benefits and Related On-Costs		
Unconditional Long Service Leave Entitlement	6,830	5,160
Annual Leave Entitlements	4,560	3,544
Accrued Wages and Salaries	3,124	901
Non-Current Employee Benefits and Related On-Costs		
Conditional Long Service Leave Entitlements ⁽ⁱⁱ⁾	3,517	4,059
Other		
Total Employee Benefits and Related On-Costs	18,031	13,664

Notes:

(i) Provisions for employee benefits consist of amounts for annual leave and long service leave accrued by employees, not including on-costs.

(ii) The amounts disclosed are nominal amounts

(iii) The amounts disclosed are discounted to present values

Movements in provisions

	2017 \$'000	2016 \$'000
Movement in Long Service Leave:		
Balance at start of year*	9,219	8,033
Provision made during the year		
- Expense recognising Employee Service	1,883	1,691
- Settlements made during the year	(755)	(505)
Balance at end of year*	10,347	9,219

FINANCIAL STATEMENTS

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 5.2: Employee Benefits in the Balance Sheet (continued)**Provisions**

Provisions are recognised when the Institute 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 liability 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.

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.

Employee Benefits

This provision arises for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

Wages and Salaries, and Annual Leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave are recognised in the provision for employee benefits as 'current liabilities', because the Institute does not have an unconditional right to defer settlement of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries and annual leave are measured at:

- Undiscounted value – if the Institute expects to wholly settle within 12 months; or
- Present value – if the Institute does not expect to wholly settle within 12 months.

Long Service Leave (LSL)

Liability for LSL is recognised in the provision for employee benefits.

Unconditional LSL (representing 10 or more years of continuous service) is disclosed in the notes to the financial statements as a current liability, even where the Institute 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. An unconditional right arises after a qualifying period.

The components of this current LSL liability are measured at:

- Undiscounted value – if the Institute expects to wholly settle within 12 months; and
- Present value – if the Institute does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability because 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 rate movements, inflation rate movements and changes in probability factors for which it is then recognised as an other economic flow.

On-Costs Related to Employee Expense

Provision for on-costs such as workers compensation and superannuation are recognised together with the provisions for employee benefits.

Accrued Wages and Salaries, Annual Leave and Accrued Days Off

Provisions for employee entitlements are reported as a liability in the balance sheet with details disclosed in a note. The liability is calculated on what is owed at 30 June 2017.

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 5.3: Other Liabilities

	2017	2016
	\$'000	\$'000
CURRENT		
Monies Held in Trust*	372	374
Prepaid Revenue	34	253
Total Current	406	627
Total Other Liabilities	406	627
* Total Monies Held in Trust		
Represented by the following assets:		
Cash at Bank - Salary Packaging	306	302
Cash at Bank - Patient Funds	66	72
TOTAL	372	374

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Note 6.1: Equity

	2017 \$'000	2016 \$'000
(a) Surpluses		
Property, Plant and Equipment Revaluation Surplus (i)		
Balance at the beginning of the reporting period	53,553	53,553
Revaluation Increment/(Decrements)		
- Land	7,861	-
Balance at the end of the reporting period*	61,414	53,553
* Represented by:		
- Land	52,279	44,418
- Buildings	9,135	9,135
	61,414	53,553
(b) Contributed Capital		
Balance at the beginning of the reporting period	34,139	34,139
Balance at the end of the reporting period	34,139	34,139
(c) Accumulated Surpluses/(Deficits)		
Balance at the beginning of the reporting period	(7,615)	(6,262)
Net Result for the Year	1,417	(1,353)
Balance at the end of the reporting period	(6,198)	(7,615)
Total Equity at end of financial year	89,355	80,077

(i) The Institute has had a correction of an error that, as outlined in Note 8.9, has caused a restatement of the Property, Plant and Equipment Revaluation Reserve as at 30 June 2016

Property, Plant and Equipment Revaluation Surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current physical assets.

Contributed Capital

Consistent with Australian Accounting Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* and FRD 119A *Contributions by Owners*, appropriations for additions to the net asset base have been designated as contributed capital. Other transfers that are in the nature of contributions or distributions that have been designated as contributed capital are also treated as contributed capital.

