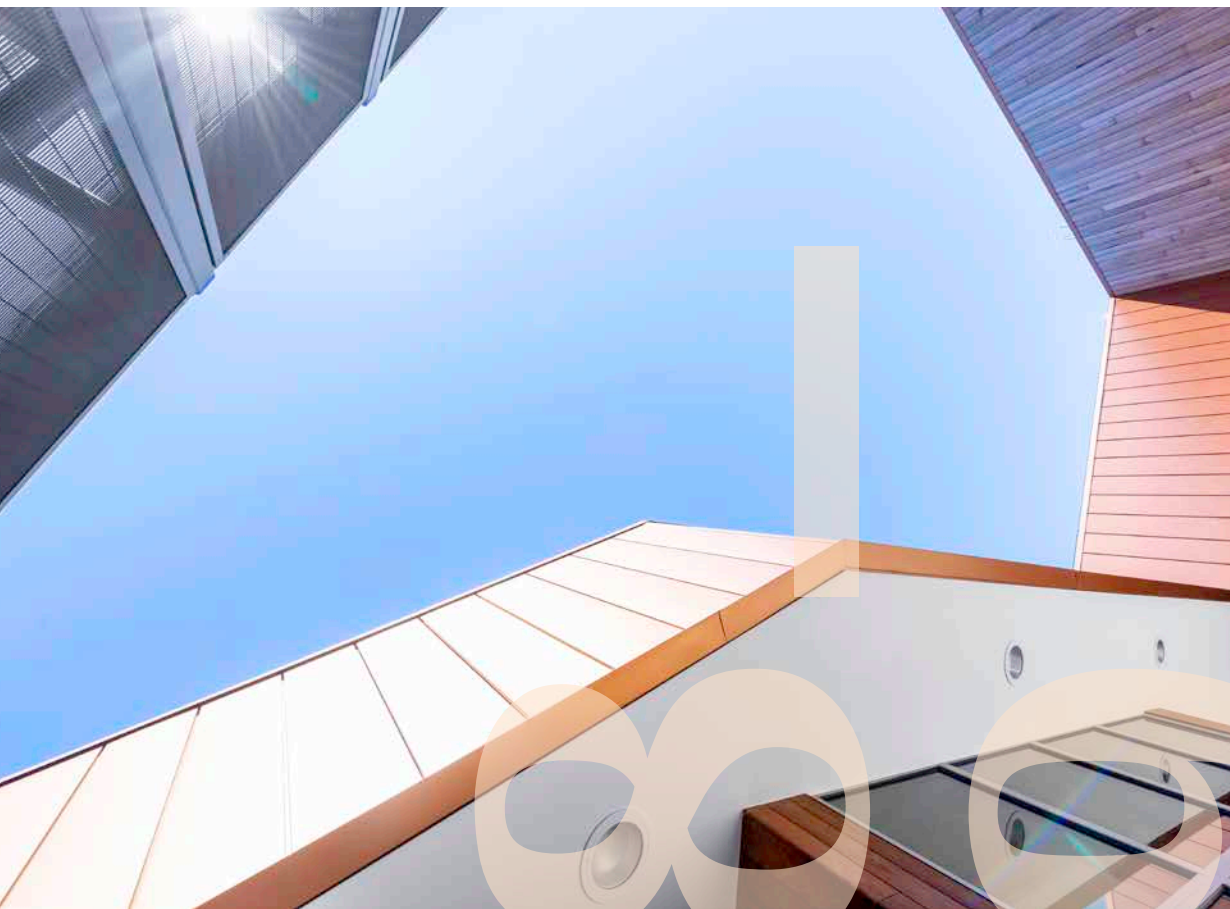


Annual Report 2018-19



Forensicare

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Designed by OÙ

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ISSN: 2208-9403 (Print)

ISSN: 2652-3434 (Online)

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Our vision

Clinical excellence and translational research enable 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
- > work collaboratively with our stakeholders to achieve better and safer outcomes for our consumers and the community.

Our strategic goals

- > better health – skills and support to be healthy and well
- > better access – fair, timely and easier access to care
- > better care – world-class health care every time

Our values

Responsiveness

We 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 are 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 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 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

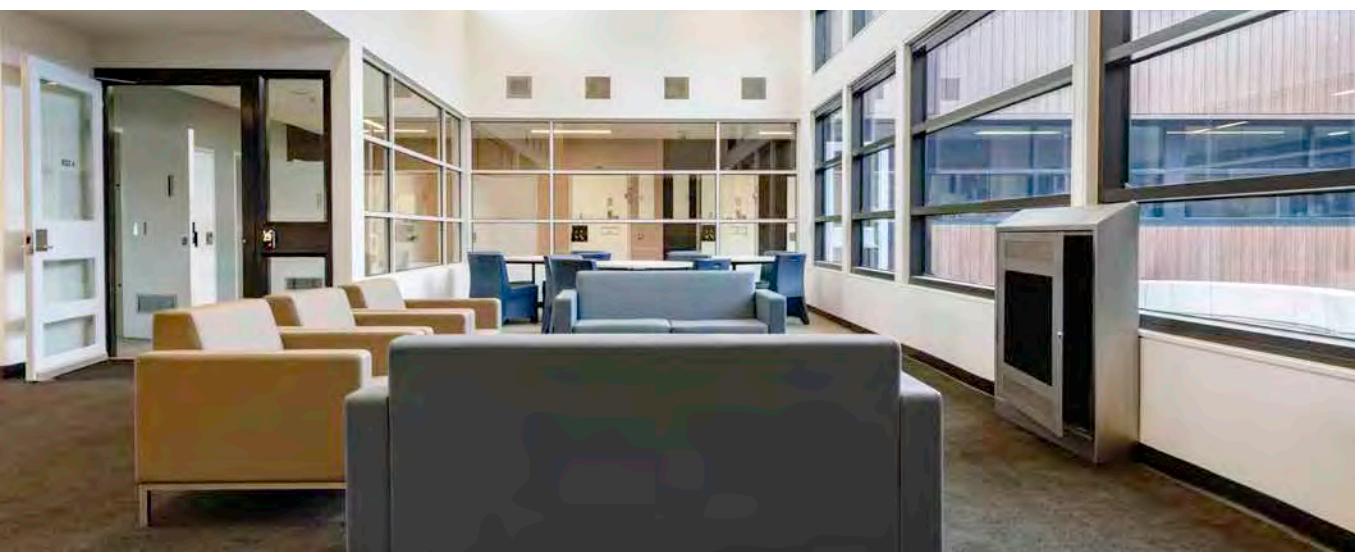
We treat colleagues, other public officials and members of the Victorian community fairly and objectively, ensure freedom from discrimination, harassment and bullying, and use their views to improve outcomes on an ongoing basis.

Leadership

We actively implement, promote and support these values.

Human rights

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



Our organisation

The Victorian Institute of Forensic Mental Health (Forensicare), is the statewide specialist provider of forensic mental health services in Victoria. Forensicare provides clinical forensic mental health services that span all components of the mental health and criminal justice sectors providing a unique perspective on mental health and public safety issues.

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

Forensicare operates under the *Mental Health Act 2014* and is governed by a board of up to nine directors accountable to the Minister for Mental Health. The Victorian Government, through the Department of Health and Human Services and the Department of Justice and Community Safety, provides much of our funding.

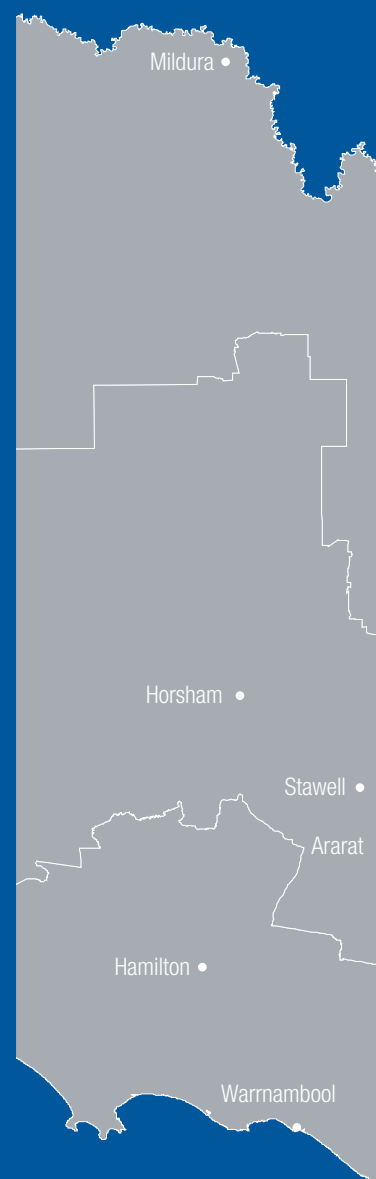
Our services

Thomas Embling Hospital

Thomas Embling Hospital is a 128-bed* secure hospital with eight units that provide both acute and continuing care programs, including a dedicated women's unit.

The majority of patients are admitted to the hospital from the criminal justice system under the *Crimes (Mental Impairment and Unfitness to be Tried) Act 1997*, the *Mental Health Act 2014* or the *Sentencing Act 1991*. Patients may also be admitted from the general mental health system under the *Mental Health Act*.

* An additional eight beds have been built at the hospital and will open in 2019-2020.



Service locations

Visiting sessions at the following prisons

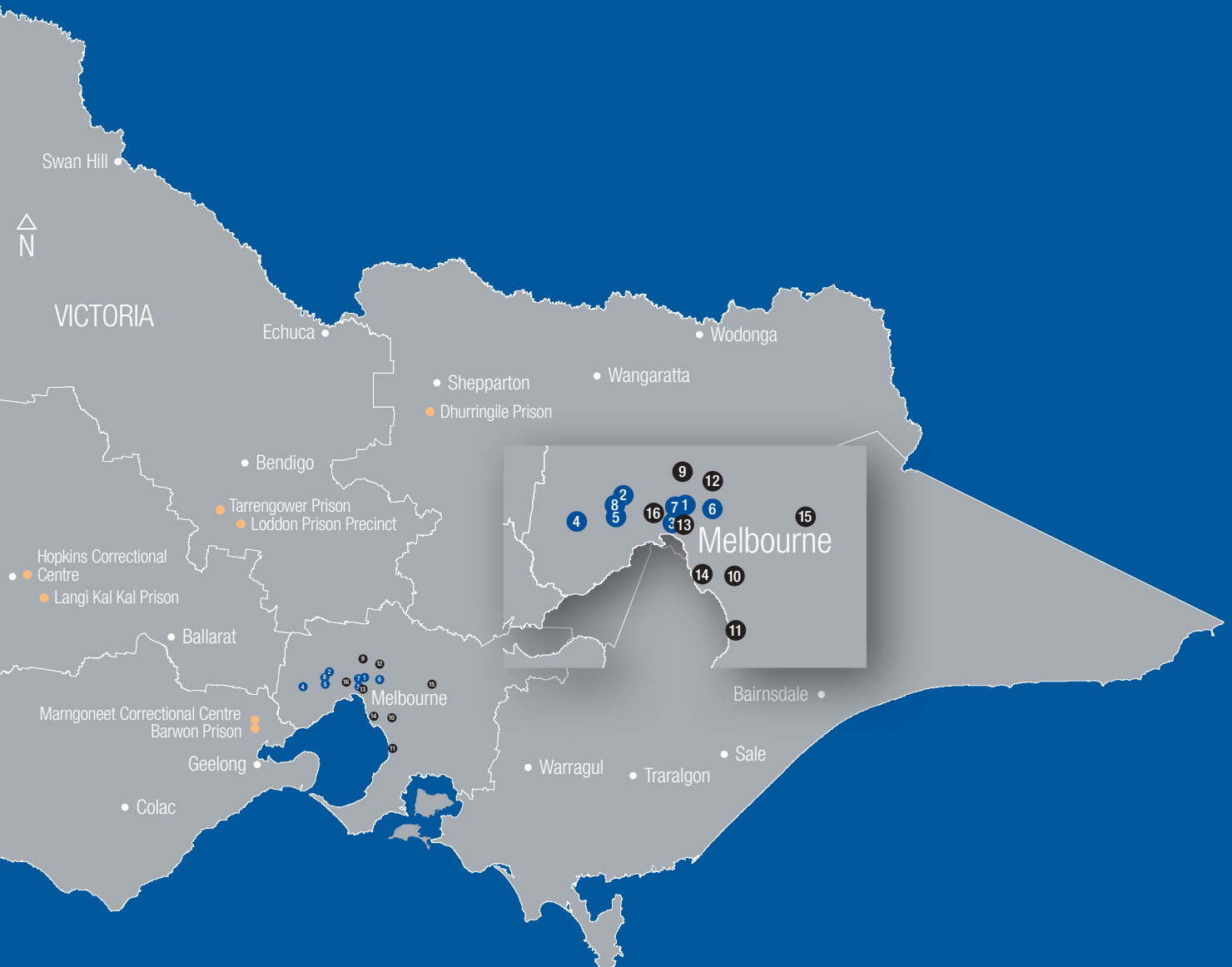
- Barwon Prison
- Dhurringile Prison
- Hopkins Correctional Centre (Ararat)
- Karreenga Annexe
- Langi Kal Kal Prison
- Loddon Prison Precinct (Middleton)
- Marngoneet Correctional Centre
- Tarrengower Prison

Specialist forensic mental health services

- 1 Community Forensic Mental Health Service
- 2 Dame Phyllis Frost Centre
- 3 Melbourne Assessment Prison
- 4 Metropolitan Remand Centre
- 5 Port Phillip Prison
- 6 Thomas Embling Hospital
- 7 Victorian Fixated Threat Assessment Centre
- 8 Ravenhall Correctional Centre

Court Mental Health Advice and Response Service

- 9 Broadmeadows Magistrates' Court
- 10 Dandenong Magistrates' Court
- 11 Frankston Magistrates' Court
- 12 Heidelberg Magistrates' Court
- 13 Melbourne Magistrates' Court
- 14 Moorabbin Justice Centre
- 15 Ringwood Magistrates' Court
- 16 Sunshine Magistrates' Court



Prison Mental Health Service

Specialist mental health services are provided at the Melbourne Assessment Prison, the Dame Phyllis Frost Centre, the Metropolitan Remand Centre, larger publicly managed prisons, and prisons managed by private operators including Ravenhall Correctional Centre and Port Phillip Prison.

