Forensicare

Forensicare

ANNUAL REPORT
2015-2016

Victorian Institute of Forensic Mental Health

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ISSN: 1442-990X

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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 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; and
- work collaboratively with our stakeholders to achieve better and safer outcomes for our consumers and the community.

OUR VALUES

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.

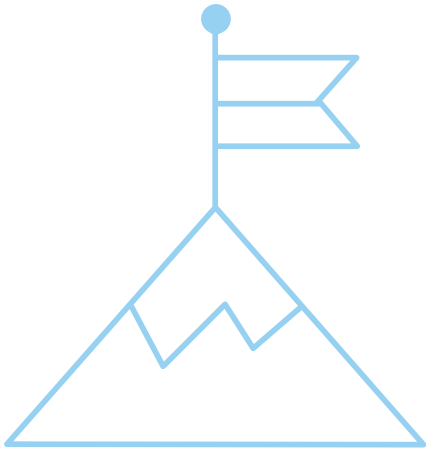
ACCOUNTABILITY – we will work to clear objectives in a transparent manner, accept responsibility for our decisions and actions, seek to achieve best use of resources and submit ourselves to appropriate scrutiny.

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.

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.

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

OUR STRATEGIC GOALS



- greater accessibility to services
- meet new challenges and drive change
- innovation in everything we do
- outstanding organisational performance.

ABOUT US

The Victorian Institute of Forensic Mental Health, known as Forensicare, is the state-wide specialist provider of forensic mental health services in Victoria. Forensicare is the only agency in Victoria that provides clinical forensic mental health services which span all components of the mental health and criminal justice sectors – giving Forensicare a unique perspective on mental health and public safety issues. It is 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 and/or treatment.

Forensicare's primary focus is the provision of 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. Specialist training and ongoing professional education is also provided 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.

OUR SERVICES

SERVICE LOCATIONS

Specialist forensic mental health services

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

Visiting sessions at the following prisons

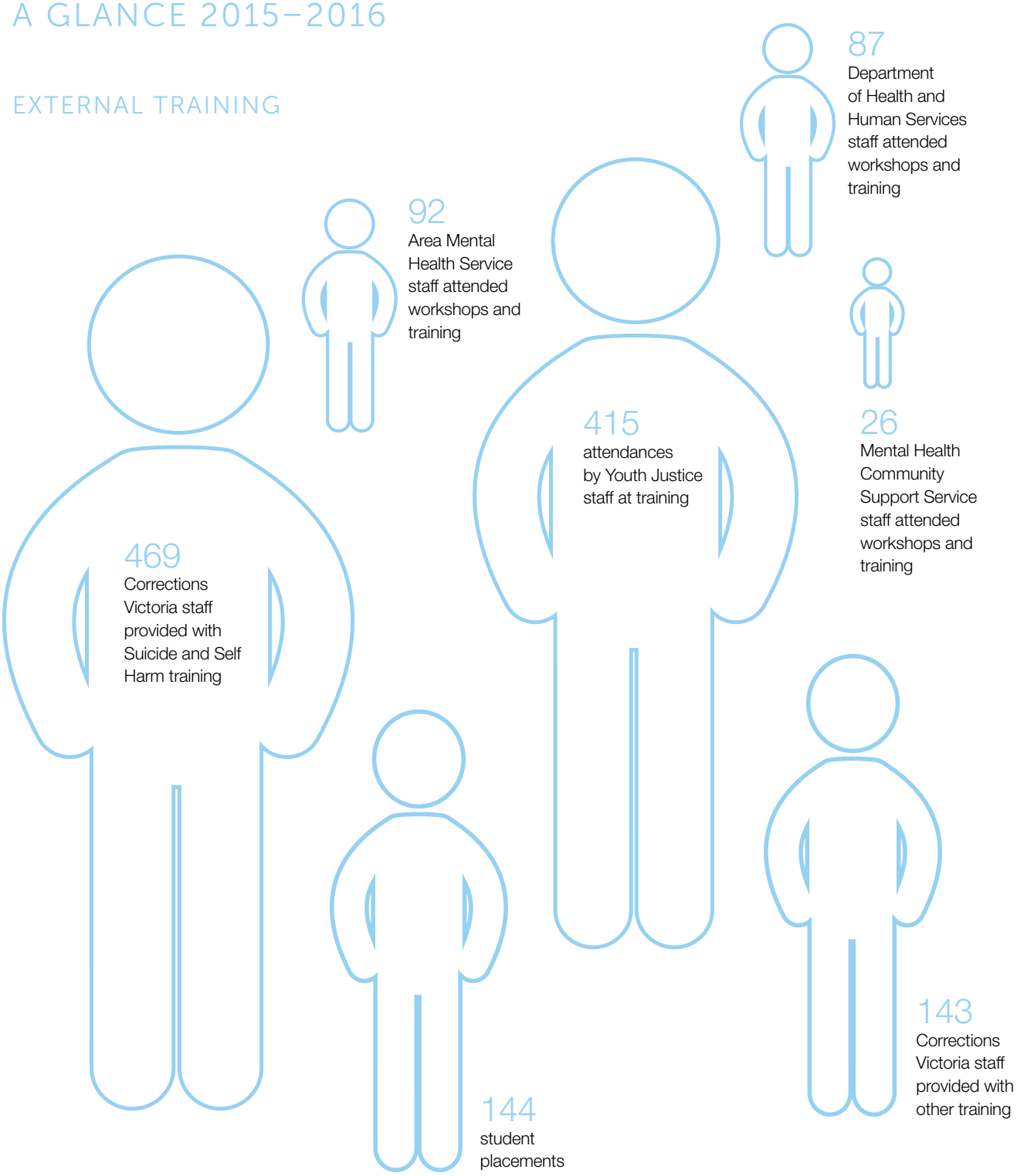
- Barwon Prison
- Dhurringile Prison
- Hopkins Correctional Centre (Ararat)
- Langi Kal Kal Prison
- Loddon Prison Precinct (Middleton)
- Marngoneet Correctional Centre
- Tarrengower Prison

Mental Health Court Liaison Service

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

OUR SERVICE AT A GLANCE 2015–2016

EXTERNAL TRAINING



87
Department of Health and Human Services staff attended workshops and training

92
Area Mental Health Service staff attended workshops and training

415
attendances by Youth Justice staff at training

26
Mental Health Community Support Service staff attended workshops and training

469
Corrections Victoria staff provided with Suicide and Self Harm training

144
student placements

143
Corrections Victoria staff provided with other training

SERVICES FOR COURTS

156 pre-sentence court reports for people on bail

222 pre-sentence court reports prepared for people in custody

124 court reports prepared for hearings related to Supervision Orders under the *Crimes (Mental Impairment and Unfitness to be Tried) Act* 1997

85 court reports prepared for criminal trials (including for the Office of Public Prosecutions and the Courts)

Oral evidence provided in 66 hearings related to Supervision Orders under the *Crimes (Mental Impairment and Unfitness to be Tried) Act* 1997

THOMAS EMBLING HOSPITAL

The Thomas Embling Hospital is a116-bed secure hospital with seven units which provides 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* 2014.

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:

Melbourne Assessment Prison – a 16 bed acute assessment unit, specialist clinics, outpatient services and a reception assessment program.

Marrmak Unit (Dame Phyllis Frost Centre) – a 20 bed residential program, intensive outreach program and a therapeutic day program for women.

Metropolitan Remand Centre – a Mobile Forensic Mental Health Service which provides outreach to other prisons and incorporates 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, Loddon, Marngoneet, Middleton and Tarrengower prisons.

These services are currently provided under a funding and services agreement with the Department of Justice & Regulation.

OUR COMMUNITY SERVICE IS A CRITICAL COMPONENT OF OUR ORGANISATION

COMMUNITY FORENSIC MENTAL HEALTH SERVICE

Our community service is a critical component of our organisation as it not only assesses and treats people in the community, but also supports other agencies to work more effectively with mental health consumers involved in the criminal justice system.

It involves specialist assessment and multidisciplinary treatment to high risk clients referred from Area Mental Health Services, correctional services, courts, the Adult Parole Board, Thomas Embling Hospital, prison services, government agencies and private practitioners.

Services are provided through the following programs:

COMMUNITY INTEGRATION PROGRAM

Community Treatment of Forensic Patients

Comprehensive psychiatric care and case management to individuals on a Custodial Supervision Order under the *Crimes (Mental Impairment and Unfitness to be Tried) Act* 1997 in the lead up to, or on Extended Leave under the Act from Thomas Embling Hospital and living in the community. For this client group, participation in the program is not voluntary and is a condition of successfully applying for and participating in Extended Leave.

Prison Transition Program

Mental health assessment and linkage services for prisoners who are released back into the community. This includes initial and ongoing assessments, crisis plans, ongoing management plans and participation in release planning. Engagement is time limited (generally 12 weeks per client) providing support to people with a serious mental illness leaving prison, including in-reach activities in the prison to meet and assess clients and post release linkage support to ensure that clients are well integrated into Area Mental Health Services and other supports as required.

NON-CUSTODIAL SUPERVISION ORDER CONSULTATION AND LIAISON

Supervision and monitoring of all people with a mental illness in Victoria on a Non-custodial Supervision Order under the *Crimes (Mental Impairment and Unfitness to be Tried) Act* 1997. Treatment to this group is provided by a local Area Mental Health Service.

PROBLEM BEHAVIOUR PROGRAM

A specialist program providing psychiatric and psychological consultation and treatment for people with a range of problem behaviours associated with offending, and for whom publically 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 (e.g. indecent exposure), collection and possession of child pornography, including internet child pornography and fire-setting. The program includes assessment and secondary consultation, and accepts clients for specialist ongoing treatment. A number of related group programs are offered.

ENHANCED FORENSIC CONSULTATION PROGRAM

This is a new initiative funded by the Department of Health and Human Services. It supports Community Correctional Services and mental health services in management of individuals who have a serious mental illness/disorder and complex needs, including a history of serious violent and/or sexual offending. The program targets community corrections clients who are either not currently 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 courts: Melbourne, Broadmeadows, Ringwood, Heidelberg, Dandenong, Frankston and Sunshine. Forensicare clinicians undertake clinical assessments and provide feedback based on these assessments to the court. They liaise with Court staff, police, lawyers, the custodial nursing service and local mental health services to ensure that the needs of people appearing before the Court who have significant mental health issues are met.

COURT REPORTS SERVICE

Forensicare provides pre-sentence psychiatric and/or psychological reports to Judges and Magistrates for people with mental disorders or problem behaviours to assist in sentencing dispositions, and to the Adult Parole Board to assist in decision making regarding parole.

MENTAL HEALTH PRIMARY CONSULTATIONS

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

FORENSIC CLINICAL SPECIALIST COORDINATION

Coordination of the Forensic Clinical Specialist Program funded by the Department of Health and Human Services which involves the employment of forensic clinicians in 10 of the Area Mental Health Services across Victoria.

YOUTH JUSTICE MENTAL HEALTH PROGRAM

This involves the employment of five forensic clinicians in child and youth mental health services across Victoria. The coordinator also provides direct services to the program at the Parkville Youth Justice Centre.

MENTAL HEALTH COMMUNITY CORRECTIONS SCREENING PILOT

This 12-month pilot provides clinical assessment and advice to inform the Community Correctional Services' Court Advisory Service regarding a client's mental health, and to provide recommendations on inclusion of the mental health treatment and rehabilitation condition on a Community Correction Order.

FAMILY VIOLENCE POLICE ENHANCEMENT PILOT

A 12-month pilot which involves embedding senior forensic mental health clinicians in two Enhanced Family Violence teams of Victoria Police in the north-west region to provide expert risk assessment consultancy and advice.

CHAIRMAN'S REPORT

ONCE AGAIN THE DEMAND FOR FORENSICARE'S SERVICES HAS GROWN IN BOTH NUMBERS AND COMPLEXITY OVER THIS PAST YEAR. THOMAS EMBLING HOSPITAL CONTINUES AT MAXIMUM CAPACITY, AS HAS BEEN THE CASE FOR SOME YEARS, WHICH INEVITABLY LEADS TO FAR TOO MANY PRISONERS WHO NEED COMPULSORY PSYCHIATRIC TREATMENT, DETAINED FOR FAR TOO LONG IN THE MELBOURNE ASSESSMENT PRISON. THIS RESULTS IN ACUTELY UNWELL PRISONERS WHO REFUSE APPROPRIATE TREATMENT, OFTEN REMAINING ACUTELY UNWELL AND SUFFERING UNNECESSARILY. IN ADDITION, THIS CONSIDERABLY ADDS TO THE ALREADY HIGH WORK STRESS LEVELS OF OUR FORENSICARE STAFF.

Much collaborative work has been done this year, and previous years, with Department of Justice & Regulation and the Department of Health and Human Services to better manage this situation, and to more effectively mitigate the associated levels of risk for all. This collaborative work is fundamental to the continuous improvement in our services and has also attracted considerable additional budgetary support. At the same time, and in the same collaborative way, there has also been significant growth in our community based services with acknowledgement of their world-best practice models in the Problem Behaviour Program through major increased funding in the 2016-2017 budget announced in April.

The board and executive have continued to productively work together through the normal processes of board and committee meetings and very successfully in our annual planning "retreat." All five board members whose term expired in April 2016 were re-appointed, and as board chair I am very grateful for this expression of confidence from the Victorian Government. It has helped greatly in maintaining our governance responsibilities and ensured we can continue to work with the executive team to meet the challenges of rapid growth. This includes planning for what will be a very substantial increase in the scale and complexity of Forensicare through the latter half of 2017 as we launch the 75-bed mental health unit in the new Ravenhall Correctional Centre, and take on responsibility for operating the mental health unit in Port Philip Prison.

Jan Noblett, a wonderful contributor to the board and Forensicare generally, resigned from the board in May 2016. Jan's professionalism and personal warmth have been a source of strength for our board and its processes. In wishing her well in her new role I also feel that her absence is a considerable loss for the board.

The commitment of management, clinical staff, and all involved in Forensicare to its quality services, consumer involvement, family support and a recovery based service model is exemplary. It is very reassuring as Chair to have such a strong sense of trust in all from the CEO down. Again, I am also indebted to my fellow directors for their unstinting work on the several committees and related demands. Support from the Victorian Government has been critical to our achievements this year and continues to be fundamental as we all work to achieve better outcomes for all our consumers.

Adjunct Professor Bill Healy
Chairman
Forensicare Board

CHIEF EXECUTIVE OFFICER'S REPORT

SERVICES SUCH AS OURS, THE ISSUES WE FACE, OR THE WORK THAT WE DO, ARE OFTEN DESCRIBED AS COMPLEX. BUT AT THEIR HEART, THEY ARE REALLY STRAIGHTFORWARD. THEY ARE ABOUT PEOPLE. HOW PEOPLE EXPERIENCE MENTAL ILLNESS, THE BEHAVIOURS THAT ILLNESS SOMETIMES DRIVES AND HOW OUR STAFF, WHO ARE ALSO HUMAN, RESPOND AND TRY AND WORK WITH SOMEONE TO ENABLE THEM TO REALISE THEIR RECOVERY GOALS SAFELY.

I want to start this report by acknowledging how much human experience sits behind the facts, figures and initiatives you are going to read about. Each year there are more and more achievements across the organisation which are driven by consumer experience and the feedback we get from consumers at the hospital, in prison and in the community. We appreciate the feedback they provide as it helps make our service better and more responsive to consumer needs.

I also want to acknowledge the amazing efforts of our staff across all our sites. They make an enormous commitment, respond to challenges in a positive way, work tirelessly to hold hope for consumers, and have great resilience when the behaviours of consumers who are unwell are challenging. Our organisation is committed to learning from the feedback of our staff and their wisdom enables us to develop better and safer services.

GREATER ACCESSIBILITY TO SERVICES

In relation to access, the key focus for all levels of the organisation has been the length of time male prisoners requiring compulsory treatment at Thomas Embling Hospital wait for admission. Following our organisation-wide survey against national standards in September 2015, the Australian Council on Healthcare Standards surveyors recommended that we "continue to work with [our] partners to progress the improvement of access to compulsory acute mental health care at Thomas Embling Hospital".

At the root of this issue is the lack of beds at Thomas Embling Hospital and we have been working with the Department of Health and Human Services (DHHS) and the Department of Justice & Regulation (DJR) to progress the construction of a new eight-bed unit at the hospital and develop a masterplan to accommodate future growth.

We have reviewed our own systems for patient flow and are in the process of working with the clinical teams at the hospital and in prisons to provide more timely access to compulsory treatment. We admitted less male patients to the hospital (66) but this includes 10 men on Custodial Supervision Orders under the *Crimes (Mental Impairment and Unfitness to be Tried) Act* 1997 — a much higher number than in any previous year. We continue to work closely with government departments in relation to the issue of access and quality of care, and this receives a high level of board and management scrutiny.

Continued demand on Mental Health Court Liaison Services at Magistrates' Courts has meant that we have shifted resources to increase services to the Melbourne Magistrates' Court. While a number of external reviews have recommended an increase in resourcing in this area it continues to be a missed opportunity to divert more people experiencing mental illness from the criminal justice system.

We have worked through the year with the community based mental health sector to develop a training package on managing risk and recovery for community based staff which is now ready to be rolled out. The significant investment by the government in the 2016-2017 Victorian budget will enable a state-wide coverage of the Forensic Clinical Specialist Initiative. This will augment the capacity of health services to meet the needs of people with a mental illness involved in the criminal justice system and improve pathways from prisons and courts. In our community service we have used new funding provided by DHHS to collaboratively design a service response 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.

We have also worked in close partnership with community based organisations to increase access to housing pathways for our patients at Thomas Embling Hospital and equip them with skills, through VET and TAFE programs, to find employment. The increased participation rate in these programs is really fantastic.

MEET NEW CHALLENGES AND DRIVE CHANGE

We have continued to work closely with GEO Project Co Pty Ltd on the development of the Ravenhall Correctional Centre. We have started the development of clinical programs with significant input from consumers through a partnership with the Australian Community Support Organisation. Construction of the mental health units has started and we are actively recruiting in advance of service commencement. The new alliances being built by all of the providers involved in the project will make this a prison like no other in Australia, with a focus on innovation and transitional support.

In the second half of 2015 we also worked closely with DJR, St Vincent's Correctional Healthcare and G4S, the prison operator at Port Phillip Prison, to develop a service model for Forensicare to deliver mental health rehabilitation services at Port Philip Prison and psychiatrist outpatient services from September 2017. Our existing relationships with these providers and the respect we have for them means that we are confident that this transition will be affected in a way which supports staff and service users over the coming period.

With funding from DJR we have also established an innovative pilot program to undertake mental health screening at the Melbourne and Sunshine Magistrates' Courts for those people being considered for a mental health treatment and rehabilitation condition on a Community Corrections Order. The service became operational earlier this year and preliminary evaluations already indicate that this program is having an impact.

With Victoria Police and the Swinburne University of Technology we have developed a new model to support the important work of Victoria Police in family violence interventions. We also made a detailed submission to the Royal Commission into Prevention of Family Violence with the Centre for Forensic Behavioural Science, which was extensively referenced in the Commission's Final Report.

One of our objectives under this strategic goal is to be an authoritative source to government of forensic issues. We made submissions to DHHS during the development of the Victoria's 10-year mental health plan and the senate inquiry into indefinite detention of people with cognitive and psychiatric impairment in Australia. During the year we also consulted with the Victorian Auditor General's Office in relation to their Investigations into Administration of Parole and Managing Community Corrections Orders.

The process of going 'smoke free' at Thomas Embling Hospital on 1 July 2015 required significant activity in the lead up, but also after implementation. Increased input from Healthstream, the health and leisure provider at Thomas Embling Hospital, has seen greater participation in activities from the units. More time available has also increased participation by patients in courses provided by Kangan Institute. Staff and patients have persisted in their efforts to maintain a smoke-free environment. Part of the rationale for the Supreme Court judgement early in 2016, which upheld the smoking ban, was the extensive consultation with consumers before the ban was implemented. External agencies have also recognised the efforts of staff and consumers in implementing the initiative and maintaining its momentum. Recognising that there are patients who still smoke, we continue to evolve our systems and approaches to maintain a safe environment and maximise the health of our consumers.

INNOVATION IN EVERYTHING WE DO

During the year we continued to ensure our services reflect a recovery orientation. It was fantastic that the Australian Council on Healthcare Standards assessed our efforts in relation to consumer and carer engagement against the National Mental Health Standards and National Safety and Quality in Healthcare standards as being "Met with Merit" in 11 domains.

In seeking to provide safety and quality in our service, it is important to acknowledge the prevalence of aggression and occupational violence which occurs in our service settings. We have worked collaboratively with unions, staff and WorkSafe to develop a new policy framework and response to occupational violence throughout the year. We have had a number of serious incidents which have impacted on staff and consumers and these have been subject to reviews which have driven further change in our practices. We aim to make sure that all of our staff feel supported to report aggression and, when incidents occur, to implement changes from the lessons learnt.

There are considerable organisational and personal achievements and recognitions set out in the research component of this Annual Report. The Swinburne Centre for Forensic Behavioural Science has established itself as an independent source of world recognised research and we are fortunate to have such a rigorous research partner committed to working with us to improve our services. The independent analysis of the outcomes of a number of our programs are documented throughout this Annual Report and we continue to benefit from the lessons they highlight to us.

We have commenced development of the model of care for the new eight-bed unit to be built at the Thomas Embling Hospital, incorporating consumer and carer perspectives. We are also really pleased that funding from the DHHS Koolin Balit Program has enabled us to start work on developing a Social and Emotional Wellbeing Assessment Tool to better meet the needs of Aboriginal and Torres Strait Islander peoples in all our settings. This work is overseen and supported by a steering committee with members from the Koori community and external Aboriginal community controlled health organisations. With funding from Justice Health we have also employed an Aboriginal Clinical Consultant to work with health professionals across the prison system to develop understanding and skills in responding to the health and mental health issues confronting Aboriginal or Torres Strait Islander prisoners.

OUTSTANDING ORGANISATIONAL PERFORMANCE

We have continued to increase our workforce in a planned and sustainable way to meet existing demand and be prepared for the growth in our services over the coming years. This work has included further investment in developing new managers, recognising the service of long standing staff members, and changes to our online training platforms. We have also changed our Respect and Responsibility training for staff in response to staff feedback on bullying and harassment through the Victorian Public Sector Commission's annual People Matter Survey. Towards the end of the year we also commenced negotiation with relevant unions on a new certified agreement for Forensicare staff.

Over the course of the year we have continued to augment our in-house Patient Management Information System to become an electronic medical record. Staff have continued to embrace these changes which means that by the end of the financial year we were prepared to move to a full electronic medical record. The growth in our organisation from the Ravenhall Prison Project also requires us to look at our rostering and time in attendance systems, and much work was done in the second half of the financial year in preparation for changes to both of these systems in the coming year.

Our financial result is a surplus of $251k though it is notable that this includes $421k revenue from DHHS recognising long service leave provisions. Management and the board have continued to monitor expenditure closely during the year given our agreed deficit operating budget under our Statement of Priorities. Our underlying result is significantly better than budget, though there has been continued demand to transfer patients at the hospital to acute general health services for treatment. In these cases additional clinical and security staff accompany the patient to manage safety and it is difficult to budget for these costs. Our operating and financial performance in this area mirrored that of the previous year.

There have been many significant achievements this year, though there has been continued pressure on the safety and quality of our services in a number of areas, particularly in the prison services. Staff in all our service components do an amazing job. We are committed to improving our performance and continuing to find new ways to make working with Forensicare safer in all respects. As always, I express my appreciation for the ongoing support of the board and my executive team. I am sure that you will be impressed with many of the achievements of our staff and consumers documented in this year's Annual Report.

Tom Dalton
Chief Executive Officer

GOVERNANCE

Forensicare was created under section 117B of the *Mental Health Act* 1986 and continued under the *Mental Health Act* 2014. Our functions are to:

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 forensic mental health services provided by the organisation.

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 persons 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 2015–2016 were reappointed.

BOARD DIRECTORS

During the 2015–2016, Forensicare's board directors were:

Adjunct Professor Bill Healy
MA Dip Soc Studs

Appointed as the Forensicare board Chair 10 April 2013

- currently 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 from 1992–2013 and Chair from 1999–2011
- Community Member, Mental Health Review Board from 2000 and Mental Health Tribunal since July 2014.

Ms Julie Anderson
Cert Bus (Acc), Cert Theo, Completion AICD course

Appointed to reflect the perspective of persons 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.
- currently Manager, Consumer Participation Strategy, Neami National
- past Director Neami National (2008 -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
- currently consultant with Activetics, focusing on providing solutions to challenges driven by an ageing workforce.

Ms Janet Farrow OAM
BSW, MBA, Grad Dip Law, GAID,
Churchill Fellow, Williamson Fellow

Appointed 27 April 2011

- adjunct Academic Staff Member, School of Social Work, 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 Mileshkin
MB BS, 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, University of Melbourne
- current member of the Mental Health Tribunal
- over 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.

Ms Janet Noblett
BEd(Secondary), Dip Ed Psych, GAICD

Appointed as the nominee of the Minister for Corrections 23 March 2012. Resigned 25 May 2016.

- over 24 years in the Victorian public service, primarily in the Department of Health and Human Services and Department of Justice & Regulation, including the Child Protection Program and Director, Youth Services and Youth Justice 2004- 2009
- currently Executive Regional Director, West Area, Department of Justice & Regulation, with responsibility for Barwon South West and Grampians Region. Services in the area include prisons, Community Correctional Services, Sheriff's Operations, Consumer Affairs Victoria, Dispute Settlement Centre, Regional Aboriginal Justice Advisory Committee, Crime Prevention Reference Group and Victims Support Services.