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Note 7.1: Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from Operating Activities

	2017 \$'000	2016 \$'000
Net result for the period	1,417	(1,353)
Non-cash movements:		
Depreciation and amortisation	1,907	1,859
Grant revenue paid by DHHS directly to 3rd parties for building works	(3,290)	-
Movements included in investing and financing activities		
Net (gain)/loss from disposal of non-financial physical assets	(8)	(24)
Movements in assets and liabilities:		
Change in operating assets and liabilities		
(Increase)/decrease in receivables	270	(680)
(Increase)/decrease in other assets	(1,589)	912
Increase/(decrease) in payables	(312)	1,106
Increase/(decrease) in provisions	4,367	316
Increase/(decrease) in other liabilities	(221)	-
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	2,541	2,136

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Note 8.1: Commitments for Expenditure**a) Commitments other than public private partnerships**

	2017 \$'000	2016 \$'000
Other expenditure commitments		
<u>Payable:</u>		
Security services	1,528	3,613
Meal services	5,522	1,505
Recreational services	540	184
Education - TAFE services	733	489
Cleaning services	1,991	645
Pharmacy services	890	173
Pathology services	108	22
Other	-	49
Total other expenditure commitments	11,312	6,680
Operating leases		
Commitments for photocopiers	55	157
Commitments for lease at Clifton Hill	266	494
Commitments for lease at Northcote	57	154
Total operating lease commitments	378	805
Total lease commitments	11,690	7,485

All amounts shown in the commitments note are nominal amounts inclusive of GST.

(b) Commitments payable

Nominal Values	2017 \$'000	2016 \$'000
Other expenditure commitments payable		
Less than 1 year	5,800	5,498
Longer than 1 year but not longer than 5 years	5,512	1,182
5 years or more		
Total other expenditure commitments	11,312	6,680
Operating lease commitments payable		
Commitments for Photocopiers are as follows		
- Less than one year	35	61
- Greater than one year but less than five years	20	96
Commitments for Lease at Clifton Hill are as follows		
- Less than one year	228	228
- Greater than one year but less than five years	38	266
Commitments for Lease at Northcote are as follows		
- Less than one year	57	97
- Greater than one year but less than five years	-	57
Total operating lease commitments	378	805
Total commitments (inclusive of GST)	11,690	7,485
Less GST recoverable from the Australian Tax Office	(1,063)	(680)
Total commitments (exclusive of GST)	10,627	6,805

Commitments for future expenditure include operating and capital commitments arising from contracts. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

Notes To and Forming Part of the Financial Statements
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Note 8.2: Financial Instruments

a) Financial risk management objectives and policies

The Institute's principal financial instruments comprise of:

- cash assets
- term deposits
- receivables (excluding statutory receivables)
- payables (excluding statutory payables)

The Institute's main financial risks includes liquidity and interest rate risk. The Institute manages these financial risks in accordance with its financial risk management policy.

The Institute 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 financial risk management committee of the Institute.

The main purpose in holding financial instruments is to prudentially manage the Institute's financial risks within the government policy parameters.

b) Categorisation of financial instruments

Details of each categories in accordance with AASB 139, shall be disclosed either on the face of the balance sheet or in the notes.

	2017	Contractual	Contractual	Total
		Financial Assets - Loans and Receivables	Financial Liabilities at Amortised Cost	
		\$'000	\$'000	\$'000
Financial Assets				
Cash and Cash Equivalents		5,097	-	5,097
Receivables				-
- Trade Debtors		1,544	-	1,544
Total Financial Assets ⁽ⁱ⁾		6,641	-	6,641
Financial Liabilities				
Payables		-	2,251	2,251
Total Financial Liabilities ⁽ⁱⁱ⁾		-	2,251	2,251
	2016	Contractual	Contractual	Total
		Financial Assets - Loans and Receivables	Financial Liabilities at Amortised Cost	
		\$'000	\$'000	\$'000
Contractual Financial Assets				
Cash and Cash Equivalents		3,258	-	3,258
Receivables				
- Trade Debtors		2,711	-	2,711
Total Financial Assets ⁽ⁱ⁾		5,969	-	5,969
Financial Liabilities				
Payables		-	2,563	2,563
Total Financial Liabilities ⁽ⁱⁱ⁾		-	2,563	2,563

(i) The total amount of financial assets disclosed here excludes statutory receivables.

(ii) The total amount of financial liabilities disclosed here excludes statutory payables and includes accruals represented for Invoices from creditors not received.

FINANCIAL STATEMENTS

Notes To and Forming Part of the Financial Statements
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Note 8.2: Financial Instruments (continued)**(c) Credit risk**

Credit risk arises from the contractual financial assets of the Institute, which comprise cash and deposits, non-statutory receivables and available for sale contractual financial assets. The Institute's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Institute. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Institute's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, it is the Institute'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 Institute does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash assets, which are mainly cash at bank. As with the policy for debtors, the Institute's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the Institute will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents the Institute's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Credit quality of contractual financial assets that are neither past due nor impaired

	Financial Institutions AA-	Government Agencies AAA	Other	Total
	\$'000	\$'000	\$'000	\$'000
2017				
Financial Assets				
Cash and Cash Equivalents	1,097	4,000	-	5,097
Loans and Receivables - Trade Debtors	-	1,477	67	1,544
Total Financial Assets ⁽ⁱ⁾	1,097	5,477	67	6,641
2016				
Financial Assets				
Cash and Cash Equivalents	3,258	-	-	3,258
Loans and Receivables - Trade Debtors	-	2,315	396	2,711
Total Financial Assets ⁽ⁱ⁾	3,258	2,315	396	5,969

(i) The total amounts disclosed here exclude statutory amounts.