Our services include:

- Acute Assessment Unit (Melbourne Assessment Prison) – a 16 prison bed acute assessment unit, specialist clinics, outpatient services and a reception assessment program.
- Ballert Yeram-boo-ee Forensic Mental Health Service (Ravenhall Correctional Centre) – a 75 prison bed and outpatient service.
- Marmak Unit (Dame Phyllis Frost Centre) – a 20 prison bed residential program, intensive outreach program and a therapeutic day program for women.
- Mobile Forensic Mental Health Service (Metropolitan Remand Centre) – a mobile forensic mental health service including outreach to other prisons and incorporating satellite psychology services at Barwon Prison and Marngoneet Correctional Centre.
- Regional prisons – visiting consultant psychiatric and nurse practitioner sessions at Hopkins, Langi Kal Kal and Loddon prisons as well as sessions by visiting psychiatrists at Hopkins, Barwon, Dhurringile, Karreenga, Loddon, Marngoneet, Middleton and Tarrengower prisons.
- St Paul's Unit (Port Phillip Prison) – a 30 prison bed specialist forensic mental health and psychosocial rehabilitation service.

Community Forensic Mental Health Service

The Community Forensic Mental Health Service provides specialist state-wide forensic mental health services to meet the needs of mentally ill offenders, the mental health and justice sectors, and the community. Services meet the needs of high-risk clients, improving outcomes for individuals and contributing to increased community safety. Referrals for specialist multidisciplinary services come from Area Mental Health Services, Corrections Victoria, courts, the Adult Parole Board, Thomas Embling Hospital, prison services, other government agencies and private practitioners.

Services are provided through the following programs:

- **Community Transition and Treatment Program –**
a comprehensive psychiatric care and case management program for patients preparing for extended leave or discharge from Thomas Embling Hospital into the community
- **Non-custodial supervision order consultation and liaison –**
a supervision and monitoring service for people with a mental illness in Victoria on a non-custodial supervision orders who are being treated by a local Area Mental Health Service
- **Problem Behaviour Program –**
provides specialist psychiatric and psychological consultation and treatment for people with a range of serious problem behaviours associated with offending, and for whom publicly funded services are not available elsewhere
- **Forensicare Serious Offender Consultation Service –**
a support service for Community Correctional Services and Area Mental Health Services who are managing individuals who have a serious mental illness/disorder and complex needs, including a history of serious violent or sexual offending

- **Mental Health Advice and Response Service –**

a court-based assessment and advice program that undertakes clinical assessments of people appearing before a court who have significant mental health issues

- **Court reports service –**

provides pre-sentence psychiatric and psychological report services to judges and magistrates for people with mental disorders or problem behaviours

- **Victorian Fixated Threat Assessment Centre –**

a statewide service jointly staffed by a team of senior forensic mental health clinicians employed by Forensicare and senior police officers. The centre provides a structured and coordinated approach to identifying and engaging with fixated individuals and grievance-fuelled lone actors with complex mental health needs

- **Mental health primary consultations –**

provides expert advice and support to Area Mental Health Services and other referrers in managing complex and high-risk clients

- **Forensic Clinical Specialist Program coordination –**


coordinates forensic mental health clinicians in Area Mental Health Services to build specialist capability in the clinical adult mental health workforce to assess, treat and support people with severe mental illness who are high-risk, violent or aggressive and have a forensic/criminal history

- **Youth Justice Mental Health Initiative coordination –**

coordinates and supports five forensic clinicians in child and youth mental health services across Victoria who support linking with Youth Justice clients to mental health services

External workshop program –

a calendar of specialist professional development workshops for external agencies and staff on areas of interest and those stemming from our expertise in forensic mental health



Forensicare provides clinical forensic mental health services that span all components of the mental health and criminal justice sectors providing a unique perspective on mental health and public safety issues.



Board Chair and CEO report


Forensicare has a proud history of providing mental health services to some of the most vulnerable people in our community. As the leading provider of forensic mental health services in Victoria, we are focused on delivering best treatment and care, to support consumers in their recovery.

Many positive developments are occurring across the organisation amidst a time of unprecedented change and growth.

Last year, we launched Forensicare's *Strategic Plan 2018-19 – 2020-21*. This plan sets a framework for the continued delivery of therapeutic, recovery-based forensic mental health services over the next three years. The plan ensures we will continue to innovate and improve how we deliver services across different settings as well as deliver on our strategic priorities over the coming year.

The last 12 months have also seen many key improvements to the way we deliver mental health services. Earlier this year, we opened our new eight-bed secure intensive care Apsley Unit at Thomas Embling Hospital, which provides short-stay treatment for male prisoners with acute mental illness requiring compulsory treatment under the Mental Health Act. In the short time the unit has been open, we've seen a marked decrease in male prisoner waiting times for beds at the hospital. Other upgrades, including refurbishments to our services at Dame Phyllis Frost Centre and Melbourne Assessment Prison, have also improved the therapeutic environment for prison consumers. We have also expanded our court services and grown our community-based Problem Behaviour Program.

But we still face many challenges. With recent changes to sentencing and bail laws, we've seen a large increase in prison populations, particularly the increased number of remandees. This is placing significant pressure on our prison mental health services, as well as the bed capacity at Thomas Embling Hospital. This unprecedented demand for our services is placing greater strain on the mental health system—particularly in managing complex forensic consumers in the community. Increasing our resources, as well as the recruitment of suitably qualified staff (and ensuring the health and safety of our current workforce) is therefore a priority.



Many positive developments are occurring across the organisation amidst a time of unprecedented change and growth.

That is why we welcome the Victorian Government's Royal Commission into Victoria's Mental Health System (RCVMHS). The Royal Commission provides Forensicare with the opportunity to contribute to the design of the future of Victoria's mental health system. Our unique perspective delivering services spanning the mental health and criminal justice sectors will inform recommendations aimed at preventing people with a mental illness becoming involved in the justice system and ensuring those who do, have access to the best treatment possible.

We'd also like to take this opportunity to thank former Forensicare chair Bill Healy AM, who stepped down from the board earlier this year. Bill was instrumental in shaping the strategic direction of Forensicare during a period of massive expansion. We also thank Janet Farrow, Dr Christea Mileszkin and Andrew Buckle for their valuable contributions to Forensicare during their tenure on the board.

This year, we also said goodbye to former CEO Tom Dalton. Having worked for Forensicare for more than 20 years, Tom was wellknown for advocating for the consumer voice, and embedding recovery-oriented care across the organisation. We thank Tom for all his hard work during his time at Forensicare.

But with endings, there are also new beginnings. We'd therefore like to welcome Sue Williams to the Forensicare board. Sue is the Chief of Health Operations at Cabrini Hospital and brings a wealth of health care and corporate experience, having worked in healthcare for more than 25 years.

Finally, we thank the Forensicare staff for all their hard work in caring for consumers across our services. Their professionalism and commitment to high standards of work is what improves the health and well-being of our consumers. Their dedication is what makes us proud of our history, and confident that we're continuing to drive the best outcomes for consumers, their carers and the community.



Ken Lay AO APM
Chair
Forensicare Board
23 August 2019



Dr Margaret Grigg
Interim Chief Executive Officer
23 August 2019

Governance

Forensicare was established in 1998 under section 117B of the *Mental Health Act 1986* and continued under the *Mental Health Act 2014*. Our statutory functions are to:

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

Responsible minister

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

Forensicare board

The board of Forensicare is appointed by the Governor in Council for terms of up to three years 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.

The board includes a nominee of the attorney-general, a nominee of the minister administering the *Corrections Act 1986* and between four and seven other members, of whom at least one is able to reflect the perspective of people receiving mental health services, and at least one has the knowledge of, or experience in, accountancy or financial management. In 2018–19 Adjunct Professor Bill Healy AM, Ms Janet Farrow OAM, Dr Cristea Mileshekin and Mr Andrew Buckle OAM left the board at the expiry of their appointments.

Mr Ken Lay AO APM and Ms Susan Williams were appointed to the Board.

Board directors

As of the 30 June 2019, Forensicare's board comprised of seven directors and two vacancies. Our members of the board are:

Mr Ken Lay AO APM

BA (Pol Stud), GDip Pub Admin, HonLLD (Monash), FAICD

Chair

Appointed 10 April 2019

Beginning his role as board chair on 10 April 2019, Ken brings Forensicare a wealth of knowledge and experience from his highly-respected career as the former Chief Commissioner of Victoria Police. In 2017, Ken was appointed as an Officer of the Order of Australia for his distinguished service to law enforcement and community leadership. He is now the Lieutenant-Governor of Victoria, Chair of the Ambulance Victoria Board, and former Advisory Board Chair of Answering the Call, part of Beyond Blue's Police and Emergency Services Program. He has also previously chaired the Advisory Panel on the national response to Reducing Violence Against Women and Children, and the Prime Minister's National Ice Taskforce.

Ms Julie Anderson

CertBus (Acc), CertTheo, completion AICD course

Julie was appointed to the board on 1 December 2013 to represent the perspective of mental health consumers. She has a wealth of knowledge from her array of experiences, including her current role as senior consumer advisor in the Office of the Chief Mental Health Nurse in the Department of Health and Human Services. She is a member of Mental Health Australia's National Registrar of Consumer and Carer Leaders and consults with federal and state governments on mental health issues from a perspective of lived experience.

In the past, Julie has been a director, president and vice president of Neami National, as well as a past chair of the Victorian Mental Illness Awareness Council. She has participated in the Leadership Plus Program and the National Mental Health Commission Future Leaders Program – all based on her lived experience of recovery.

Mrs Sally Campbell

BA, LLB

Sally was appointed to the board on 21 March 2018. She is a business leader with extensive executive private and public sector experience, gained in commercial and government industries all around the globe, including Australia, New Zealand and the United Kingdom. In addition, Sally has extensive experience in law, governance and strategy, informatics, technology, telecommunications, manufacturing and services, spanning the health and research sectors – most recently at the Royal Melbourne Hospital and Barwon Health. With a proven track record in designing and delivering major business strategies and systems, Sally has driven significant cultural changes, improvements and exemplary operational results for large, complex and politically sensitive organisations. Sally currently sits on the board of Alfred Health, and is the chair of the Alfred Health Audit Committee.

Mr Greg Pullen

MBA, FCPA, FAICD

Appointed on 10 April 2013

Greg was appointed to the Board on 10 April 2013. Throughout this time, he has held the position of chair of the Forensicare Finance Committee. He is an experienced business leader with extensive financial credentials in accounting, management and company directorship. Prior to retiring from full-time work, Greg spent 38 years working in senior management roles in the Victorian public healthcare and not-for-profit sectors. He is also a current board director of Hepburn Health.

Ms Jenny Roberts

BASocSci

Jenny was appointed as the nominee of the Minister for Corrections on 1 December 2016. Jenny has had an incredibly impressive career, with more than 30 years' experience in corrections—including senior operational, policy and project management roles in prisons, community corrections services, and women, drug, and education areas.

Associate Professor Ruth Vine

MBBS, FRANZCP, LLB

Associate Professor Ruth Vine was appointed to the Board on 12 May 2015. She is currently the Executive Director of NorthWestern Mental Health, but has previously worked in the Department of Health as the Director of Mental Health, and has also been the Chief Psychiatrist for Victoria. Ruth spent many years working as a consultant psychiatrist working in forensic mental health, as well as community health. She has also worked with the Commonwealth Department of Health and Ageing to develop the fourth National Mental Health Plan. Due to her expertise—and medical and law degrees—she has also contributed to the development of legislation and policy in areas such as mental health, disability and the management of mentally ill offenders.

Ms Susan Williams

Appointed on 10 April 2019

Beginning her role as board director on 10 April 2019, Sue brings more than 25 years of experience in the healthcare industry to Forensicare. Currently, she is the Chief of Health Operations at Cabrini Hospital, and on the board of Better Care Victoria. She has a Bachelor of Business Management, and Master of Business Administration from Monash University, as well as completing an Advanced Management Program at Harvard University. Her previous roles include the Director of Nursing at Royal Melbourne Hospital, Chief Operating Officer of 44 hospitals at Healthscope, and Chief Executive Officer of Peninsula Health, where she managed over 5000 staff across 12 sites.

Retired board members**Adjunct Professor Bill Healy AM**

MA, DipSocStud

Chair from 10 April 2013 to 9 April 2019

Bill was appointed as the board chair on 10 April 2013. With an extensive academic background, Bill is a widely-published and widely-recognised academic on many mental health issues. Alongside Forensicare, Bill is also an Adjunct Associate Professor at La Trobe University's School of Social Work and Social Policy, as well as the former head of the Graduate School of Social Work, and Associate Professor of Mental Health and Social Work. Since 2014, Bill has been a member of the Mental Health Tribunal, and its predecessor, the Mental Health Review Board of Victoria (from 2000). Prior to Forensicare, Bill was the director of Mind Australia, from 1992 to 2013, as well as the company's chair from 1999 to 2011.

Ms Janet Farrow OAM

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

Deputy chair

Appointed from 27 April 2011 – 9 April 2019

Janet was appointed to the board on 27 April 2011. Janet has led a long and illustrious career, defined by a ceaseless drive to alleviate distress and solve social problems. She is an adjunct academic staff member of the School of Social work at the University of Melbourne, and a board member at Kids First. Janet has worked in a range of roles, which were recognised in 2016 through the awarding of an OAM for service to community health. She has been the Executive Director of UnitingCare in Moreland Hall, and has been awarded numerous fellowships—such as the Churchill Fellowship—as well as the chair for the headspace Barwon Advisory Committee.

Dr Cristea Mileshekin
MBBS, FRANZCP

Appointed on 10 April 2013—9 April 2019

Cristea was appointed to the board as the nominee of the attorney-general on 10 April 2013. She has more than 30 years' experience in senior positions in the Victorian public mental health service, and has most recently been the clinical director of the St Vincent's Hospital Mental Health Service. In 2010, she received the Ian Simpson Award from the Royal Australian and New Zealand College of Psychiatry as an acknowledgment of her outstanding contributions to clinical psychiatry. Cristea is a seasonal academic teacher with the Faculty of Medicine at the University of Melbourne, and a current member of the Mental Health Tribunal. She was also previously the director of psychiatry at the Maroondah Hospital Mental Health Service.

Mr Andrew Buckle OAM

Appointed from 10 April 2013 – 9 April 2019

Andrew was appointed to the board on 10 April 2013. He has extensive corporate management experience in wide-ranging profiles, including commercial and non-government organisation directorships. In 1992, he was awarded an OAM for his distinguished work with disadvantaged and underprivileged youth. He has also worked as a consultant with Activetics (now Changing Gears), focussing on providing solutions to challenges driven by an ageing workforce.

Board committees

Six committees help the board to fulfil its responsibilities. Each committee reports to the board, and some include non-board members. (see also Table 1)

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.

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 Forensicare's clinical services.

Finance Committee

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

Research Committee

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

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 Forensicare governance framework.

Executive Performance, Remuneration and Succession Planning Committee

This committee helps the board fulfil its responsibilities in relation to the review of performance, remuneration and succession of the chief executive officer and the executive.