Mr Greg Pullen
MBA, FCPA, FAICD

Appointed 10 April 2013

- Currently 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. His most recent appointment prior to his current position was as CEO, Northern Health, Melbourne
- has formal accounting, management and board director training and qualifications.

Mr John Rimmer
MA, Dip Soc Studs, AMusA, FAICD

Appointed 12 May 2015

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

Associate Professor Ruth Vine
MB BS, FRANZCP, LLB

Appointed 12 May 2015

- currently 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 in the development of 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

The board is supported by six committees to assist it in fulfilling its responsibilities. Each committee is required to report to the board.

AUDIT, SECURITY AND RISK MANAGEMENT COMMITTEE

The Audit, Security and Risk Management Committee's role is to assist 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 2016: Janet Farrow (Chair), Andrew Buckle, Dr Cristea Mileshkin 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 the assessment and evaluation of the safety and quality of clinical services provided by Forensicare.

Members at 30 June 2016: Janet Farrow (Chair), Dr Cristea Mileshkin, Julie Anderson, Associate Professor Ruth Vine and Dr Maurice Magner (co-opted member).

EXECUTIVE PERFORMANCE AND REMUNERATION COMMITTEE

The purpose of the committee is to assist the board to fulfil its responsibilities in relation to the review of performance and remuneration of the Chief Executive Officer and his or her direct reports ("Executive").

Members at 30 June 2016: Adjunct Professor Bill Healy (Chair), Janet Farrow and Greg Pullen.

FINANCE COMMITTEE

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

Members at 30 June 2016: Greg Pullen (Chair), Adjunct Professor Bill Healy, Janet Farrow and John Rimmer.

RESEARCH COMMITTEE

The purpose of this committee is to determine research priorities and activities, monitor and develop guidelines and progress and adherence to ethical standards of research, and encourage research across the organisation.

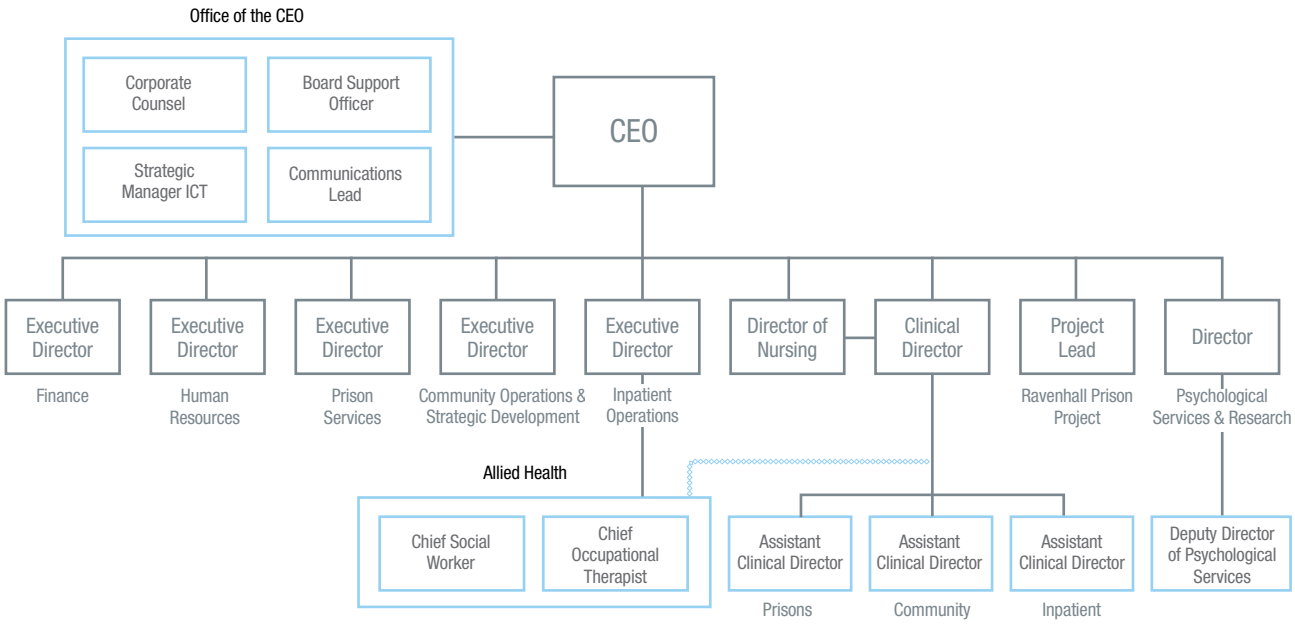
Members at 30 June 2016: Professor Janet Hiller (External Chair), Adjunct Professor Bill Healy, Dr Cristea Mileshkin, Julie Anderson and Associate Professor Ruth Vine (Co-opted members – Professor James Ogloff and Dr Maurice Magner).

STRATEGIC PLANNING AND OVERSIGHT COMMITTEE

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

Members at 30 June 2016: John Rimmer (Chair), Adjunct Professor Bill Healy, Andrew Buckle, Janet Farrow, Tom Dalton, Dr Maurice Magner and Professor James Ogloff.

ORGANISATIONAL CHART



EXECUTIVE LEADERSHIP TEAM

The Chief Executive Officer of Forensicare is appointed by the board. An executive leadership group assists 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 and leads the executive in delivering contemporary forensic mental health services that meet the needs of stakeholders.

Dr Maurice Magner
Clinical Director
MBChB, 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.

Louise Bawden
Project Lead, Ravenhall Prison Project
RN, RPN, Dip. App. Sci. (Adv. Psychiatric Nursing), B. App. Sci. (Adv. Nursing)(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 Foreniscare's prison-based services into the new prison. Louise is managing a project team that is expanding the Forensicare workforce by over 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.

Sue Briggs
Senior Adviser
BA, BSW

Sue joined Forensicare in 1998 from the former Forensic Health Service, Department of Health. She had organisation wide responsibility for policy, planning and preparing organisational strategic publications. Sue retired from Forensciare in December 2015.

Vince Di Stefano
Executive Director, Finance and Business Services
Assoc Dip Bus Accting, BBus(Acct), CPA

Vince commenced with Forensicare in February 2014 and is a qualified Certified Practicing Accountant. He is responsible for all financial and business services across Forensicare's operations. He ensures that Forensicare is compliant and accountable, has well-developed business practices that support all the activities of the organisation, and provides expert and strategic advice to the CEO and Executive Management Team on financial, business and risk management.

Ryan Dube
Executive Director, Prison Operations
RN(Mental Health), BA(Hons) Healthcare Administration, Post Graduate Diploma Forensic Mental Health Care, MBA(Health)

Ryan joined Forensicare in May 2016. Prior to joining Forensicare, Ryan was the Operations Manager for the Acute Inpatient Unit at the Alfred Hospital with operational oversight of the state-wide 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 & Regulation.

Wendy McManus
Executive Director, Human Resources
Grad Dip Mgt, Dip Soc Sc., Cert 1V Training and Assessment, Cert 1V OHS, CAHRI, LEADR Accredited Mediator, FAICD

Wendy joined Forensicare in August 2008 and holds the position of Executive Director Human Resources. She is responsible for the development and implementation of Forensicare's Occupational Health and Safety and Human Resources strategies, policies and guidelines plus the provision of high-level advice and services to meet the needs of the entire organisation. Wendy's management of the Human Resources area supports the work of the organisation to build and maintain a positive work environment that engages a valued, skilled and appropriately credentialed workforce.

Jonathan Norton
Executive Director, Community Operations and Strategic Development
BA, BSc (Hons), Grad Cert Management, MSc (Couns Psych), MAPS

A psychologist with a background in 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
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 the delivery of psychology services and research across the organisation and assists with the provision of 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, B. AppSc Advanced Nursing, Administration (Dist)

Les was appointed as Executive Director, Inpatient Operations in May 2014. He is responsible for managing the 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 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, Cert Forensic Psychiatric Nursing

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

OVER THE COURSE OF THIS YEAR, FORENSICARE'S CLINICAL TEAMS HAVE CONTINUED TO MEET THE IMMENSE CHALLENGES OF INCREASED VOLUME AND COMPLEXITY OF NEEDS WITH POSITIVE AND INNOVATIVE APPROACHES TO SERVICE DELIVERY. OUR NURSING STAFF HAVE LED THE WAY IN PATIENT CENTRED CARE WITH INITIATIVES FOCUSED ON REDUCING RESTRICTIVE INTERVENTIONS, TRAUMA INFORMED CARE AND SUICIDE PREVENTION. EFFORTS HAVE INCREASED TO TRANSLATE RESEARCH INTO CLINICAL PRACTICE AND WE ARE GRATEFUL TO HAVE THE WORLD CLASS CENTRE FOR FORENSIC BEHAVIOURAL SCIENCE AS OUR PARTNER IN THIS WORK.

In September, Forensicare participated in an organisation-wide survey using the new National Safety and Quality Health Service Standards and the National Mental Health Standards. Forensicare staff were more broadly engaged in the preparation for this survey than was the case in previous years. Responsibility for safety and quality of service delivery rests with everyone who works at Forensicare — not just a select few.

Forensicare had confidence in the good engagement of consumers in all areas of service delivery and it was decided to let them lead the presentations to the surveyors. This was well received and Forensicare's high quality of consumer engagement was reflected in the subsequent "met with merit" assessments from the surveyors.

Overall, Forensicare achieved its best survey result ever with 11 "met with merit" assessments. Our staff and consumer representatives are to be congratulated for this excellent outcome. I would also like to acknowledge the leadership and all the work done by our quality manager.

Balanced against this achievement is the reality of the ever increasing, and often unmet, demand for acute mental health services for prisoners. The surveyors noted the issues regarding access and recommended we continue to work with our partners, Department of Justice & Regulation and Department of Health and Human Services, to address this issue. This was the only recommendation they made. It has sadly become the norm during the year that at least 10 prisoners wait to be transferred for compulsory treatment under the *Mental Health Act* 2014 on any day of the week. On average these certified prisoners may wait a month before a bed becomes available at Thomas Embling Hospital. It takes little imagination to understand the conditions under which these prisoners are detained: floridly psychotic with no psychiatric treatment and detained in prison cells.

Considerable attention has been given to this problem by Forensicare's board and executive. We have undertaken a comprehensive review of patient flow between the Melbourne Assessment Prison and the Thomas Embling Hospital and are in the process of implementing its recommendations. The chief psychiatrist has also been very supportive of efforts to make acute beds available for prisoners. The Department of Health and Human Services as well as the Department of Justice & Regulation have also been applying their time and resources to find short and medium term solutions to the bed access and flow problems. It is hoped that in the near future the inexorable deterioration in services for acutely ill prisoners over the past few years may be reversed.

Following a Supreme Court ruling in Forensicare's favour in early 2016, Jardine Unit has now joined the remainder of the hospital in going smoke free. The outcome of this legal challenge to the smoking ban may set a positive precedent for other services wishing to take similar action to make environments smoke free.

The Ravenhall Prison Project progressed well over the year. The project team's attention moved from structures to services and in the latter part of the year much attention has been given to the progressive recruitment of clinical staff. Over 100 EFT (new full-time positions) will be required for this new service. Ravenhall Correctional Centre with its 75 mental health beds set to open at the end of 2017, will offer prospective clinicians an opportunity to work in a state-of-the-art facility providing recovery oriented and innovative mental health services. There is no comparable service in Australia.

Forensicare is experiencing an unprecedented expansion of demand for mental health services from the prison system. In addition to the Ravenhall development, Forensicare will have responsibility for the mental health beds at Port Philip Prison in late 2017. There have also been expansions and additions to metropolitan and rural prison mental health services in the past year with more still to come. Recruitment of medical, nursing and psychology staff will be high priority.

The continued increase in the number and complexity of client needs on Non-custodial Supervision Orders under the *Crimes (Mental Impairment and Unfitness to be Tried) Act* 1997 has created significant difficulties for clinicians in terms of supervision and availability of hospital beds when required. Area Mental Health Services are also noticeably hard pressed to respond to the needs of this group of forensic clients.

The demand for Office of Public Prosecution reports under the Crimes *(Mental Impairment and Unfitness to be Tried) Act* 1997 has continued to grow and this year our psychologists and psychiatrists have produced more reports than in previous years.

New funding has been provided to develop additional community services. The Enhanced Forensic Consultation Program for the more complex client group who have mental health, serious offending and engagement difficulties was introduced in the latter part of the year. The government announced in the 2016-2017 State Budget that the Problem Behaviour Program will be significantly expanded in its scope and resources, with some funding provided for managing clients with serious sexual offending problems.

The further development of forensic services in Victoria is essential if we are to appropriately meet the burgeoning demand.

Forensicare staff will need to embrace higher levels of service delivery safely and with the same high quality of care that they currently provide. This is a challenge that will require strong leadership and a willingness from all staff to change our practices for the benefit of consumers.

Dr Maurice Magner
Clinical Director
MBChB, MMed, FFPsych, MRCPsych, LLM, FRANZCP

CLINICAL SERVICES

OVERALL, FORENSICARE ACHIEVED ITS BEST SURVEY RESULT EVER WITH 11 "MET WITH MERIT" ASSESSMENTS. OUR STAFF AND CONSUMER REPRESENTATIVES ARE TO BE CONGRATULATED FOR THIS EXCELLENT OUTCOME.

RECOVERY

Consumers are developing a new recovery story with a female and consumer rights focus: Don't Come Back Jill, following Don't Come Back Jack which was our first recovery story developed by the patient consulting group. Don't Come Back Jill will be used for staff training, orientation and information for consumers at Forensicare.

The patient consultant group has developed a recovery plan for use collaboratively by patients and staff. The recovery committee is working on incorporating this with the new clinical care and treatment plan.

The inaugural Forensicare recovery policy was introduced in 2015 to ensure recovery perspectives are incorporated into all of Forensicare's polices where appropriate.

There was a strong recovery focus in Forensicare's Accreditation Survey in September 2015.

Consumer engagement through the Consumer Advisory Groups continued this year, including a specially formed Consumer Advisory Group for the Ravenhall Prison Project to consult on consumer perspectives in proposed planning for the mental health beds at the facility and the recovery plans for security patients at Thomas Embling Hospital and prisoners accessing Forensicare mental health services within a prison.

MEDICAL

At the end of June 2016, Forensicare employed 28 consultant psychiatrists and 16 registrars. A higher proportion of psychiatrists (13) are employed full-time compared with last year.

Medical posts linked to the Ravenhall development have been advertised and there has so far been a good response to the psychiatrist positions, particularly from overseas applicants.

Further expansion of medical staffing has been proposed linked to prisons expansion and community services expansion. Recruiting high quality medical staff remains a top priority for the coming year.

Staff movements during the year include the resignations of Dr Pei Lim and Dr Leon Turnbull and the appointments of Dr Nick Owens, Dr Gideon Dubow and Dr Jeremy Resnick (a one-year appointment from the UK).

In 2016, the Director of Training for Registrars position was revised and we now have Dr Fiona Best (advanced trainees) and Dr Ahmed Mashhood (basic trainees) providing that service.

Dr Danny Sullivan returned from a long period of leave which included further study in Canada and took up the Acting Clinical Director role for three months while the Clinical Director was on leave.

The demand for consultant forensic psychiatrists continues to grow, particular in relation to prison services. It is encouraging to have ongoing overseas interest in positions at Forensicare and to note that the number of Forensic advanced trainees at Forensicare has increased in the coming years.

The medical staff have been under considerable pressure to meet service demands over the past year. They have met this challenge and continue to provide the highest quality services to patients and prisoners while maintaining a high degree of community safety through sophisticated risk assessment and management.

NURSING

- In 2016 we saw a further 20 graduate nurses commence the Nursing Graduate Program with 18 post-graduate nurses continuing through to their second year of the program — a total of 38 in the graduate program. Over 80 applications were received for the 20 places with several graduate nurse program information sessions provided and 63 people taken on a tour through the hospital.
- Forensicare had 95 nursing students from Victorian universities on placement across the organisation for a total of 233 days in 2015-2016.
- Education sessions on mental health nursing were provided to undergraduate students at several universities. These sessions were filmed at RMIT and La Trobe universities and accessed online by all undergraduate nurses. The clinical educators also assisted RMIT in the development of a mental health nursing promotional video.
- Ten presentations were made at national and international conferences on topics including violence risk assessment, understanding inpatient aggression, sexual health, reducing restrictive interventions, animal assisted interventions and evaluation of an enrolled nurse graduate program.
- With the expansion of services at Forensicare across the prisons in 2017, initiatives to increase nursing numbers have been occurring through stalls at conferences, an increase in graduate positions and interviews taking place across New Zealand and England.
- Training –
  - Education packages were developed and put online through the Forensicare Internal Training System (FITS)
    - Adult learners – nursing preceptorship module
    - Management of aggression (M4) medical monitoring
    - Escorting leaves competency
    - Gender sensitivity and safety – (GSS)
    - Hand hygiene
    - Amphetamine type substance use (ATS) - three modules
    - Mentoring for nurses
    - Clinical handover.
  - In response to the Ice Action Plan, three Amphetamine Type Substances (ATS) online modules were created and two workshops with NEXUS were offered to the target group of 44 clinicians (largely nurses) working at reception in prisons and in court roles. Planning has commenced to offer a workshop for inpatient nurses in collaboration with NEXUS.
  - Gender Sensitive and Safe Practice Training was introduced in 2014–2015. The training consists of four training modules. Training has continued during 2016 with a total of 281 clinicians having received training.
  - Personal search training was provided monthly to nurses at the Thomas Embling Hospital. This was attended by 141 nurses. An online Security and Emergency Response training package was developed and made available to staff at the Dame Phyllis Frost Centre, Melbourne Assessment Prison and the Metropolitan Remand Centre with 105 courses completed.
  - Short-Term Assessment of Risk and Treatability (START) training continued as one aspect of risk assessment training for nurses. This training is ongoing targeting all registered nurses with a total of 197 completing this training.
  - Suicide Assessment and Prevention (SAP) training has continued during 2016. Two modules have been developed to improve nursing practice for patients who are at risk of self-harm and/or suicide which were attended by 192 nurses.
  - Mental Health Professional Online Development (MHPOD) – a total of 444 nurses successfully completed MHPOD topics in 2016.
  - Two Management of Aggression workshops took place during 2015-2016 and 34 people attended the three day workshops.

  - The workshops are for new staff starting in the organisation and covers:
    - Assessing the risk of inpatient aggression (includes DASA)
    - Model for understanding inpatient aggression
    - De-escalation, limit setting and crisis communication skills
    - Legal framework
    - Trauma informed care
    - Sensory modulation
    - Perspectives on restrictive interventions
    - Pharmaceutical Management of Acute Behavioural Disturbance
    - Risks associated with restraint (includes medical monitoring)
    - Therapeutic culture
    - Physical intervention (11 people attended a shortened version, including physical and medical monitoring, prior to a full workshop later in the year).
- The nurse leadership group developed a series of presentations on leadership for ANUM's (Hospital) and RPN Grade four coordinators (Prison). These sessions were presented in three workshops with the workshops also being used to share information and inform these groups of happenings across the organisation. The topics that were covered include:
  - communication
  - monitoring practice
  - culture influences on units
  - rolling with resistance
  - leadership and emotional intelligence
  - professional resilience
- With the expansion of the nursing workforce, particularly in prisons, the nursing leadership forum was divided into two separate forums so that they could focus specifically on their area —hospital, community or prisons. The aim of these forums are to influence the quality of patient care through good nursing leadership.
- The work of the Trauma Informed Care (TIC) Committee, led by nurses, which consists of patients and staff from different areas of the multidisciplinary team continued. Training modules were developed for staff to complete. The working party are also currently developing a Trauma Informed Therapeutic Program for patients to attend.
- The past 12 months has also been about creating a safe and supportive environment for everyone and involving patients in processes. The admission process was reviewed with a TIC lens, de-escalation areas on acute units were enhanced with artwork. We changed our approach so that patients could discuss their restrictive intervention experiences in a safe space with a staff member of their choice. A cultural resource was developed by the spiritual care coordinator so staff and patients could be informed of all relevant spiritual days and practices.
- Swinburne University and the Centre for Forensic Behavioural Science offered a place in each of the units within the Forensic Behavioural Science courses again this year. There were 10 nursing staff who took up this offer. In addition, 12 nurses were supported through the Further Study Incentive Program to undertake higher education at postgraduate, masters and PhD level.
- Nursing initiated the implementation of a Safewards project on Canning Unit. The Safewards model is a model developed by Professor Len Bowers in the UK. The model aims to explore the relationship between conflict and containment, identify opportunities when staff can intervene to prevent or reduce conflict and containment, and to generate ideas for change in the therapeutic milieu which have the potential to reduce conflict and containment. Although the Safewards model is slowly being introduced across Forensic services internationally, there is not yet any shared evidence of its effectiveness. The implementation of the model at Thomas Embling Hospital is being studied under research conditions and ethics approval has been granted.
- A new Practice Development Nurse role was introduced. Five positions filled as internal secondments have been spread across the hospital to support the addition of extra graduates and postgraduates in units. These positions support the graduates and the clinical teams in providing quality care as well as facilitating learning and practice change through the promotion of evidence based practice.

SOCIAL WORK

Cultural responsiveness

Culturally and linguistically diverse population

After completing the three-year formal Victorian Transcultural Mental Health Partnership with Victorian Transcultural Mental Health (VTHM) we have developed a new Sustainability Framework. This sets out our capacity building objectives we will work on in coming years.

Significant outcomes as a result of the partnership include:

1. The development and implementation of a Culturally and Linguistically Diverse (CALD) Consumer Advisory Group ("CAG") Representative at Thomas Embling Hospital. The CALD CAG Representative ensures a better cultural balance for the CAG and is also a member of the VTMH CAG. The CALD CAG Representative is regularly called upon for consultation by Forensicare management.
2. Better inclusion and understanding of the role and benefits of VTMH secondary consultations as part of the clinical review, care planning and risk assessment process.
3. Clinical documentation now supports cultural responsiveness in clinical review, care planning and risk assessment and compliments the recovery framework that helps guide our practice.

Cultural portfolio holders (CPHs) are members of the Social Work team who provide support, advice and advocacy to consumers from culturally and linguistically diverse backgrounds, their families and carers. CPHs regularly liaise with specialist services and form part of the bi-monthly state-wide Cultural Portfolio Holder Committee, chaired by Victorian Transcultural Mental Health.

Aboriginal and Torres Strait Islander peoples

All Aboriginal and/or Torres Strait Islander patients have a nominated Aboriginal services officer (ASO). The ASOs are members from the Social Work team who liaise with and advise patients, their families and carers. The ASOs also assist in the development of specialised culturally responsive practice initiatives.

We have employed an Aboriginal project officer who has begun developing a social and emotional wellbeing assessment and framework for use across Forensicare sites and in other forensic and general mental health settings. This position was funded by the Department of Health and Human Services' Koolin Balit initiative and the work is overseen by a committee including above representatives from a range of organisations including VACCHO; North Metro Region, RAJAC; Department of Health and Human Services - Performance and Accountability Unit, Aboriginal Health and Wellbeing Branch.

NAIDOC celebrations were held at Thomas Embling Hospital in July 2015 and Fire Pit was officially named Bunjil Waa Wein. The Bunjil Waa Wein Fire Pit is named after Bunjil, the creator being who often appears as an Eagle, Waa the crow and guardian of the Kulin Nation's people, and Wein meaning fire. The Bunjil Waa Wein naming was performed by Uncle Colin Hunter, Wurrundjeri Elder, and in the spirit of reconciliation was attended by patients and staff from across the organisation, as well as numerous external partner organisation and leaders from the Baptist, Muslim, Sikh, Hindu, Jewish and Buddhist communities.

During the year we were pleased to recruit Victoria's first Aboriginal clinical consultant, funded by Justice Health. This role will provide cultural support and capacity building for the whole health and mental health workforce in the Victorian prisons through the provision of expert cultural advice and secondary consultations. It will assist in the provision of holistic care for Aboriginal and/or Torres Strait Islander prisoners with a mental illness, and ensure that these prisoners receive culturally appropriate health and mental health services.

Gender sensitivity

To address the specific needs of female patients at Thomas Embling Hospital, the Social Work team developed and implemented a Women's Specialist Care Pathway Senior Social Work position. This position works with female patients as they transition through the inpatient setting and helps raise awareness of the needs of women within forensic mental health. We have recently established a new committee, Women for Change, which aims to review services provided to female patients as they undertake their recovery journey across Forensicare.

Student projects

Social Work students from Victoria University and The University of Melbourne have been working on a number of projects throughout 2015–2016, most notably:

- **Family Work Model** — development of a client-centred framework for involving families in everyday practice based on a Pyramid of Family Care (a model developed as part of the Working with Families Project of the Sutherland Adult Mental Health Service in Sydney)
- **Social work service models for women in forensic mental health systems (honours research)** — this research aims to explore female patient and staff experiences of current support services within Thomas Embling Hospital to gain a better understanding of how these services support the female forensic patient's recovery journey.
- **Peer Support Work Model** — literature review and recommendations made for the development and implementation of a peer mentoring program for Thomas Embling Hospital aimed at assisting patients through their recovery journey.

Housing issues

The Housing Working Group (HWG) has been developed with representation from all Forensicare sites as well as external housing services. The HWG examines housing and placement difficulties for the forensic population and investigates ways to more efficiently and effectively navigate the housing sector, as well as possible partnerships and joint submissions for greater housing accessibility.

Environment and sustainability

A few enthusiastic and environmentally aware social workers along with the Senior Project Officer - Inpatient Operations and the Manager, Procurement and Logistics, have started a new working group, Team Green, to further implement the Environmental Sustainability Strategy 2015-2017.