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Note 8.2: Financial Instruments (continued)

(c) Credit risk (continued)

Ageing analysis of Financial Assets as at 30 June

	Carrying Amount	Not Past Due and Not Impaired	Past Due But Not Impaired				Impaired Financial Assets
			Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years	
2017	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets							
<i>Cash and Cash Equivalents</i>	5,097	5,097	-	-	-	-	-
<i>Loans and Receivables</i>							
- Trade Debtors	1,544	1,414	77	52	1	-	-
Total Financial Assets ⁽ⁱ⁾	6,641	6,511	77	52	1	-	-
2016							
Financial Assets							
<i>Cash and Cash Equivalents</i>	3,258	3,258	-	-	-	-	-
<i>Loans and Receivables</i>							
- Trade Debtors	2,711	2,572	139	-	-	-	-
Total Financial Assets ⁽ⁱ⁾	5,969	5,830	139	-	-	-	-

(i) The total amounts disclosed here exclude statutory amounts.

Contractual financial assets that are either past due or impaired

There are no material financial assets which are individually determined to be impaired. Currently the Health Service does not hold any collateral as security nor credit enhancements relating to its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at their carrying amounts as indicated. The ageing analysis table above discloses the ageing only of contractual financial assets that are past due but not impaired.

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Note 8.2: Financial Instruments (continued)**(d) Liquidity risk**

Liquidity risk arises when the Institute is unable to meet its financial obligations as they fall due. The Institute operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, make payments within 30 days from the date of resolution. It also continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets and dealing in highly liquid markets.

The Institute's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Maximum exposure to liquidity risk is the carrying amounts of financial liabilities.

Ageing analysis of financial liabilities excludes statutory of financial liabilities (i.e. GST payable). The following table discloses the contractual maturity analysis for the Institute's financial liabilities. For interest rates applicable to each class of liability refer to individual notes to the financial statements.

Maturity analysis of Financial Liabilities as at 30 June

	Carrying Amount \$'000	Nominal Amount \$'000	Maturity Dates			
			Less than 1 Month \$'000	1-3 Months \$'000	3 months - 1 Year \$'000	1-5 Years \$'000
2017						
Financial Liabilities						
<i>At Amortised Cost</i>						
Payables	573	573	573	-	-	-
Accruals	1,642	1,642	1,642	-	-	-
Total Financial Liabilities ⁽ⁱ⁾	2,215	2,215	2,215	-	-	-
2016						
Financial Liabilities						
<i>At Amortised Cost</i>						
Payables	2,201	2,201	2,201	-	-	-
Accruals	362	362	362	-	-	-
Total Financial Liabilities ⁽ⁱ⁾	2,563	2,563	2,563	-	-	-

(i) Ageing analysis of financial liabilities excludes the types of statutory financial liabilities.

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 8.2: Financial Instruments (continued)

(e) Market risk

The Institute's exposures to market risk are primarily through interest rate risk with only insignificant exposure to foreign currency and other price risks. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraph below.

Currency risk

The Institute is exposed to insignificant foreign currency risk through its payables relating to purchases of supplies and consumables from overseas. This is because of a limited amount of purchases denominated in foreign currencies and a short timeframe between commitment and settlement.

Interest rate risk

Exposure to interest rate risk might arise primarily through the investments of the Institute's cash and cash equivalents.

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 Health Service has minimal exposure to cash flow interest rate risks through its cash and deposits, term deposits and bank overdrafts that are at floating rate.

The Institute manages this risk by mainly undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management has concluded for cash at bank and bank overdraft, as financial assets that can be left at floating rate without necessarily exposing the Institute to significant bad risk, management monitors movement in interest rates on a regular basis.

Interest rate exposure of financial assets and liabilities as at 30 June 2017

	Weighted Average Effective Interest Rate (%)	Carrying Amount \$'000	Interest Rate Exposure		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non-Interest Bearing \$'000
2017					
Financial Assets					
Cash and Cash Equivalents	1.66	5,097	2,000	3,097	
Loans and Receivables ⁽ⁱ⁾					
- Trade Debtors		1,544	-	-	1,544
		6,641	2,000	3,097	1,544
Financial Liabilities					
At Amortised Cost					
Payables ⁽ⁱ⁾		2,251	-	-	2,251
		2,251	-	-	2,251
2016					
Financial Assets					
Cash and Cash Equivalents	2.39	3,258	-	3,258	-
Loans and Receivables ⁽ⁱ⁾					
- Trade Debtors		2,711	-	-	2,711
		5,969	-	3,258	2,711
Financial Liabilities					
At Amortised Cost					
Payables ⁽ⁱ⁾		2,201	-	-	2,201
		2,201	-	-	2,201

(i) The carrying amount must exclude types of statutory financial assets and liabilities.