Table 1: Board committee membership as at 30 June 2019

	Board		Audit, Security and Risk Management		Clinical Governance		Executive Performance, Remuneration & Succession Planning		Finance		Research		Strategic Planning and Oversight	
	H	A	H	A	H	A	H	A	H	A	H	A	H	A
Mr Ken Lay †	3	3							3	3 ×			1	1 ×
Ms Julie Anderson	11	9			6	4					1	0		
Ms Sally Campbell	11	9	4	4									1	1
Mr Greg Pullen	11	9	1	1			2	2	11	10				
Ms Jenny Roberts	11	11	4	3	6	6								
Assoc. Prof. Ruth Vine	11	11			6	6	2	2			1	1	1	1
Ms Susan Williams †	3	3			1	1			3	3			1	1
Bill Healy Δ	8	8					2	2	8	7	1	0	4	4
Cristea Mileshekin Δ	8	8			5	4					1	0		
Janet Farrow Δ	8	7	3	3			2	2	8	7			4	4
Andrew Buckle Δ	8	6	3	2									4	3
John Rimmer (Independent SPOC)													4	4
Ann Clark (Independent Finance)									10	8				
Brian Keane (Independent Audit)			4	3										
Prof Janet Hillier (Independent) Research											1	1		

H = number of meetings eligible to attend

A = number of meetings attended

* Committee Chair

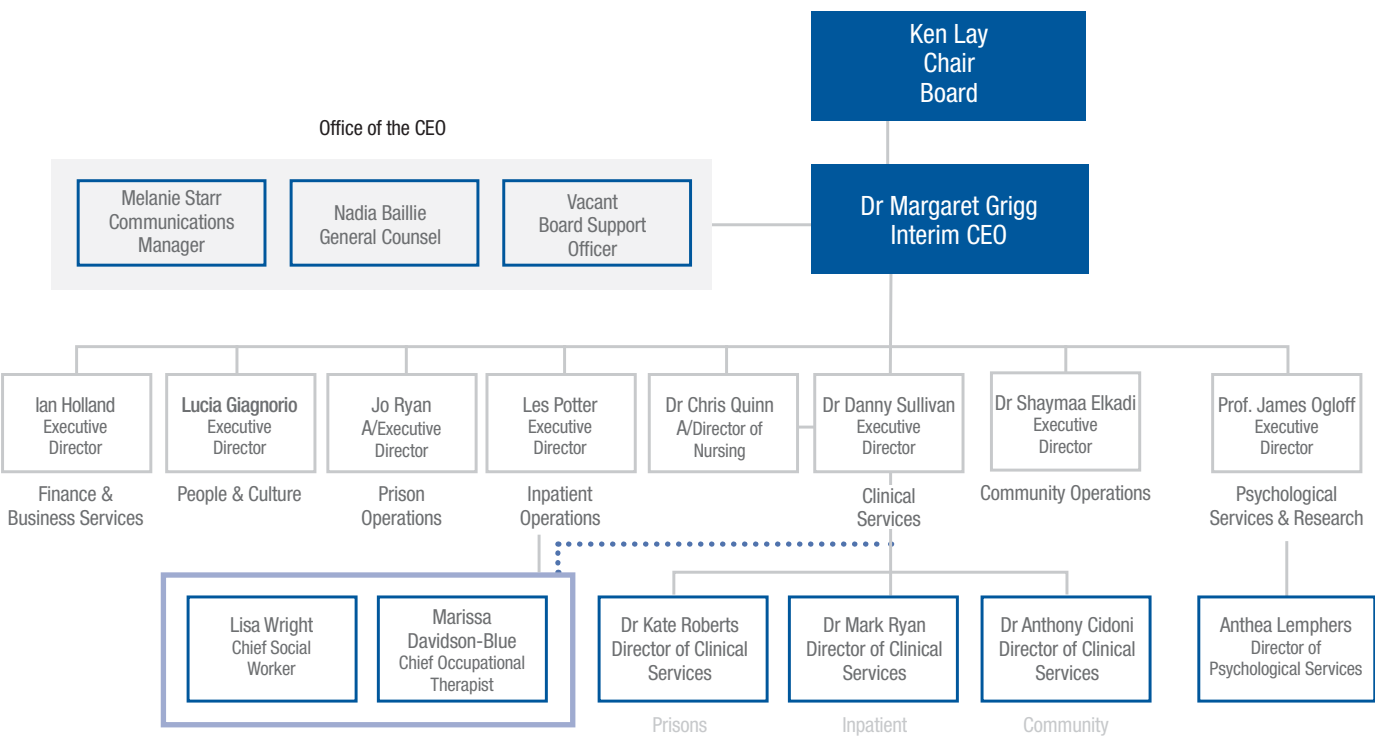
× ex officio (non-mandatory attendance)

† Commenced April 2019

Δ Retired April 2019

Organisational chart

Figure 1: Organisational chart as at 30 June 2019



Executive leadership team

The board, subject to the Secretary's approval, appoints Forensicare's chief executive officer. An executive leadership group assists the chief executive officer in the overall management and strategic development of the organisation.

Dr Margaret Grigg

PhD, MS (Health Policy & Administration), MBio, BA, RN, RPN MAICD

Interim Chief Executive Officer

Margaret was appointed as Forensicare's interim CEO on 27 May 2019 for a period of four months. She is currently executive director of Health Services and Policy Commissioning in the Department of Health and Human Services. She has had extensive experience as a mental health nurse and has held several senior positions within the Victorian government, including Director of Mental Health. She has worked for the World Health Organization as a technical advisor within their mental health program as well as Chief Operating Officer Mind Australia.

Dr Danny Sullivan

MBBS, MBioeth, MHlthMedLaw, AFRACMA, FRCPsych, FRANZCP

Executive Director of Clinical Services

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

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

Dr Shaymaa Elkadi

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

Executive Director, Community Operations

Dr Shaymaa Elkadi began her role as Executive Director of Community Operations on 20 May 2019. With a PhD from the University of Melbourne in neuropsychology, Shaymaa has worked in the mental health and justice sectors in various senior roles—including Corrections Victoria, as well as the General Manager at the Department of Justice and Regulation. Shayma is responsible for overseeing the Community Forensic Mental Health Service, which includes the Problem Behaviour Program, the Mental Health Court Liaison Service, Community Treatment and Transition program, and many more.

Lucia Giagnorio

BBus, Grad Cert OHM and PROSCI

Executive Director, People and Culture

Lucia began her role as the executive director of People and Culture on 6 May 2019. Lucia was the original human resources manager when Forensicare was first established in 1998. Years later, she made the decision to return to the organisation. With a genuine passion for helping people achieve their full potential, Lucia aims to bring Forensicare into a workplace of the future, updating processes to ensure a smooth transition, as the organisation approaches a new period of growth.

Ian Holland

BBus(Admin), CA

Executive Director, Finance and Business Services

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

Professor James Ogloff AM

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

Executive Director, Psychological Services and Research

Jim was appointed to Forensicare in November 2001. Jim is responsible for delivering psychology services and research across the organisation and helps provide vital service development advice. He serves on many boards and advisory groups on matters pertaining to forensic mental health and justice, and has led many service reviews and evaluations nationally and internationally. He also holds the positions of Foundation Professor of Forensic Behavioural Science at Swinburne University of Technology and is a director of the Centre for Forensic Behavioural Science.

Les Potter

RN, BAppSc (AdvNurs), Administration (Dist)

Executive Director, Inpatient Operations

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

Jo Ryan

RN, BEd, CertForPsychNurs, PGC-VRAM

Acting Executive Director of Prison Services

Jo was appointed as the acting executive director of Prison Services in May 2019. She is responsible for the management and performance of Forensicare's prison mental health services. Her substantive position is as Forensicare's Director of Nursing, a role she's held since December 2013. Jo has extensive experience as a psychiatric nurse in forensic mental health settings as a clinician, manager and educator.

Dr Chris Quinn

RN, DAS (Nurs), Cert PN, Grad Dip (MHN), PhD

Acting Director of Nursing

Chris was appointed as the acting director of nursing in May 2019.

He is responsible for providing nursing leadership, embedding a nursing culture that values professional standards and the delivery of best practice nursing care. In Chris's substantive position as the Senior Mental Health Nurse he manages the Nursing Practice and Development Unit. He is the lead trainer for the Short Term Assessment of Risk and Treatability program and has taken a lead role in promoting clinical supervision for Forensicare Nurses.

Departing executive team members**Tom Dalton**

BA, LLB, EMPA

Chief Executive Officer

Resigned May 2019

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 was appointed Forensicare CEO in 2009.

Ryan Dube

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

Executive Director, Prison Operations

Resigned May 2019

Ryan joined Forensicare in May 2016. Prior to joining Forensicare, Ryan was the operations manager for the acute inpatient unit at The Alfred, with operational oversight of the statewide psychiatric intensive care unit. Ryan is a UK-trained registered mental health nurse with 18 years' experience of managing forensic and psychiatric intensive care units.

Jonathan Norton

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

Executive Director, Community Operations and Strategic Development

Resigned January 2019

A psychologist with more than 25 years' experience in the health, community and higher education sectors, Jonathan joined Forensicare in October 2011. He was responsible for oversight and all aspects of performance of the Community Forensic Mental Health Service and played a key role in the strategic development and reporting of all Forensicare services.

Wendy McManus

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

Executive Director, Human Resources

Resigned December 2018

Wendy joined Forensicare in August 2008 and was responsible for the development and implementation of Forensicare's occupational health and safety and human resources strategies, policies and guidelines. She provided advice and services to meet the needs of the whole organisation.



Executive Director, Clinical Services report

The core purpose of Forensicare is to provide high-quality forensic mental health care to our consumers where ever they may be: prison, community or hospital.

Forensic mental health is a specialised field that relies on not just expert multidisciplinary mental health care, assessment and treatment, but also treatment addressing offending needs.

Our service is now geographically dispersed, with multiple services spread along the western rim of Melbourne, and at the hospital and community base in the inner north. We face a future of increasing spread of services and with it, the need to sustain a unifying culture across all sites, and connected care for our consumers.

Increasing capacity and access

Small and incremental increases in bed capacity at Thomas Embling Hospital have been effective in reducing the waitlist for prison patients recommended for compulsory treatment, and the duration they wait before transfer. Opening in March 2019, Apsley Unit has made a significant difference. This eight bed unit provides acute treatment to patients transferred from prison under the Mental Health Act, particularly those with challenging behaviours.

The unit's design combines high levels of security with humane and good quality patient rooms and staff facilities. The model of care incorporates positive behaviour support as well as principles derived from psychiatric intensive care units. Apsley Unit has been integral to increasing the turnover of patients waiting in prisons.

Model of care


The Forensicare 2020 model of care project is gathering momentum. The project aims to engage our staff and consumers in transforming our service. We want the pathways to be clear, and the processes to get there efficient and easy to navigate.

So far, in workshops and linked projects, we have:

- canvassed staff and consumers on priorities for improving flow through our services
- refined the values that underpin what we do
- sought a vision of therapeutic interventions that will provide consumers with a secure foundation to return safely to the community
- reviewed seclusion practices to address escalating rates and duration effectively

We sponsored Professor Harry Kennedy to come to Australia from Ireland in January 2019 to provide training for a large group of staff on the DUNDRUM toolkit.

This instrument provides an objective, evidence-based framework to determine forensic admission priority, security needs in hospital, and to measure progress towards rehabilitation goals for forensic patients. In the next financial year we will seek to train large numbers of staff in the DUNDRUM, and begin equipping our consumers to measure their own progress on program completion and progress towards recovery.



We face a future of increasing spread of services and with it, the need to sustain a unifying culture across all sites, and connected care for our consumers.

Improving care for consumers with personality disorders

New funding has also flowed to Forensicare from the Department of Health and Human Services funding to develop enhanced capacity to assess and manage patients with personality disorder. This cohort is particularly relevant across prison, community and hospital services. We are enthusiastic that in conjunction with the Forensicare 2020 project, we will better serve a group of consumers whose needs are not so effectively met in mental health services.

Improved medical staff training

Medical staff training is now overseen by a training committee which includes medical leaders and trainee representatives. We have seen a substantial increase in the numbers enrolled in or planning advanced training in forensic psychiatry, which bodes well for future local recruitment.

Clinical research

Our partnership with Swinburne's Centre for Forensic Behavioural Science enables the development of research with direct clinical relevance to our consumers and staff. Research dissemination seminars showcase the multidisciplinary research to our broad staff group and have been associated with rapid introduction into clinical practice, such as Tessa Maguire's analysis of interventions in response to elevated scores on the DASA (Dynamic Assessment of situational Aggression).

Accreditation

Our successful triennial accreditation by the Australian Council on Healthcare Standards was a testament to all staff and consumers. The organisation has in recent years overhauled clinical governance and we now have a system which seeks to engage all staff in the mechanisms of developing safe, effective and high-quality care. This is aided by a small quality team, led by Lindy Bennett, and overseen by the board's Clinical Governance sub-committee.

Recognising service excellence

The staff who work in Forensicare provide high quality mental health care to consumers who are often stigmatised and vilified, and do so with the best qualities of professionalism and respect for each patient. I remain inspired by the pride our staff hold in their jobs and maintenance of high standards, exercised daily. It has been a continuing challenge to sustain a workforce in a climate of expansion, and recruitment and retention of staff remains a strong priority. I am particularly thankful for the support of the directors of clinical services across the organisation, who are responsible for community, hospital and prison services: Dr Anthony Cidoni, Dr Mark Ryan, Dr Kate Roberts, and until March 2019, Dr Clare McInerney.

Finally, this year I have had the honour of chairing the Council of Australian Forensic Mental Health Service Leaders, a newly-established group of clinical and operational leaders from forensic mental health services around Australia. We hope that over time this group will be able to share benchmarking and innovations, and collaborate to drive quality service development around Australia.

Forensicare aspires to a standard of excellence that requires sustained hard work directly with patients and behind the scenes. I am optimistic we will maintain high standards despite the pressures of clinical demand.

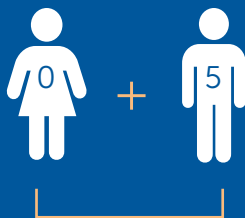


Dr Danny Sullivan
Executive Director, Clinical Services

Thomas Embling Hospital

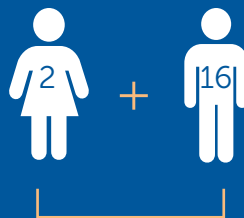
120

Patients (As at 30 June 2019)



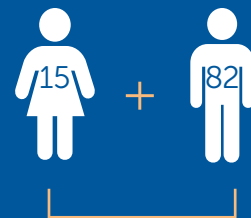
5

Compulsory patients



18

Security patients



97

Forensic patients

9

Days, on average, wait time for female security patients to be admitted following a recommendation for compulsory treatment

0

Aboriginal Torres Strait Islander admissions
3 per cent consumers at the hospital identified as Aboriginal and Torres Strait Islander people

107

Separations

38.8

Days, on average, wait time for male security patients to be admitted following a recommendation for compulsory treatment

319

Days, on average, wait time for forensic patients in prison to be admitted following a recommendation to the court for a custodial supervision order at Thomas Embling Hospital

94.83%

Occupancy rate

42,642

Occupied bed days

116

Total admissions

Hospital development

This year marked the opening of the new eight bed, secure intensive care unit at Thomas Embling Hospital. The Apsley Unit, a name chosen by Thomas Embling Hospital consumers, provides short stay treatment for male security (prison) patients who are acutely unwell and require compulsory treatment under the Mental Health Act. Apsley's building design is innovative and contemporary which is matched with a new model of care. Services began operating in Apsley from March 2019 and have led to a significant reduction in waiting times for male prisoners requiring treatment at the hospital.