Starting with Objective 1 - Promote environmental awareness, Team Green will undertake a Thomas Embling Hospital recycling audit for both staff and patients in July 2016. These findings will be published and used to guide priority areas for awareness raising. Team Green is planning a special event to run during National Recycling Week from 7-14 November and plan to recruit a sustainability representative from within the patient population.

Partnership development

The Social Work team has continued to develop partnerships with external services to strengthen the care and support services provided to patients. The agencies involved in these partnership arrangements include –

- **Family Planning Victoria** — has facilitated a Sexual and Reproductive Health Education Session for Forensicare staff and will deliver additional staff training called "How to talk to your patients about sex", which will run in September and October 2016. Family Planning Victoria has also developed and co-facilitated a four-module group program for Thomas Embling Hospital patients. These sessions will be facilitated in an ongoing capacity by members from the Social Work team.
- **Responsible Gambling Foundation** — has facilitated gambling education sessions for staff. Work on the implementation of a gambling screening tool and planning for appropriate interventions also continues.
- **ADEC (Action in Disabilities in Ethnic Communities)** — collaboration between Forensicare and ADEC continues with referral pathways and access to advocacy services currently being negotiated.

OCCUPATIONAL THERAPY

Staffing

- An occupational therapy graduate program was developed and successfully recruited to as part of the workforce planning for Ravenhall Correctional Centre. These two clinicians will work through a series of competencies and professional development learnings over the next two years to ensure a variety of skills, experiences and opportunities.
- A significant growth of occupational therapists across the organisation has continued, with the team now comprising of 21 clinicians. An increase in the number of occupational therapists working in multi-disciplinary roles has afforded the team the opportunity to review current structures and practices. It is anticipated that in the coming year, the team will continue to grow to approximately 31 clinicians across eight service sites.

Clinical innovation

- Following the resignation of the Senior Music Therapist a review of this position occurred. Subsequently, in May 2016 an Art Therapist commenced the provision of creative arts therapies across Thomas Embling Hospital. The Art Therapist provides a mixture of group and individual art psychotherapy on Barossa, Canning and Daintree units.
- New occupational-focused groups were developed and piloted in both the Unit 13 Outpatient Service at the Melbourne Assessment Prison and the Mobile Forensic Health Service at the Melbourne Remand Centre. These groups were primarily based around skill development, including the skill of resilience (for Unit 13) and an introduction to sensory modulation (for the MRC).
- The Unit 13 Occupational Therapist has taken a lead role in the promotion of a multidisciplinary team approach to suicide and self-harm risk, in particular working closely with Corrections Victoria to enhance the physical environment to promote therapeutic interactions and opportunities.
- Occupational Therapy continue to review and enhance the group program content of the Occupational Function and Performance stream of four therapeutic programs and have facilitated advanced and intermediate group modules in 2015-2016. There were four participants in the advanced group module and 14 participants in the intermediate group module.
- We continue to promote occupational-focused interventions where the use of occupation is core to the clinical reasoning. A particular highlight of this was the Thomas Embling Hospital music groups recording a CD in a community studio of their own songs and performing at a community concert.
- Occupational therapists working across the service (Daintree, Jardine and CIP) are currently supporting a higher level of service linkage for patients in vocational rehabilitation programs with four patients volunteering, 14 patients engaged in paid employment and seven patients studying in community TAFE education programs.

Clinical education

- We have provided nine clinical education placements and 16 research project placements in 2015–2016 and our clinical education became registered with VicPlace, the Victorian Government's clinical placement scheme this year.
- One honours level research project and three new service development projects were commenced by students. These projects are scheduled to finish towards the end of 2016 and include:
  - the usefulness of a sensory trolley and the impact on male patients' well-being in a forensic mental health setting from the perspectives of staff and patients (honours)
  - introducing resources to promote safe and occupationally balanced transition to the community from correctional settings (service development)
  - developing an understanding of the skills and required interventions required to support offence disclosure in community based occupations (service development)
  - developing a staff education package to promote therapeutic activity and occupational engagement in Ravenhall Correctional Centre (service development).
- Our project students who have worked over the past two years on the development of a website database to promote meaningful community linkages and therapeutic day leave have finalised their project and successfully launched the Linking Me website.

- Tutorials, lectures and seminars were delivered to 190 undergraduate or masters level occupational therapy students from three universities in 2016 on topics such as occupation-focused practice in institutional environments, occupational therapy in forensic mental health and occupational therapy in working with people with dual disability.

Contribution to research and further study

- Nine presentations have been accepted for presentation at the National Forensic Occupational Therapy Forum and the Victorian/Tasmanian Occupational Therapy Regional Conference. These have been on a range of topics including reflective practice, occupational focused frameworks in forensic mental health, the impact occupational therapy can have in supporting men at risk of suicide or self-harm, improving physical environments through design, therapeutic programs and sensory modulation.
- Two of Forensicare's occupational therapy staff successfully completed masters qualifications in the past year, one of whom continues to pursue post-graduate qualifications. Another three occupational therapists enrolled in at least one post-graduate level subject.

Health and leisure

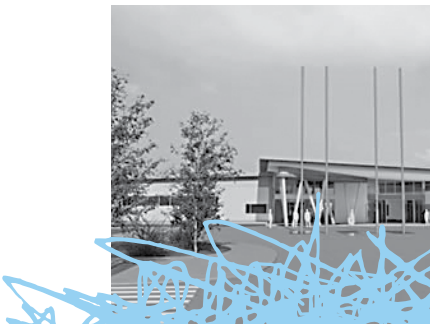
- Occupational therapists took a leadership role in promoting the ongoing time and health benefits of adopting a smoke-free lifestyle during the transition to a smoke-free service. The team has organised and participated in health information fairs, peer support training and group facilitation and has developed new opportunities to create whole of health care initiatives (including promoting step-tember and training runs for community fun runs). We have supported a significant increase in enrolments at Kangan Education and increased attendance to the Healthstream gym.
- The Health and Leisure Provider, Healthstream, renewed their service focus to allow for the implementation of more structured unit based programs and regular unit based health assessments as a means of promoting engagement and linkage. Prior to the targeted unit based interventions in July 2015, there was an average gym program attendance of 244 per month and an average personal training attendance of 36 per month. As the targeted unit based programs have continued over the last twelve months, gym program attendance has increased significantly and now averages 318 visits per month and personal training programs at 64 visits per month
- The collaboration between the dietician, physiotherapist, practice nurse and Healthstream personal trainers has also identified a significant number of new and different approaches for whole of health education and care. It also allows for the facilitation of specialist interventions in a coordinated manner, such as hydrotherapy and diabetes education to be delivered by both clinical and non-clinical staff.

Education at Thomas Embling Hospital

- The Vocational Educational Training provider, Kangan Batman Education, has continued to promote learning opportunities for patients with a focus on vocational skill development and adult education. This resulted in the design and construction of a chicken coop which was donated to a local community organisation and involved students from every certificate stream having some involvement in the proposal, planning, designing or promotion of the chicken coop.
- A review of the Certificate 2 in Horticulture was conducted and this is now facilitated as an in-reach module to Bass, Canning and Daintree units at the hospital. The certificate now focuses on sustainable gardening and kitchen garden philosophies. In the past year, we have seen enrolment in this subject rise from one to 21 students.
- The cessation of smoking at the hospital (which gives patients more time for other activities) and the introduction of new modules and courses (with a focus on the use of technology such as iPads for literacy) has seen 59 unique student enrolments to date this year. We expect that 10 students will achieve full qualifications in three areas of study this academic year (Hospitality, Business and IT).

PSYCHOLOGICAL SERVICES

- Forensicare's Mobile Forensic Mental Health Service based at the Metropolitan Remand Centre has been operating for more than one year. Psychologists within this service have developed a series of group intervention programs on a variety of mental health topics, participated in training initiatives for Corrections Victoria staff and promoted psychological interventions for high prevalence disorders within custodial environments.
- Forensicare continued to provide neuropsychological reports for the Detention and Supervision Order program through the Department of Justice & Regulation. In 2015–2016 five neuropsychological reports were completed.
- Psychologists from the Problem Behaviour Program (Dr Troy McEwan and Dr Melisa Wood) have played a key role in securing ongoing funding for a trial project that is a joint endeavour between Victoria Police, Forensicare and the Swinburne University of Technology.
- Three psychologists completed their Doctorate in Clinical and Forensic Psychology in 2015–2016 and two psychologists are currently enrolled in a PhD. All psychology staff have a minimum of a masters or doctorate level degree in clinical and/or forensic psychology.
- The psychology unit continued to offer placements or internships to university psychology students. In 2015–2016, 12 post-graduate psychology placements were offered within Forensicare.
- Many psychological services staff provide professional development training for Forensicare and other services, and many also engage in clinical research activities, publishing their work and presenting it at national and international conferences.



WE AIM TO MAKE SURE THAT ALL OF OUR STAFF FEEL SUPPORTED TO REPORT AGGRESSION AND, WHEN INCIDENTS OCCUR, TO IMPLEMENT CHANGES FROM THE LESSONS LEARNT.

Professor Michael Daffern, who works as a principal consultant psychologist at Forensicare on a part-time basis, won the 2015 Australian Psychological Society College of Forensic Psychologists Award for Distinguished Contributions to Forensic Psychology.

The award is made by the APS College of Forensic psychologists to acknowledge those who have made distinguished contributions to forensic psychology. This award recognises Professor Daffern's body of work in this field.

CONSUMERS AND CARERS

PATIENT CONSULTING GROUP

- Following the very successful development of the Don't Come Back Jack DVD, a sample advance statement document with details from the Don't Come Back Jack patient character, was developed by the Patient Consulting Group to illustrate the best way to make an effective advance statement and is regularly used by social workers in assisting patients to formulate their own documents.
- A Thomas Embling Hospital Patient Recovery Plan was developed by the Patient Consulting Group. This plan is to be used in conjunction with the new Care and Treatment Plan. The purpose of the recovery plan is to give patients a voice in their personal recovery and drive conversation between the patient and the clinical team about recovery goals and steps to achieve these goals.

THOMAS EMBLING HOSPITAL CONSUMER ADVISORY GROUP

- The Thomas Embling Hospital Consumer Advisory Group and other patients played a critical role in supporting the Breathe Easy Program, as Thomas Embling Hospital implemented a smoke-free environment. Through consultation, feedback and participation in the development of programs aimed at easing the transition for patients, their families and carers continues to help troubleshoot issues related to smoking cessation.
- The CAG portfolio holders who represent the specific issues that face female, culturally and linguistically diverse and Aboriginal and Torres Strait Islander patients continue to contribute effectively to the development and implementation of culturally safe and responsive service delivery.

COMMUNITY FORENSIC MENTAL HEALTH SERVICE CONSUMER ADVISORY GROUP

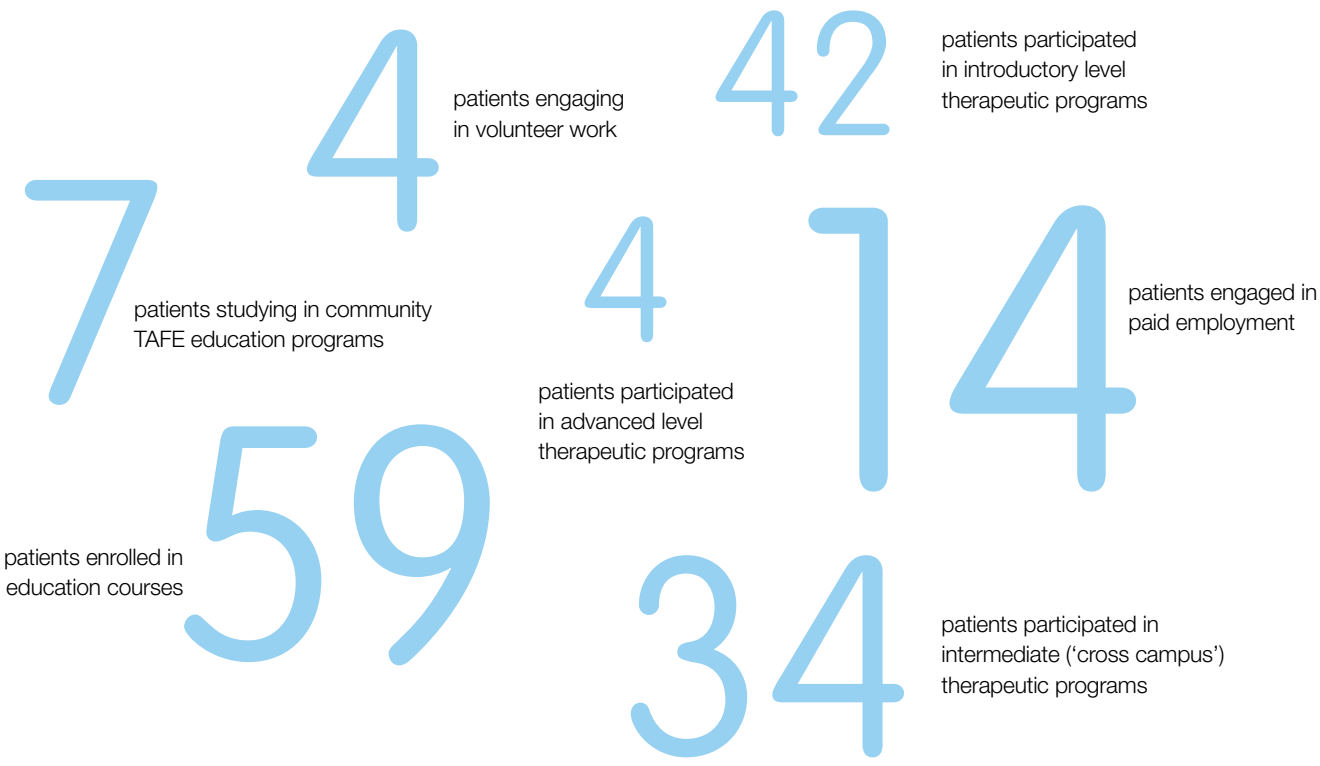
- The Community Forensic Mental Health Service Consumer Advisory Group has erected a community noticeboard and associated guidelines developed for the CFMHS foyer. This noticeboard displays peer job and training advertisements and other relevant material for all Forensicare consumers who can request information be added.

ADDITIONAL PROJECTS

- A Peer Development Project is being developed by two social work students in consultation with the Consumer Consultant Team including a literature review outlining the benefits of peer buddy system in corrections and mental health. Post admission interviews will be undertaken to develop an evidence base to introduce peer buddies at Thomas Embling Hospital.
- The Senior Consumer Consultant is also working on a peer support model for use across the female prison system.
- Consumers took two Supreme Court judges on separate tours of hospital highlighting consumer issues and successes as well as identifying shortcomings of FLP processes.
- Julie Dempsey and Matthew Jackman (consumer consultant support worker) with input from patients and concerned staff, sent letters and submissions to the Senate Committee and parliamentarians in relation to proposed cuts to Disability Support Pension payments for Forensic patients. The letters protested the inhumane anti-recovery and anti-rehabilitative impact of the proposed legislation. We received many positive responses to our concerns.
- TEH Fire Pit Marker Post Project — patients and families/carers were invited to decorate six Bunjil Waa Wein Fire Pit marker posts. The posts represent diversity and promote reconciliation and display themes of recovery, sharing, storytelling and consciousness raising on a range of issues.
- The Female Rehabilitation CAG member organised a Christmas break-up celebration for female patients across the hospital providing food, movies, and a much treasured present to each of the other female patients.

ACCREDITATION 2015

- Consumers presented at introduction and welcome for accreditation surveyors.
- Consumers participated in organisational focus groups attended by surveyors.
- Consumer categories in accreditation achieved "Met with Merit" status.



SAFEWARDS PROJECT

- Two consumer leads have been engaged on Canning to promote Safewards among the patient group and give consumer perspective and feedback on interventions.
- A reduction in hostile atmosphere has been reported by patients.
- Patient quotes:

"PRETTY GOOD – HELPING OUT – UNIT CALMED DOWN. A LOT QUIETER."

"SAY HELLO, GET TOGETHER AND SAY THANKS – MIGHT AS WELL MAKE USE OF THIS PLACE."

"PATIENTS AND STAFF WORKING TOGETHER MAKING A SAFEWARD."

"SOMETHING DIFFERENT, NICE AND BETTER, DOING 'GET TO KNOW EACH OTHER BOARD'."

FAMILY AND CARER INPUT

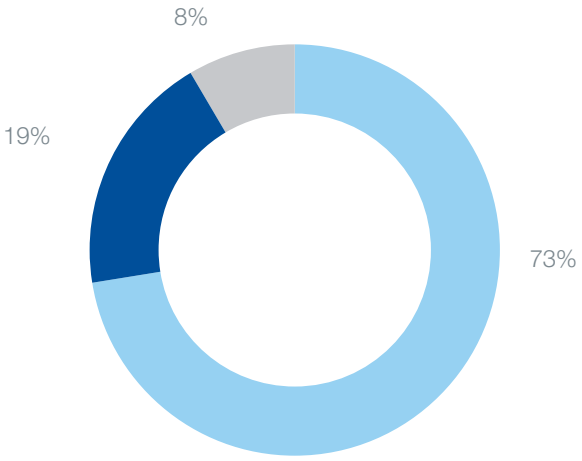
Forensicare is committed to working collaboratively with families, carers and the many social networks of clients who play a crucial role in the client's recovery journey. One of the key initiatives from 2015-2016 has been the development of a family engagement framework which takes a client-centred approach, while also recognising the needs of families, carers and significant others. This framework has been developed by two social work students from The University of Melbourne, in conjunction with the Inpatient Social Work team and the Family and Carer Advocate with consultation from the Family Sensitive Practice Committee.

Other important initiatives for 2015–2016 include:

- A more comprehensive Family and Carers Survey was undertaken at Thomas Embling Hospital and all identified family members and carers were asked to participate. The results are currently being evaluated.
- A Transitioning and Community Information Session was held for the third time at Community Forensic Mental Health Services, with seven carers attending.
- Six issues of the Family and Friends Newsletter were published and distributed to carers and family members. Notably, the newsletter provided ongoing information on the proposed Disability Support Pension cuts as well as regular updates on the development of the new eight-bed unit and other important issues.
- The Carer Support Fund came in on budget for the second year in a row.
- This year has seen an increase in the number of families and carers visiting the Family and Carer Advocate.

THOMAS EMBLING HOSPITAL

OUR SERVICE AT A GLANCE 2015–2016



AT 30 JUNE 2016: 110 PATIENTS

- 80 Forensic Patients
- 21 Security Patients
- 9 Compulsory Patients

SAFEWARDS

The Canning Unit implemented a pilot of a Safewards model, the first time this approach has been used within Thomas Embling Hospital. The model, developed in the UK, is being implemented independent of funding. It provides a safer environment through interventions including clear mutual expectations, soft words, positive words, bad news mitigation, reassurance and mutual help meeting. These approaches are adopted by staff and patients and joint meetings to assess progress are regularly held on the unit.

BREATHE EASY

Thomas Embling Hospital went smoke free on 1 July 2015. This policy was adopted to reduce the health risks of smoking and second hand smoke on consumers, families, staff and visitors.

Forensicare recognises that smoking is a serious addiction and quitting can be very challenging. To help transition to a smoke-free environment, a comprehensive program was developed to provide the necessary support to consumers and staff experiencing nicotine dependence and withdrawal symptoms.

While there is still much work to do 12 months on, there have been many successes as evidenced by this message:

Thomas Embling Hospital is now smoke free

A MESSAGE FROM QUIT VICTORIA

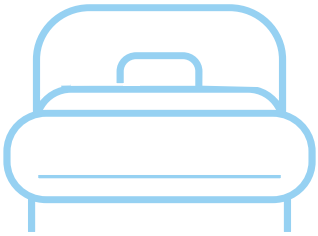
"I offer my sincere congratulations to Forensicare for their fantastic success in going smoke free. We often speak of following "best practice" in developing and implementing programs to motivate and support people to break their addiction to cigarettes; I believe the Forensicare team approach has set a new best practice – if not internationally – then most definitely in Australia. I have been incredibly impressed by the engagement and enthusiasm across so many different staff groups and, most of all, by the thoughtful, empathetic and empowering approach taken with consumers. I have learned much from the team, too; particularly about sensory modulation and tactics to fill the "gaps" in time and sensation following quitting smoking. These lessons will directly inform the education and cessation service offerings that Quit provides across Victoria.

Smoking places physical, financial and social burdens on people with mental illness that are simply unacceptable, and quitting smoking provides incredible benefits, including better physical and mental health and reduced medication needs. The need is clear, and – now – so, too, is a path forward. I believe the work undertaken by Forensicare - which Quit hopes to take across Victoria (with the team's support!) - will have a profound effect on improving the lives of people with mental illness."

Dr Sarah White
Director, Quit Victoria

88 Separations

91 Admissions, 9.89% identified as Aboriginal and Torres Strait Islander people



40,261 occupied bed days
94.83% occupancy rate

ABORIGINAL SOCIAL AND EMOTIONAL WELLBEING

With Koolin Balit funding from the Department of Health and Human Services we have employed an Aboriginal social and emotional wellbeing project officer. This position (with assistance from the Forensicare Aboriginal Services officers) will develop and embed a social and emotional wellbeing assessment and framework that will be appropriate for use across Forensicare sites and other forensic and general mental health settings. This will help improve access and care pathways though the implementation of a more comprehensive in-reach model with relevant Aboriginal community controlled services. It will provide access to culturally relevant programs and activities, and assist with discharge planning.

TRAUMA INFORMED CARE

The Trauma Informed Care (TIC) Committee consists of patients and staff from different disciplines and areas across the hospital. It meets regularly and developed an action plan to focus on specific domains over the past 12 months.

An emphasis has been on upskilling staff and informing patients about trauma and what our organisation is doing to be a trauma informed service. The committee has developed two modules for staff to complete. To date, we have had 99 clinical staff complete the first module and are starting the second module shortly. The working group is also developing a Trauma Informed Therapeutic Program for patients to attend.

The past 12 months have also been about creating a safe and supportive environment for everyone and involving patients in processes. The admission process was reviewed with a TIC lens, the de-escalation areas on the acute units were enhanced with visual arts, and the post restrictive intervention debrief policy was reviewed to invite and allow patients to discuss their restrictive intervention experiences in a safe space and with a staff member of their choice. The committee recognises the importance of supporting individuals spiritual and cultural beliefs and a cultural resource was developed by the spiritual care coordinator so staff and patients can be informed of all relevant spiritual days and practices.

The committee has just finished auditing the three acute units' staff and patients and recommendations from these audits will help shape our action plan for the next 12 months.

THERAPEUTIC PROGRAMS

Since the inception of the new structure and suite of therapeutic programs at Thomas Embling Hospital in 2014, staff have been working hard to ensure as many patients as possible receive appropriate group treatment in line with their identified treatment needs.

This year there has been additional focus on developing programs which meet the needs of patients in the acute units of the hospital. We have developed additional programs focusing on treatment readiness and medication compliance which will soon be piloted on the acute units.

Emphasis has also been placed on the evaluation of the more intensive programs for patients on the rehabilitation units, with clinicians working with research staff at the Centre for Forensic Behavioural Science to develop a methodology which can assess the impact of therapeutic programs. We hope to empirically validate the significant gains that clinicians have observed among patients who are participating in therapeutic programs.

SERVICE DEVELOPMENT AND MASTER PLANNING

Master plan

Master plan options are being developed, along with staging and delivery considerations, in line with the current and future needs of the service.

The hospital has commenced the planning and design of:

Secure Psychiatric Intensive Care Unit

The hospital has commenced the planning and design of a new $9.5 million eight-bed intensive treatment unit for male security patients receiving short stay admissions. The unit is being designed to provide:

- timely and brief episodes of psychiatric care for patients with mental illness who are both acutely unwell and behaviourally disturbed, or at high risk of deterioration and require urgent and intensive specialist mental health intervention
- early discharge planning and effective case planning with support from specialist forensic clinicians
- flexible and variable levels of containment within the unit, depending on the person's clinical needs
- multi-disciplinary assessment and formulation of future interventions.

PRISON MENTAL HEALTH SERVICE

THE PAST YEAR HAS BEEN A PERIOD OF CONSOLIDATION FOLLOWING A SIGNIFICANT EXPANSION IN PRISON FORENSIC MENTAL HEALTH SERVICES FUNDED BY JUSTICE HEALTH IN RESPONSE TO GROWTH IN THE PRISON SYSTEM. NEW INITIATIVES THIS YEAR HAVE INCLUDED AN ABORIGINAL CLINICAL CONSULTANT SERVICE, AND THE NOMINATION BY THE VICTORIAN GOVERNMENT FOR FORENSICARE TO OPERATE THE 30-BED PSYCHOSOCIAL REHABILITATION UNIT AT PORT PHILLIP PRISON FROM SEPTEMBER 2017.

OUR SERVICE AT A GLANCE 2015–2016

MAP

7,788
reception assessments

147
admissions to the Acute Assessment Unit

37.48 days
Average length of stay in the Acute Assessment Unit

MRC

756*
reception assessments at MRC
*receptions were not provided for the full year following an incident at the MRC

3043
occasions of service by the MFMHS

1525
clients seen by the MFMHS

DPFC

162
admissions to the Marrmak Unit

37.16 days
Average length of stay in the Marrmak Unit

ABORIGINAL CLINICAL CONSULTANT

The Aboriginal clinical consultant position, which commenced in February 2016, builds capacity and develops best practice in health and mental health staff operating within public prison environments in Victoria, is also the first of its kind in any Australian jurisdiction.

The service provides expert advice, conducts secondary consultations and facilitates reflective practice that encompasses all aspects of health as viewed by both the Aboriginal and Torres Strait Islander peoples. The Aboriginal clinical consultant is a guide for health and mental health clinical staff to support and enhance the service responses to Aboriginal and Torres Strait Islander prisoners presenting with multiple and complex problems including mental illness, substance use, and high-risk behaviours. We applaud the Department of Justice & Regulation for this outstanding initiative and are excited about our partnership with Justice Health and other health service providers in making an impact in this important area.