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Notes To and Forming Part of the Financial Statements
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Note 8.2: Financial Instruments (continued)**(e) Market risk (continued)****Sensitivity disclosure analysis**

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Institute believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from the Reserve Bank of Australia).

A shift of +1% and -1% in market interest rates (AUD) from year-end rates of 1.66%. The following table discloses the impact on net operating result and equity for each category of financial instrument held by the Institute at year end as presented to key management personnel, if changes in the relevant risk occur.

	Carrying Amount	Interest Rate Risk			
		Profit \$'000	-1% Equity \$'000	1% Profit \$'000	Equity \$'000
2017					
Financial Assets					
Cash and Cash Equivalents ⁽ⁱ⁾	5,097	(51)	(51)	51	51
		(51)	(51)	51	51
2016					
Financial Assets					
Cash and Cash Equivalents ⁽ⁱ⁾	3,258	(33)	(33)	33	33
		(33)	(33)	33	33

(i) The carrying amount must exclude types of statutory financial assets.

(f) Fair value

Due to the short-term nature of these financial instruments, AASB 7.29(a) render their carrying amounts as reasonable approximations of fair value. As such, fair value disclosures for these balances are not required under AASB 13.

Notes To and Forming Part of the Financial Statements
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Note 8.3: Contingent Assets and Contingent Liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of note and, are measured at nominal value. Contingent assets and contingent liabilities are presented inclusive of GST receivable or payable respectively.

There are no contingent assets or contingent liabilities to report for the financial year.

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Note 8.4: Responsible Persons Disclosures

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

	Period
Responsible Ministers:	
The responsible Minister of the Victorian Institute of Forensic Mental Health during the reporting period was Martin Foley MLA, Minister for Mental Health	1/7/2016 - 30/6/2017
Governing Board Members	
The responsible persons (Board members) of the Institute at any time during the reporting period were:	
Chairperson	
- William Healy	1/7/2016 - 30/6/2017
Nominee of the Attorney-General	
- Dr. Cristea Mileshkin	1/7/2016 - 30/6/2017
Nominee of the Minister administering the Corrections Act 1986	
- Jennifer Roberts	01/12/16 - 30/06/17
Other Members	
-Greg Pullen	1/7/2016 - 30/6/2017
-Associate	1/7/2016 - 30/6/2017
-John Rimmer	1/7/2016 - 30/6/2017
-Janet Farrow,	1/7/2016 - 30/6/2017
-Andrew Buckle,	1/7/2016 - 30/6/2017
-Julie Anderson	1/7/2016 - 30/6/2017
Chief Executive Officer, Victorian Institute of Forensic Mental Health (Accountable Officer)	
-Thomas Dalton	1/7/2016 - 30/6/2017

Remuneration of Responsible Persons

The Responsible Persons received remuneration for the financial year ended 30 June 2017. The number of Responsible Persons, excluding Ministers, whose total remuneration in connection with the affairs of 10 as shown in the following bands, were:

	Total remuneration 30-Jun-17 No.	Total remuneration 30-Jun-16 No.
\$0 - \$9,999	6	7
\$10,000 - \$19,999	3	2
\$200,000 - \$299,999	1	1
Total number of responsible persons	10	10

Total remuneration received, or due and receivable by Responsible Persons from the Institute for the financial period :

\$'000	\$'000
351	321

Notes To and Forming Part of the Financial Statements
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Note 8.5: Executive Officer Disclosures

Executive Officers' Remuneration

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 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.

Remuneration of executive officers (Including Key Management Personnel disclosed in Note 8.6)	Total remuneration
--	--------------------

	2017 \$'000
Short - term employee benefits	1,423
Post - employment benefits	188
Other long - term benefits	63
Termination benefits	64
Total remuneration ⁽ⁱ⁾⁽ⁱⁱ⁾	1,738
Total number of executives	8
Total annualised employee equivalent (AEE) ⁽ⁱⁱⁱ⁾	8

Notes

(i) No comparatives have been reported because remuneration in the prior year was determined in line with the basis and definition under FRD 21B. Remuneration previously excluded non - monetary benefits and comprised any money, consideration or benefit received or receivable, excluding reimbursement of out of pocket expenses, including any amount received or receivable from a related party transaction. Refer to the prior year's financial statements for executive remuneration for the 2015-2016 reporting period.

(ii) The total number of executive officers include persons who meet the definition of Key Management Personnel(KMP, of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.6).

(iii) Annualised employee equivalent is based on the time fraction worked over the reporting period.

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Note 8.6: Related Parties

The hospital is a wholly owned and controlled entity of the State of Victoria. Related parties of the hospital 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; and
- 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

During the financial year, the following aggregate transactions were undertaken and balances held with other Victorian Government controlled entities. These transactions were undertaken in the ordinary course of operations.