Funding for a further two beds in the Barossa women's unit was approved last year and the project is close to completion. The new beds are expected to be fully operational by the end of the new financial year.

Model of care – Forensicare 2020

The Forensicare 2020 project continues to work towards implementing changes to the organisation-wide model of care.

Major areas of focus for Thomas Embling Hospital during the first half of 2019 have been the review of seclusion and training to support the implementation of the DUNDRUM toolkit.

Reducing restrictive practices

The review of seclusion practices at Thomas Embling Hospital was conducted by external clinical experts and consumer and carer advocates. It provided an important opportunity to analyse the use of seclusion and identify ways of improving and reducing the use of restrictive practices. All recommendations from the review have been accepted and will be implemented in 2019-20.

Improving therapeutic security

The DUNDRUM toolkit assists in decision making about the appropriate level of therapeutic security required for consumers entering Thomas Embling Hospital and the prioritisation of waiting lists. For forensic patients within the hospital, DUNDRUM is used to assess progress along an identified clinical pathway using program completion and recovery measures. In preparation for implementing DUNDRUM, 167 clinical staff from across Forensicare have undertaken the training to date. Our aim is to train 80 per cent of clinical staff.



Hospital access flow

This year Thomas Embling Hospital admitted 116 patients, a 23 per cent increase on last year. This included:

- 9 female prisoners (43 per cent decrease)
- 88 male prisoners (35 per cent increase)
- 19 forensic patients (58 per cent increase)*.

Outcomes for security patients have remained consistent with 2017-2018 figures. Early figures suggest the Victorian Government's investment in new beds at the hospital and the opening of the Apsley Unit in March is beginning to improve wait times and length of stay for security patients. We expect to see further measurable improvements over the next 12 months.

This year the average length of stay for prison patients who were discharged back to prison was:

- increase of 12 per cent on last year
- 45 per cent increase.

The increases in the length of stay for male security patients is due to the increase in beds at the hospital from 12 to 20. This has provided the opportunity for male security patients with more complex presentations to be treated at hospital for longer periods than they have in recent years (Figure 2).

Figures 3 and 4 show how the opening of new beds at Thomas Embling Hospital has reduced the number of prisoners recommended for compulsory treatment waiting for a bed.

Awards – Consumer Advisory Group

The hard work of Thomas Embling Hospital's Consumer Advisory Group (CAG) was recognised last October when they won the CAG award at the 2018 Victorian Mental Illness Awareness Council Awards. Winners of the award must successfully demonstrate a significant contribution to the experiences of consumers to a service.

The TEH CAG were recognised for providing a voice for consumers and ensuring their opinions and ideas are heard and taken seriously. Their professionalism and leadership in advocating for consumer rights, issues and perspectives has resulted in significant and positive improvements to the quality and direction of services across the hospital.

A small group of staff and consumers attended the event to accept the award.

Work continues on delivering a new model of care at the hospital as part of the broader Forensicare2020 project to introduce a new model of care across Forensicare.

* Ten forensic patients were admitted from prison where they had been waiting for a bed following a recommendation for a custodial supervision order.

Figure 2: Length of stay for males on secure treatment orders 2015–16 to 2018–19

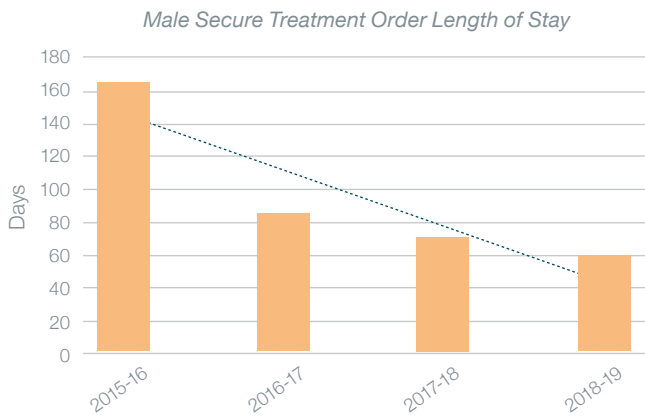


Figure 3: Number of prisoners recommended for compulsory treatment awaiting admission to Thomas Embling Hospital

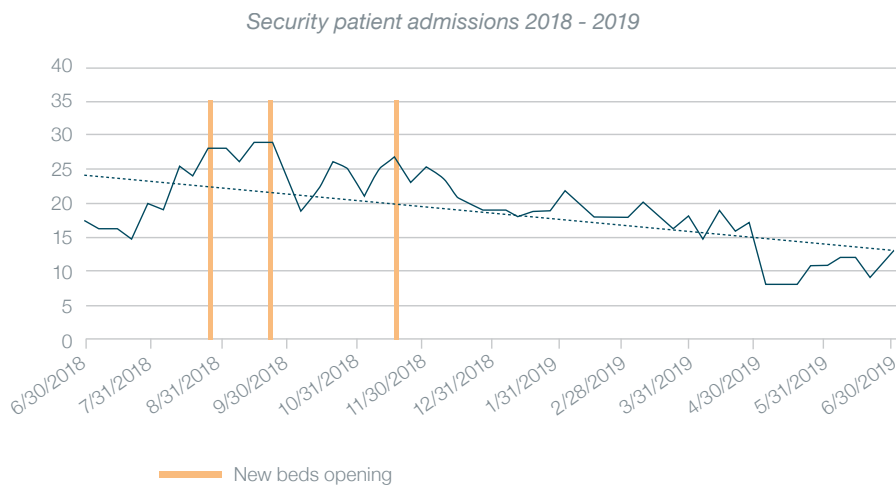
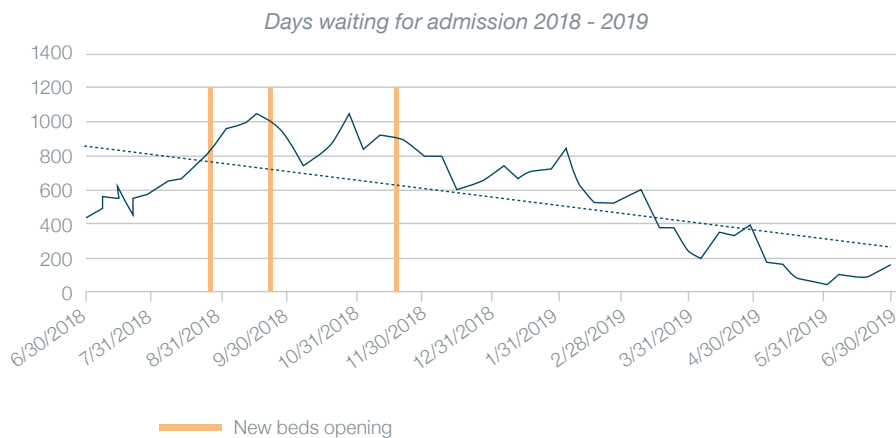


Figure 4: Number of days security patients waited for admission to Thomas Embling Hospital



Community Forensic Mental Health Service

26



31,347
total service hours
– all sources



42
reports prepared for
the Adult Parole Board



12
extended leave clients
(at 30 June 2019)



123
pre-sentence court
reports for people on bail



32
accepted referrals from Area
Mental Health Services for high-
risk clients with mental illness



244
pre-sentence court reports
for people in custody



323
clients seen by the Problem
Behaviour Program



7
court reports prepared
for criminal trials*
(Office of Public Prosecutions)
**7% reduction from 2017-2018*



4232
court liaison assessments
completed by MHARS



15
sessions delivered of the 'Handling
Anger Wisely' Group program



68
clients on non-custodial
supervision orders
(at 30 June 2019)



1,420
contacts with Community
Correctional Services for cases
being coordinated by the
Forensicare Serious Offender
Consultation Service



3,583
assessments completed for individuals
being considered for a mental health
treatment and rehabilitation condition on
a community correction order




60
referrals accepted by the
Victorian Fixed Threat
Assessment Centre

Mental Health Advice and Response Service

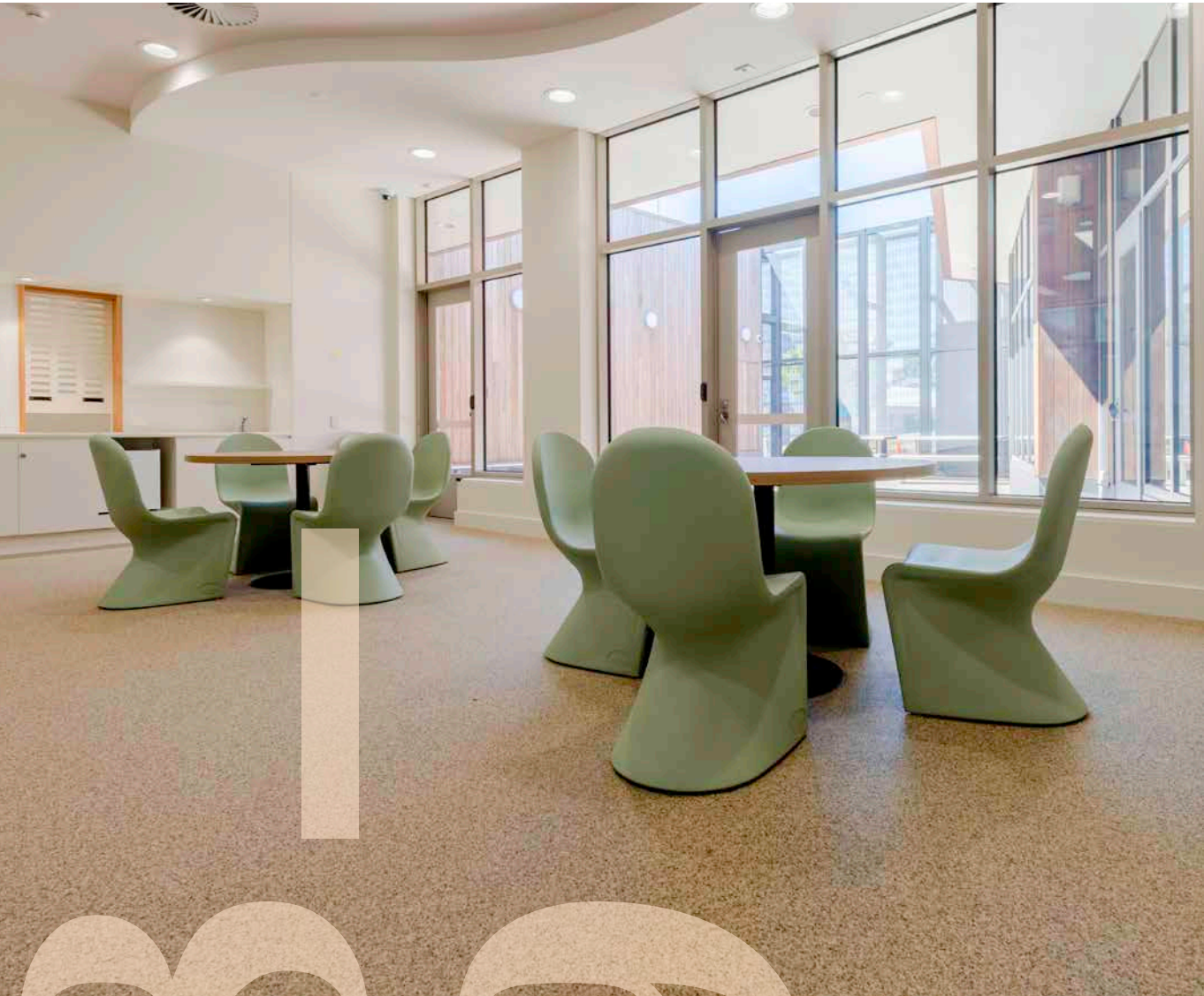
In July 2018 the Mental Health Advice and Response Service (MHARS) was formed amalgamating the Mental Health Court Liaison Service with the Community Correctional Service Court Advice Mental Health Enhancement Pilot. MHARS capitalises on the synergies across both services. MHARS provides responsive, timely and expert mental health advice service to Courts and Community Corrections where the interface between mental health and offending behavior is considered in sentencing. The amalgamation also included an expansion of the service from 9.5 FTE to 19 FTE operating across eight metropolitan court locations. Of note was the expansion of the Community Correctional Service Advice stream from two to eight courts.

Community Transition and Treatment Program and non-custodial supervision order system

Forensicare continues to refine these critical services to ensure they are responsive and flexible to the needs of individual clients.



Forensicare continues to work on the ongoing refinement of these critical services to ensure that they are responsive and flexible to the needs of individual client



Victorian Fixated Threat Assessment Centre

Forensicare continues to develop and enhance its collaboration with Victoria Police, Caraniche, Monash and Melbourne Health to deliver the Victorian Fixated Threat Assessment Centre (VFTAC). VFTAC is designed to respond to individuals who may have a mental illness or mental health needs, who pose a risk to themselves and others by engaging in problematic and high risk behaviour related to beliefs they have developed.

This initiative continues to provide a unique opportunity to change how police and mental health practitioners manage vulnerable individuals in our community. VFTAC and its service system partners, achieve this by focusing on early assessment and successful intervention. This in turn, assists those referred to access appropriate support and proactively mitigates the risks to prevent harm clients may pose to themselves and the community.

Over the last 12 months, VFTAC has seen the benefit of referred clients being able to access a range of options in relation to management and care that weren't previously available. Furthermore, VFTAC have been involved with a significant number of cases which have resulted in positive outcomes for the client and the community. Examples of such 'successes' include:

- Re-engaging clients in mental health care, who had been lost to treatment for a considerable period of time or who have not experienced any mental health treatment at all
- Early intervention with clients at risk of entering the criminal justice system, by diverting them to appropriate mental health and other support services
- The ability for VFTAC's service enhancement partners to provide support and intervention relating to client's psychosocial needs, including accommodation, employment and financial support, thereby ensuring a more holistic treatment approach that does not focus solely on alleviating mental health symptoms
- Improving outcomes for client's families, some of whom are at risk from the client's behaviours and have previously struggled to obtain help

Professional development and training program

Forensicare's external training program continued in 2018/19. The program is overseen by the External Training Working Group chaired by the Executive Director, Community Operations.