ST PAUL'S UNIT AT PORT PHILLIP PRISON

In a development of very high strategic significance for our organisation, the State has nominated Forensicare as the mental health service provider at the 30-bed St Paul's psychosocial rehabilitation unit at Port Phillip Prison from September 2017.

The government's decision means that in combination with the commencement of the Forensic Mental Health Unit at Ravenhall Correctional Centre, all prison based forensic mental health in the Victorian prison system will be operated by one provider, Forensicare. This provides great opportunities for positive outcomes for patients arising from coordinated bed flow and system planning.

A great deal of work occurred through the second half of 2015 by a team of dedicated Forensicare staff to develop a model of care and staffing profile for the new service, and to manage the intensive and detailed contract negotiations which concluded in December. Transition planning has commenced in the build up to the handover and we are confident that positive relationships with St Vincent's, G4S and Justice Health will mean that this process is smooth and successful, supporting current St Vincent's staff to move to Forensicare employment.

BED PRESSURES

The pressure on services and access to bed-based mental health programs at the Melbourne Assessment Prison increased in 2015–2016 and remain an extreme concern to our organisation. On average, over 10 men at any one time were certified at Melbourne Assessment Prison and were awaiting transfer to Thomas Embling Hospital. On average, a further 10 prisoners were on the waitlist for a bed on the Acute Assessment Unit, and there were at times in excess of 90 prisoners at the prison on the highest level of psychiatric risk rating.

The volume of prisoners requiring mental health screening and acute care was demanding for our staff. It is of note that surveyors from the Australian Council of Healthcare Services who conducted a full on site accreditation survey in September 2016, singled out for praise the work of Forensicare staff at the Melbourne Assessment Prison in the face of challenging circumstances. The surveyors also made their single recommendation in relation to the inability of acutely mentally unwell and untreated prisoners to access a public hospital bed in a timely fashion.

There continues to be great support by Justice Health and Corrections Victoria in the management of these pressures, although practical limitations of the physical environment at the Melbourne Assessment Prison has limited further service initiatives, with the exception of the work at Unit 13. However, as noted elsewhere in this report, developments have occurred with the Department of Health and Human Services and the Department of Justice & Regulation to develop contingency arrangements to address this situation while additional beds are being built.

UNIT 13 MODEL OF CARE

As part of Forensicare's membership of the Corrections Victoria Suicide and Self Harm Prevention Framework working group, and in close collaboration with Corrections Victoria, the development of a comprehensive and integrated model of care for the provision of service at Unit 13 at the Melbourne Assessment Prison was undertaken this year.

Unit 13 is adjacent to the Acute Assessment Unit and is the location where prisoners who are actively suicidal and at risk of self-harm are placed for their own safety. The implementation of this model as part of a very constructive engagement with Corrections Victoria will result in more effective and humane treatment of these most vulnerable prisoners. As part of this, we have commenced specific training for corrections officers working on this unit and this has been well received.

MOBILE FORENSIC MENTAL HEALTH SERVICE

Forensicare and Justice Health continue to focus attention and priority to the successful implementation of the innovative Mobile Forensic Mental Health Service based at the Metropolitan Remand Centre which commenced at the beginning of 2015. The work of this program was disrupted by the riot at the remand centre which occurred on 30 June 2015.

Forensicare staff and Justice Health displayed great flexibility in adapting activity in response to the changed circumstances at the Melbourne Remand Centre. Nonetheless, Forensicare is pleased that the mobile service has in the first half of 2016 increased output, including introducing a range of successful group programs. The Centre for Forensic Behavioural Science has produced a series of independent evaluation reports to support and inform service development and the mobile model of care remains a compelling one to respond to the mental health needs of prisoners.

PROGRAMS FOR WOMEN PRISONERS

Following the allocation in the 2015 Budget for the construction of a new purpose built mental health unit at the Dame Phyllis Frost Centre, Forensicare was actively involved in contributing to the functional brief so that the design meets clinical needs and care standards. We have been represented on the Project Control Group for this development and look forward to continuing to work with Corrections Victoria and Justice Health in the planning of the new facility which will be an improved environment to provide services to women prisoners.

During the year, Forensicare made the decision to pause an initiative which we had self-instigated, for a Consumer Consultant to attend the Marrmak Unit at Dame Phyllis Frost Centre once a month to provide support to consumers and meet with staff. This had been discussed as part of the Mental Health Response for Women Rejuvenation Project Working Group which was convened by Corrections Victoria and the Department of Justice & Regulation. Discussions on progressing this initiative will continue with the Department of Justice & Regulation in the coming year.

NURSE PRACTITIONER 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. Forensicare and the Centre for Forensic Behavioural Science completed an analysis of nurse practitioner activity data collected during the first year when our nurse practitioners in the prison service operated with full scope of practice. This is the first stage of a progressive evaluation being undertaken under the direction of the Nurse Practitioner Steering Committee.

TRAINING INITIATIVES

During this year, Forensicare commenced delivery of suicide and self-harm training to our own clinical staff in the prison system and introduced innovative online modules of the material. This is on top of continuing the delivery of suicide and self-harm training to corrections officers under the funding agreement with Justice Health, which reached hundreds of Corrections Victoria staff.

We have also provided forensic mental health training to staff from Correct Care Australasia and general mental health training to Corrections Victoria staff, including sessions delivered for the first time at Dame Phyllis Frost Centre and for officers working on Unit 13.

RAVENHALL PRISON PROJECT

CLINICAL PROGRAM DEVELOPMENT

The detailed development of the clinical programs to be implemented at Ravenhall has been a central focus of the project over the last 12 months. The overarching Program Development Reference Group comprised of senior clinicians, service managers and consumer representatives is tasked with coordinating and overseeing the development of the FMH clinical programs in line with best practice clinical and mental health service provision within the greater prison environment.

Five other reference groups comprised of over 80 clinicians from across the organisation have been meeting regularly to develop specific areas of the clinical services including:

- Aire Acute Unit and Erskine Subacute Unit Reference Group
- Moroka Complex and Challenging Needs Program Reference Group (incorporating at risk and initial reception assessments)
- Tambo Psychosocial Rehabilitation Unit and Community Integration Program Reference Group
- FMH Outpatients and Triage Reference Group
- Therapeutic Programs Reference Group.

Between October 2015 and April 2016, Forensicare partnered with the Australian Community Service Organisation (ACSO) to form a combined Consumer Advisory Panel. The 11 members were invited to participate in a series of workshops exploring their experiences of incarceration, mental illness and mental health care in prison, providing consultation to Forensicare staff developing clinical programs for Ravenhall.

Emerging themes from these workshops included: barriers to accessing appropriate care, stigma and prison culture, medications, impacts of management practice for suicidal behaviour, prisoner orientation and considerations for discharge planning. The work culminated with participants mapping out their ideal pathway for a prisoner who experiences mental illness in the correctional system. The incorporation of the outcomes of this consumer consultation into the clinical program development process reflects the organisation's commitment to utilising a recovery approach to every stage of the design and implementation of the clinical programs at Ravenhall.

OPERATIONAL READINESS AND RAMP-UP PLAN

Forensicare has been fully engaged with the Ravenhall Correctional Centre service provider, GEO, to facilitate a high level of service integration and the creation of a collective charter. The Ravenhall Charter represents a shared vision of Ravenhall Correctional Centre's collaborative and coordinated delivery approach with its service partners.

Workforce capability and capacity building activities over the past year are bringing the Operational and Readiness and Ramp-Up Plan to life. For the second year, the Graduate Nurse Year Program was successfully doubled to an intake of 20 graduates and an expression of interest process among current Forensicare staff wanting to work at Ravenhall, elicited a very positive response. The international recruitment drives in New Zealand and the UK have resulted in a significant number of employment offers.

Promoting Forensicare as an employer of choice has been facilitated by significantly increasing the organisation's presence at international and domestic professional conferences, and through the production and placement on the Forensicare website of four high quality videos that provide an overview of Forensicare, how we support recovery, forensic mental health nursing and working in mental health within a prison setting.

COMMUNITY FORENSIC MENTAL HEALTH SERVICE

OUR SERVICE AT A GLANCE 2015–2016

12,738*
service hours
* Excluding the Mental Health Court Liaison Service

9836
client related contacts provided by the Mental Health Court Liaison Service

68
clients on a NCSO (at 30 June 2016)

13
clients on extended leave (at 30 June 2016)

80
accepted referrals from Area Mental Health Services for high risk clients with mental illness

1820
hours of treatment provided by the Problem Behaviour Program

80
prisoners assisted with post release support to link to Area Mental Health Services

45
reports prepared for the Adult Parole Board

97
family violence cases referred for assessment to the Forensicare psychologist embedded in the Westgate Family Violence Team

ENHANCED FORENSIC CONSULTATION PROGRAM

Funding from the Department of Health and Human Services in the second half of 2015 enabled us to design and deliver a new program to support Community Correctional Services and Area Mental Health Services to respond to individuals with serious mental illness and complex needs who present a high risk of violence or serious offending in the community.

In close consultation with stakeholders, a service model has been developed and experienced clinical staff were recruited to deliver the program, which will meet a critical need in the service system especially for offenders who may not be compelled to receive treatment under the *Mental Health Act* 2014. We look forward to working with the Department of Health and Human Services and the Department of Justice & Regulation on the full implementation of this program.

MENTAL HEALTH ENHANCEMENT PILOT – COMMUNITY CORRECTIONS ORDERS

Forensicare was also approached by the Department of Justice & Regulation in the second half of 2015 to design and deliver a pilot program to undertake mental health screening at the Melbourne and Sunshine Magistrates' Courts. The program is for those being considered for a mental health treatment and rehabilitation condition on a Community Corrections Order.

A screening process was developed and staff engaged to provide this service, which commenced in December 2015. The pilot is for 12 months and is being formally evaluated by KPMG. Initial results are positive and indicate that this intervention is ensuring that mental health treatment and rehabilitation conditions are effectively targeted, and Community Correctional Services are well supported with information and advice to assist with overseeing such conditions.

FAMILY VIOLENCE

Through the Problem Behaviour Program we have reached agreement with the Child Protection division of the Department of Health and Human Services to provide Child Protection with risk assessments of family violence offenders in the context of decisions around access to children. Processes and protocols have been developed, including for information provision from Victoria Police, and these assessments are expected to commence in July 2016.

In 2014–2015 Forensicare was involved with Victoria Police and Swinburne University of Technology in a pilot which saw the placement of a Forensicare Senior Psychologist in a Family Violence Team at Footscray Police for six months providing expert family violence risk assessments and advice. The independent evaluation of this pilot by the Centre for Forensic Behavioural Science indicated its success in increasing the number and nature of risk management strategies that were implemented by police to support individuals affected by family violence. Stemming from this, a further grant was obtained by the consortium to extend and modify the initiative. This commenced in May 2016 and will run until June 2017 and allows two Forensicare clinicians to be embedded in Victoria Police Family Violence Teams as expert consultants. The results of the project will inform future Victoria Police responses to family violence. Forensicare is represented on the steering committee chaired by Victoria Police for the project.

MENTAL HEALTH COURT LIAISON SERVICE

A detailed stakeholder evaluation of the Mental Health Court Liaison Service was completed in December 2015. Information obtained, including from Magistrates, indicated that this service is highly valued for:

- supporting Magistrates and court staff in managing clients presenting at court with mental health issues
- capitalising on valuable opportunities for diversion and intervention and breaking the cycle of poor mental health associated with regular offending
- supporting the court to understand and manage the risks an individual poses where a mental health problem is anticipated
- contributing to the smooth and effective running of the court
- supporting the court with managing unpredictable mental health related crisis situations.

At the same time, the demand on this important and valued service has remained extremely high — especially at the Melbourne Magistrates' Court. As a result, Forensicare took the extraordinary and interim measure of diverting some corporate resources to boost clinical service delivery in the service in the second half of 2015–2016. Forensicare believes that currently funded resources at the court are simply unable to meet ever-growing demand. We are clear that this is a strategic priority for our organisation and continue to advocate for a significant boost to this service with the Department of Health and Human Services and the Department of Justice & Regulation.

PROBLEM BEHAVIOUR PROGRAM EXPANSION

Forensicare was pleased that in the 2016-2017 State Budget there was a significant injection of funding to support the expansion of the Problem Behaviour Program. This program, which was formally evaluated in 2015, has been shown to reduce re-offending with those who receive treatment. Contact with the program is also associated with reduced use of mainstream public mental health services.

Forensicare looks forward to working with the Department of Health and Human Services in the design and delivery of this expanded program in the coming year. In the meantime, the program continues to provide effective interventions to a range of individuals, including those referred as a condition of a Community Corrections Order — the numbers of which increased significantly in the past year both in absolute terms and as a proportion of all referrals received.

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. A first report on the independent evaluation of the prison transition work of the Community Integration Program was completed by the Centre for Forensic Behavioural Science in 2015. The evaluation found that those who were provided with a completed episode of transition support had less admissions to hospital following release from imprisonment than those who did not complete it. However, there was not a discernible difference in re-incarceration rates between those who completed the program and those who did not. Unfortunately, the small sample size of clients able to be examined for the study meant there that there were limitations to the findings of the evaluation, so the decision was taken to extend the data collection period and thus the evaluation, with a further report expected in the second half of 2016.

VICTORIAN MENTAL HEALTH INTERPROFESSIONAL LEADERSHIP PROGRAM

Forensicare completed its participation in the inaugural intake of the Victorian Mental Health Interprofessional Leadership Program. This initiative has involved project design undertaken as part of the formation of a network that will help embed recovery-oriented practice within the various services and regions involved. Forensicare developed a co-case management pilot proposal based on an Assertive Community Treatment model for individuals with complex needs. Participation in this program and network is valuable and work with the Department of Health and Human Services and other stakeholders to explore opportunities to translate the outcomes into realisable and funded activity, despite that not being within the scope of this particular initiative.

VICTORIA'S 10-YEAR MENTAL HEALTH PLAN

Forensicare's submission to the consultation process for the development of the Victorian Government's 10-year mental health plan featured significant contributions pertaining to the Community Forensic Mental Health Service. This included proposals in relation to:

- family violence
- problem behaviour in young people
- arson
- diversion from the criminal justice system for those with mental illness through an expanded Mental Health Court Liaison Service
- development of a standardised approach to high risk assessment panels in Area Mental Health Services
- more intensive involvement with clients by the Community Integration Program, using an Assertive Community Treatment model, along with more active partnership with Mental Health Community Support Services to assist these individuals.

Subsequent to the release of the plan, through the Criminal Justice and Mental Health Systems' Planning and Strategic Coordination Board, Forensicare has provided further input in the forensic mental health work stream of the plan which is currently being developed by the Department of Health and Human Services.

NON-CUSTODIAL SUPERVISION ORDER CONSULTATION AND LIAISON

The increasing complexity of clients on Non-custodial Supervision Orders has become a concern for Forensicare who supervises the treatment by mainstream mental health services of all such clients in Victoria. The capacity to manage these clients under the *Mental Health Act* 2014 in collaboration with Area Mental Health Services is proving to be challenging, while limited access to beds at Thomas Embling Hospital provides few options for effective and proportional intervention. An analysis of these issues was presented to the Department of Health and Human Services and also discussed at the Criminal Justice and Mental Health Systems' Planning and Strategic Coordination Board. Achieving a coordinated response is a strategic priority for Forensicare for the coming year.

FORENSIC CLINICAL SPECIALIST PROGRAM

The 2016-2017 State Budget also included a significant boost to the Forensic Clinical Specialist Program, which sees Area Mental Health Services resourced to build capacity and expertise in forensic mental health coordinated and overseen by Forensicare. This reflects the success and effectiveness of this program since its initiation in 2010 across 10 agencies. The program has continued to work with the Mental Health Community Support Services sector and training on risk and recovery is to be rolled out in the coming year.

RESEARCH — CENTRE FOR FORENSIC BEHAVIOURAL SCIENCE AND FORENSICARE RESEARCH

THE VICTORIAN *MENTAL HEALTH ACT* 2014 CONFIRMS THE IMPORTANCE OF RESEARCH IN FORENSIC MENTAL HEALTH BY INCLUDING CARRYING OUT RESEARCH AMONG THE REQUIRED FUNCTIONS OF FORENSICARE. WHILE WE PUBLISH A SEPARATE ANNUAL RESEARCH REPORT DETAILING OUR RESEARCH, IT IS IMPORTANT TO RECOGNISE THE ROLE OF RESEARCH AND OUR ACCOMPLISHMENTS IN THAT REGARD IN THIS REPORT. AS SUCH, IT IS MY PLEASURE TO HIGHLIGHT SOME OF THE RESEARCH ACTIVITIES.

THE RESEARCH AT FORENSICARE IS CARRIED OUT PRIMARILY WITH THE INDEPENDENT CENTRE FOR FORENSIC BEHAVIOURAL SCIENCE, A RESEARCH AND TRAINING CENTRE IN SWINBURNE UNIVERSITY OF TECHNOLOGY. THIS ARRANGEMENT HAS BEEN A VERY FRUITFUL ONE BOTH FOR THE UNIVERSITY, IN FURTHERING ITS FOCUS ON HEALTH AND FORENSIC SERVICES, AND FOR FORENSICARE, IN HELPING CREATE NEW KNOWLEDGE, EVALUATING SERVICES AND PROGRAMS.

RESEARCH SUCCESSES

We continue to excel academically in our publication output with approximately 56 journal articles and 10 book chapters published this year. This does not include work in press. Members of staff contributed to conferences both in Australia and internationally.

Professor James Ogloff and Professor Michael Daffern were successful in receiving a ministerial grant from Corrections Victoria to establish the Catalyst Consortium – an Australian consortium for research excellence in reducing persistent violence and sexual offending ($1.6 million over four years). In addition, Forensicare will contribute $600,000 over four years. Work will commence in 2016-2017. We are securing membership of the Catalyst Consortium from other correctional and forensic mental health services in Australia and New Zealand.

Led by Dr Troy McEwan, the Centre for Forensic Behavioural Science and Forensicare have engaged with Victoria Police to change the way they deal with cases of family violence. Dr McEwan and Professor James Ogloff were successful in obtaining a grant ($509,907) from the Macedon Ranges Medicare Local, in conjunction with Victoria Police and Forensicare to contribute to the research around 'Improving the health and safety of family violence victims via evidence-based policing'. Dr Stephane Shepherd and research fellow Mr Justin Trounson also both received Indigenous studies small research project grants from Swinburne University of Technology. Professor James Ogloff is part of a team led by Melbourne University that received an ARC Linkage Grant with Neighbourhood Watch to develop an integrated system for Australian bushfire prevention.

OUR STAFF

Among the many accomplishments made by staff, a few are particularly noteworthy. Dr Troy McEwan was promoted to Senior Lecturer in Clinical Forensic Psychology. Professor Michael Daffern was awarded the Distinguished Contributions Award in Forensic Psychology from the APS College of Forensic Psychologists. Dr Stephane Shepherd has been completing a Fulbright Fellowship in the U.S.A gaining expertise in Aboriginal justice and mental health. Dr Shepherd also received the Christopher Webster Young Scholar Award from the International Association of Forensic Mental Health Services at their annual conference in New York City in June 2016. Professor James Ogloff was selected to deliver the Distinguished Scholar's Address to the International Corrections and Prisons Association at their annual conference in October 2015.

OUR COURSES

This year marked the first graduations from the Graduate Program in Forensic Behavioural Science offered by the Centre for Forensic Behavioural Science at Swinburne University. Three students graduated from the Graduate Certificate of Forensic Behavioural Science, one from the Graduate Diploma of Forensic Behavioural Science, and one from the Masters of Forensic Behavioural Science. We have also had our first student graduate from the Graduate Certificate of Forensic Mental Health Nursing and one from the Graduate Certificate of Violence Risk Assessment and Management. Although it has only been two years since the establishment of the courses, they are being sought out by many people and the feedback on the courses has been outstanding.

CONFERENCE AND SEMINARS

The Centre for Forensic Behavioural Science hosted a conference on Young People and the Law in Prato, Italy. The conference was well attended and addressed the theme of international approaches to care, corrections and intervention. Keynote speakers included Professor Dame Susan Bailey, Judge Tony Fitzgerald, Associate Professor Randy Otto and Ms Karyn McCluskey.

The centre held an end of calendar year seminar in December 2015 presented by Emeritus Professor Paul Mullen, 'A lifetime of madness and mayhem,' which was attended by more than 350 people.

Forensicare and Centre for Forensic Behavioural Science held a successful research dissemination day covering topics such as the outcomes of phase one of the Enhanced Family Violence Unit project, the impact of daily violence risk assessments on aggression prevention in inpatient units, and the long-term consequences of childhood sexual abuse.

The Centre for Forensic Behavioural Science continued to host a very popular seminar series with a range of presenters speaking on topics relevant to our work.

SERVICE EVALUATION

Evaluation of several projects, programs and initiatives have been undertake this year, these include:

- An evaluation of the Problem Behaviour Program was completed and demonstrated the efficacy of the program.
- The evaluation of the Mobile Forensic Mental Health Service operated by the Forensicare Prison Service out of the Metropolitan Remand Centre is underway, with the initial report due on the next fiscal year.
- The evaluation of the Forensicare smoke-free initiative is ongoing with a final report due in 2016-2017. The Centre for Forensic Behavioural Science also has a contract with the Department of Justice & Regulation evaluating the smoke-free prisons program, and we completed a research scoping study for Corrections Victoria on the Violence Risk Scale.

- The preliminary evaluation of the Community Integration Program was completed, showing positive trends on service delivery. The evaluation is ongoing and due for completion in the later part of 2016. The evaluation of program was also completed this year and an expansion of the evaluation is ongoing.
- Work has commenced on the evaluation of the introduction of the Safewards Model and interventions in units at the Thomas Embling Hospital.
- We are also conducting an evaluation of the nurse practitioner program at Thomas Embling Hospital. Dr Chris Quinn is exploring the positive effects for forensic mental health service users using a Qigong intervention.
- The Centre for Forensic Behavioural Science has initiated the development of an evaluation framework for Ravenhall forensic mental health service, and has appointed a Research Fellow to work on the project.

CONTRIBUTIONS TO ROYAL COMMISSIONS

Forensicare and the Centre for Forensic Behavioural Science prepared a joint submission to the Royal Commission on Family Violence entitled, "Understanding and Responding to Complex Criminal Behaviour Resulting in Family Violence." Professor James Ogloff and Dr Melisa Wood were then invited to appear before the Royal Commission. Professor James Ogloff appeared on two occasions, providing information initially on the assessment of risk in family violence contexts and then on interventions for family violence perpetrators. Dr Wood presented on the joint Forensicare/Centre for Forensic Behavioural Science work in enhanced family violence teams. The joint-submission and the appearances were referenced in the findings of the Royal Commission.

Professor James Ogloff was invited to make a submission to the Child Protection Systems Royal Commission and to provide evidence regarding the nature of paedophilia and paedophiles, the extent to which those with paedophilia act on their urges, factors that increase or decrease the likelihood that a paedophile will act on their urges, and what steps can be taken identify and prevent child sexual predators from offending.

ACCREDITATION SUCCESS

Forensicare received "Met with Merit" ratings for three of the four research governance related standards during the 2015 service-wide accreditation.

In closing, I want to express my sincere 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 that they place on our work. Also, we have benefitted from the work of many research students, research fellows, Centre for Forensic Behavioural Science staff members and Forensicare staff, without whom the important work highlighted in this report could not continue.

Perhaps most importantly, the research undertaken by Forensicare and the Centre for Forensic Behavioural Science 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 outcomes 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

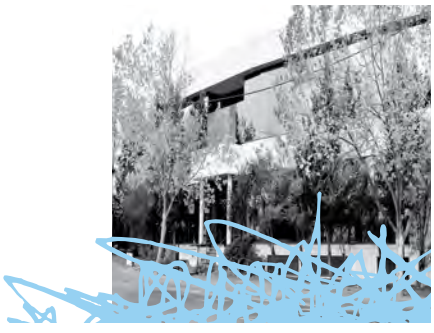
THE EFFICACY OF THE PROBLEM BEHAVIOUR PROGRAM

Forensicare and the Centre for Forensic Behavioural Science completed an evaluation of Forensicare's Problem Behaviour Program (PBP) operated by the Community Forensic Mental Health Service. The PBP is a unique service that provides assessment and treatment to individuals with high-risk problem behaviours (e.g. sexual offending, violence, threatening, stalking and fire-setting). The PBP expands the scope of the traditional community forensic mental health service model beyond a focus on psychopathology to other psychosocial needs and offence reduction.

The service evaluation investigated the effectiveness of the PBP in reducing offending and enhancing the mental health for clients. The study analysed offending patterns before and after contact with the PBP for 824 individuals who were assessed by the PBP between January 2006 and January 2011. Clients were mostly male (89 per cent) and were referred from justice and mental health services, private practitioners and self-referrals.

The results were promising and showed that two-thirds of clients did not reoffend after PBP contact. On average, clients had committed 4.9 offences prior to PBP contact and 2.5 offences following contact. For individuals who re-offended (33 per cent of total) two-thirds had no change or a decrease in offence severity from their pre-referral offence. Clients completing treatment reoffended at significantly lower rates than other clients. Average time to re-offence for the treatment group (785 days) was significantly longer than for all other client groups. Contact with the PBP also resulted in more positive mental health outcomes for clients, with a significant reduction in the number of outpatient contacts following service provision.