	2017	2016
Grant Revenue	\$'000	\$'000
Department of Health and Human Services	51,662	45,205
Department of Justice and Regulation	15,390	15,732
Investments with Treasury Corporation Victoria	4,000	-
DHHS - Long Service Leave Receivable	5,330	4,547
Total	76,382	65,484

Key management personnel (KMP) of the hospital include the portfolio ministers, cabinet ministers, board members and accountable officer (listed in Note 8.4) and members of the senior executive team. which includes:

Role	Executive
Clinical Director	Maurice Magner / Danny Sullivan
Chief Finance Officer	Vince Distefano / Deborah Sullivan / Ian Holland
Director of Psychological Services	James Ogloff
Executive Director Community Operations and Strategic Development	Jonathon Norton
Executive Director Inpatient Operations	Les Potter
Executive Director Prison Operations	Ryan Dube
Lead, Ravenhall Correctional Project	Louise Bawden
Executive Director Human Resources	Wendy McManus

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the *Department of Parliamentary Services' Financial Report*.

Remuneration of Key Management Personnel	Total remuneration
	2017 \$'000
Short term employee benefits	1,743
Post employment benefits	219
Other long term benefits	63
Termination benefits	64
Total remuneration	2,089

There were no payments between Forensicare and any cabinet ministers, portfolio ministers of the board members or senior management other than salaries and wages.

Note that KMPs are also reported in the disclosure of remuneration of executive officers (Note 8.5).

Note 8.6: Related Parties (continued)**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 with the department, there were no related party transactions that involved key management personnel and their close family members. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

Forensicare has prepared the related party disclosures for the year based on reasonable enquiries made by management in relation to the portfolio ministers and their related parties and the information available to the organisation, with the transition to a full implementation of AASB 124 and any applicable financial reporting directions.

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Note 8.7: Remuneration of Auditors

	2017 \$'000	2016 \$'000
Victorian Auditor-General's Office		
Audit of financial statement	30	32

	2017 \$'000	2016 \$'000
Other Providers		
Other non-audit services - internal audit review	49	60

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Note 8.8: Economic Dependency**Economic Dependency**

A significant portion of the revenue received by the Institute is obtained under a Health Services Agreement between the Department of Health and Human Services and the Institute.

The Institute incurred an operating deficit of \$242k before capital and specific items, down on the 2016 result of a \$251k surplus. The net result after capital and specific items was a surplus of \$1.4m, compared to a \$1.4m deficit in 2016. The net assets are \$89.4m up from \$80.1m (restated) 2016.

The institute had 27.68 days cash available compared to the target of 14 days, a liquidity ratio of 0.49, a Capital replacement ratio of 0.42, Internal refinancing ratio of 3.73%

In forming a view on the financial sustainability of the Institute, the Board has noted the current asset ratio and operating cash flow which indicate the institute fails the 'going concern test'. As such, a determination of the institute as a going concern has been made with support of a Letter of Comfort (LOC) signed by the Secretary of the Department of Health and Human Services dated 4th September 2017. This LOC states "the Department of Health and Human Services will provide adequate cash flow support to enable your health service to meet its current and future operational obligations as and when they fall due for a period up until 30th September 2018".

FINANCIAL STATEMENTS

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 8.9: Correction of a Prior Period Error and Revision of Estimates**Correction of a prior period error**

At 30 June 2016, a land revaluation error occurred due to utilising an incorrect valuation index. The error led to land being revalued up by 40%, compounded for the 2 years since land had last been revalued at 30 June 2014 . As a result, land at 30 June 2016 was revalued to \$66.64m, a \$19.04m increment on the 30 June 2014 valuation of \$47.6m.

The correct valuation index was 7% and at this percentage (being less than a 10% increment) a revaluation would not have been made to the land carrying value at 30 June 2016.

This error had the effect of overstating Property, Plant and Equipment (Total Assets) by \$19.04M and the Revaluation Surplus account (Equity) by \$19.04M at 30 June 2016.

The error has been corrected by restating the affected financial statements line items for the prior year by backing out the revaluation in full. The impact on the restated Balance Sheet as at 30 June 2016 is set out in Note 8.11.

As at 30 June 2017, a management revaluation has been performed (see Note 4.4) utilising the correct Valuer General index compounding. At 30 June 2017 land has been revalued to \$55.46m, 16.51% higher than \$47.6m, but down on last years reported value of \$66.64m.