The program continues to be well attended by participants in the community and government sectors who are looking to better understand and strengthen their skills in forensic mental health. The main components of this success are due to maintaining the balance between the number of workshops variety of topics that reflect Forensicare's expertise and our ability to promote and attract interest and can be delivered within available resources. Feedback from participants is consistently positive and we continue to vary formats, topics and presenters. This approach will continue in 2019/20.

Workshops

Eight workshops were offered and delivered across the year. Five of the eight workshops were delivered as full day sessions; three were half day sessions. As in previous years, ten percent of places for each training session were reserved for (non-fee paying) Forensicare staff who expressed interest to attend; these were allocated by random selection.

Topics for the year include:

- An introduction to assessing and treating family violence
- Working with complexity
- Understanding personality disorders and offending
- Advanced mental health risk assessment in clinical and criminal justice settings
- Working with young people at risk of violence
- Working with those who commit sexual offences
- Working with complexity
- Dealing with angry hard to like clients

Of the 228 participants 204 were external fee-paying registrants.

In addition to the delivery of the public calendar, various requests to provide training to external organisations were also made. Some training and information sessions were delivered free of charge, others attracted a fee.

Prison Mental Health Service

DAME PHYLLIS FROST CENTRE

142

admissions to the
Marrmak Unit

43.74

days average length of
stay in the Marrmak Unit

92%

occupancy rate in the
Marrmak Unit

MELBOURNE ASSESSMENT PRISON

9,063

reception assessments

16

admissions to the
Acute Assessment Unit

7.5

days average length of stay
in the Acute Assessment Unit

METROPOLITAN REMAND CENTRE

1,214

reception assessments

3,748

occasions of service by
the Mobile Forensic Mental
Health Service

782

clients seen by the Mobile
Forensic Mental Health
Service

*Note: The Acute Assessment Unit
was closed for refurbishment works
from December 2017 and reopened
in June 2019*

Prison services

Over the past 12 months, Forensicare's Prison Services continued to deliver recovery-oriented specialist mental health treatment and care to consumers in Victoria's prison system. This has involved working closely with the Department of Justice and Community Safety, the Victorian Government, the Department of Health and Human Services, forensic clinical specialists, Area Mental Health Services, prison operators and community support organisations to ensure a continuity of care for the men and women in custody.

Prison Services clinical staff were well represented in the 167 clinical staff members trained in the DUNDRUM toolkit this year. We look forward to participating in the DUNDRUM 1 and 2 program (scheduled for rollout in late 2019), which will further strengthen our decision making on prioritising prison mental health consumers waiting for admission to Thomas Embling Hospital and placements on transfer.

The Forensic Education for Registered Nurses (FERN) program was also introduced at the service and is being enthusiastically taken up by mental health nursing staff across each prison.

Women's services – Dame Phyllis Frost Centre

The Marmmak Program continues to provide care to a high number of women with complex mental health needs. In December 2018, the program moved to a purpose-designed building that provides a superior therapeutic environment. The newly built unit supports the work we are doing with the women, and is a safe, therapeutic environment to promote recovery. The upgrades have enhanced patient well-being, made them feel safer, and improved their communication with staff.

This year, Marmmak introduced its first nurse practitioner position. The position provides support within the women's and outpatient service at the prison. We also worked with Justice Health to increase service capacity with additional nursing staff and psychiatry hours.

Due to an increased remand population, the length of stay on Marmmak is decreasing and the turnover of patients is increasing. The program works very closely with the relevant forensic clinical specialists and Area Mental Health Services to support continuity of care for the women upon discharge from custody.

Melbourne Assessment Prison

The Acute Assessment Unit closed in December 2017 for refurbishment and reopened in mid-June 2019. The refurbishment included improved office space and an additional room to meet with patients. During the unit's closure, staff developed a robust outpatient service providing specialised services that included the multidisciplinary team and increased support to corrections staff. The team also ensured more unwell men received a service appropriate to their needs.

The reopening of the unit included an update to the model of care that aims for an average length of stay of two weeks. It is envisaged that the new model will support more men to receive mental health care.

The program is continuing to work closely with forensic clinical specialists and Area Mental Health Services to ensure a continuity of care for the men in custody.

Metropolitan Remand Centre – Mobile Forensic Mental Health Service

Services delivered by Forensicare at the Melbourne Remand Centre include the Mobile Forensic Mental Health Service, direct reception assessments and an outpatient service provided by a nurse practitioner, a consultant psychiatrist and a registrar.

The mobile service continues to provide a unique service to meet the needs of high-prevalence psychiatric disorders.

Direct reception nurses at the Melbourne Remand Centre provide high-quality mental health assessments three days per week. They also work closely with the primary mental health provider on site to ensure appropriate care and follow-up is provided.

Port Phillip Prison

At the end of 2018, St Paul's at Port Phillip Prison psycho-social rehabilitation program relocated to a mainstream unit for three months to allow for necessary improvements to patient and staff amenities. The program continued to deliver high quality care during this time. The program calendar has recently been reviewed and a full suite of programs designed to meet the needs of the client group is being delivered. The programs continue to focus on recovery-oriented care and are reviewed and evaluated on a regular basis.

Ravenhall Correctional Centre

The Ballerit Yeram-boo-ee Forensic Mental Health Service at Ravenhall Correctional Centre continues to provide male prisoners across Victoria with forensic mental health care in a timely manner. Ravenhall is a primary placement prison for men who have significant and acute mental health concerns. Its capacity to provide bed-based mental health and outpatient services through Forensicare's Ballerit Yeram-boo-ee service has seen more than 1,145 men receive a high standard of secondary mental health care. Additionally, Forensicare has provided more than 250 specialist at-risk or crisis assessments for men across the general prison population at the prison. Ballerit Yeram-boo-ee continues to grow and develop as the service embarks on its second year of service. A range of ongoing service development activities continue to ensure we adapt service provision to meet the level of need.

Prison services access flow

The Forensicare bed management system is in its second year and is now fully embedded into practice. The system manages patient flow within prison bed-based services to and from Thomas Embling Hospital.

Our Prison Access Flow Coordinator continues to work collaboratively with Corrections Victoria to plan and manage patient movement across the system daily. As the centralised single point of access to prison bed-based services and Thomas Embling Hospital, the flow coordinator works with clinical teams across prison and hospital sites to ensure the provision of services is responsive, with patients being admitted as quickly as possible within the constraints of bed availability.

Fortnightly meetings with other stakeholders including Justice Health promotes the smooth flow of patients and efficient use of beds.





Research overview

Centre for Forensic Behavioural Science and Forensicare Research

The importance of research and data pertaining to forensic mental health has been highlighted this year by the Royal Commission into Victoria's Mental Health System.

As part of its work, the royal commission has canvassed submissions and is collating data regarding the public mental health system. Included in the royal commission's work is the mental health care of people in the criminal justice and forensic mental health services. The research work undertaken by Forensicare and the Centre for Forensic Behavioural Science (CFBS) has figured prominently in a number of submissions, including that submitted by Forensicare, and in the ongoing work of the royal commission. As a member of the Expert Advisory Committee to the royal commission, part of my role has been to further these causes and to illuminate relevant research and evaluation findings.

A highlight this year has been the appointment of two consultant psychiatrists to the CFBS. These appointments have been funded by Forensicare, with some financial support from Swinburne University of Technology. These appointments are helping to develop research in our psychiatry department. Professor Michele Pathé, an international expert in stalking and threat assessment, and Dr Rajan Darjee, with expertise in sexual homicide and related areas, each work two days per week on research. We are delighted with these appointments.

Since its inception, Forensicare has embedded strong research values, and our research record has continued to strengthen to be recognised worldwide. Through its partnership with Swinburne University in operating the CFBS, our research group is among the most productive and influential of any forensic mental health service in the world. Still Forensicare struggles, particularly with our growth, to ensure that the culture of evidence-based practice and systematic evaluation persists.

To this end, we continue to target translation of research into practice as part of the work flowing from Forensicare's Strategic Research Plan (2018–2020).


Research income and support

The CFBS has continued to see growth in our research income and support from external sources. During the fiscal year, we generated \$1,837,806 of research income. This includes competitive national grants, contract research and research consultation.

Staff and student highlights

All our staff have presented their work at conferences and have made contributions to the scientific literature. Professor Michael Daffern, Associate Professor Troy McEwan, Dr Stephane Shepherd and I have delivered keynote addresses at national and international conferences. We consistently publish 50–55 peer reviewed articles a year and this year was no different, with 53 articles plus chapters and research and evaluation reports.

We currently have 28 Doctor of Psychology students and 17 PhD students in the CFBS. We had five completions this fiscal year. In addition to higher degree research training, the CFBS also operates a suite of courses in forensic mental health and forensic behavioural science. Among these courses is the recently accredited Diploma in Forensic Psychiatry, the only such course in Australia. We had 320 unit enrolments over both semesters in the fiscal year. This includes 23 Forensicare staff members.



A highlight this year has been the appointment of two consultant psychiatrists to the CFBS.

A number of members of staff were recognised by awards in 2018–19. Dr Stephane Shepherd, senior lecturer in the CFBS, was awarded the 2019 Saleem Shah Award by the American Psychology Law Society. This award is made in recognition of early career researchers and is highly regarded. Dr Nina Papalia, a psychologist at Forensicare and research fellow in the CFBS, received the 2018 International Association for the Treatment of Sexual Abusers Fay Honey Knopp Award. The award acknowledges an individual working in sexual abuse research that exemplifies the qualities and vision of human goodness and who is an inspiration to others. She was also a 2019 Mentoring Scheme Award Recipient (Mentee) for outstanding early-career women with demonstrated leadership potential, awarded by the University of Melbourne.

Dr Melanie Simmons, a psychologist at Forensicare and research fellow in the CFBS, won the APS' Forensic College's Maconochie Prize for an outstanding peer-reviewed article based on a doctoral forensic psychology thesis for her paper 'Sixty years of child-to-parent abuse: What we know and where to go'. She also was awarded Swinburne University's Publish and Flourish award for the best journal article resulting from a conference presentation for her paper, "'But all kids yell at their parents, don't they?': Social norms about child-to-parent abuse in Australia.' Additionally, I received the 2019 Outstanding Researcher Award from Swinburne University.

Visiting academic appointments

Professor Richard Rogers, Regents Professor of Psychology from the University of North Texas, who is a leading forensic psychology researcher and clinician, was funded by Swinburne University to come to the CFBS as a visiting scholar. During his visit, he spent time with staff and students and presented a lecture on his research with Miranda Warnings in the United States. He also delivered two workshops for Forensicare staff members. The first was on the assessment of malingering and dissimulation and the second was on fitness to stand trial. The visit has helped facilitate ongoing research collaborations in these areas.

External training

As part of the CFBS's work in delivering external training, we delivered a range of training sessions for staff in the Department of Justice and Community Safety (e.g., clinical pre-service program training; Violence Risk Scheme; and Violence Intervention Program, and forensic assessment with Aboriginal people). We have provided training through the Department of Health and Human Services to new community forensic teams providing services to people on community corrections orders. We also began a professional development training program for ACSO staff. Other one-off training sessions were also delivered. Moreover, the CFBS regularly delivers training to Forensicare staff and partners, such as the forensic clinical specialist group.

Research dissemination

Forensicare holds two research dissemination seminars each year for Forensicare staff members. During these sessions, which run for half a day, research and clinical staff present their work. The events this year, which were held in December 2018 and March 2019, were well attended and covered a range of topics relevant to our clinical staff.

The CFBS hosts seminar series where invited speakers share their work with research staff from the CFBS and clinical staff from Forensicare. This year's presentations included:

August 2018: Professor Stuart Kinner, Dr Rohan Borschmann, Mr Jesse Young, Ms Amanda Butler (Murdoch Children's Research Institute and the University of Melbourne) – Patterns of acute healthcare contact after release from prison: Findings from the Health After Release from Prison (HARP) cohort study

September 2018: Professor Jonathan Clough – The mind beyond the screen. A lawyer's perspective on the interface between psychology and cybercrime

October 2018: Dr Josanne DM van Dongen – Electrophysiological research in forensic psychology: From ERPs and complex brain networks to neuromodulation and their relevance to offender assessment and treatment

February 2019: Professor Devon LL Polaschek – Associations between psychopathy and treatability in high-risk violent prisoners

March 2019: Associate Professor James Martin – Illicit drug trading on the darknet: who, why, what and where

May 2019: Visiting professor – Professor Richard Rogers – Miranda rights and warnings: A failed American experiment?

In closing, I want to express my sincere gratitude to Mr Tom Dalton, who left Forensicare after almost 20 years, 10 of which were as chief executive officer. Tom was very supportive of research and training. I also owe a debt of gratitude to Dr Rachael Fullam, the Forensicare research manager, who oversees the research governance and research evaluation work for Forensicare. Also, we have benefitted from the work of many research students, research fellows, CFBS staff members and Forensicare members of staff, without whom the important work highlighted in this report could not continue.

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



Professor James Ogloff AM FAPS

Executive Director of Psychological Services and Research and Director, Centre for Forensic Behavioural Science

The Catalyst Consortium was launched in April 2017 by the Centre for Forensic Behavioural Science, Swinburne University of Technology and Forensicare and is funded by the Victorian Government (\$1.76 million over four years). Forensicare has contributed additional funding (\$600,000 over four years) to ensure the work extends to forensic mental health consumers and forensic mental health services. Swinburne University has funded a senior lecturer in forensic psychology, a doctoral scholarship, and provided infrastructure support for the consortium. The consortium is seeking other partner organisations, including corrections departments, forensic mental health services, private prison providers and charitable foundations to add collaborators and funding to build and extend the consortium.

Catalyst establishes partnerships between leading researchers, clinical leaders and correctional/forensic mental health partner organisations to systematically address persistent violence and sexual offending. The name Catalyst was chosen to demonstrate a focus on research, clinical and administrative expertise on the problem of violence. Catalyst seeks to precipitate change in those who have engaged, or are likely to engage, in persistent violence and sexual offending, and the agencies that provide services to them. The problem of violence, broadly defined, is of national and international significance and requires innovative and transformational research and practice to enhance understanding and assessment, intervention, reintegration and prevention efforts. The aim of the Catalyst Consortium is to enhance our understanding of the causal factors of violence and to intervene effectively with people who engage in violence in a manner that will increase community safety. We will target people who commit interpersonal violence, including those with mental health disorders (including personality disorders), substance misuse disorders and cognitive impairment.