THE VICTORIAN *MENTAL HEALTH ACT* 2014 CONFIRMS THE IMPORTANCE OF RESEARCH IN FORENSIC MENTAL HEALTH BY INCLUDING CARRYING OUT RESEARCH AMONG THE REQUIRED FUNCTIONS OF FORENSICARE.



CONTACT WITH THE PBP... RESULTED IN MORE POSITIVE MENTAL HEALTH OUTCOMES FOR CLIENTS, WITH A SIGNIFICANT REDUCTION IN THE NUMBER OF OUTPATIENT CONTACTS FOLLOWING SERVICE PROVISION.

CORPORATE SERVICES

LEGAL SERVICES

Forensicare operates under a complex legislative environment that governs its relationships with government and the services it supplies to patients and clients. The *Mental Health Act* 2014 and the *Crimes (Mental Impairment and Unfitness to be Tried) Act* 1997 provide the legal framework for the provision of treatment and care of Forensicare's consumers.

Crimes (Mental Impairment and Unfitness to be Tried) Act 1997

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* 1997 due to their mental illness are supervised by Forensicare and also receive treatment from us if they are placed on a Custodial Supervision Order.

This year we received requests in relation to 23 people who had matters before either the Supreme and County Courts where the court was considering placing the person on a supervision order under the *Crimes (Mental Impairment and Unfitness to be Tried) Act* 1997.

The cumulative number of people under Supervision Orders has decreased over the last year. There were 15 new Supervision Orders made in the year and 19 revocations of Supervision Orders. At 30 June 2016 there were 159 people with a mental illness under Supervision Orders under the Act. These orders were made up of 78 Custodial Supervision Orders, 13 Custodial Supervision Orders (Extended Leave) and 68 Non-custodial Supervision Orders.

There were 15 new Supervision Orders made in the year. In each case, a Forensicare clinician was required to prepare a detailed report for the Office of Public Prosecutions on the issues of fitness to plead or the mental impairment defence and give evidence in court.

Prior to the final order being made, a further report is generally prepared for the court under the Act, advising on risk and appropriate treatment. 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.

Custodial Supervision Orders

- The Supreme Court placed nine people on Custodial Supervision Orders (CSOs) following a finding of unfitness to plead or not guilty by reason of mental impairment at criminal trial, compared to none in 2014–2015. The County Court placed one person on a CSO following a finding of unfitness to plead or not guilty by reason of mental impairment at criminal trial, compared to three in 2014–2015. This is the highest number of Custodial Supervision Orders made in one year since 2003–2004.
- Three of the 10 people who were put on a CSO in 2015–2016 had been admitted to Thomas Embling Hospital as a remandee pending the final outcome of their case.
- Of the three of people who remained on remand at the hospital continuing with treatment at 30 June 2015, two of these people became fit and had their matters abridged to the criminal justice system. One person remains remanded at the hospital. There were no new people remanded for fitness related issues in 2015-2016.
- No patients moved from Thomas Embling Hospital to live full-time in the community on Extended Leave (compared to 11 in the previous year).
- One patient had their CSO varied to a NCSO and moved from Thomas Embling Hospital to live full-time in the community.
- Fifteen 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 the time of making the order or on a previous review. In all cases the custodial order was confirmed and a further review date set by the court.
- Thirteen people on Extended Leave had their leave renewed for a further period of time. Under the *Crimes*

(Mental Impairment and Unfitness to be Tried) Act 1997, a court is only able to grant Extended Leave for a period of up to 12 months.

- Six people on Extended Leave had their CSO varied to a NCSO.

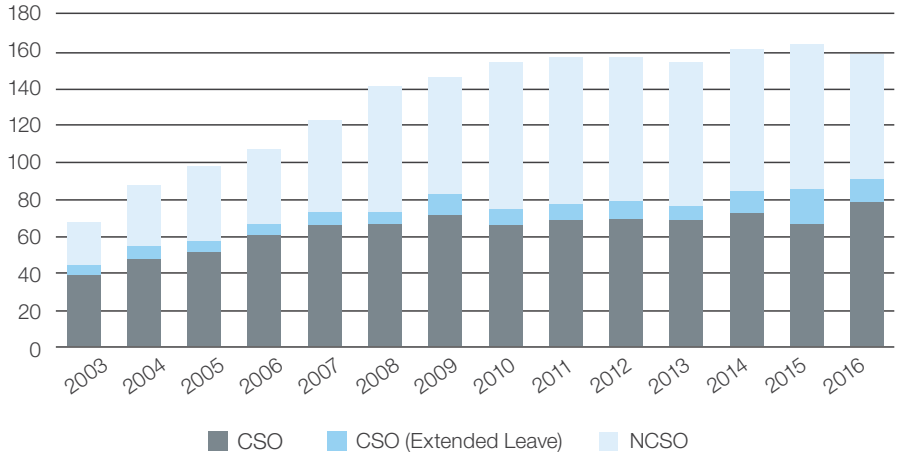
Non-Custodial Supervision Orders

- Five new Non-custodial Supervision Orders (NCSOs) were made (seven less than in 2014–2015). All of these Supervision Order were made by the County Court.
- Three people on NCSOs were apprehended and admitted to Thomas Embling Hospital following breach of the conditions of their order.
- All of the 68 clients in the community on NCSOs at 30 June 2016 are supervised by Forensicare through the Community Forensic Mental Health Service.
- Nineteen people on a NCSO had their Order revoked (seven more than in 2014–2015).
- Thirty six review hearings were held for people on NCSOs, either due to the review being set by the Court, or triggered by the major review provisions in in section 35 of the *Crimes (Mental Impairment and Unfitness to be Tried) Act* 1997 or for an application by the person to revoke the Supervision Order or to vary the Supervision Order to a CSO (in 2014–2015 there were 37).

As well as preparing annual reports for the courts for people on Supervision Orders, Forensicare staff prepared 124 reports for 101 court hearings for people on Supervision Orders under the *Crimes (Mental Impairment and Unfitness to be Tried) Act* 1997 during the year. Forensicare staff attended court to give evidence in 66 of these court hearings. As reported last year, participation in court hearings involves the investment of 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, who carry a considerable clinical workload.

Supervision Orders as at 30 June 2003-2016



This graph shows the increasing numbers of patients at Thomas Embling Hospital on Custodial Supervision Orders, despite an overall decrease in the number of persons on Supervision Orders.

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

COURT REPORTS

The strong demand from courts for psychiatric and psychological reports experienced in previous years continued in 2015–2016. Requests from the Office of Public Prosecutions (OPP) for reports on issues of fitness to plead or the mental impairment defence under the *Crimes (Mental Impairment and Unfitness to be Tried) Act* 1997 continued to be an important area of activity.

In 2015–2016, Forensicare processed 102 assessment requests and provided 75 assessments to the OPP (an increase of 20 (27 per cent) from the previous year). Ten fitness assessment reports were also provided directly to the Supreme and County Courts at their request pursuant to the *Crimes (Mental Impairment and Unfitness to be Tried) Act* 1997. This was four fewer than in the previous year.

As in previous years, a significant number of the reports provided (12) were for accused people whose primary diagnosis was not a mental illness – seven of the requests were for reports relating to people with an intellectual disability and two for people with dementia.

This important work that Forensicare undertakes to assist the courts has been funded by the Department of Justice & Regulation since 2011.

OTHER ACTIVITIES

There was a high level of activity across a variety of legal and policy areas in 2015–2016. We continue to support staff with legal advice and training on legislative obligations under the *Mental Health Act* 2014 and privacy, confidentiality and freedom of information.

During the year, we conducted an organisation-wide survey of staff satisfaction with legal services and legal training needs, from which we developed a legal training plan and have commenced delivering training on capacity and consent and information sharing for hospital and prison staff and training on the Forensic Leave Panel processes.

Forensicare was appointed to deliver mental health services at the Port Phillip Prison commencing from 2017. This project required significant legal input in relation to the contracts with the state and the prison operator.

The coordination of litigation under the *Crimes (Mental Impairment and Unfitness to be Tried) Act* 1997 in the County and Supreme Courts was again a significant area of work, with an increase in the number of cases and their complexity. Forensicare and the Centre for Forensic Behaviour Science will shortly release further research undertaken to update 2006 research on the operation and effectiveness of the *Crimes (Mental Impairment and Unfitness to be Tried) Act* 1997.

Other litigation work included support to witnesses at coronial inquests and litigation in the Supreme Court challenging Forensicare's smoking ban at Thomas Embling Hospital. The Supreme Court handed down a decision confirming Forensicare has the legal power to implement the smoke- free policy and the policy is not a breach of the Charter of Human Rights and Responsibilities.

We provided a submission to the Senate Committee established to consider the indefinite detention of people with cognitive and psychiatric impairment in Australia. We also facilitated consumer involvement in consultation with the Victorian Equal Opportunity and Human Rights Commission regarding a bench book to assist courts in dealing with people with disabilities.

As with past years, in recognition of the need to maintain strong links with the criminal justice system, formal tours of Thomas Embling Hospital were provided for lawyers from the Office of Public Prosecutions, Victorian Government Solicitors Office and the Department of Health and Human Services. We also provided tours to Victoria Police, County Court Associates and Supreme Court staff.

SUSTAINABILITY – OUR ENVIRONMENT

FORENSICARE CONTINUES TO MONITOR AND REPORT ON OUR ENVIRONMENTAL PERFORMANCE. WE CONTINUED TO REDUCE OUR TOTAL GREENHOUSE GAS EMISSIONS IN 2014–2015 AND WE WILL CONTINUE TO MONITOR THIS CLOSELY.

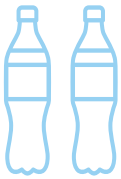
OUR ENVIRONMENTAL STRATEGY – OUR CONTRIBUTION TO A HEALTHIER ENVIRONMENT – 2015–2017 CONTINUES THROUGH TO ITS EXPIRY NEXT YEAR.

ENVIRONMENTAL ACHIEVEMENTS 2015–2016

In the period 2015–2016 the Environmental Strategy 2014–2017 achievements include:

- the introduction of six diesel-powered cars that are more fuel efficient
- a further expansion of carbon neutral copy paper across the organisation
- refinement of the environmental monitoring system which captures all required environmental data
- introduction of a system that migrates old local printers to the more efficient and centralised multi-function devices
- continuation of the recycling of redundant ICT hardware
- continuation of water saving initiatives
- implementing of an electronic patient records system by the ICT department further reducing paper usage across the organisation
- a further expansion of commuter bike racks at Community Forensic Mental Health Services
- establishment of a Green Team, which is comprised of staff with an environmental interest that champion the cause at a local level.

RECYCLING



Plastic bottles recycled (240 litre bins)
654 2013–2014
329 2014–2015
419 2015–2016

Cardboard and paper recycling (4 cubic metres)
49 2013–2014
52 2014–2015
53 2015–2016

General waste (tonnes)
224 2013–2014
230 2014–2015
221 2015–2016

WATER CONSUMPTION

Water consumption
11,889 2013–2014
13,990 2014–2015
13,680 2015–2016

Water reduction goal
9886 2013–2014
10550 2014–2015
10666 2015–2016

VEHICLE USE

Total Kms travelled
260,513 2013–2014
251.566 2014–2015
281,711 2015–2016

Total tonnes of CO2-e
66 2013–2014
57 2014–2015
65 2015–2016

TOTAL GREENHOUSE GAS EMISSIONS

Total tonnes of CO2-e
3124 2013–2014
3461 2014–2015
2928 2015–2016

HUMAN RESOURCES – OUR PEOPLE

WORKFORCE PROFILE

STAFF	30 JUNE 2016		30 JUNE 2015		30 JUNE 2014	
	Staff number	**Total EFT**	**Staff number**	**Total EFT**	**Staff number**	**Total EFT**
CLINICAL STAFF	426	380.73	399	353.79	353	312.1
Nursing	270	251.01	249	229.58	225	208.0
Clinical Support	28	24.55	27	24.88	23	21.0
Allied Health						
Psychologist	44	32.65	42	30.39	28	19.8
Social Worker	19	18.40	15	14.6	16	15.5
Occupational Therapist	19	18.32	16	14.93	15	13.6
Music Therapist	0	0.00	1	0.63	1	0.6
Art Therapist	1	0.80	0	0.00	0	0.00
Consumer Consultant	1	0.59	3	1.96	3	1.6
Family Advocate	1	0.39	2	0.66	2	0.7
Welfare Worker	1	1.00	2	1.63	1	1.0
A/H Total	86	72.15	81	64.8	66	52.8
MEDICAL						
Consultants/Medical Officers/Registrars	42	33.02	42	34.53	38	29.3
Rotating Registrars	0	0	0	0	1	1.00
Medical Total	42	72.15	42	34.53	39	30.3
CORPORATE/ADMIN						
Administration	43	36.87	41	36	35	29.6
Corporate Support	12	10.89	11	10.14	12	10.9
TOTAL STAFF	**481**	**428.49**	**451**	**399.93**	**400**	**352.6**
AGE						
Under 25	23	22.53	23	5.1%	11	2.7%
25-34 yrs	128	118.80	109	24.2%	98	24.5%
35-44 yrs	135	117.42	137	30.4%	115	28.8%
45-54 yrs	93	79.82	86	19.1%	87	21.8%
55-64	88	77.58	84	18.6%	78	19.5%
Over 64 yrs	14	12.29	12	2.6%	11	2.7%
TOTAL	**481**	**428.49**	**451**		**400**	
GENDER						
Women	307	64%	294	65%	251	63%
Men	174	36%	157	35%	149	37%

EXECUTIVE OFFICERS

Some Executive officers at Forensicare are employed as GSERP Executives, Group 3, Cluster 2.

	30 JUNE 2016	30 JUNE 2015	30 JUNE 2014
Number of executives	5	4	4
Vacancies	0	0	0
Ongoing/special projects	5 x ongoing	4 x ongoing	4 x ongoing
Gender	5 males	4 males	4 males

OCCUPATIONAL HEALTH AND SAFETY

Forensicare's board and Executive members continue to ensure that our strong commitment to providing a safe and healthy environment for our patients, staff and contractors as well as our visitors, is maintained and that we continually aim to improve our performance in this crucial area. An external audit of our OHS Management Systems undertaken in the period confirmed our compliance with all relevant OHS legislation and regulations.

All of Forensicare's OHS policies and procedures, which are developed in consultation with our staff as required under the *Occupational Health and Safety Act* 2004, fully complied with our obligations. All worksites could demonstrate that an annual inspection audit had been undertaken by the Occupational Health and Safety representative and the area manager.

Forensicare also monitors its Occupational Health and Safety systems and performance through its OHS Committee which meets every two months with representation from our five designated work groups, senior managers, lead contractors and key support staff such as the Return to Work Coordinator in attendance.

Occupational health and safety events are reported on RiskMan (VIFMS electronic reporting system) and followed up with a review of each incident by the local manager or more senior person. We are working hard to improve our practices in the area of patient aggression with a dedicated working party comprising WorkSafe, industry unions, OHS representatives and senior staff. We are working together to identify ways to reduce and eliminate the risk to our staff from patient aggression. The Forensicare board and Executive continues to monitor our performance in this area closely.

We have also had a focus on OHS training with the following training activities undertaken:

- all new OHS representatives participating in a five-day accredited training
- annual refresher training for all existing OHS representatives
- OHS training for managers.

All training is conducted by an accredited OHS training provider with two staff also undertaking the Diploma of OHS with the National Safety Council of Australia. Occupational Health and Safety training is also provided as part of our mandatory orientation for all new staff. New staff complete the online manual handling training as part of their ongoing mandatory training requirements.

OCCUPATIONAL VIOLENCE STATISTICS 2015–2016

1. WorkCover accepted claims with an occupational violence cause per 100 FTE - **2.1**
2. Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked. - **11.28**
3. Number of occupational violence incidents reported - **141**
4. Number of occupational violence incidents reported per 100 FTE - **32.88**
5. Percentage of occupational violence incidents resulting in a staff injury, illness or condition - **26.24%**

WORKCOVER PERFORMANCE

Five-year claims tracking

Insurance year	Wages	Premium (inc. GST)	Premium rate	Av Industry rate	Days paid	Time lost claim	Total standard claims
2011-2012	$32,491,617	$547,902	1.53%	1.32%	245	6	6
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

Several claims for long-term physiological injury continue to impact our performance and annual premiums. We continue to provide return to work support and review all lost time incidents with the aim to improve the safety of our environment for our workforce.

EMPLOYEE SUPPORT AND WORKPLACE RELATIONS

Forensicare's Workplace Consultative Committee comprises representatives from management, staff and their state union representatives. It meets on a monthly basis to discuss proposed changes to the workplace and any other industrial matters the parties wish to consider.

Negotiations for a new EBA has led to union protected industrial action that resulted in 53 hours time lost due to industrial action 2015–2016.

Forensicare continues to provide access to flexible work arrangements with leave arrangements and rostering that supports our workforce in achieving a work-life balance, especially our staff that returning to work from maternity leave. Our wellbeing program includes an Employee Assistance Program, peer operated critical incident response and a regular publication on wellness called Forensicare Well at Work which is published quarterly.

MERIT AND EQUITY

Forensicare is committed to the principles of merit and equity in all aspects of the employment relationship to ensure fair and transparent processes for recruitment, selection, transfer and promotion. Forensicare has current policies and procedures in place that comply with all relevant legislation and government requirements.

Employees are provided with avenues to redress any unfair treatment and complaints involving discrimination, bullying and harassment are dealt with in accord with organisation policy. All staff are given information on their rights and responsibilities and a network of trained and supported Equal Employment Opportunity (EEO) contact officers is in place to provide support to staff when required.

We have complied with all relevant legislation and we strongly promote workplace diversity. All employees must adhere to the Code of Conduct for Victorian Public Sector Employees which outlines the expected standard of conduct and values when dealing with patients, consumers and colleagues. In our most recent results from the People Matter Survey run by the Victorian Public Sector Commission, 96 per cent of our staff confirmed they were aware of the Code of Conduct.

We expect all our staff to work respectfully with each other to ensure that our workplace is discrimination free.

WORKFORCE PLANNING

Our preparations for the opening of the forensic mental health service at Ravenhall Correctional Centre in 2017, as well as a number of other service expansions, are on track with all planned recruitment targets currently being met. We have in place a number of graduate programs that are producing a high calibre of graduates who have been offered ongoing employment within our service areas.

We have ensured that the recruitment and retention levels have been maintained across all service areas, with the correct levels of skilled and credentialed clinical staff and support from highly professional non-clinical staff. We continue to improve our recruitment practices and ensure our existing staff and new recruits have the necessary qualifications, skills and capabilities to deliver high quality patient-centred programs and services. During the successful accreditation survey in 2015, the surveyors were satisfied that the workforce planning undertaken by Human Resources was comprehensive and met the needs of the organisation.

TRAINING AND PROFESSIONAL EDUCATION PROGRAM

Forensicare has successfully implemented an online learning system in the past 12 months called FITS (Forensicare Internal Training System). We have established a number of mandatory training modules as well as other multi-discipline online modules that are clinically focused content derived from in-house development.

All staff have access to the training and development system. The system also has further capacity to include clinical training courses and additional content that will allow for skill development and a range of personal and professional development opportunities. Our Further Study Incentive Program continues to be well utilised for further academic studies and also provides generous support for conference attendance. A calendar of externally facilitated programs such as our New Management Induction Training, Respect and Responsibility Training and Disability Awareness is also available to staff.

STAFF ENGAGEMENT

To support and recognise our workforce, we held a new length of service celebration in late 2015 to acknowledge the wonderful contribution that our staff members make to Forensicare. Staff with 25 years and 20 years of service were acknowledged by our Chairman and CEO with a presentation that aimed to show our thanks and appreciation for the many years of service and care that collectively this group of staff had provided for our consumers.

Our annual participation in the Victorian Public Sector Commission's People Matter Survey details for us the level of satisfaction of our workforce. We feel very encouraged about the level of our staff's engagement – 90 per cent of our employees view Forensicare as an employer of choice and 99 per cent of our staff feel that they make a contribution to achieving the organisation's objectives. We will continue to work on areas such as communication and change to further improve our staff engagement outcomes.

In relation to the important area of patient safety, 97 per cent of the survey respondents said that they are encouraged by colleagues to report concerns they may have about patient safety, and 96 per cent of respondents agreed that patient care errors are handled appropriately.

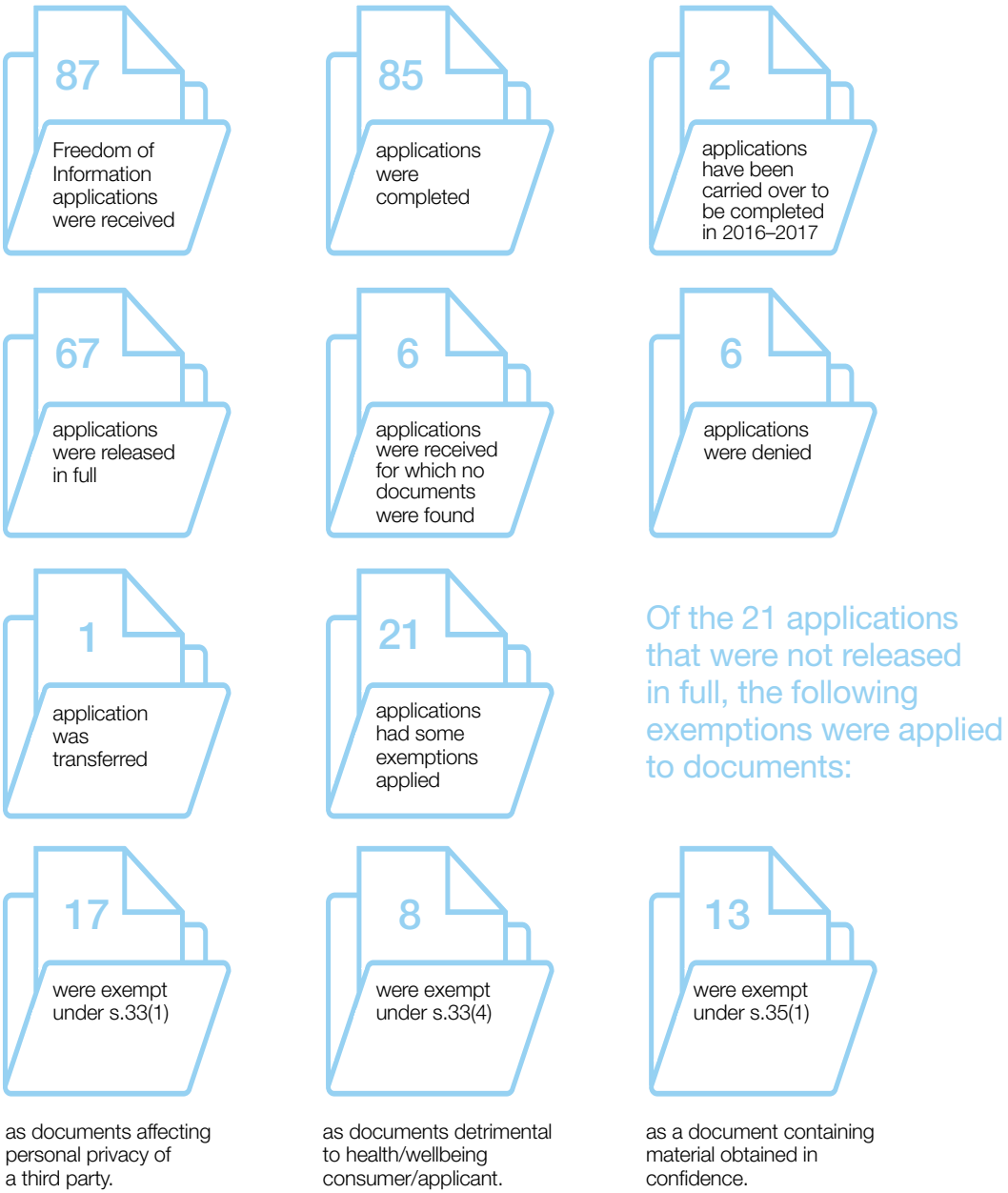
QUALITY AND SAFETY

Performance measure	Performance target	Outcomes 2015–2016	Outcomes 2014–2015	Outcomes 2013–2014	Outcomes 2012–2013
Health Service accreditation	Full compliance	Full compliance	Full compliance	Full compliance	Full compliance
Cleaning standards	Full compliance	Full compliance	Full compliance	Full compliance	Full compliance
Staff turnover rates	11.2%	9.0%	7.5%	8.5%	8.5%

DISCLOSURES

FREEDOM OF INFORMATION ACT 1982

Forensicare complies with the *Freedom of Information Act* 1982. No fees were charged for accessing information in 2015–2016. During the reporting period the following requests were processed:



BUILDING ACT 1993

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

PROTECTED DISCLOSURE ACT 2012

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.

In accordance with the *Protected Disclosure Act* 2012 there were no matters referred to the Independent Broad-based Anti-corruption Commission (IBAC).

NATIONAL COMPETITION POLICY

Forensicare continues to comply with government policy on competitive neutrality.

CARERS RECOGNITION ACT 2012

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 encourage and promote their involvement in all elements of our service delivery.

In compliance with the *Carers Recognition Act* 2012, the initiatives undertaken in 2015–2016 to develop staff, carer and consumer awareness and understanding of the care relationships principles are located at pages 32 and 33.

VICTORIAN INDUSTRY PARTICIPATION POLICY

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

There were no contracts awarded or completed under this policy in 2015-2016.

ADDITIONAL INFORMATION

In compliance with the requirements of Financial Reporting Direction (FRD) 22G, 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 (and *Mental Health Act* 2014 where appropriate):

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 Forensicare about our services and how these can be obtained

d) details of changes in prices, fees, charges, rates and levies charged by Forensicare

e) details of any major external reviews carried out on Forensicare

f) details of major research and development activities undertaken by Forensicare

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 Forensicare and details of time lost through industrial accidents and disputes

k) list of major committees sponsored by Forensicare, the purposes of each committee and the extent to which the purposes have been achieved

l) details of all consultancies and contractors including consultants/contractors engaged, services provided and expenditure committed to for each engagement.