Notes To and Forming Part of the Financial Statements

Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 8.10: Alternate Presentation of Comprehensive Operating Statement

	Note	2017 \$'000	2016 \$'000
Grants			
Operating	2.1	67,052	60,937
Capital	2.1	3,729	483
Interest and Dividends	2.1	122	105
Other Income			
Other Income	2.1	1,026	664
Revenue from Transactions		71,929	62,189
Operating Expenses			
Employee Benefits	3.1	(56,716)	(49,943)
Contracted Staff Costs	3.1	(823)	(1,275)
Medicines, Drugs and Diagnostics	3.1	(942)	(926)
Property Maintenance and Contracts	3.1	(6,713)	(6,543)
Other Expenses	3.1	(3,248)	(2,768)
Depreciation and Amortisation	3.2	(1,907)	(1,859)
Expenses from Transactions		(70,349)	(63,314)
Net Result from Transactions		1,580	(1,125)
Other Economic Flows Included in Net Result			
Net Gain/(Loss) on Non-Financial Assets	4.5	8	24
Revaluation of Long Service Leave		(171)	(252)
Total Other Economic Flows Included in Net Result		(163)	(228)
Net Result from Continuing Operations		1,417	(1,353)
NET RESULT FOR THE YEAR		1,417	(1,353)
Other Comprehensive Income			
Items That Will Not Be Reclassified to Net Result			
Changes in Physical Asset Revaluation Surplus	6.1	7,861	-
Total Other Comprehensive Income		7,861	-
Comprehensive Result		9,278	(1,353)

FINANCIAL STATEMENTS

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 8.11: Supplementary Balance Sheet

	Note	2017 \$'000	2016 Restated* \$'000	2016 as Reported \$'000
Current Assets				
Cash and Cash Equivalents	4.1	5,097	3,258	3,258
Receivables	4.2	1,658	2,711	2,711
Other Current Assets	4.3	1,714	85	85
Total Current Assets		8,469	6,054	6,054
Non-Current Assets				
Receivables	4.2	5,330	4,547	4,547
Property, Plant and Equipment	4.4	96,244	86,330	105,370
Total Non-Current Assets		101,574	90,877	109,917
TOTAL ASSETS		110,043	96,931	115,971
Current Liabilities				
Payables	5.1	2,251	2,563	2,563
Provisions	5.2	14,514	9,605	9,605
Other Liabilities	5.3	406	627	627
Total Current Liabilities		17,171	12,795	12,795
Non-Current Liabilities				
Provisions	5.2	3,517	4,059	4,059
Total Non-Current Liabilities		3,517	4,059	4,059
TOTAL LIABILITIES		20,688	16,854	16,854
NET ASSETS		89,355	80,077	99,117
EQUITY				
Asset Revaluation Reserve	6.1(a)	61,414	53,553	72,593
Contributed Capital	6.1(b)	34,139	34,139	34,139
Accumulated Surpluses/(Deficits)	6.1(c)	(6,198)	(7,615)	(7,615)
TOTAL EQUITY		89,355	80,077	99,117
Contingent Assets and Contingent Liabilities	8.3			
Commitments for Expenditure	8.1			

This Statement should be read in conjunction with the accompanying notes.

The Institute has a correction of an error that, as outlined in Note 8.9, has caused a restatement of property, plant and equipment and accumulated surplus as at 30 June 2016. As such in accordance with AASB 101.39, a third balance sheet plus notes relating to the restated amounts have been presented. The consequences of this correction are also reflected in Note 4.4.

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 8.12: New Accounting Standards and Interpretations

Certain Australian accounting standards and interpretations have been published that are not mandatory for the 30 June 2017 reporting period. As at 30 June 2017, the following standards and interpretations had been issued but were not mandatory for the reporting period ending 30 June 2017. The Institute has not and does not intend to adopt these standards early.

The table below outlines the accounting standards that have been issued but not effective for 2016-17, which may result in potential impacts on public sector reporting for future reporting periods.

Topic	Key requirements	Effective date
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: The changes attributable to changes in credit risk are presented in other comprehensive income (OCI). The remaining change is presented in profit or loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk is also presented in profit or loss."	1-Jan-18
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Note that amending standard AASB 2015 8 Amendments to Australian Accounting Standards – Effective Date of AASB 15 has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017.	1-Jan-18
AASB 9 Financial Instruments	The key changes introduced by AASB 9 include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1-Jan-18
AASB 2014-1 Amendments to Australian Accounting Standards [Part E Financial Instruments]	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018; as a consequence of Chapter 6; and to amend reduced disclosure requirements.	1-Jan-18
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1-Jan-19

FINANCIAL STATEMENTS

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 8.12: New Accounting Standards and Interpretations (Continued)

AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	Amends the measurement of trade receivables and the recognition of dividends.	1 January 2017, except amendments to AASB 9 (December 2009) and AASB 9 (December 2010) apply 1 January 2018.
AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1-Jan-18
AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15	This standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1-Jan-18
AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities	This standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1-Jan-19
AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15	This Standard amends AASB 15 to clarify requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require: a promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation; for items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and for licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access).	1-Jan-18
AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities	The standard amends AASB 136 Impairment of Assets to remove references to using depreciated replacement cost (DRC) as a measure of value in use for not-for-profit entities.	1 January 2017
AASB 1058 Income of Not-for-Profit Entities	This Standard will replace AASB 1004 Contributions and establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objectives.	1-Jan-19
AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities	This Standard amends AASB 9 and AASB 15 to include requirements and implementation guidance to assist not-for-profit entities in applying the respective standards to particular transactions and events.	1-Jan-19

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 8.13: Glossary of Terms and Style Conventions

Actuarial gains or losses on superannuation defined benefit plans

Actuarial gains or losses are changes in the present value of the superannuation defined benefit liability resulting from

- (a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and
- (b) the effects of changes in actuarial assumptions.