The objectives of the Catalyst Consortium are to:

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



Corporate Services

Legal Services

Forensicare, as the statewide provider of forensic mental health services, operates under the *Mental Health Act 2014* (MHA) in terms treatment for consumers, however, also has obligations under the *Crimes (Mental Impairment and Unfitness to be Tried) Act 1997* (CMIA) to consumers placed on supervision orders under that Act. As Forensicare spans the mental health and criminal justice sectors, we have high levels of interaction with the broader criminal justice system including courts, the Office of Public Prosecutions, criminal defence lawyers, the Mental Health Tribunal, the Forensic Leave Panel, the Adult Parole Board, Victoria Police and the Coroners' Court.

Crimes (Mental Impairment and Unfitness to be Tried) Act

This legislation governs the disposition, supervision and treatment of people found not guilty by reason of mental impairment or unfit to plead.

In criminal trials, the Supreme Court or County Court cannot place a person with a mental illness under Forensicare's supervision until they receive a report and a certificate from Forensicare confirming there are services available.

Over 2018-19 we received requests for reports in 34 criminal trials. In 10 criminal trials Forensicare indicated there were no services available due to a lack of available beds at Thomas Embling Hospital to treat the person on a custodial supervision order. At the end of the year five men had their case adjourned in these circumstances.

The number of people under supervision orders in 2018-19 has increased from last year. There were 11 new custodial supervision orders and 13 new non-custodial supervision orders made during the year.

There were also eight revocations of supervision orders. At 30 June 2019 173 people with a mental illness were on supervision orders under the CMIA. These orders comprised 96 custodial supervision orders, one of whom is detained in custody in prison, 13 custodial supervision orders (extended leave) and 66 non-custodial supervision orders.

Forensicare staff prepared 85 reports for 69 different consumers on supervision orders who had court hearings under the CMIA. Forensicare staff attended court to give evidence in 61 of these court hearings.

Forensicare staff prepared 83 reports for 71 different consumers on supervision orders who had court hearings under the CMIA.

Custodial supervision orders

In 2018–19, 11 new custodial supervision orders were made by the courts compared with six in 2017–18.

Seven of these orders were made by the Supreme Court and **four** by the County Court. The number of new orders is not representative of the demand for this order because there were not enough beds at Thomas Embling Hospital for **16** of the cases through the year. Of the 11 new orders made, three were for patients already at the hospital and eight were for people waiting in prison. The wait time for these patients was between 375 to 481 days, from the date of being found liable to supervision under the Act before the final order was made (an average of 406 days):

Of the 11 new orders made, three were for patients already at the hospital and eight were for people waiting in prison. In addition:

- **Five** patients moved from Thomas Embling Hospital to live full time in the community on extended leave (compared with four in the previous year).
- **Eight** people had their extended leave renewed by the court for a further 12 months. Under the CMLA, the court is only able to grant extended leave for 12 months.
- **Five** people on extended leave had their CSO varied to a non-custodial supervision order by the court.

Non-custodial supervision orders

For patients on non custodial supervision orders (NCSOs)

- **Thirteen** new NCSOs were made by the County Court compared with 10 in 2017–18.
- **Five** people on NCSOs were issued apprehension orders following a break of their order. Four resulted in an admission to Thomas Embling Hospital.
- **Eight** people had their NCSOs revoked by the court compared with 16 in 2017–18. Revocation completes the order and means the person can live in the community without conditions.

Figure 5 shows the trend of increasing numbers of patients at Thomas Embling Hospital. This graph does not include the people waiting in prison to be placed on a custodial supervision order.

Figure 5: The number of supervision orders at 30 June from 2003 to 2019



People and culture

Workforce profile

Forensicare's workforce profile for the past three years is presented in Table 2.

Table 2: Forensicare's workforce profile, 2017–2019

Staff	30 June 2019		30 June 2018		30 June 2017	
	Staff number	Total EFT	Staff number	Total EFT	Staff number	Total EFT
Clinical staff						
Nursing	415	378.43	359	325.05	295	267.35
Clinical support	39	34.32	45	39.75	31	25.10
Allied health						
Psychologist	70	51.82	61	44.44	47	33.22
Social worker	32	31.26	34	33.75	24	22.60
Occupational therapist	28	25.57	24	21.95	18	16.88
Music therapist	0	0.00				
Art therapist	1	1.00	1	1	0	0
Consumer consultant	3	2.40	3	1.8	3	1.59
Family advocate	2	1.60	1	0.86	1	0.46
Welfare worker	1	1.00	1	1	1	1
<i>Allied health total</i>	137	114.65	125	104.8	94	75.75
Medical						
Consultants/medical Officers/registrars	64	51.04	64	51.63	46	37.20
<i>Medical total</i>	64	51.04	64	51.63	46	37.20
Corporate/admin						
Administration	75	68.68	63	53.22	50	42.36
Corporate support	10	9.84	13	12.55	14	13.40
Total staff	740	650.39	669	587	530	461.16
Age						
Under 25	29	27.75	31	30.84	35	34.40
25–34	204	190.49	175	161.67	128	116.61
35–44	219	188.23	194	164.01	152	125.52
45–54	150	134.50	132	116.75	104	90.61
55–64	113	95.45	113	93.61	96	80.08
Over 64	25	21.68	24	20.12	15	13.94
Total	740	650.39	669	587	530	461.16
Gender						
Women	478	413.37 (63.6%)	429	370.47 (63%)	329	285.43 (62%)
Men	262	237.02 (36.4%)	240	216.53 (37%)	201	175.73 (38%)

All Forensicare employees are correctly classified and employed in accordance with the relevant enterprise agreement and are required to meet the standards set out in the Victorian Public Sector Commission's Code of Conduct at all times. Forensicare has in place policies and procedures to ensure all recruitment and employment-related practices are in line with the key principles of merit and equity.

Executive officers

Table 3 summarises Forensicare's executive staff profile over the past three years. Government Sector Executive Remuneration Panel executives at Forensicare are employed in line with the Victorian Public Health Services Executive Remuneration Policy and are categorised as Group 3, Cluster 2 for Total Remuneration Package purposes.

Length of service awards

Every year we acknowledge the longstanding commitment of our highly experienced and valued employees. Our service recognition award and ceremony celebrates their major milestones of employment. Staff with 10 or more years of service are acknowledged by our chairperson and CEO (see Table 4).

Table 3: Forensicare's executive staff, 2016–17 to 2018–19

	30 June 2019	30 June 2018	30 June 2017
Number of executives	5	5	5
Vacancies	0	0	0
Ongoing/special projects	0	5 ongoing	5 ongoing
Gender	3 females, 2 males	5 males	5 males

Table 4: Service recognition awards, 2018–19

Years of service	Number of recipients
30 Year Service Award	1
25 Year Service Award	2
20 Year Service Award	5
15 Year Service Award	6
10 Year Service Award	19
CAG – 5 Year Service	3

Workforce recruitment and planning

Forensicare continues to recruit staff in a highly competitive market place that is experiencing a shortage of qualified clinical staff, particularly mental health nurses. The Graduate Nurse Program continues to be the most successful recruitment program, having achieved an 82 per cent retention rate of staff who enter the program. This has been the most successful labour growth strategy and is highly valued by graduates of the program. The induction and onboarding experiences of these staff is reported to be highly valued by the majority of participants.

Thomas Embling Hospital and Prison Services experienced challenges in recruiting nursing staff. Prisons Services is also finding it difficult to recruit some allied health professionals.

A recruitment and retention working group has been established. The group will develop a recruitment and retention strategy to position Forensicare as a preferred employer. It will also work to develop attraction and retention strategies to ensure an excellent employee experience for our staff.

People Matter Survey

Every year Forensicare participates in the People Matter Survey conducted by the Victorian Public Sector Commission. In May 2019, 66 per cent of employees responded to the survey, 12 per cent more than last year. This record response provide the organisation with a more transparent insight into what it's like to work at Forensicare, and identify areas of focus for improving employee wellbeing and services.

In the reportable area of patient safety, Forensicare recorded a performance rating of 56 per cent. This is a decline of nine per cent from last year and 15 per cent below the benchmark average of other health services. This result is likely to be influenced by the levels of occupational violence that our staff are exposed to and will be a focus area in the coming year.

Our employee engagement result for 2019 is 59 per cent – a nine percent drop from last year. This result has been impacted by growth of the organisation and significant change, particularly in our senior leadership team.

Work is currently underway to develop a plan to respond and improve on this year's results. A series of CEO roundtables will commence in the new financial year to provide staff with the opportunity to be part of the solutions and improvements that will be rolled out in the coming year.

Work undertaken in the past 12 months in response to the 2018 survey results included the following:

Job satisfaction

- Improved the orientation and induction program for new starters
- Developed reflective practice and clinical practice frameworks, which were rolled out across the organisation
- Invested in emerging leaders by providing greater support for secondment and acting opportunities
- Celebrated and recognised staff achievements
- Established a simple and meaningful performance planning and development framework capturing KPIs, measures and development pathways

Workplace safety

- Implemented 'safety first' for all people at Forensicare
- Reviewed the Occupational Health and Safety Committee structure to strengthen reporting and inform improvements in our safety management system
- Established the Occupational Violence and Aggression Committee
- Initiated closing the loop on incident outcomes to staff
- Investigated critical incident support for staff (CISM program under review)
- Focused on M4 training opportunities
- Bullying and sexual harassment
- Rolled out Custodians of Culture workshops across the organisation (this will continue throughout 2019)
- Recruited a specialised People and Culture position to support managers and staff in reporting concerns related to bullying and harassment
- Focused on coaching and empowering staff to have respectful conversations
- Undertook a cultural mapping exercise to identify bullying and harassment culture. Strategies from the exercise include a framework for changing the culture and strengthening trust and collaboration across the workforce.

Leadership

- The executive team made a commitment to modelling behaviours and organisational values
- Committed to developing an internal communication strategy and plan to support timely and effective communication across the organisation
- Created a values project to clarify our core values and expected behaviours across Forensicare

Occupational violence

Table 5 summarises occupational violence experienced at Forensicare over the past five years.

Definitions

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

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

Occupational violence and aggression committee

The Occupational Violence and Aggression (OVA) Committee was re-formed this year to recognise, develop and implement strategies to reduce the incidence of occupational violence. Of the 28 strategies identified in the 2018-2019 OVA Action Plan, 27 were successfully completed by 30 June.

Emphasis on the need for staff to report occupational violence and aggression has continued. This has resulted in an increase of 36 per cent in the number of occupational violence incidents reported on the VHIMS electronic database over the year. This increase in reporting has also coincided with a decrease in the percentage of occupational violence incidents which resulted in injury to staff.

Occupational health and safety consultation

Throughout 2018-19, extensive building and redevelopment works occurred across Thomas Embling Hospital. Occupational Health and Safety played a significant role in ensuring the health and safety of our patients, staff and contractors were without risk in the design and delivery of the building works.

We remain committed to safeguarding the health and safety of our employees wherever they work. This year Occupational Health and Safety took part in a review of Forensicare workplaces operated by external bodies (e.g. prisons). Reviews focused extensively on the safe use of interview room space, emergency procedures and training. We continue to work closely with stakeholders to provide and maintain a safe, working environment without risks to the health and wellbeing of our staff.

Table 5: Occupational violence experienced at Forensicare, 2014–15 to 2018–19

Occupational violence statistics	2018-19	2017-18	2016-17	2015-16	2014-15
WorkCover-accepted claims with an occupational violence cause per 100 EFT	1.37	1.36	0.87	2.1	1.77
Number of accepted WorkCover claims with lost time with an occupational violence cause per 1,000,000 hours worked	7.64	7.44	4.83	11.28	10.10
Number of occupational violence incidents reported	276	202	143	141	77
Number of occupational violence incidents reported per 100 EFT	42.2	34.4	31	32.88	17.07
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	3.26%	3.96%	3%	26.24%	10.38%

Counselling services

During the reporting period, 12 staff members accessed Forensicare's free employee assistance program for staff and their immediate family members. This confidential service provides short-term professional counselling delivered by an independent provider.

Workplace bullying

The 'See Something, Say Something' training initiative is designed to support employees to identify and speak up about bullying in the workplace. Over 70 per cent of the Forensicare workforce completed the training over the 2018-19 period.

'See Something, Say Something' was introduced in response to the bullying and harassment incidents reported in the 2018 People Matter Survey.

The program consists of two training workshops delivered by our partners iHR targeting both management and employees:

- *Working Respectfully* supports employees in understanding the principals of equal employment opportunity and anti-bullying legislation, as well as the role they must play in the preventing and reporting incidents in their workplace.
- *Custodians of Culture* training supports managers and senior leaders to recognise they are the custodians of an organisation's workplace culture. The program reinforces that effective leadership is key to preventing bullying, harassment and discrimination in the workplace. Participants are provided with the opportunity to explore effective leadership strategies as well as the impact of leadership styles that heighten the risk of workplace issues and potential for litigation.

Employees attending either of the two workshops receive an in-house training toolkit. The toolkit consists of:

- a sealable anonymous feedback form addressed to People Culture to enable individuals to speak up and report inappropriate behaviour
- the Victorian Public Sector Commissions Code of Conduct booklet
- contact details to our employee assistance services; LifeWorks
- a pocket guide for ways to address workplace bullying

Employee feedback received about the program includes:

"Excellent session. Covered a lot of ground in an entertaining and informative way. I learnt a lot and had what I did know reinforced"

"Thoughtful, interactive, well-pitched- able to elicit subjective material exceptionally well"

"Although aware of some of the content, this workshop has consolidated it for me. I will be aware of being more in tune in my work environment. Keen to learn more though on this"

"Very knowledge-specific with great presentation skills. Refreshing approach to having an actor's role-playing the case studies"

Training and Professional Education Program

In 2018 the Manager Induction Program was held over four consecutive days for 28 managers and emerging leaders. Contents of the program included:

- Management Essentials
- HR Essentials & LoveStrong
- Eliminating Bullying & Harassment
- Project Management Essentials.

The learning outcomes of this program support teams to be more capable of performing at their optimum and in most cases, beyond their potential. The program aims to work with people to not only change the way they think and behave but move and inspire them to attain profound everlasting results.

Employee feedback received about the program includes:

"One of the best training sessions I have done. I would recommend to anyone"

"Excellent program and a great introduction to leadership for new leaders! Thank you!"

Compliance Training

In June 2019, the FITS Learning Management System was upgraded with new learning plans and a more user-friendly interface. FITS now houses more than 26 in-house online modules with in excess of 100 face-to-face workshops since its implementation. Prior to the upgrade, new policies and procedures were implemented to support the changes. The dependence and reporting requirements generated from the FITS learning and management system suggests a more significant need for reporting and integration with other systems.

Onboarding

Forensicare's general orientation program saw an attendance rate of over 94% new starters for the 2018-2019 period. The program designed was refined from the start of 2018 to include engagement and accessibility of services within the full day program. Based on feedback from recent attendees, the program is tailored to help new employees 'hit the ground running'.