CONSULTANCIES 2015–2016

Consultant	Purpose Of Consultancy	Start Date	End Date	Total Approved Project Fee (Ex Gst) $000	Expenditure 2015–2016 (Ex Gst) $000	Future Expenditure (Ex Gst) $000
Crm Partners Asia Pacific Pty Ltd	Specifications for website development	1/02/2016	29/02/2016	13	13	0
Dog And Bone Consulting	Transition to IaaS	1/07/2015	30/06/2016	29	29	0
Gadens Lawyers	Port Phillip Prison Project	1/07/2015	31/10/2015	61	61	0
Health-E Workforce Solutions	Workforce Planning	1/07/2015	30/06/2016	75	75	0
Paxton Partners Pty Ltd	Financial Advisory for Port Phillip Prison Project. Corporate cost analysis and budgetary advice	1/07/2015	30/06/2016	66	66	0
Swinburne University Of Technology	Ravenhall Prison Project	1/01/2016	30/04/2016	31	31	0
Total				**275**	**275**	0

Throughout the financial year, Forensicare engaged two consultancies where the total fees payable to the consultants were less than $10,000, with a total expenditure of $13,200 (excl. GST).

DETAILS OF INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

The total ICT expenditure incurred during 2015-2016 is $806,305 (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 (excluding GST)	Capital expenditure (excluding GST)
$0.671	0.134	0.67	0.67

STATEMENT OF PRIORITIES

THE STATEMENT OF PRIORITIES IS THE KEY ACCOUNTABILITY AGREEMENT BETWEEN FORENSICARE AND THE VICTORIAN MINISTER FOR MENTAL HEALTH AND IS IN ACCORDANCE WITH SECTION 344 OF THE *MENTAL HEALTH ACT* 2014.

> IT HAS SADLY BECOME THE NORM DURING THE YEAR THAT AT LEAST 10 PRISONERS WAIT TO BE TRANSFERRED FOR COMPULSORY TREATMENT... ON ANY DAY OF THE WEEK.

PART A: STRATEGIC PRIORITIES 2015-2016

DOMAIN

PATIENT EXPERIENCE AND OUTCOMES

ACTION

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

DELIVERABLE

1. Review decision making processes in transitioning from Custodial Supervision Order to Extended Leave, and from Extended Leave to Non-custodial Supervision Order.
2. Establish an integrated care plan and clinical review template for inclusion in the Patient Master Index (our electronic medical record system).
3. Continue to negotiate with Justice Health for a role for Consumer Consultants in our prison services.

OUTCOME

1. ACHIEVED.
The Bed Access Flow Committee has addressed clinical decision-making processes for key transition points and is addressing leave progression.

A report on the operation of Non-custodial Supervision Orders in Victoria was presented to DHHS and to the Criminal Justice and Mental Health Systems' Planning and Strategic Coordination Board in February 2016.

2. ACHIEVED.
The care planning documents are being rolled out to all units. Integration of consumer and recovery elements still have to be negotiated before the final documents are published on the Patient Master Index.

3. ONGOING.
Justice Health have indicated they are supportive of the proposal we submitted. This initiative will be incorporated into considerations and negotiation should DJR exercise the option to extend the current FAHSA in 2017.

ACTION

STRENGTHEN THE RESPONSE OF HEALTH SERVICES TO FAMILY VIOLENCE. THIS INCLUDES IMPLEMENTING INTERVENTIONS, PROCESSES AND SYSTEMS TO PREVENT, IDENTIFY AND RESPOND APPROPRIATELY TO FAMILY VIOLENCE AT AN INDIVIDUAL AND COMMUNITY LEVEL.

DELIVERABLE

1. Evaluate the pilot initiative (Enhanced Family Violence Team at North West Metro Region Division 2), undertaken with Victoria Police, Medicare Local and Swinburne University of Technology, providing family violence risk assessments and consultation.
2. Use the findings of the evaluation of the Enhanced Family Violence Project to inform the development of a further family violence support proposal, together with Victoria Police, Medicare Local and Swinburne University of Technology.

OUTCOME

1. ACHIEVED.
The final evaluation report was completed in October 2015 and submitted to the funding agencies, Victoria Police, Macedon Ranges, North West Melbourne and Medicare Local. The evaluation resulted in further funding for a project.

2. ACHIEVED.
A one-off Legacy Grant has been provided by Macedon Ranges North West Melbourne and Medicare Local to extend and modify this project. It started in May 2016 and will run until June 2017. The funding allows for two Forensicare clinicians to be embedded in Victoria Police Family Violence teams as expert consultants.

ACTION

USE CONSUMER FEEDBACK AND DEVELOP PARTICIPATION PROCESSES TO IMPROVE PERSON AND FAMILY CENTRED CARE, HEALTH SERVICE PRACTICE AND PATIENT EXPERIENCES.

DELIVERABLE

Implement Consumer Consultant led training for staff on recovery from a consumer's perspective.

OUTCOME

ACHIEVED.
Training for all new staff regarding recovery from patient and family/carer perspective is delivered by consumer consultants and family and carer advocate as part of the orientation process.

ACTION

IMPROVE THE HEALTH OUTCOMES OF ABORIGINAL AND TORRES STRAIT ISLANDERS BY INCREASING ACCESSIBILITY AND CULTURAL RESPONSIVENESS OF THE VICTORIAN HEALTH SYSTEM.

DELIVERABLE

Enhance the social and emotional wellbeing of Aboriginal consumers in our services.

OUTCOME

ACHIEVED.
The Aboriginal Project Officer has established an Aboriginal Social and Emotional Wellbeing Assessment Steering Committee to oversee the development and implementation of the Social and Emotional Wellbeing Assessment Tool and package. The new Aboriginal Clinical Consultant (ACC) is working on the development of the ACC intake process and secondary consultation package. Aboriginal Service officers are located across all Forensicare sites and provide information, advocacy and assistance to Aboriginal and Torres Strait Islander patients, their families, carers and communities.

ACTION

DEVELOP AND DELIVER PROGRAMS TO ENHANCE MENTAL HEALTH OUTCOMES IN THE PRISON AND COURT SYSTEMS.

DELIVERABLE

Work collaboratively with the Departments of Justice and Regulation and Health and Human Services in the design of new services and enhancement of existing services to meet the needs of people with a mental illness in the criminal justice system.

OUTCOME

ACHIEVED.
Forensicare is implementing the new service initiative to undertake mental health screening at the Melbourne and Sunshine Magistrates' Courts for those being considered for a Community Corrections Order.

A stakeholder evaluation of the Mental Health Court Liaison Service was completed and submitted to the Department of Health and Human Services in February 2016 along with an analysis of demand growth in this program. We have put an interim additional staff member in the Melbourne Magistrates' Court to meet demand.

Forensicare will take on the provision of service at the 30-bed psychosocial rehabilitation unit at Port Phillip Prison from September 2017.

DOMAIN

GOVERNANCE, LEADERSHIP AND CULTURE

ACTION

DEMONSTRATE AN ORGANISATIONAL COMMITMENT TO OCCUPATIONAL HEALTH AND SAFETY, INCLUDING MENTAL HEALTH AND WELLBEING IN THE WORKPLACE. ENSURE ACCESSIBLE AND AFFORDABLE SUPPORT SERVICES ARE AVAILABLE FOR EMPLOYEES EXPERIENCING MENTAL ILL HEALTH. WORK COLLABORATIVELY WITH THE DEPARTMENT OF HEALTH AND HUMAN SERVICES AND PROFESSIONAL BODIES TO IDENTIFY AND ADDRESS SYSTEMIC ISSUES OF MENTAL ILL HEALTH AMONGST THE MEDICAL PROFESSIONS.

DELIVERABLE

Continue to focus on enhancing staff wellbeing through our Critical Incident Support Management (peer based support program), the Employee Assistance Program and the staff wellbeing newsletter.

OUTCOME

ACHIEVED.
The Employee Assistance Program continues to be accessed by Forensicare staff with additional services contracted by our provider in response to critical incidents at two of our units in October and November 2015.

ACTION

MONITOR AND PUBLICALLY REPORT INCIDENTS OF OCCUPATIONAL VIOLENCE. WORK COLLABORATIVELY WITH THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO DEVELOP SYSTEMS TO PREVENT THE OCCURRENCE OF OCCUPATIONAL VIOLENCE.

DELIVERABLE

Establish a working party consisting of Forensicare Occupational Health and Safety representatives, management and union representation, to investigate and implement initiatives to identify and address incidents of occupational violence across our worksite.

OUTCOME

ACHIEVED.
The working party has been expanded to include a WorkSafe officer and an agreed terms of reference has been adopted. A resource worker will join the working party to ensure adequate resources are in place to respond to the program of work required.

ACTION

PROMOTE A POSITIVE WORKPLACE CULTURE AND IMPLEMENT STRATEGIES TO PREVENT BULLYING AND HARASSMENT IN THE WORKPLACE. MONITOR TRENDS OF COMPLAINTS OF BULLYING AND HARASSMENT AND IDENTIFY AND ADDRESS ORGANISATIONAL UNITS EXHIBITING POOR WORKPLACE CULTURE AND MORALE.

DELIVERABLE

In response to staff survey results on bullying and harassment, develop initiatives that measure and promote a positive workplace culture of morale, respect and trust.

OUTCOME

ACHIEVED.
Our current program which aims to reduce and prevent bullying continues to be delivered, called Respect and Responsibilities. We aim to have all staff complete this training during 2016. We have published the results of the People Matter Survey to staff which highlights our performance around preventing workplace bullying.

ACTION

UNDERTAKE AN ANNUAL BOARD ASSESSMENT TO IDENTIFY AND DEVELOP BOARD CAPABILITY TO ENSURE ALL BOARD MEMBERS ARE WELL EQUIPPED TO EFFECTIVELY DISCHARGE THEIR RESPONSIBILITIES

DELIVERABLE

Undertake an annual board assessment.

OUTCOME

ACHIEVED.
The board and committee assessments have been completed and considered by the board.

ACTION

WORK COLLABORATIVELY WITH THE DEPARTMENT OF HEALTH AND HUMAN SERVICES ON SERVICE AND CAPITAL PLANNING TO DEVELOP SERVICE AND SYSTEM CAPACITY.

DELIVERABLE

1. In collaboration with the Department of Health and Human Services, develop and implement a new enhanced clinical consultancy and support service to Area Mental Health Services and Community Corrections.
2. Work collaboratively with the Departments of Justice & Regulation and Health and Human Service on the development of a master plan for the potential future use of the Thomas Embling Hospital precinct, including the development of the High Dependency Unit.
3. Commence the development of a Model of Care for the High Dependency Unit.

OUTCOME

1. ACHIEVED.
A service model developed by Forensicare has been accepted by the Department of Health and Human Services and the Department of Justice & Regulation for the Enhanced Forensic Consultation Program. Recruitment of all staff has been completed, program manuals and processes are fully developed and referrals are now being accepted.

2. ONGOING.
Master plan remains on schedule.

3. ACHIEVED.
Model of care for the eight bed unit is now complete.

ACTION

CONTRIBUTE TO THE DEVELOPMENT AND IMPLEMENTATION OF THE 10 YEAR MENTAL HEALTH PLAN FOR VICTORIA AND STATE OF VICTORIA'S MENTAL HEALTH SERVICES ANNUAL REPORT.

DELIVERABLE

Prepare a detailed submission identifying key forensic mental health issues to the consultations held to inform the development of the 10-year Mental Health Plan.

OUTCOME

ACHIEVED.
Key forensic mental health issues were detailed in a submission prepared and forwarded to the department for consideration in the development of Victoria's 10-year mental health plan.

ACTION

IMPLEMENT STRATEGIES TO SUPPORT HEALTH SERVICE WORKERS TO RESPOND TO THE NEEDS OF PEOPLE AFFECTED BY ICE.

DELIVERABLE

Implement the training program funded by the Department of Health and Human Services through the Ice Action Plan, to provide further support to our front line clinicians in the prison and court systems in managing problems related to the use of ice.

OUTCOME

ACHIEVED.
Face-to-face workshops have been developed and run as a joint program with Nexus.

Workshop one
Intoxication and Withdrawal Training: Recognition and Risk Factors for Forensic Clients, 35 completed.

Workshop two
Intoxication and Withdrawal Training: Response and Responsibility for Forensic Clients, 34 completed.

ACTION

BUILD WORKFORCE CAPABILITY AND SUSTAINABILITY BY SUPPORTING FORMAL AND INFORMAL CLINICAL EDUCATION AND TRAINING FOR STAFF AND HEALTH STUDENTS, IN PARTICULAR INTER-PROFESSIONAL LEARNING.

DELIVERABLE

1. Develop and provide general mental health training to Corrections Victoria staff, as requested by Corrections Victoria.
2. Develop and implement forensic education for registered nurses in prison services.
3. Deliver training programs for new managers that focus on modelling organisational values.
4. In collaboration with Mental Health Community Support Services (MHCSS), oversee and coordinate the delivery of a program of training provided by Forensic Clinical Specialists to enhance the capacity of the MHCSS workforce.

OUTCOME

1. ONGOING.
Sessions are being negotiated for delivery at the Dame Phyllis Frost Centre. This will be the first time that this training has been delivered at the women's prison.

2. ONGOING.
Final draft near completion.

3. ACHIEVED.
A successful manager induction training program has been delivered with a second program scheduled to commence in July 2016.

4. ONGOING.
The two-day Train the Trainer workshop has been delivered to Forensic clinical specialist clinicians and a detailed training package has been developed.

DOMAIN
SAFETY AND QUALITY

ACTION

IMPLEMENT EFFECTIVE ANTIMICROBIAL STEWARDSHIP PRACTICES AND INCREASE AWARENESS OF ANTIMICROBIAL RESISTANCE, ITS IMPLICATIONS AND ACTIONS TO COMBAT IT THROUGH EFFECTIVE COMMUNICATION, EDUCATION AND TRAINING.

DELIVERABLE

1. Collect and regularly review antimicrobial usage data to identify areas for improvement.
2. Promote the Antimicrobial Stewardship Program to clinical staff.

OUTCOME

1. ACHIEVED.
Systems are in place.

2. ACHIEVED.
A system is in place to orient and inform all new doctors regarding antimicrobial stewardship and prescribing of medications at Forensicare.

ACTION

ENSURE THAT EMERGENCY RESPONSE MANAGEMENT PLANS ARE IN PLACE, REGULARLY EXERCISED AND UPDATED, INCLUDING TRIGGER ACTIVATION AND COMMUNICATION ARRANGEMENTS.

DELIVERABLE

Develop an organisation-wide Business Continuity Plan, incorporating site specific Emergency Response Plans.

OUTCOME

ONGOING.
A draft Business Continuity Plan has been developed and is currently being reviewed for finalisation in 2017.

DOMAIN
FINANCIAL SUSTAINABILITY

ACTION

IMPROVE CASH MANAGEMENT PROCESSES TO ENSURE THAT FINANCIAL OBLIGATIONS ARE MET AS THEY ARE DUE.

DELIVERABLE

1. Develop a Cash Management Policy to providing an operating framework for the organisation.
2. Report monthly to the board on the meeting of financial obligations and cash forecasting.

OUTCOME

1. ONGOING.
A Cash Management Policy is being drafted and will be submitted to the Policy Committee.

2. ACHIEVED.
Monthly cash forecasts were provided to the board.

ACTION

IDENTIFY OPPORTUNITIES FOR EFFICIENCY AND BETTER VALUE SERVICE DELIVERY.

DELIVERABLE

1. As part of the commissioning plan for the services to be provided at the new prison at Ravenhall, implement a new rostering, time and attendance system to improve efficiencies, transparency and accountability.
2. Work with the Department of Health and Human Services to plan for the long-term financial sustainability of Forensicare, based on the current level and projected ongoing increase in demand for service provision.

OUTCOME

1. ONGOING.
A rostering system which is suitable to accommodate our workforce growth driven by Ravenhall Correctional Centre has been selected. Contractual negotiations are currently underway.

2. ONGOING.
The scoping of the sustainability study has been agreed by the Department of Health and Human Services and Forensicare.

ACTION

REVIEW AND REFINE EXISTING SERVICE AGREEMENTS WITH PROVIDERS.

DELIVERABLE

Renegotiate best value for money where possible with existing providers.

OUTCOME

ONGOING.
Contract renewal timeline established over the next 18 months to plan and prepare for any future tenders and contract negotiations.

> ...COLLABORATIVE WORK IS FUNDAMENTAL TO THE CONTINUOUS IMPROVEMENT IN OUR SERVICES AND HAS ALSO ATTRACTED CONSIDERABLE ADDITIONAL BUDGETARY SUPPORT.

DOMAIN

ACCESS

ACTION

IMPLEMENT INTEGRATED CARE APPROACHES ACROSS HEALTH AND COMMUNITY SUPPORT SERVICES TO IMPROVE ACCESS AND RESPONSES FOR DISADVANTAGED VICTORIANS.

DELIVERABLE

1. Explore models for intensive case management with Area Mental Health Services.
2. Trial the delivery of telepsychiatry secondary consultations with community agencies.

OUTCOME

1. ONGOING.
A project proposal has been developed and presented through Forensicare's involvement in the Victorian Mental Health Interprofessional Leadership Program. This involves a partnership with St Vincent's and consumer input.

The new Enhanced Forensic Consultation Program will provide support for community correctional services and Area Mental Health Services in working with complex high risk individuals.

2. ONGOING.
Trial undertaken and planning commenced regarding further tele-linkages with corrections services.

ACTION

PROGRESS PARTNERSHIPS WITH OTHER HEALTH SERVICES TO ENSURE PATIENTS CAN ACCESS TREATMENTS AS CLOSE TO WHERE THEY LIVE WHEN IT IS SAFE AND EFFECTIVE TO SO, MAKING THE MOST EFFICIENT USE OF AVAILABLE RESOURCES ACROSS THE SYSTEM.

DELIVERABLE

1. Collaborate with NGO providers on hospital transition support programs.
2. Expand relationships with accommodation providers servicing our clients to improve access for discharged consumers.
3. Deliver a training program on Non-custodial Supervision Orders to Area Mental Health Services and Mental Health Community Support Services.

OUTCOME

1. ONGOING.
Forensicare/Mental Health Community Support Services working group continues to meet to discuss referral pathways and eligibility. Discussions now include NDIS and its impact on the forensic mental health sector. Housing Working Party established.

2. ONGOING.
The Mental Health Community Support Services working group is ongoing.

3. ACHIEVED.
Two sessions completed during the year and materials evaluated based on feedback provided.

ACTION

OPTIMISE ALTERNATIVES TO HOSPITAL ADMISSION.

DELIVERABLE

Develop a pilot step-up program providing short-term prevention and recovery admissions to Jardine Unit, Thomas Embling Hospital, to Non-custodial Supervision Order clients requiring additional support to enable them to maintain long term community placement.

OUTCOME

ONGOING.
Model of care for the unit being reviewed to incorporate this and other initiatives.

ACTION

IMPROVE ACCESS TO MENTAL HEALTH AND DRUG AND ALCOHOL SERVICES BY LINKING IN WITH ABORIGINAL AND TORRES STRAIT ISLANDER ORGANISATIONS AND OTHER DRUG AND ALCOHOL SERVICE PROVIDERS.

DELIVERABLE

Develop and implement a dual diagnosis plan that incorporates a focus on staff training and development, program development and the strengthening of our relationships with specialist external providers.

OUTCOME

ONGOING.
Relationship with Nexus continues and further training packages for clinical staff at the Thomas Embling Hospital are being developed.

ACTION

CONTINUE TO PREPARE FOR THE IMPLEMENTATION OF FORENSICARE SERVICES AT THE NEW PRISON AT RAVENHALL.

DELIVERABLE

1. Implement the Ravenhall Prison Operational Readiness and Ramp Up Plan.
2. Undertake the detailed clinical program development processes required to operationalise the Forensic Mental Health services to be delivered at Ravenhall Prison.

OUTCOME

1. ONGOING.
We are currently meeting all contracted obligations to GEO and the state.

2. ONGOING.
The Tambo and CIP Reference Group and the Therapeutic Programs Reference Group have commenced. The online Prisons Operations Manual continues to be developed.

PART B: PERFORMANCE PRIORITIES 2015–2016

KEY PERFORMANCE INDICATOR	TARGET	2015-2016 RESULT
Patient experience and outcomes		
Inpatient experience survey	Full compliance	Full Compliance
Community client experience survey	Full compliance	Full Compliance
Mental health – Seclusion rate per occupied bed days	< 15/1,000	13.13
Governance, leadership and culture		
Patient safety culture (domains 1-7)	80	88%
Safety and quality		
Health Service accreditation	Full compliance	Full compliance
Cleaning standards	Full compliance	Full Compliance
Hand hygiene (online training - rate)	80% (internal monitoring)	82%
Healthcare worker immunization - influenza	75% (internal monitoring)	67%
Financial Sustainability		
Finance		
Annual operating result ($m)	$635k deficit	$251k surplus
Creditors	< 60 days	46.13 days
Debtors	< 60 days	15.63 days
Asset management		
Basic asset management plan	Full compliance	Full Compliance
Access		
Thomas Embling Hospital		
Admissions – male units	76	66
Admissions – women	33	24
Average length of stay – Male Acute Units	118 days	164 days
Average length of stay – Sub Acute Units	823 days	250 days
Number of male certified patients admitted from Melbourne Assessment Prison (AAU and mainstream) who had waited for more than 30 days to transfer to Thomas Embling Hospital	48	31
Community Forensic Mental Health Service		
Number of direct contacts with forensic patients on Extended Leave by Community Integration Program clinicians	960	1,289
Total contact hours	12,855	12,738
Prison Services		
Average number of patients per day waiting transfer to Thomas Embling Hospital	10	9.5

OUR FUNDING

Forensicare is mainly funded by the Department of Health and Human Services. The prison-based services are provided under Funding and Healthcare Services Agreements with the Department of Justice & Regulation through Justice Health (a business unit within the department) or Corrections Victoria. Our work on the Ravenhall Prison Project is funded through a contract with the GEO group. All funding and contract agreements require Forensicare to maintain full accreditation.

SUMMARISING OUR FINANCIAL PERFORMANCE 2015–2016

AT THE END OF THE REPORTING PERIOD, FORENSICARE RECORDED A SURPLUS OF $0.251 MILLION.

This excludes depreciation, capital and Department of Health and Human Services' leave bond rate debtor adjustments.

The reported surplus includes the recognition of revenue from the Department of Health and Human Services for long service leave obligations of $0.421 million. If this amount is excluded from the operating result the reported operating result is a deficit of $0.214 million, which is a better performance than our anticipated deficit of $0.634 million indicated in our Statement of Priorities.

The key contributing factors to the year end result include:

- provisions for LSL Debtor Adjustment which contributed additional revenue
- employee costs relating to patient escorts to hospital and patient constant observations
- Ravenhall Readiness and Ramp Up funding
- additional funding received from Department of Health and Human Services in conjunction to the enhanced Forensic Consultation Program.

REVENUE

Total revenue received by Forensicare in 2015–2016 is $61.706 million compared to $57.344m in 2014–2015.

Our government grants primarily consist of the funding from the Department of Health and Human Services for our work at the Hospital and Community Service (including most of the Mental Health Court Liaison Services to Magistrates' Courts). It also includes funding from the Department of Justice & Regulation for:

- work in prisons (including court and Parole Board reports for prisoners)
- part of the Problem Behaviour Program
- Community Corrections Order screening
- Sunshine Mental Health Court Liaison Service
- Office of Public Prosecutions mental impairment reports.

In the financial year, government grants from the Department of Health and Human Services increased by 2.33 per cent. The increase saw additional funding to address the costs of patient escorts to public hospitals and patient constant observations in seclusion areas. New funding of $405,000 was provided for the Enhanced Forensic Consultation Program.

Department of Justice and Regulation revenue in 2015-2016 was $11.731 million (an increase from 2014–2015 of $1.568 million). This overall figure includes revenue for Court Reports, Detention Supervision Orders and Reports for the OPP. The increase reflects additional services at Melbourne Assessment Prison, Metropolitan Remand Centre and the Aboriginal Clinical Consultant. Other DJR revenue (included within "Other Government Revenue" and "Professional Fees") supported the Port Philip Prison project and Community Corrections Order Screening service.

Revenue from Ravenhall operations in 2015-2016 totalled $3.208 million, a 76.4 per cent increase from 2014-2015. This reflects the increased activity and size of our commissioning team and growth in our staff numbers to prepare for the commencement of the Ravenhall Correctional Centre in 2017.

SUMMARY OF SIGNIFICANT ITEMS

Employment benefits

There has been an increase in employment costs of $3.471 million, compared to 2015–2016. This is attributable to:

- standard certified agreement increases, and increases to associated costs such as leave, superannuation and provisions
- funded increases in staffing across prison services and the Ravenhall Prison Project
- newly funded programs for Community Corrections Order Screening and Enhanced Forensic Consultation Program.

The staff costs of escorting patients for general hospital admissions and constant observations of acutely unwell patients have remained at prior year levels (accounting for wage increases).

High levels of sick leave and staff vacancies earlier in the financial year accounted for increased agency costs, but close management of staffing and additional recruitment reduced these costs back to budgeted levels in the second half of the year.

Corporate and clinical cost allocations

Total expenditure in 2015-2016 is $61.455 million, which has increased by 6.30 per cent from the previous year. Of the total expenditure the breakdown between corporate and clinical support costs against clinical costs are as illustrated.