Amortisation

Amortisation is the expense which results from the consumption, extraction or use over time of a non-produced physical or intangible asset.

Associates

Associates are all entities over which an entity has significant influence but not control, generally accompanying a shareholding and voting rights of between 20 per cent and 50 per cent.

Comprehensive result

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Current grants

Amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Depreciation

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense reduces the 'net result for the year'.

Effective interest method

The effective interest method is used to calculate the amortised cost of a financial asset or liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period

Employee benefits expenses

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Ex-gratia expenses

Ex-gratia expenses mean the voluntary payment of money or other non-monetary benefit (e.g. 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.

FINANCIAL STATEMENTS

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 8.13: Glossary of Terms and Style Conventions (continued)**Financial asset**

A financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) 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
- (d) 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

A 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 assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

Financial liability

A financial liability is any liability that is:

- (a) A contractual obligation:
 - (i) to deliver cash or another financial asset to another entity; or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- (b) A contract that will or may be settled in the entity's own equity instruments and is:
 - (i) 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
 - (ii) 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

A complete set of financial statements comprises:

- (a) Balance sheet as at the end of the period;
- (b) Comprehensive operating statement for the period;
- (c) A statement of changes in equity for the period;
- (d) Cash flow statement for the period;
- (e) Notes, comprising a summary of significant accounting policies and other explanatory information;
- (f) Comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 Presentation of Financial Statements; and
- (g) A statement of financial position at the beginning of the preceding period 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 paragraphs 41 of AASB 101.

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 8.13: Glossary of Terms and Style Conventions (continued)

Grants and other transfers

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

The 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 which are mainly non-market in nature, those which are largely for collective consumption by the community and those which involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

Intangible produced assets

Refer to produced assets in this glossary.

Intangible non-produced assets

Refer to non-produced asset in this glossary.

Interest expense

Costs incurred in connection with the borrowing of funds includes interest on bank overdrafts and short-term and long-term liabilities, amortisation of discounts or premiums relating to liabilities, interest component of finance leases repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

Interest income

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Investment properties

Investment properties represent 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 arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. A joint arrangement has the following characteristics:

- (a) The parties are bound by a contractual arrangement.
- (b) The contractual arrangement gives two or more of those parties joint control of the arrangement

A joint arrangement is either a joint operation or a joint venture.

Liabilities

Liabilities refers to interest-bearing liabilities mainly raised from public liabilities raised through the Treasury Corporation of Victoria, finance leases and other interest-bearing arrangements. Liabilities also include non-interest-bearing advances from government that are acquired for policy purposes.

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 8.13: Glossary of Terms and Style Conventions (continued)

Leases

Leases are classified at their inception as operating leases or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership

Net acquisition of non-financial assets (from transactions)

Purchases (and other acquisitions) 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. It includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write-offs, impairment write-downs and revaluations.

Net result

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 comprehensive income'.

Net result from transactions/net operating balance Net result from transactions or net operating balance is a key fiscal aggregate and is income 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.

Net worth

Assets less liabilities, which is an economic measure of wealth.

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, investment properties, cultural and heritage assets, intangible and biological assets.

Non-produced assets

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.

Non-profit institution

A legal or social entity that is created for the purpose of producing or distributing goods and services but is not permitted to be a source of income, profit or other financial gain for the units that establish, control or finance it.

Operating leases

Operating lease payments, including any contingent rentals, are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

Payables

Includes short and long term trade debt and accounts payable, grants, taxes and interest payable.

Produced assets

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 does not include the startup costs associated with capital projects).

Notes To and Forming Part of the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2016/2017

Note 8.13: Glossary of Terms and Style Conventions (continued)

Public financial corporation sector

Public financial corporations (PFCs) 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 (e.g. taking deposits, issuing securities or providing insurance services). Estimates are not published for the public financial corporation sector.

Public non-financial corporation sector

The 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 (e.g. 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 trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Sales of goods and services

Refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the Department.

Taxation income

Taxation income represents income received from the State's taxpayers and includes:

- payroll tax; land tax; duties levied principally on conveyances and land transfers;
- gambling taxes levied mainly on private lotteries, electronic gaming machines, casino operations and racing;
- insurance duty relating to compulsory third party, life and non-life policies;
- insurance company contributions to fire brigades;
- motor vehicle taxes, including registration fees and duty on registrations and transfers;
- levies (including the environmental levy) on statutory corporations in other sectors of government; and
- other taxes, including landfill levies, license and concession fees.

Transactions

Revised 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 in 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 (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash.