The Learning and Development team has initiated an Onboarding Working Group to further support this program. Drawn from all service areas across Forensicare, the group aims to improve the effectiveness of the local induction process for all new employees across the organisation.

Employee feedback received about the program includes:

"I found Consumer Engagement the most engaging. It provided good insight into a unique service, I would like to learn more"

"The most engaging parts of the program for me included the salary packaging which was a good presentation and the delivery by People and Culture was interesting"



Since its launch, we've continued to reduce our total greenhouse gas emissions and continue to work towards improving our targets.

Occupational health and safety

Forensicare is committed to providing a safe and healthy workplace for employees, contractors, our consumers and visitors. We have a highly functioning and successful Occupational Health and Safety (OHS) Committee, which meets quarterly throughout the year.

Committee review

This year we undertook a consultation process to review the structure of the current OHS Committee. The restructure aims to strengthen the delivery of OHS across Forensicare through the creation of three new committees to support each service area: Inpatient Services (Thomas Embling Hospital), Prison Services and Community Forensic Mental Health Services. These committees will report to an OHS Governance Committee which will oversee the strategic and consistent delivery of OHS across Forensicare.

The OHS Committee review identified that smaller committees unique to each service will improve how health and safety issues are identified and managed within each operational environment. The OHS Governance Committee will oversee the three committees as well as the Occupational Violence and Aggression Committee. The OHS Governance Committee will also provide informed recommendations to the Forensicare executive team to guide the organisation's occupational health and safety strategic plan.

Occupation health and safety training

In the past twelve months, we have ensured all members of our Health and Safety Committee, are given the opportunity to attend annual health and safety refresher training, to make certain their OHS knowledge is up to date and relevant.

In order to maintain comprehensive employee representation in matters of health and safety, an additional five health and safety representatives were elected this year. All new health and safety representatives have completed the initial five-day training course, equipping them to represent staff in health and safety concerns across the organisation.

Two online OHS training modules have been developed; one for managers and one for new staff.

The training module for managers is designed to develop and enhance managers' awareness and understanding of their responsibilities to meet the requirements under the Occupational Health and Safety Act. It is also supported by face-to-face training.

The online training module for new staff covers both OHS and respectful work conduct. New staff are required to complete the module on commencement, to ensure they have awareness of OHS matters and how they are managed when they commence their roles Forensicare. Over 75% of staff have now completed these modules. The training supports a greater awareness and understanding of bullying or harassment issues and has led to an increase in the incidents being reported and investigated.

The OHS Committee review identified that smaller committees unique to each service will improve how health and safety issues are identified and managed within each operational environment.

18 -
19



WorkCover

Table 6 summarises our WorkCover claims and premiums over the past five years.

WorkCover premiums increased slightly over the year due to increased remuneration and growth in staff numbers. The number of WorkCover claims have declined as well as the days lost. These reductions are due to an active return to work program and early intervention strategies to support staff with injuries.

Sustainability – our environment

Forensicare continues to monitor and report on our environmental performance. Our Environmental Strategy – Our contribution to a healthier environment – 2018-2020 began on 1 July 2018. Since its launch, we've continued to reduce our total greenhouse gas emissions and continue to work towards improving our targets.

Environmental achievements in 2018–19

For the period 2018/2019, the Environmental Strategy achievements include the following:

- The ewaste program saw an approximate ten per cent increase in recycling with the purchase of a dedicated ewaste holding container
- We continued the installation program for low flow shower heads across all new bathroom projects at Thomas Embling Hospital
- We introduced disposable biodegradable seclusion meal containers across Thomas Embling Hospital
- We bought two diesel powered people movers to replace two older petrol people movers
- We joined the Department of Health and Human Services) fleet management plan. The plan seeks to introduce, fleet efficiency, behaviour change, alternate transport modes and disruptive technologies (electric vehicles)
- We introduced a recycling program where items old hospital furniture and broken and redundant equipment such as pumps and air-conditioners could be recycled through the local council

Table 6: WorkCover performance (five-year claims tracking), 2014–15 to 2018–19

Insurance year	Wages	Premium (inc. GST)	Premium rate	Average industry rate	Days paid	Time lost claims	Total standard claims
2014–15	\$39,993,293	\$582,222	1.33%	1.36%	770	6	8
2015–16	\$40,976,317	\$670,852	1.49%	1.38%	604	14	14
2016–17	\$45,537,898	\$784,894	1.56%	1.24%	1,298	9	9
2017–18	\$72,815,852	\$1,316,791	1.64%	1.50%	1,225	16	16
2018–19	\$82,205,079	\$1,695,883	1.88%	1.54%	882	9	9

Recycling



Plastic bottles recycled
(240 litre bins)
349 2016–2017
398 2017–2018
460 2018–2019



Paper recycling (Kg)
2,223 2016–2017
2,426 2017–2018
3,202 2018–2019



Cardboard and paper
recycling (4 cubic metres)
53 2016–2017
51 2017–2018
52 2018–2019



General waste (tonnes)
219 2016–2017
239 2017–2018
115* 2018–2019

Water consumption



Water consumption (L)
16,028 2016–2017
14,672 2017–2018
14,248 2018–2019

Water reduction goal (L)
14,426 2016–2017
12,262 2017–2018
13,248 2018–2019

Vehicle use



Kilometres travelled
323,488 2016–2017
143,016 2017–2018
233,638 2018–2019

Total tonnes of fleet CO₂-e
95 2016–2017
47 2017–2018
45 2018–2019

Total greenhouse gas emissions



Total tonnes of CO₂-e
3,178 2016–2017
2,821 2017–2018
2,766 2018–2019

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Purchasing Victoria waste
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Disclosures

Building Act

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

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

Freedom of Information Act

Forensicare complies with the *Freedom of Information Act 1982*. No fees were charged for accessing information in 2017–18. During the reporting period the following requests were processed:

- 83 freedom of information applications received
- 81 applications completed
- 64 applications released in full
- 1 application received for which no documents were found
- 1 application denied
- 1 application transferred
- 17 applications had some exemptions applied
- 0 applications cancelled (all withdrawn by the submitter).

There were no applications carried over to be completed in 2019–20.

Of the 17 applications that were not released in full, the following exemptions were applied to documents:

- 12 were exempt under section 33(1)
- 9 were exempt under section 33(4)
- There were 5 exemptions under section 35(1).

Protected Disclosure Act

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

Carers Recognition Act

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

In compliance with the *Carers Recognition Act 2012*, the initiatives undertaken in 2018–19 to develop staff, carer and consumer awareness and understanding of the care relationships principles can be found in Forensicare's *Quality Account 2018–19*, which is available at www.forensicare.vic.gov.au.

National Competition Policy

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

Local Jobs First – Local Jobs First Policy

Forensicare complies with the *Local Jobs First Act 2003*, which requires local industry participation in supplier use, taking into account the value-for-money principle and transparent tendering processes.

Within the past 12 months Forensicare has begun three metropolitan-based projects, of which one was completed. Each of the three projects was reviewed by the Industry Capability Network and were found to not require Victorian Industry Participation Policy plans. The completed project was for security services at Thomas Embling Hospital. This contract has a percentage of local content in excess of 95 per cent.

Additional information

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

- a) a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- b) details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- c) details of publications produced by the entity about the entity, and how these can be obtained
- d) details of changes in prices, fees, charges, rates and levies charged by the entity
- e) details of any major external reviews carried out on the entity
- f) details of major research and development activities undertaken by the entity
- g) details of overseas visits undertaken including a summary of the objectives and outcomes of each visit

- h) details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services
- i) details of assessments and measures undertaken to improve the occupational health and safety of employees
- j) general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes
- k) list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved
- l) details of all consultancies and contractors including:
 - i. consultants/contractors engaged
 - ii. services provided
 - iii. expenditure committed to for each engagement.

Consultancies used in 2018-19

Table 7 shows the number of consultancies used in 2018-19

Table 7: Consultancies used 2018-2019

Consultant	Purpose of consultancy	Total approved project fee (excluding GST)	Expenditure 2018-19 (excluding GST)	Future expenditure (excluding GST)
Swinburne University of Technology	Evaluation of Forensicare Services at Ravenhall	\$183,512	\$183,512	0
Brian Stevenson Consulting	Strategic capital development advisory services	\$140,600	\$140,600	0
DW Bowe	Consulting for culture improvement project and workplace investigations	\$63,738	\$63,738	0
Strategic Action Consulting	Consulting for clinical audit and various quality policy and procedures	\$52,541	\$52,541	0
KPMG	Mental Health Royal Commission submission support	\$46,339	\$46,339	0
Anne Doherty Pty Ltd	Consulting for the implementation of the Model of Care and mock accreditation survey	\$45,000	\$45,000	0
The Resilience Group	Strategic leadership program for executive	\$38,340	\$38,340	0
Workplace Plus	Consulting for workplace investigations	\$33,110	\$33,110	0
Mercer Pty Ltd	Executive officer remuneration review	\$30,500	\$30,500	0
Psi Asia Pacific Pty Ltd	Probity consulting for various contract tenders	\$27,679	\$27,679	0
Integrated Resilience Solutions Pty Ltd	Consulting for business continuity plan	\$22,500	\$22,500	0
Redd Consultancy	Professional fees for the provision of HR Service	\$13,540	\$13,540	0
Hendry Group Pty Ltd	Thomas Embling Hospital condition assessment	\$12,810	\$12,810	0
Human Webs	Evaluation of the Forensicare Board	\$11,250	\$11,250	0
Total		\$721,459	\$721,459	0

In 2018/19, there were 15 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2018/19 in relation to these consultancies is \$62,476 (excl. GST).

Health Purchasing (HPV) Policy

Where Forensicare has participated in a HPV collective agreement, it has put in place appropriate internal controls and processes to ensure that it has materially complied with Health Purchasing Policy 5 – Collective Agreements.

Details of information and communication technology expenditure

The total ICT expenditure incurred during 2018–19 was \$2.3million (excluding GST), with the details shown below.

Table 8: Information and communication technology expenditure.

(\$ million)

Business as usual (BAU) ICT expenditure (Total) (excluding GST)	Non business as usual (non BAU) ICT expenditure (Total = operational expenditure and capital expenditure) (excluding GST)	Operational expenditure (OPEX) (excluding GST)	Capital expenditure (CAPEX) (excluding GST)
\$1.5m	\$0.8m	\$0.3m	\$0.5m

Statement of Priorities 2018–19

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*.

Part A: Strategic priorities

Goals	Strategies	Deliverables	Outcomes
Better health A system geared to prevention as much as treatment Everyone understands their own health and risks Illness is detected and managed early Healthy neighbourhoods and communities encourage healthy lifestyles	Better health Reduce statewide risks Build healthy neighbourhoods Help people to stay healthy Target health gaps	Develop a model for peer support for forensic patients to further develop and promote patient recovery.	A peer worker has been employed at Ballerit Yeram-boo-ee Forensic Mental Health Service at Ravenhall Correctional Centre. A proposal to develop a peer worker in the woman's program at Thomas Embling has been developed
		In collaboration with DHHS, implement actions arising from the review of the non-custodial supervision order system in Victoria.	A steering committee and working group has been established with DHHS representation from Forensicare's executive team.
		Undertake research collaborations with Swinburne University on serious violent offenders stemming from involvement in the Catalyst Consortium.	Catalyst Consortium has been established and is undertaking key research activities.
		Partner with Victoria Police in the successful expansion of the Victorian Fixated Threat Assessment Centre to help protect the Victorian community.	The Victorian Fixated Threat Assessment Centre has been established. An evaluation report was completed by Deloitte in December 2018.

Goals	Strategies	Deliverables	Outcomes
Better access Care is always there when people need it More access to care in the home and community People are connected to the full range of care and support they need There is equal access to care	Better access Plan and invest Unlock innovation Provide easier access Ensure fair access	Begin the operation of the Apsley Secure Psychiatric Intensive Care Unit and review the patient flow between Thomas Embling Hospital and prisons with the introduction of this new service type.	The eight-bed Apsley Unit began operation March 2019. This has contributed to improved access for prisoners to Thomas Embling. Established process to support flow access through services. Further improvements expected with the introduction of DUNDRUM.
		Plan for the redesign and reconfiguration of services for women as part of the bed expansion initiative at Thomas Embling Hospital.	Broad consultation with consumers, carers, staff and stakeholders was undertaken to develop guidance for the bed expansion to improve delivery of women's services.
		Deliver stage 1 implementation of the new Forensicare model of care for forensic patients.	New model of care developed and implemented in Apsley Unit. The Forensicare 2020 program has engaged staff in several workshops aimed at developing the model of care. Training of staff in the DUNDRUM tool is underway.
		Work with DHHS and DJCS in the effective delivery of the new Court Mental Health Advice and Response Service across Victoria providing timely access to mental health support at the Magistrates' Court.	The Mental Health Advice and Response service has been expanded. Court assessments have increased by 400% in the last 12 months.

Goals	Strategies	Deliverables	Outcomes
Better Care Target zero avoidable harm Health care that focuses on outcomes Patients and carers are active partners in care Care fits together around people's needs	Better Care Put quality first Join up care Partner with patients Strengthen the workforce Embed evidence Ensure equal care	Reduce the time for completing serious incident (ISR1 and ISR2) reviews and for implementing actions arising from these reviews.	Introduced new streamlined processes for incident reviews and a Serious Incident Review Committee to oversee the implementation of recommendations. Time taken to review incidents and the implement recommendations has reduced by over 50% in the past 12 months
		Implement reflective practice initiatives for staff, suited to service context and location.	Reflective Practice and Wellbeing now in place at Thomas Embling Hospital, Community Forensic Mental Health Service, and Prison Services.
		Establish a Lived Experience Staff Hub to bring together consumer consultants, family and carer advocates and peer support workers in a supportive collegial environment.	Lived Experience Staff Hub has been established.
		Our research collaborations with Swinburne University will inform Clinical Governance/Best Care processes across the organisation.	Education and translational research has been integrated into Best Care processes and inform practice.
Specific 2018-19 priorities (mandatory)	Disability Action Plans Draft disability action plans are completed in 2018-19.	Develop a disability action plan under the auspice of the Forensic Diversity Committee and submit to DHHS by 30 June 2019 along with details of the approach to fully implement the plan during 2019-20.	A one-year disability action plan has been developed. The plan is linked to Forensic's strategic priorities and disability action plan domains.
	Bullying and harassment Actively promote positive workplace behaviours and encourage reporting Use staff surveys, incident reporting data, outcomes of investigations and claims to regularly monitor and identify risks related to bullying and harassment, in particular include as a regular item in board and executive meetings Appropriately investigate all reports of bullying and harassment and ensure there is a feedback mechanism to staff involved and the broader health service staff	Roll out Custodians of Culture training focusing on bullying, harassment and discrimination to all staff.	Seventy per cent of staff across the organisation completed the face-to-face learning modules to prevent bullying and harassment in the workplace. The program will continue into the next financial year to meet the target of 95 per cent of staff completing the program. This program complements the mandatory online learning for staff.