Capital funding and expenditure

Capital funding for 2015-2016 was $244,496. The funding was for specific purposes across Thomas Embling Hospital and Community Forensic Mental Health Service for the following initiatives:

- IT clinical hardware replacement program
- Breathe Easy anti-smoking building alterations
- additional CCTV surveillance for CFMHS
- health service violence prevention funding
- CCTV surveillance upgrade across Thomas Embling Hospital. (Being a major project, works for this were completed during 2015-2016, however funding was granted in FY 2014-2015).

Other expenses

Other non-labour costs are $399,000, 4.06 per cent higher compared to 2014-2015.

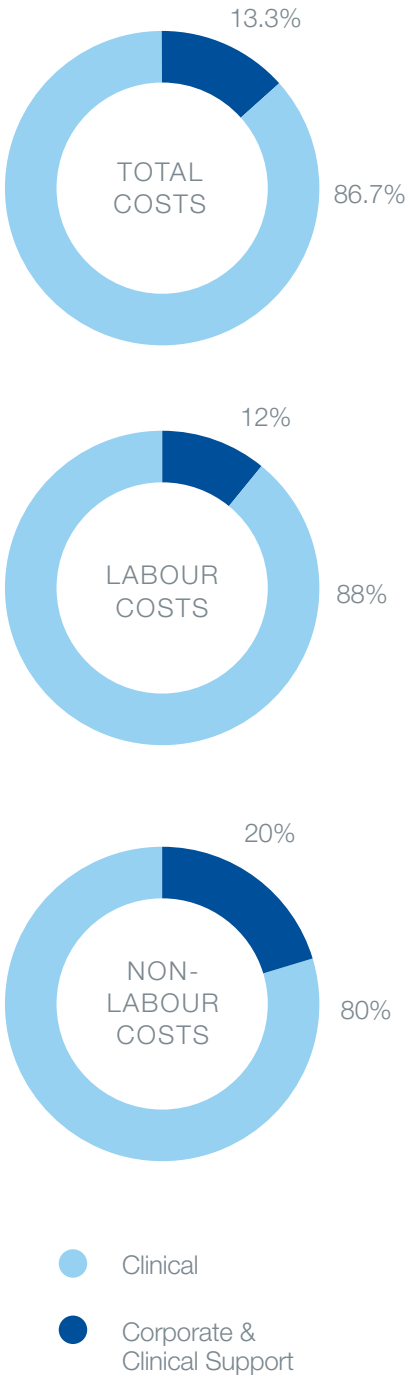
Notable increases included:

- increase in maintenance related expenditure and supplies at Thomas Embling Hospital across a number of categories as building and infrastructure ages
- increases in medication costs
- increases in IT maintenance costs.

Major contracts

Contract costs across Forensicare increased by 3.31% from the previous year.

- food services expenditure increased by 3.73%, total spend was $1,645,000
- Security expenditure at Thomas Embling Hospital increased by 0.16%, total spend was $1,973,000
- TAFE expenditure decreased by 2.13 %, total spend was $410,000
- cleaning costs increased by 16.97%, total spend was $697,000.



HISTORICAL FINANCIAL ANALYSIS AND KEY FINANCIAL STATISTICS

	2016	2015	2014	2013	2012	2012-2016 Movement
	$'000	$'000	$'000	$'000	$'000	$'000
FINANCIAL PERFORMANCE						
Operating Revenue	$61,706	$57,344	$52,325	$49,449	$49,368	$12,338
Operating Expenditure	($61,455)	($57,585)	($51,944)	($49,046)	($49,417)	($12,038)
Net Result before Capital & Specific Items	$251	($241)	$381	$403	($49)	$300
Other gains/(losses) from other economic flows	($228)	($230)	($165)	-	-	($228)
Capital Revenues	$483	$315	$46	$250	$235	$248
Depreciation & Amortisation	($1,859)	($1,898)	($1,706)	($1,811)	($1,915)	$56
Net Result	($1,353)	($2,054)	($1,444)	($1,158)	($1,729)	$376
FINANCIAL POSITION						
Current Assets	$6,054	$5,413	$4,192	$3,827	$3,986	$2,068
Non Current Assets	$109,917	$91,341	$90,938	$49,061	$50,628	$59,289
Total Assets	$115,971	$96,754	$95,130	$52,888	$54,614	$61,357
Current Liabilities	$12,795	$9,887	$9,319	$8,481	$8,761	$4,016
Non Current Liabilities	$4,059	$5,437	$2,327	$2,120	$2,408	$1,669
Total Liabilities	$16,854	$15,324	$11,646	$10,601	$11,169	$5,685
Net Assets	$99,117	$81,430	$83,484	$42,287	$43,445	$55,672
Equity	$99,117	$81,430	$83,484	$42,287	$43,445	$55,672
CASH HELD						
Cash at the end of reporting period	$3,258	$1,964	$3,045	$2,121	$3,037	$221
KEY STATISTICS						
Current Ratio - Liquidity	0.47	0.55	0.45	0.45	0.45	0.02
Equity / Assets - Stability	0.85	0.84	0.88	0.80	0.80	0.05

ATTESTATIONS

DISCLOSURE INDEX

The index prepared to facilitate identification of Forensicare's compliance with statutory disclosure requirements is provided at pages 119 and 120.

ATTESTATION ON DATA INTEGRITY

I, Tom Dalton certify that the Victorian Institute of Forensic Mental Health has put in place appropriate internal controls and processes to ensure that reported data reasonably reflects actual performance. The Victorian Institute of Forensic Mental Health has critically reviewed these controls and processes during the year.

Tom Dalton
Chief Executive Officer
Accountable Officer

Melbourne
29 August 2016

RESPONSIBLE BODIES DECLARATION

In accordance with the *Financial Management Act* 1994, I am pleased to present the Report of Operations for the Victorian Institute of Forensic Mental Health for the year ending 30 June 2016.

Adjunct Professor Bill Healy
Chairman
Forensicare Board

Melbourne
29 August 2016

ATTESTATION FOR COMPLIANCE WITH THE MINISTERIAL STANDING DIRECTION 4.5.5– RISK MANAGEMENT FRAMEWORK AND PROCESSES

I, Tom Dalton certify that the Victorian Institute of Forensic Mental Health has complied with Ministerial Direction 4.5.5 – Risk Management Framework and Processes. The Victorian Institute of Forensic Mental Health Audit Security and Risk Management Committee verifies this.

Tom Dalton
Chief Executive Officer
Accountable Officer

Melbourne
29 August 2016

Victorian Institute of Forensic Mental Health

Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Index to the Financial Reports

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 & 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 & 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 & 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 Note 10(a) of the Financial Statements (page 98).

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.

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.

See the Cash Flow Statement at page 81.

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 4.2 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 2016 and the financial position of the Victorian Institute of Forensic Mental Health at 30 June 2016.

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 12th September 2016.

Mr William Healy
Chairperson
(on behalf of Board)

Thomas Dalton
Chief Executive Officer
(Accountable Officer)

Vince Di Stefano
Executive Director Finance & Business Services
(Chief Finance and Accounting Officer)

Dated this 12th Day of September 2016
Melbourne, Victoria

VAGO
Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000

Telephone 61 3 8601 7000
Facsimilie 61 3 8601 7010
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Victorian Institute of Forensic Mental Health

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of the Victorian Institute of Forensic Mental Health which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the board member's, accountable officer's and chief finance and accounting officer's declaration.

The Board Member's Responsibility for the Financial Report

The Board Members of the Victorian Institute of Forensic Mental Health are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board Members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, I and my staff and delegates have complied with the applicable independence requirements of the Australian Auditing Standards and relevant ethical pronouncements.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Victorian Institute of Forensic Mental Health as at 30 June 2016 and its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
13 September 2016

Dr Peter Frost
Acting Auditor-General

Victorian Institute of Forensic Mental Health
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2016

	Note	2016 $'000	2015 $'000
Income	3		
Government Grants (Department of Health)		46,040	44,696
Other Government Revenue (Justice Health)		11,731	10,163
Ravenhall		3,208	1,819
Other Revenue		727	666
		61,706	57,344
Expenses	4		
Employee Benefits		(49,943)	(46,482)
Contracted Staff Costs		(1,275)	(1,265)
Medicines, Drugs & Diagnostics		(926)	(841)
Property Maintenance & Contracts		(6,543)	(6,418)
Other Expenses		(2,768)	(2,579)
		(61,455)	(57,585)
Net Result Before Capital & Specific Items		251	(241)
Capital Purpose Income	3	483	315
Depreciation & Amortisation	6	(1,859)	(1,898)
Net Result After Capital & Specific Items		(1,125)	(1,824)
Other Economic Flows included in net result			
Other losses from other economic flows		(252)	(239)
Net Gain on non-financial assets	5	24	9
Net Result For The Year		(1,353)	(2,054)
Other Comprehensive Income			
Changes in physical asset revaluation surplus	1(i),10(a),10(b),14(a)	19,040	-
Comprehensive Result		17,687	(2,054)

This Statement should be read in conjunction with the accompanying Notes

Victorian Institute of Forensic Mental Health
Balance Sheet
As at 30 June 2016

	Note	2016 $'000	2015 $'000
ASSETS			
Current Assets			
Cash and Cash Equivalents	7, 16	3,258	1,964
Receivables	8, 16	2,711	2,452
Other Assets	9	85	997
Total Current Assets		6,054	5,413
Non-Current Assets			
Receivables	8, 16	4,547	4,126
Property, Plant & Equipment	10	105,370	87,215
Total Non-Current Assets		109,917	91,341
TOTAL ASSETS		115,971	96,754
LIABILITIES			
Current Liabilities			
Payables	11, 16	2,563	1,457
Provisions	12	9,605	10,138
Other Liabilities	13	627	519
Total Current Liabilities		12,795	12,114
Non-Current Liabilities			
Provisions	12	4,059	3,210
Total Non-Current Liabilities		4,059	3,210
TOTAL LIABILITIES		16,854	15,324
NET ASSETS		99,117	81,430
EQUITY			
Contributed Capital	14(b)	34,139	34,139
Asset Revaluation Reserve	14(a)	72,593	53,553
Accumulated Surpluses / (Deficits)	14(c)	(7,615)	(6,262)
TOTAL EQUITY		99,117	81,430

Commitments for Expenditure	17
Contingent Liabilities	21

This Statement should be read in conjunction with the accompanying Notes

Victorian Institute of Forensic Mental Health
Statement of Changes in Equity
For the Financial Year Ended 30 June 2016

2016	Note	Equity at 1 July 2015 $'000	Changes due to Comprehensive Result $'000	Equity at 30 June 2016 $'000
Accumulated Surplus / (Deficit)	14(c)	(6,262)	(1,353)	(7,615)
Asset Revaluation Reserve	14(a)	53,553	19,040	72,593
Contributed Capital	14(b)	34,139	-	34,139
		81,430	17,687	99,117

2015	Note	Equity at 1 July 2014 $'000	Changes due to Comprehensive Result $'000	Equity at 30 June 2015 $'000
Accumulated Surplus / (Deficit)	14(c)	(4,208)	(2,054)	(6,262)
Asset Revaluation Reserve	14(a)	53,553	-	53,553
Contributed Capital	14(b)	34,139	-	34,139
		83,484	(2,054)	81,430

This Statement should be read in conjunction with the accompanying Notes

Victorian Institute of Forensic Mental Health
Cash Flow Statement
For the Financial Year Ended 30 June 2016

	Note	2016 $'000	2015 $'000
Cash Flows From Operating Activities			
Receipts			
Operating Grants from Government		44,605	42,925
Capital Grants from Government		483	315
Justice Health		13,462	9,198
Ravenhall Project		3,385	1,809
Other Program Funding		990	820
Professional Service Fees		760	471
Interest Received		104	128
Other Receipts		676	706
Total Receipts		64,465	56,372
Payments			
Employee Expenses Paid		(47,792)	(42,110)
Payments for Supplies		(14,537)	(14,309)
Total Payments		(62,329)	(56,419)
Net Cash Flow From / (Used in) Operating Activities	15	2,136	(47)
Cash Flows From Investing Activities			
Payments for non-financial assets		(1,127)	(1,036)
Proceeds from sale of non-financial assets	5	177	9
Net Cash Flow From / (Used in) Investing Activities		(950)	(1,027)
Cash Flows From Financing Activities			
Proceeds of Monies Held in Trust		108	-
Repayment of Monies Held in Trust		-	(7)
Net Cash Flow From / (Used in) Financing Activities		108	(7)
Net Increase / (Decrease) In Cash and Cash Equivalents Held		1,294	(1,081)
Cash and Cash Equivalents at Beginning of Financial Year		1,964	3,045
Cash and Cash Equivalents at End of Financial Year	7	3,258	1,964

This statement should be read in conjunction with the accompanying Notes

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements
For the Financial Year Ended 30 June 2016

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 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 AAS's.

The annual financial statements were authorised for issue by the Board on 12th September 2016.

(b) 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 2016, and the comparative information presented in these financial statements for the year ended 30 June 2015.

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.

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 fair values.

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.

Judgements and assumptions made by management in the application of AASs that have significant effect on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 1(i)) ;
- superannuation expense (refer to note 1 (f)); and
- assumptions for employee benefit based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates refer to note 1 (j)).

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 and 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.

(c) Reporting Entity

The financial statements include the controlled activities of the Institute.

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.

(d) Scope and Presentation of Financial Statements

Services Supported By Health Services Agreement and Services Supported By Hospital and Community Initiatives

Activities classified as *Services Supported by Health Services Agreement* (HSA) are substantially funded by the Department of Health and Human Services and are also funded from other sources such as the Department of Justice and Regulation under commercial agreements.

Comprehensive operating statement

The subtotal entitled 'Net result Before Capital & Specific Items' is included in the Comprehensive Operating Statement to enhance the understanding of the financial performance of the Institute. This subtotal reports the result excluding items such as capital grants, assets received or provided free of charge, depreciation, and items of an unusual nature and amount such as specific revenues and expenses. The exclusion of these items are made to enhance the matching of income and expenses so as to facilitate the comparability and consistency of results between years and Victorian Public Health Services. The 'Net result Before Capital & Specific Items' is used by the management of Institute, the Department of Health and Human Services and the Victorian Government to measure the ongoing performance of Institute.

Capital and specific items, which are excluded from this subtotal, comprise:

- Capital purpose income, which comprises all tied grants, donations and bequests received for the purpose of acquiring non-current assets, such as capital works, plant and equipment or intangible assets. It also includes donations of plant and equipment (refer Note 1). Consequently, the recognition of revenue as capital purpose income is based on the intention of the provider of the revenue at the time the revenue is provided;

- Specific income/expense, comprises the following items, where material:
  - Non-current asset revaluation increments/decrements; and

- Depreciation and amortisation, as described in Note 1(f).

Other economic flows; are changes arising from market re-measurements. They include:

- Gains and losses from disposals of non-financial assets;
- Revaluations and impairments of non-financial physical and intangible assets;
- Re-measurement arising from defined benefit superannuation plans; and
- Fair value changes of financial instruments.

Balance sheet

Assets and liabilities are categorised either as current or non-current (non-current being those assets or liabilities expected to be recovered/settled more than 12 months after reporting period).

Statement of changes in equity

The statement of changes in equity presents reconciliations of each non-owner and owner changes in equity from opening balance at the beginning of the reporting year to the closing balance at the end of the reporting year. It also shows separately changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income.

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 of AASB 107 Statement of Cash Flows.

Rounding Of Amounts

All amounts shown in the financial statements are expressed to the nearest $1,000 unless otherwise stated.

Figures in the financial statements may not equal due to rounding of part dollar values.

(e) 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.

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 05/2013.

Patient and Resident Fees

Patient fees are recognised as revenue at the time invoices are raised.

Donations and Other Bequests

Donations and bequests are recognised as revenue when received. If donations are for a special purpose, they may be appropriated to a reserve, such as the specific restricted purpose reserve.

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.

Other Income

Other Income includes workshop and university placements revenue.

(f) Expense Recognition

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

Employee expenses

Employee expenses include:

- Wages and salaries;
- Termination payments;
- Fringe Benefits Tax;
- Work cover premiums;
- Annual leave;
- Sick leave;
- Long service leave; and
- Superannuation expenses which are reported differently depending upon whether employees are members of defined benefit or defined contribution plans.

Superannuation

Defined contribution 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 year. Contributions to defined contribution superannuation plans are expensed when incurred.

Defined benefit plan

The amount expensed in respect of defined benefit superannuation plans represents the contributions made by the Institute to the superannuation plans in respect of the services of current Institute staff. Superannuation contributions are made to the plans based on the relevant rules of each plan. The defined benefit plan provide benefits based on years of service and final average salary.

The name and details of the major employee superannuation funds and contributions made by the Institute are as follows:

Contributions Paid or Payable for the year

Fund	2016 $'000	2015 $'000
Defined benefit plans:		
State Superannuation Fund	141	139
Defined contribution plans:		
Health Employee Superannuation Trust Australia Fund	2,167	2,037
First State Super	1,299	1,185
Other Funds	89	81
Total	3,696	3,442

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. The unfunded defined liability is reported to the Department of Treasury and Finance.

Depreciation and amortisation

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 and amortisation 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.

	2016		2015	
Buildings	40 to 50	Years	50	Years
Plant & Equipment	3 to 15	Years	8 to 10	Years
Medical Equipment	10	Years	7 to 9	Years
Leasehold Improvements	2 to 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.

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.

Bad and doubtful debts
Refer to Note 1(h) Impairment of financial assets.

(g) 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 1(i) Revaluations of non-financial physical assets.

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.

Impairment of Non-Financial Assets

Apart from intangible assets with indefinite useful lives, all other assets are assessed annually for indications of impairment.

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 will 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.
c. Net gains in asset revaluations.

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.

(h) Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Institute's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 Financial Instruments: Presentation and those that do not.

Financial assets and liabilities at fair value through profit or loss

Financial assets are categorised as fair value through profit or loss at trade date if they are classified as held for trading or designated as such upon initial recognition. Financial instrument assets are designated at fair value through profit or loss on the basis that the financial assets form part of a group of financial assets that are managed by the Health Service concerned based on their fair values, and have their performance evaluated in accordance with documented risk management and investment strategies.

Financial instruments at fair value through profit or loss are initially measured at fair value and attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are recognised in the net result as other comprehensive income, as required by AASB 139 para 55. Any dividend or interest on a financial asset is recognised in the net result for the year.
Financial assets and liabilities at fair value through profit or loss include the majority of the Health Service's equity investments, debt securities and borrowings.

(i) Assets

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of 3 months or less, which are readily convertible to known amounts of cash and are subject to 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.

Receivables

Receivables consist of:

- Contractual receivables, which includes mainly debtors in relation to goods and services and accrued investment income; and
- 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.

Investments and Other Financial Assets

Other financial assets are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

The Institute classifies its other financial assets between current and non-current assets based on the purpose for which the assets were acquired. Management determines the classification of its other financial assets at initial recognition.

The Institute assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

All financial assets are subject to annual review for impairment.

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 10 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.

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.

Prepayments

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.

Disposal of non-financial assets

Any gain or loss on the sale of non-financial assets is recognised in the comprehensive operating statement. Refer to note 1(g) – 'other economic flows included in net result'.

Impairment of Financial Assets

Financial Assets have been assessed for impairment in accordance with Australian Accounting Standards. Where a financial asset's fair value at balance date has reduced by 20 per cent or more than its cost price; or where its fair value has been less than its cost price for a period of 12 or more months, the financial instrument is treated as impaired.

In order to determine an appropriate fair value as at 30 June 2016 for its portfolio of financial assets, the Institute obtained a valuation based on the actual indices published by the Valuer General. This value was compared against valuation methodologies provided by the issuer as at 30 June 2016. These methodologies were critiqued and considered to be consistent with standard market valuation techniques. Prices obtained from both sources were compared and were generally consistent with the full portfolio. The above valuation process was used to quantify the level of impairment on the portfolio of financial assets as at year end

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 Impairment of Assets.

(j) Liabilities

Payables

Payables consist of:

- Contractual payables which consist predominantly of accounts payable representing liabilities for goods and 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.

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.

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 interest rates for which it is then recognised as an other economic flow.

Termination benefits
Termination benefits are payable when employment is terminated before the normal retirement date or when an employee decides to accept an offer of benefits in exchange for the termination of employment.
The Institute recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Employee Benefit On-costs
On-costs for workers compensation and superannuation are recognised separately within the provisions for employee benefits.

(k) Leases

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.

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.

Leasehold Improvements
The cost of leasehold improvements are capitalised as an asset and depreciated over the remaining term of the lease or the estimated useful life of the improvements, whichever is the shorter.

(l) Equity

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.

Property, Plant & Equipment Revaluation Surplus
The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current physical assets.

(m) Commitments
Commitments for future expenditure include operating and capital commitments arising from contracts. Commitments are disclosed by way of a note (refer to Note 17) at their nominal value and are inclusive of the GST payable.

(n) 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.

(o) Goods and Services Tax
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.

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.
Commitments and contingent assets and liabilities are presented on a gross basis.

(p) Category Groups

The Institute has used the following category group for reporting purposes for the current and previous financial years.

Mental Health Services (Mental Health) comprises all recurrent health revenue/expenditure on specialised Mental Health Services (forensic) managed or funded by the state or territory health administrations, and includes: Admitted patient services (including forensic mental health), outpatient services, community-based services, residential and ambulatory services.

(q) Going Concern

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 the support of a Letter of Comfort (LOC) signed by the Secretary of the Department of Health and Human Services dated 08/08/2016. 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 to September 2017".*

(r) New Accounting Standards and Interpretations

Certain Australian accounting standards and interpretations have been published that are not mandatory for the 30 June 2016 reporting period. As at 30 June 2016, the following standards and interpretations had been issued but were not mandatory for the reporting period ending 30 June 2016. The Institute has not and does not intend to adopt these standards early.

Topic	Key requirements	Effective date
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 January 2018
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 January 2019
AASB 9 Financial Instruments	The key changes 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. While preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.	1 January 2018

In addition to the standards above, the AASB has issued a list of amending standards that are not effective for the 2015-16 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting. The AASB Interpretation in the list below is also not effective for the 2015-16 reporting period and is considered to have insignificant impact on public sector reporting.

- AASB 1057 Application of Australian Accounting Standards
- AASB 2015 2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049

(s) 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 Provisions, Other Expenses, Net Gains on Non-Financial Assets and the Cash Flow Statement.

Note 2 Statement of Understanding and Service Agreement

A Statement of Understanding (1 July 1998 to 30 June 1999) between the Department of Health and the Institute specifically provides for the following –

The Department of Health acknowledge their liability for the accrued long service leave entitlements for all employees with service up to 1 July 1998 transferred from the Department to the Institute under the provisions of section 97 of the Mental Health Act 1986.

Note 3

Revenue from Operating Activities	Note	2016 $'000	2015 $'000
Government Grants			
Service Agreement - (Department of Health and Human Services)	1(e)	45,513	44,476
Service Agreement - (Justice Health)		11,731	10,163
Service Agreement - (Ravenhall)		3,208	1,819
Other Government Revenue		485	165
Total Government Grants		60,937	56,623
Indirect Contributions by Department of Health and Human Services	1(e)		
Insurance		42	55
Total Indirect Contributions by Department of Health and Human Services		42	55
Other Revenues			
Professional Fees		271	152
Interest		105	129
Other Income		351	385
Total Other Revenues		727	666
Sub Total Revenue from Operating Activities		61,706	57,344
Revenue from Capital Purpose Income			
Government Grant			
Government Grant - General Purpose - (Department of Health and Human Services)		244	315
Government Grant - Buildings - Construction in Progress - (Department of Health and Human Services)		239	-
Sub Total Revenue from Capital Purpose Income		483	315
Total Revenue		62,189	57,659

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements
For the Financial Year 30 June 2016

		Note	2016	2015
			$'000	$'000
Note 4	Expenses From Continuing Activities			
	Employee Benefits			
	Salaries & Wages		39,935	36,601
	Employee Entitlements		5,758	5,948
	Superannuation	1(f)	3,696	3,442
	WorkCover		554	491
	Total Employee Benefits		49,943	46,482
	Non Salary Labour Costs			
	Agency Staff		1,093	1,096
	Medical Salaries		182	169
	Total Non-Salary Labour Costs		1,275	1,265
	Medicines, Drugs & Diagnostics			
	Medicines, Drugs		798	669
	Diagnostics		128	172
	Total Medicines, Drugs & Diagnostics		926	841
	Property Maintenance & Contracts			
	Property Expenses		580	583
	Maintenance Expenses		368	435
	Contracts		3,287	3,104
	Security		2,308	2,296
	Total Property Maintenance & Contracts		6,543	6,418
	Other Expenses			
	Information Technology		341	247
	Supplies & Consumables		2,000	1,793
	Patient Stores & Provisions		128	151
	Financial Expenses		48	76
	Internal Audit Fees		50	54
	Other		201	258
	Total Other Expenses		2,768	2,579
	Total Expenses		61,455	57,585

		Note	2016	2015
Note 5			$'000	$'000
	Net Gain / (Loss) on Disposal of Non-current Assets			
	Proceeds from Disposal of Non-current Assets			
	Plant & Equipment		177	9
	Total Proceeds from Disposal of Non-current Assets		177	9
	Less – Written Down Value of Non-current Assets Sold			
	Plant & Equipment		(153)	-
	Total Written Down Value of Non-current Assets Sold	10(b)	(153)	-
	Net Gain / (Loss) on Disposal of Non-current Assets		24	9
Note 6				
	Depreciation and Amortisation			
	Buildings		1,047	1,047
	Leasehold improvements		212	212
	Plant & Equipment		594	635
	Medical Equipment		6	4
	Total Depreciation and Amortisation	10(b)	1,859	1,898
Note 7				
	Cash and Cash Equivalents			
	Cash on Hand		19	19
	Cash at Bank		3,239	1,945
	Total		3,258	1,964
	Represented by -			
	Cash for Institute Operations		2,884	1,698
	Cash for Monies Held in Trust			
	Cash at Bank – Salary Packaging		297	200
	Cash on Hand – Salary Packaging		5	5
	Cash at Bank – Patient Funds		60	49
	Cash on Hand – Patient Funds		12	12
	Total		3,258	1,964

		Note	2016 $'000	2015 $'000
Note 8	Receivables			
	Current			
	Contractual			
	Trade Debtors		2,711	2,415
			2,711	2,415
	Statutory			
	GST Receivable		-	37
			-	37
	Total Current Receivables		2,711	2,452
	Non-Current			
	Statutory			
	Department of Health and Human Services– Long Service Leave		4,547	4,126
			4,547	4,126
	Total Non-Current Receivables		4,547	4,126
	Total Receivables		7,258	6,578

Ageing analysis of receivables
Please refer to note 16(b) for ageing analysis of contractual receivables

Nature and extent of risk arising from receivables

Please refer to note 16(b) for the nature and extend of credit risk arising from contractual receivables

		2016 $'000	2015 $'000
Note 9	Other Assets		
	Accrued Revenue	16	920
	Prepayments	69	77
	Total Other Assets	85	997

Note 10 (a) Property, Plant & Equipment	Note	2016 $'000	2015 $'000
Land			
Land at Fair Value (i)		47,600	47,600
Revaluation Increment / (Decrements) (ii)		19,040	-
Total Land		66,640	47,600
Buildings			
Buildings at Valuation at Fair Value (i)		37,557	37,557
Additions at Cost		102	64
- Less Accumulated Depreciation		(2,094)	(1,047)
Total Buildings		35,565	36,574
Leasehold Improvements			
Improvements		2,140	2,138
- Less Accumulated Depreciation		(1,549)	(1,336)
Total Leasehold Improvements		591	802
Plant & Equipment			
Plant & Equipment		8,194	7,501
- Less Accumulated Depreciation		(5,963)	(5,539)
Total Plant & Equipment		2,231	1,962
Medical Equipment			
Medical Equipment		147	123
- Less Accumulated Depreciation		(103)	(97)
Total Medical Equipment		44	26
Assets Under Construction			
Assets Under Construction		299	251
Total Assets Under Construction		299	251
Total Property, Plant & Equipment	Note 1 (i)	105,370	87,215

(i) As at 30 June 2014 an independent valuation of the Institute's property 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.