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

201x year period

201x-1x year period

DISCLOSURE INDEX

Forensicare's annual report is prepared in accordance with all relevant Victorian legislation. This index has been prepared to help identify the Forensicare's compliance with statutory disclosure requirements.

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GLOSSARY

Acute Assessment Unit (AAU)	A 16-bed unit providing statewide assessment of male prisoners thought to be mentally disordered in the prison system. Forensicare provides forensic mental health services in the AAU under a contractual arrangement with the Department of Justice and Regulation.	Corrections Victoria	The Victorian Government agency responsible for the state-managed prisons and community-based corrections.
Area Mental Health Services (AMHS)	Clinical services provided by general health facilities within geographically defined catchment areas, with a focus on assessing and treating people with a mental illness.	Custodial supervision order (CSO)	An order made by a court following a finding that a person is permanently unfit to plead or not guilty by reason of mental impairment. The order commits the person to custodial supervision at Thomas Embling Hospital for an indefinite period.
Board	The governing body of the Victorian Institute of Forensic Mental Health, established by the <i>Mental Health Act 2014</i> , replacing the previously designated council.	Dame Phyllis Frost Centre	The main prison for women in Victoria, managed by Corrections Victoria. Forensicare provides in-bed and some outpatient services at the prison.
Centre for Forensic Behavioural Science	An independent research Centre of Swinburne University of Technology that works in partnership with Forensicare to undertake research.	Department of Health and Human Services	The Victorian Government department responsible for providing mental health, and through which Forensicare reports to the Minister for Mental Health.
Client	A person receiving care and/or treatment from Forensicare's Community Forensic Mental Health Service.	Department of Justice and Regulation	The Victorian Government department responsible for the criminal justice system (including prisons, courts and community corrections).
Community Forensic Mental Health Service (CFMHS)	The service arm of Forensicare responsible for delivering community-based programs.	EFT	Equivalent full-time staffing position.
Compulsory patient	A person who is subject to an Assessment Order, a Temporary Treatment Order or a Treatment Order under the <i>Mental Health Act 2014</i> .	Forensic patient	A person detained under the <i>Crimes (Mental Impairment and Unfitness to be Tried) Act 1997</i> or placed on a custodial supervision order under this legislation.
Compulsory treatment	The treatment of a person, for their mental illness, without their consent under the <i>Mental Health Act 2014</i> .	Inpatient	A person who is admitted to Thomas Embling Hospital for care and treatment.
Consumer	A person receiving services from Forensicare.	Inpatient episodes	An episode of inpatient care that started and finished within a specific period.

Marmak Unit, Dame Phyllis Frost Centre	The specialised mental health program developed at Dame Phyllis Frost Centre, comprising a 20-bed residential program (operated by Forensicare with 24-hour psychiatric nursing staffing), an intensive outreach program and a therapeutic day program for women with personality disorders.	Occupied bed days	Total number of patients in Thomas Embling Hospital in a given period.
Melbourne Assessment Prison (MAP)	The state reception prison for men, managed by Corrections Victoria. Forensicare provides forensic mental health services at the MAP under a contractual arrangement with the Department of Justice and Regulation.	Primary consultation	Direct individual assessment and service to a client or patient.
Metropolitan Remand Centre (MRC)	A maximum security remand prison managed by Corrections Victoria. Forensicare provides the Mobile Forensic Mental Health Service at the MRC.	Ravenhall Correctional Centre	A new medium security men's prison at Ravenhall to accommodate 1000 prisoners. Forensicare will provide forensic mental health services on site.
Mental Health Community Support Services (MHCSS)	Non-clinical not-for-profit services that focus on activities and programs that help people manage their own recovery and maximise their participation in community life.	Recovery	A contemporary approach to mental health care based on individualised care that focusses on strengths, hope, consumer choice and social inclusion.
Mobile Forensic Mental Health Service	The multidisciplinary Mobile Forensic Mental Health Service based at the Metropolitan Remand Centre.	Seclusion episodes	A single event of sole confinement of a patient to address imminent and immediate harm to self or others.
Non-custodial supervision order (NCSO)	An order made by a court following a finding that a person is permanently unfit to plead or not guilty by reason of mental impairment. The order allows the person to live in the community subject to conditions set by the court, which are supervised by a mental health service. Forensicare supervises all adult clients with a mental illness on these orders in Victoria.	Secondary consultation	Clinical advice to another service on an identified client or patient.
		Security patient	A person who is placed on either a Secure Treatment Order under the <i>Mental Health Act</i> 2014 or a Court Secure Treatment Order under the <i>Sentencing Act</i> 1991 and detained in Thomas Embling Hospital.
		Separation/discharge	The completion of an episode of care when the patient/client leaves a service or program
		Statement of Priorities	The annual planning document detailing Forensicare's deliverables and key performance indicators that is agreed between the board and the Minister for Mental Health.
		Thomas Embling Hospital	Forensicare's 116-bed secure inpatient facility.



Forensicare

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