(ii) As at 30 June 2016 a managerial valuation was undertaken on Land as instructed by the Department of Health and Human Services, based on the indices provided by the Valuer-General Victoria.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements
For the Financial Year 30 June 2016

Note 10 (b)

	Land	Buildings	Leasehold Improvements	Plant & Equipment	Medical Equipment	Assets Under Construction	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 30 June 2014	47,600	37,557	1,004	1,835	17	64	88,077
Additions	-	64	10	762	13	187	1,036
Depreciation (Note 1(f), 6)	-	(1,047)	(212)	(635)	(4)	-	(1,898)
Balance at 30 June 2015	47,600	36,574	802	1,962	26	251	87,215
Additions	-	38	1	765	24	299	1,127
Disposals	-	-	-	(153)	-	-	(153)
Revaluation Increments / (Decrements)	19,040	-	-	-	-	-	19,040
Net Transfers between Assets	-	-	-	251	-	(251)	-
Depreciation (Note 1(f), 6)	-	(1,047)	(212)	(594)	(6)	-	(1,859)
Balance at 30 June 2016	66,640	35,565	591	2,231	44	299	105,370

Note 10 (c)

Fair Value Measurement Hierarchy for assets as at 30 June 2016	Carrying amount as at 30 June 2016	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
	$'000	$'000	$'000	$'000
Land at Fair Value				
Specialised Land	66,640	-	-	66,640
Total of Land at Fair Value	66,640	-	-	66,640
Buildings at Fair Value				
Specialised Buildings	35,565	-	-	35,565
Total of Buildings at Fair Value	35,565	-	-	35,565
Plant & Equipment at Fair Value				
Vehicles	545	-	-	545
Plant and Equipment	1,686	-	-	1,686
Total of Plant, Equipment & 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				
Assets Under Construction	299	-	-	299
Total Assets Under Construction	299	-	-	299

Note 10 (c) Cont'd

Fair Value Measurement Hierarchy for assets as at 30 June 2015	Carrying amount as at 30 June 2015	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
	$'000	$'000	$'000	$'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	36,574	-	-	36,574
Total of Buildings at Fair Value	36,574	-	-	36,574
Plant & Equipment at Fair Value				
Vehicles	555	-	-	555
Plant and Equipment	1,407	-	-	1,407
Total of Plant, Equipment & Vehicles at Fair Value	1,962	-	-	1,962
Medical Equipment at Fair Value				
Medical Equipment	26	-	-	26
Total Medical Equipment at Fair Value	26	-	-	26
Assets Under Construction				
Assets Under Construction	251	-	-	251
Total Assets Under Construction	251	-	-	251

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.

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 2016.

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

Note 10 (d) Reconciliation of Level 3 Fair Level
30 June 2016

	Land	Buildings	Leasehold Improvements	Plant & Equipment	Medical Equipment	Asset Under Construction	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Opening Balance	47,600	36,574	802	1,962	26	251	87,215
Purchases	-	38	1	863	24	48	974
Gains or Losses recognised in net result							
- Depreciation	-	(1,047)	(212)	(594)	(6)	-	(1,859)
Items recognised in Other Comprehensive Income							
- Revaluation	19,040	-	-	-	-	-	19,040
Closing Balance	66,640	35,565	591	2,231	44	299	105,370

Note 10 (d) Reconciliation of Level 3 Fair Level
30 June 2015

	Land	Buildings	Leasehold Improvements	Plant & Equipment	Medical Equipment	Asset Under Construction	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Opening Balance	47,600	37,557	1,004	1,835	17	64	88,077
Purchases	-	64	10	762	13	187	1,036
Gains or Losses recognised in net result							
- Depreciation	-	(1,047)	(212)	(635)	(4)	-	(1,898)
Items recognised in Other Comprehensive Income							
- Revaluation	-	-	-	-	-	-	-
Closing Balance	47,600	36,574	802	1,962	26	251	87,215

Note 10 (e) Description of significant unobservable inputs to Level 3 valuations:

	Valuation technique	Significant unobservable inputs
Specialised land		
	Market approach	Community Service Obligation (CSO) adjustment (i)
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 Institute has early adopted AASB 2015-7 Fair Value Disclosures of Not-for Profit Public Sector Entities which is operative from 1 July 2016.
The significant unobservable inputs have remained unchanged from 2015.

(i) The Community Service Obligation (CSO) as per the Valuer-Generals valuation at 30 June 2014 is 20%.

		Note	2016	2015
			$'000	$'000
Note 11	Payables			
	Current			
	Contractual			
	Trade Creditors		2,201	1,178
	Accrued Expenses		362	279
	Total Payables		2,563	1,457
	Total Current Payables		2,563	1,457

Maturity analysis of payables
Please refer to note 16(c) for ageing analysis of contractual payables

Nature and extent of risk arising from payables
Please refer to note 16(a) for the nature and extent of risks arising from contractual payables

		2016	2015
		$'000	$'000
	Employee Benefits and Entitlements		
Note 12	Current Provisions		
	Annual Leave		
	- Unconditional and expected to be wholly settled within 12 months	2,181	2,144
	- Unconditional and expected to be wholly settled after 12 months	903	876
	Long Service Leave		
	- Unconditional and expected to be wholly settled within 12 months	3,503	3,298
	- Unconditional and expected to be wholly settled after 12 months	987	1,000
		7,574	7,318
	Provisions related to Employee Benefit On-Costs		
	- Unconditional and expected to be wholly settled within 12 months	848	666
	- Unconditional and expected to be wholly settled after 12 months	282	229
		1,130	895
	Other - Accrued Salaries and Wages	901	1,925
	Total Current Provisions	9,605	10,138
	Non-Current Provisions		
	Employee Benefits Long Service Leave	3,531	2,830
	Provisions related to Employee Benefit Long Service Leave On-Costs	528	380
	Total Non-Current Provisions	4,059	3,210
	Total Provisions	13,664	13,348

		2016	2015
		$'000	$'000
Note 12(a)	Employee Benefits and Related On-Costs		
	Current Employee Benefits and related On-Costs		
	Annual Leave Entitlements	3,544	3,389
	Unconditional Long Service Leave Entitlements	5,160	4,824
	Accrued Salaries and Wages	901	1,925
	Non-Current Employee Benefits and related On-Costs		
	Conditional Long Service Leave Entitlements	4,059	3,210
	Total Employee Benefits and Related On-Costs	13,664	13,348

			2016 $'000	2015 $'000
Note 13	Other Liabilities – Current			
	Monies Held in Trust		374	266
	Prepaid Revenue		253	253
	Total		627	519
	Represented by -			
	Cash for Monies Held in Trust			
	Cash at Bank – Salary Packaging		302	205
	Cash at Bank – Patient Funds		72	61
	Total		374	266
Note 14	Equity & Reserves			
(a)	Reserves			
	Asset Revaluation Reserve			
	Balance at the beginning of the financial year		53,553	53,553
	Revaluation Increment/(Decrement) – Land	10(b)	19,040	-
	Balance at the End of the Financial Year		72,593	53,553
	Contributed Capital			
(b)	Balance at the beginning of the financial year		34,139	34,139
	Balance at the end of the Financial Year		34,139	34,139
	Accumulated Surplus/ (Deficits)			
(c)	Balance at the beginning of the financial year		(6,262)	(4,208)
	Net result for the year		(1,353)	(2,054)
	Balance at the End of the Financial Year		(7,615)	(6,262)

Note 15 Reconciliation of Net Result for the Year to Net Cash Inflow / (Outflow) from Operating Activities

	Note	2016 $'000	2015 $'000
Net Result for the Year		(1,353)	(2,054)
Non-Cash Movements			
Depreciation & Amortisation		1,859	1,898
Movement Included in Investing and Financing Activities			
Net (Gain)/Loss from Sale of Plant & Equipment		(24)	(9)
Movement in Assets and Liabilities			
Change in Operating Assets & Liabilities:			
Increase/(Decrease) in Payables		1,106	(330)
Increase/(Decrease) in Employee Benefits		316	3,897
Increase/(Decrease) in Other Liabilities		-	89
(Increase)/Decrease in Receivables		(680)	(2,611)
(Increase)/Decrease in Other Assets		912	(927)
Net Cash Inflow / (Outflow) from Operating Activities		2,136	(47)

Note 16 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)

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability are disclosed in note 1 to the financial statements.

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

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

Categorisation of financial instruments

2016	Contractual financial assets - loans and receivables	Contractual financial liabilities at amortised cost	Total
	$'000	$'000	$'000
Financial Assets			
Cash and cash equivalents	3,258	-	3,258
Receivables	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

2015	Contractual financial assets - loans and receivables	Contractual financial liabilities at amortised cost	Total
	$'000	$'000	$'000
Financial Assets			
Cash and cash equivalents	1,964	-	1,964
Receivables	2,415	-	2,415
Total Financial Assets (i)	4,379	-	4,379
Financial Liabilities			
Payables	-	1,457	1,457
Total Financial Liabilities (ii)	-	1,457	1,457

(i) The total amount of financial assets disclosed here excludes statutory receivables (i.e. Department of Health and Human Services and GST input tax credit recoverable)
(ii) The total amount of financial liabilities disclosed here excludes statutory payables (i.e. Taxes payable) and includes accruals represented for invoices from creditors not received

(b) Credit Risk

Credit risk arises from the contractual financial assets of the Institute, which comprise cash and deposits and non-statutory receivables. 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 rating 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. 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 $'000	Government Agencies $'000	Total $'000
2016			
Financial Assets			
Cash and cash equivalents	3,258	-	3,258
Trade Debtors	-	2,711	2,711
Total Financial Assets	3,258	2,711	5,969
2015			
Financial Assets			
Cash and cash equivalents	1,964	-	1,964
Trade Debtors	-	2,415	2,415
Total Financial Assets	1,964	2,415	4,379

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 to 1 year	1 – 5 years	
2016	$000	$000	$000	$000	$000	$000	$000
Financial Assets							
Cash and cash equivalents	3,258	3,258	-	-	-	-	-
Receivables - Current	2,711	2,572	139	-	-	-	-
Total Financial Assets	5,969	5,830	139	-	-	-	-
2015							
Financial Assets							
Cash and cash equivalents	1,964	1,964	-	-	-	-	-
Receivables - Current	2,415	2,297	117	1	-	-	-
Total Financial Assets	4,379	4,261	117	1	-	-	-

(c) 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.

Liquidity Risk

Maturity Analysis of Financial Liabilities as at 30 June

	Carrying Amount	Nominal Amount	Maturity Dates			
			Less than 1 Month	1 – 3 Months	3 months to 1 year	1 - 5 Years
2016	$000	$000	$000	$000	$000	$000
Payables						
Trade Creditors	2,201	2,201	2,201	-	-	-
Accruals	362	362	362	-	-	-
Total Financial Liabilities	2,563	2,563	2,563	-	-	-
2015						
Payables						
Trade Creditors	1,178	1,178	1,178	-	-	-
Accruals	279	279	279	-	-	-
Total Financial Liabilities	1,457	1,457	1,457	-	-	-

d) Market Risk

The Institute's exposure to market risk is 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 below.

Currency Risk

The Institute is exposed to insignificant foreign currency risk through its payables relating to purchases of supplies and consumables from overseas, because of the 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. Minimisation of risk is achieved by investing funds by way of purchasing of Commercial Bills of Exchange at fixed rates of interest.

Interest Rate Exposure of Financial Assets and Liabilities as at 30 June

2016	Weighted Average Effective Interest Rate (%)	Carrying Amount $000	Interest Rate Exposure: Fixed Interest Rate $000	Interest Rate Exposure: Variable Interest Rate $000	Interest Rate Exposure: Non-Interest Bearing $000
Financial Assets					
Cash and cash equivalents	2.39	3,258	-	3,258	
Receivables - Current		2,711	-		2,711
Total Financial Assets		5,969		3,258	2,711
Financial Liabilities					
Trade Creditors		(2,201)	-	-	(2,201)
Total Financial Liabilities		(2,201)	-	-	(2,201)
Total		3,768		3,258	510
2015					
Financial Assets					
Cash and cash equivalents	3.44	1,964	-	1,964	-
Receivables - Current		2,415	-	-	2,415
Total Financial Assets		4,379	-	1,964	2,415
Financial Liabilities					
Trade Creditors		(1,178)	-	-	(1,178)
Total Financial Liabilities		(1,178)			(1,178)
Total		3,201		1,964	1,237

The carrying amount excludes statutory financial assets and liabilities (i.e. GST Input tax credit and GST payable)

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 2.39%. 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 $000	Interest Rate Risk: - 1% Profit $000	Interest Rate Risk: - 1% Equity $000	Interest Rate Risk: + 1% Profit $000	Interest Rate Risk: + 1% Equity $000
2016					
Cash and cash equivalents	3,258	(33)	(33)	33	33
2015					
Cash and cash equivalents	1,964	(20)	(20)	20	20

The carrying amount excludes types of financial assets and liabilities (i.e. GST input tax credit and GST payable).

(e) 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.

Note 17 Commitments for Expenditure	Note	2016 $'000	2015 $'000
Commitments for Operating Leases			
(i) Operating Leases			
Commitments for Photocopiers are as follows			
– Less than one year		61	61
– Greater than one year but less than five years		96	156
Commitments for Lease at Clifton Hill are as follows			
– Less than one year		228	247
– Greater than one year but less than five years		266	534
Commitments for Lease at Northcote are as follows			
– Less than one year		97	-
– Greater than one year but less than five years		57	-
Total Operating Leases		805	998
(ii) Expenditure Commitments			
At 30 June 2016, future contractual commitments for supply of goods and services entered into and not provided for in the Comprehensive Operating Statement amount to $6,680,000 (2014-2015 $5,952,000)			
Expenditure Commitments – Contracted Services Agreements			
Security		3,613	1,331
Meal Services		1,505	1,750
Recreational Services		184	391
Education - TAFE Services		489	733
Cleaning Services		645	707
Pharmacy Services		173	885
Pathology Services		22	97
Other		49	58
Total Expenditure Commitments		6,680	5,952
These expenditures are payable:			
Not later than one year		5,498	5,437
Later than one year but not later than five years		1,182	515
		6,680	5,952
Total Commitments for Expenditure (Inclusive of GST)		7,485	6,950
Less GST recoverable from Australian Tax Office		(680)	(632)
Total Commitments for expenditure (exclusive of GST)		6,805	6,318

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

Note 18 Responsible Persons Related 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.

(a) Responsible Persons

The relevant Minister and Board members of the Victorian Institute of Forensic Mental Health are deemed to be the responsible persons by Ministerial Direction pursuant to the provision of the *Financial Management Act 1994*.

Responsible Minister	Period
The responsible Minister of the Victorian Institute of Forensic Mental Health during the reporting period was –	
Martin Foley MLA, Minister for Mental Health	01/07/2015 to 30/06/2016

Governing Board Members	
The responsible persons (Board members) of the Institute at any time during the reporting period were-	
Chairperson	
• William Healy	01/07/2015 to 30/06/2016
Nominee of the Attorney-General	
• Dr. Cristea Mileshkin	01/07/2015 to 30/06/2016
Nominee of the Minister administering the Corrections Act 1986	
• Janet Noblett	01/07/2015 to 25/05/2016
Other Members	
• Greg Pullen	01/07/2015 to 30/06/2016
• Associate Professor Ruth Vine	01/07/2015 to 30/06/2016
• John Rimmer	01/07/2015 to 30/06/2016
• Janet Farrow, OAM	01/07/2015 to 30/06/2016
• Andrew Buckle, OAM	01/07/2015 to 30/06/2016
• Julie Anderson	01/07/2015 to 30/06/2016

Chief Executive Officer, Victorian Institute of Forensic Mental Health (Accountable Officer)	
• Thomas Dalton	01/07/2015 to 30/06/2016

(b) Remuneration of Responsible Persons

	2016 No.	2015 No.
Income Band		
$0 - $ 9,999	7	7
$10,000 - $19,999	2	2
$230,000 - $239,999	-	1
$250,000 - $259,999	1	-
$340,000 - $349,999	-	1
Total Numbers	10	11

	2016 $'000	2015 $'000
Total Remuneration Received or Due and Receivable by Responsible Persons from the Reporting Entity Amounted to -	321	630

Amounts relating to the Responsible Minister are reported in the financial statements of the Department of Premier and Cabinet.
No other transactions were made to or are payable by Board members or related parties

(c) Executive Officers

Remuneration

The number of executive officer, other than Minister, Responsible persons and Accountable Officers, and their total remuneration during the reporting period are shown in the first two columns in the table in their relevant income bands. The base remuneration of executives is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits.

Total remuneration is inclusive of contract renegotiations, bonus payments, long-service leave payments and fringe benefits payments.

	Total Remuneration		Base Remuneration	
	2016	2015	2016	2015
	No.	No.	No.	No.
Income Band				
$140,000 - $149,999	-	-	-	1
$150,000 - $159,999	-	-	1	1
$160,000 - $169,999	-	1	1	-
$170,000 - $179,999	2	-	-	1
$180,000 - $189,999	-	1	2	-
$190,000 - $199,999	-	1	-	-
$200,000 - $209,999	2	-	-	-
$220,000 - $229,999	-	-	-	1
$230,000 - $239,999	-	1	-	-
$290,000 - $299,999	-	-	1	-
$320,000 - $329,999	1	-	-	-
Total Number of Executives	5	4	5	4
Total Annualised Employee Equivalent (AEE)	5	4	5	4
Total Remuneration	$1,075,577	$782,934	$983,605	$701,566

(i) Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks for a reporting period

Note 19 Remuneration of Auditors

	2016 $'000	2015 $'000
Audit fees paid or payable		
VAGO - Audit Financial Statements	32	31
Other	60	55
Total Paid and Payable	92	86

Note 20 Economic Dependency

A significant portion of the revenue received by the Institute is obtained under a Health Services Agreement (see Note 3) between the Department of Health and Human Services and the Institute.

The financial performance and position of Institute has improved from prior year, with the Institute reporting a surplus net result before capital and specific items of $251,000 (2015: $241,000 deficit), a net asset position of $99,177,000 (2015: $81,430,000), and a net cash outflow of $63,279,000 (2015: $57,446,000). See note 1(q).

Note 21 Contingent Liabilities

There are nil Contingent Liabilities to report for the financial year and comparative financial year.

Appendix A – Alternative Presentation of Comprehensive Operating Statement

	2016 $'000	2015 $'000
Interest	105	129
Sale of Goods and Services	14,939	11,982
Grants	46,523	45,011
Other Income	622	537
Total Revenue	62,189	57,659
Employee Expenses	49,943	46,482
Depreciation	1,859	1,898
Other Operating Expenses	11,512	11,103
Total Expenses	63,314	59,483
Net Result from transactions - Net Operating Balance	(1,125)	(1,824)
Other gains/(losses) from other economic flows	(228)	(230)
Net Result	(1,353)	(2,054)

DISCLOSURE INDEX

The annual report of Forensicare is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the department's compliance with statutory disclosure requirements.

LEGISLATION	REQUIREMENT	PAGE REFERENCE
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REPORT OF OPERATIONS		
Charter and purpose		
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GLOSSARY

Acute Assessment Unit (AAU)	A 16-bed unit providing state-wide assessment of male prisoners thought to be mentally disordered in the prison system. Forensicare provides forensic mental health services in the Acute Assessment Unit under a contractual arrangement with Department of Justice & Regulation.
Area Mental Health Services (AMHS)	Clinical services, provided by general health facilities within geographically defined catchment areas, with a focus on assessment and treatment of people with a mental illness.
Australian Council on Healthcare Standards (ACHS)	The agency which inspects and evaluates health care services, including Forensicare, for the purposes of accreditation.
Board	The governing body of the Victorian Institute of Forensic Mental Health, established by the *Mental Health Act* 2014, replacing the previously designated Council.
Centre for Forensic Behavioural Science	Forensicare's research arm, established as a joint venture with Swinburne University of Technology. The Director of the Centre is Professor James Ogloff.
Client	A person receiving care and/ or treatment from Forensicare's Community Forensic Mental Health Service.
Community Forensic Mental Health Service	The service arm of Forensicare responsible for the delivery of community based programs.
Consumer	A person receiving services from Forensicare.
Corporate Governance	Effective, fair, transparent and accountable management of the relationship with the community with integrity to produce an enhanced and efficient service.
Corporate Plan	The annual planning document that Forensicare is required by legislation to prepare for the Minister for Mental Health.
Corrections Victoria	The Victorian Government agency responsible for the 10 state managed prisons and community based corrections.
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.
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
Department of Health and Human Services	The Victorian Government department responsible for the provision of mental health, and through which Forensicare reports to the Minister for Mental Health.
Department of Justice & Regulation	The Victorian Government department responsible for the criminal justice system (including prisons and community corrections).
EFT	Equivalent full-time staffing position.
EQuIP	Evaluation and Quality Improvement Program – the program by which Forensicare voluntarily undertakes continuous improvement to gain accreditation.
Forensic Patient	A person detained under the *Crimes (Mental Impairment and Unfitness to be Tried) Act* 1997 or placed on a Custodial Supervision Order under this legislation.
Inpatient	A person who is admitted to Thomas Embling Hospital for care and treatment.

Inpatient episodes	An episode of inpatient care that started and finished within a specific period.
Justice Health	An independent business unit established within the Department of Justice & Regulation to manage health services across the justice system.
Marrmak Program/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.
Melbourne Assessment Prison (MAP)	The state reception prison for men, managed by Corrections Victoria. Forensicare provides forensic mental health services at the Melbourne Assessment Prison, under a contractual arrangement with Department of Justice & Regulation.
Metropolitan Remand Centre (MRC)	A maximum security remand prison managed by Corrections Victoria. Forensicare provides the Mobile Forensic Mental Health Service at the Metropolitan Remand Centre.
Mental Health Community Support Services (MHCSS)	Non-clinical services that focus on activities and programs that help people manage their own recovery and maximise their participation in community life.
Mobile Forensic Mental Health Service	The multi-disciplinary Mobile Forensic Mental Health Service, based at Metropolitan Remand Centre.
National Safety and Quality Health Service Standards	National accreditation standards set by the Australian Commission on Safety and Quality in Health Care that drive the implementation of safety and quality systems and improve the quality of health care in Australia.
Non-custodial Supervision Order	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 enables the person to live in the community subject to conditions set by the court, which are supervised by a mental health service. Forensic are supervises all clients with a mental illness on these Orders in Victoria.
Occupied bed days	Total number of patients in Thomas Embling Hospital in a given period.
Outcome	Results that may or may not have been intended that occur as a result of a service or intervention.
Primary consultation	The provision of clinical advice to a service on an identified client or patient.
Ravenhall Prison Project	The new prison that is to be built at Ravenhall, in which Forensicare is to provide specialist forensic mental health services.
Recovery	A contemporary approach to mental health care which is based on individualised care that focusses on strengths, hope, choice and social inclusion.
Seclusion episodes	A single event of sole confinement of a patient to address imminent and immediate harm to self or others.
Separation/ discharge	The completion of an episode of care and the patient/client leaves the organisation.
Statement of Priorities	The annual planning document detailing Forensicare's performance deliverables and measures that is agreed between the board and the Minister for Mental Health.
Statutory requirements	Any requirement laid down by an Act of Parliament.
Thomas Embling Hospital	Forensicare's 116-bed secure inpatient facility.

Forensicare

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