Goals	Strategies	Deliverables	Outcomes
Specific 2018-19 priorities (mandatory)	Occupational violence <p>Ensure all staff who have contact with patients and visitors have undertaken core occupational violence training, annually</p> <p>Ensure the DHHS occupational violence and aggression training principles are implemented</p>	Develop online training specific to all Forensicare settings to meet mandatory training requirements and roll out training in the second half of 2018–19, with full staff compliance by the end of June 2019.	<p>Staff who have contact with patients and visitors at Thomas Embling Hospital have training in managing aggression, with regular refreshers.</p> <p>Training is in line with the DHHS training principles. All new staff complete the online OHS orientation package with an occupational violence and aggression component.</p>
	Environmental Sustainability <p>Actively contribute to the development of the Victorian Government's policy to be net zero carbon by 2050</p> <p>Improve environmental sustainability by identifying and implementing projects, including workforce education, to reduce material environmental impacts with particular consideration of procurement and waste management, and publicly reporting environmental performance data, including measureable targets related to reducing clinical, sharps and landfill waste, water and energy use and improved recycling</p>	<p>Develop a new Forensicare environmental strategy that sets targets in relation to:</p> <ul style="list-style-type: none"> • Promoting environmental awareness • Reducing energy consumption • Reducing waste production • Reduce water usage. 	<p>Forensicare's <i>Environmental Strategy – Our contribution to a healthier environment – 2018–2020</i> commenced on 1 July 2018</p> <p>Forensicare's Green Team is established to promote environmental awareness and support behaviour change.</p>
	LGBTI <p>Develop and promulgate service-level policies and protocols, in partnership with LGBTI communities, to avoid discrimination against LGBTI patients</p> <p>Ensure appropriate data collection and actively promote rights to free expression of gender and sexuality in healthcare settings</p> <p>Where relevant, services should offer leading practice approaches to trans and intersex-related interventions</p>	We will use the outcomes of Forensicare's participation in the How2 program run by Rainbow Health Victoria to implement LGBTI-inclusive practices, protocols and procedures within the organisation, under the auspices of the Diversity Committee.	Engagement with LGBTI specialists to develop a program has commenced.

Part B: Performance priorities

High-quality and safe care	KPI	Target	Result
Accreditation	Healthcare accreditation (NSQHS)	Full Compliance	Accredited
Infection prevention and control	Hand hygiene	80%	83%
	Healthcare worker immunisation	80%	66%
Patient experience	Patient experience (Thomas Embling Hospital)	90%	84%
	Patient experience (CFMHS)	90%	85%
Adverse events	Sentinel events – root cause analysis (RCA) reporting	Submitted within 30 days	Nil
Mental health	Seclusion	≤ 15/1,000	26.8
	Percentage of acute mental health adult inpatients with post-discharge follow-up within seven days	80%	94%
Strong governance, leadership and culture		Target	2019 result
Organisational culture	People Matter Survey – percentage of staff with an overall positive response to safety and culture questions	80%	50%
	People Matter Survey – percentage of staff with a positive response to the question, 'I am encouraged by my colleagues to report any patient safety concerns I may have'	80%	73%
	People Matter Survey – percentage of staff with a positive response to the question, 'Patient care errors are handled appropriately in my work area'	80%	66%
	People Matter Survey – percentage of staff with a positive response to the question, 'My suggestions about patient safety would be acted upon if I expressed them to my manager'	80%	63%
	People Matter Survey – percentage of staff with a positive response to the question, 'The culture in my work area makes it easy to learn from the errors of others'	80%	56%
	People Matter Survey – percentage of staff with a positive response to the question, 'Management is driving us to be a safety-centred organisation'	80%	51%
	People Matter Survey – percentage of staff with a positive response to the question, 'This health service does a good job of training new and existing staff'	80%	47%
	People Matter Survey – percentage of staff with a positive response to the question, 'Trainees in my discipline are adequately supervised'	80%	51%
	People matter survey – percentage of staff with a positive response to the question, 'I would recommend a friend or relative to be treated as a patient here'	80%	43%

Part C: Activity and funding

Program activity	Target	Result
Ambulatory service hours	13,582 plus 5,702 for the Mental Health Advice and Response Service	16,407

Timely access to care	KPI	Target	Result
	Number of male security patients admitted to acute units in Thomas Embling Hospital	≥ 80	89
	Percentage of male security patients admitted to Thomas Embling Hospital within 14 days of certification	100%	23%
	Percentage of male security patients discharged to prison within 80 days	75%	59%
	Percentage of male security patients discharged within 21 days of becoming a civil patient	75%	100%

Effective financial management	Target	Result
Operating result (\$m)	\$0	\$0.46m
Average number of days to paying trade creditors	60 days	87 days
Adjusted current asset ratio	0.70 or 3% improvement from health service base target	1.35
Number of days with available cash (monthly)	14 days	41 days
Forecast days of available cash	14 days	41 days
Net result from transactions	Variance ≤ \$0.25m	-\$2.2m

Summarising our financial performance in 2018–19

At the end of the reporting period, Forensicare recorded a net result from transactions of \$7.9m, and a Statement of Priorities Operating surplus of \$0.5 million.

The operating surplus result excludes capital purpose income, depreciation, revaluations of long service leave provisions due to probability or bond rate movements.

The reported operating surplus of \$0.5 million was favourable against budget. The key driver of the favourable result was lower than anticipated employee costs due to the delay in ramping up for new programs across the organisation; specifically, the recruitment of psychiatric clinical staff.

Revenue

Total operating revenue grew during the year by 3.5% to \$110.9m up from \$107.1m in 2017-18.

Government operating grants were \$110.3m up from \$106.4m in 2017-18 (3.7%). The increases are due to the following funded initiatives (in addition to indexation):

- DHHS program grants for the Community Forensic Mental Health Service; including for the Victorian Fixated Threat Assessment Centre, and an expanded court-based assessment service
- DHHS recurrent funding for the expansion of 18 additional beds at Thomas Embling Hospital; including an eight-bed secure psychiatric intensive care unit
- DHHS funded additional capital works at the Thomas Embling Hospital; construction of two additional inpatient beds in the Barossa women's unit and financial support towards a priority capital infrastructure works program (originally allocated from the 2017 State Budget)

Expenditure

Salary and Wages

As services expanded employee benefits increased to \$87.2m up from \$73.4m in 2017-18 (18.8%). Despite the delays experienced in ramping up for new services and inpatient beds, the full-time equivalent staff employed at Forensicare grew significantly over the year (refer to equivalent full time position report).

Non-Salary Expenditure

Non-salary expenditure decreased during the year to \$13.5 from \$14.5 in 2017-18 (-6.9%), largely because of procurement efficiencies.

Other comments to the Financial Statements

- The cash and cash equivalents balance was \$18.9m up from \$8.9m. This increase was predominantly due a favourable net result from transactions; driven by delays in staff recruitment for new community-based programs and additional inpatient beds at Thomas Embling Hospital. We have a DHHS funding recall provision of \$5m, reflected as a payable because of delays in opening new beds.
- Property, plant and equipment increased by \$32.8m. This was for additional beds, capital works and an adjustment to the fair value of the land at the Fairfield site (\$28.5m); conducted by the Valuer General during the year.

Historical financial analysis and key financial statistics

Table 9: Historical financial analysis and key financial statistics

	2019	2018	2017	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial performance					
Operating revenue	\$101,138	\$89,540	\$68,200	\$61,706	\$57,344
Operating expenditure	\$(100,712)	\$(87,908)	\$68,442	\$(61,455)	\$(57,585)
	\$426	\$1,632	(\$242)	\$251	(\$241)
Other gains/(losses) from other economic flows	(\$1,322)	\$332	(\$163)	(\$228)	(\$230)
Capital revenues	\$10,109	\$17,394	\$3,729	\$483	\$315
Depreciation and amortisation	\$(2,619)	\$(2,307)	\$1,907	\$(1,859)	\$(1898)
Net result	\$6,594	\$17,394	\$1,417	(\$1,353)	(\$2,054)
Financial position					
Current assets	\$25,322	\$16,625	\$8,469	\$6,054	\$5,413
Non-current assets	\$150,682	\$117,225	\$101,574	\$90,877	\$91,341
Total assets	\$176,004	\$133,850	\$110,043	\$96,931	\$96,754
Current liabilities	\$26,406	\$20,566	\$17,171	\$12,795	\$9,887
Non-current liabilities	\$5,787	\$4,098	\$3,517	\$4,059	\$5,437
Total liabilities	\$32,193	\$24,664	\$20,688	\$16,854	\$15,324
Net assets	\$143,811	\$109,186	\$89,355	\$80,077	\$81,430
Equity	\$143,811	\$109,186	\$89,355	\$80,077	\$81,430
Cash held					
Cash at the end of reporting period	\$18,874	\$8,924	\$5,097	\$3,258	\$1,964
Key statistics					
Current ratio – liquidity	0.96	0.81	0.49	0.47	0.55
Equity/assets – stability	0.82	0.82	0.81	0.83	0.84

Net result from transactions

Table 10: Reconciliation between the Net result from transactions reported in the model to the Operating result as agreed in the Statement of Priorities

	2019	2018	2017	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000
Net operating result *	474	1,644	(234)	29	(471)
Capital and specific items					
Capital purpose income	10,109	17,736	3,729	484	315
Specific income	(1,361)	321	(171)	-	-
Assets provided free of charge	-	-	-	-	-
Assets received free of charge	-	-	-	-	-
Expenditure for capital purpose					
Depreciation and amortisation	(2,619)	(2,307)	(1,907)	(1,857)	(1,898)
Impairment of non-financial assets	-	-	-	-	-
Finance costs (other)	(9)	-	-	-	-
Net result from transactions	6,594	17,394	1,417	(1,344)	(2,054)

* The Net operating result is the result which the health service is monitored against in its Statement of Priorities

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19



Attestations

Disclosure index

The index prepared to help identify Forensicare's compliance with statutory disclosure requirements is provided at pages 110 and 111.

Data integrity attestation

I, Margaret Grigg, certify that Forensicare has put in place appropriate internal controls and processes to ensure where possible that the reported data accurately reflects actual performance. Forensicare has critically reviewed these controls and processes during the year and will continue to improve these controls and processes to strengthen Forensicare's data integrity across the organisation.



Dr Margaret Grigg
Interim Chief Executive Officer
Accountable Officer

Melbourne
23 August 2019

Conflict of interest attestation

I, Margaret Grigg, certify that Forensicare has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and has implemented policies that address 'Conflict of Interest' consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within Forensicare and members of the board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.



Dr Margaret Grigg
Interim Chief Executive Officer
Accountable Officer

Melbourne
23 August 2019

Integrity, fraud and corruption

I, Margaret Grigg, certify that Forensicare has put in place appropriate internal controls and processes to ensure that integrity, fraud and corruption risks have been reviewed and addressed at Forensicare during the year.



Dr Margaret Grigg
Interim Chief Executive Officer
Accountable Officer

Melbourne
23 August 2019

Compliance with the DataVic Access Policy

The Victorian Government's DataVic Access Policy enables the sharing of Government data at no, or minimal, cost to users. The policy intent is to support research and education, promote innovation, support improvements in productivity and stimulate growth in the Victorian economy as well as enhance sharing of, and access to, information rich resources to support evidence based decision making in the public sector.

Government data is progressively published in a machine readable format on www.data.vic.gov.au, to minimise access costs and maximise use and reuse.

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, the financial statements, performance statements and tables included in this Annual Report will be available at www.data.vic.gov.au in machine readable format.

Responsible bodies declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the report of operations for Forensicare for the year ending 30 June 2018.



Ken Lay AO APM
Chair, Forensicare Board

Melbourne
23 August 2019

Financial management compliance attestation

I, Margaret Grigg, on behalf of the Responsible Body, certify that Forensicare has complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions.



Dr Margaret Grigg
Interim Chief Executive Officer
Accountable Officer

Melbourne
23 August 2019

Financial statements 2018–19

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Victorian Institute of Forensic Mental Health

Understanding Our Financials

What do Financial Statements show?

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

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

What is in the Financial Statements?

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

The four financial reports are:

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

Comprehensive Operating Statement

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

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

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

Balance Sheet

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

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

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

Statement of Changes in Equity

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

Our net worth can only change as a result of:

- a 'net result' as recorded in the Comprehensive Operating Statement; or
- an increase (or reversal of a previous 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. 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.

Victorian Institute of Forensic Mental Health

Understanding Our Financials (continued)

Cash Flow Statement

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

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

Cash Flow Statement represents cash 'in hand', whereas the Comprehensive Operating Statement is prepared on an accrual basis (including money not yet paid or spent). This means that the values in both statements may differ.

The Institute's cash arises from, and is used in, two main areas:

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

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

Notes to the Financial Statements

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

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

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

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

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

Auditor General Victoria – Independent Audit Report

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

Victorian Institute of Forensic Mental Health

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

The attached financial statements for the Victorian Institute of Forensic Mental Health have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2019 and the financial position of the Victorian Institute of Forensic Mental Health at 30 June 2019.

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 23rd August 2019.



Mr Ken Lay, AO
Chairperson
(on behalf of Board)



Dr Margaret Grigg
Chief Executive Officer
(Accountable Officer)



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

Dated this 23rd August 2019
Melbourne, Victoria

Independent Auditor's Report

To the Board of the Victorian Institute of Forensic Mental Health

Opinion	<p>I have audited the financial report of the Victorian Institute of Forensic Mental Health (the institute) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2019 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • board member's, accountable officer's and chief finance and accounting officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the institute as at 30 June 2019 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the institute in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the institute is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the institute's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the institute's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the institute to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Travis Derricott

as delegate for the Auditor-General of Victoria

Victorian Institute of Forensic Mental Health
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Income from Transactions			
Operating Activities	2.1	110,900	107,075
Non-operating Activities	2.1	347	202
Total Income from Transactions		111,247	107,277
Expenses from Transactions			
Employee Expenses	3.1	(87,192)	(73,388)
Supplies and Consumables	3.1	(5,350)	(5,848)
Other Operating Expenses	3.1	(8,170)	(8,672)
Depreciation and Amortisation	4.3	(2,619)	(2,307)
Total Expenses from Transactions		(103,331)	(90,215)
Net Result from Transactions - Net Operating Balance		7,916	17,062
Other Economic Flows included in Net Result			
Net Gain/(Loss) on Sale of Non-financial Assets	3.2	39	11
Total Other Gain/(Loss) From Other Economic Flows	3.2	(1,361)	321
Total Other Economic Flows included in Net Result		(1,322)	332
NET RESULT FOR THE YEAR		6,594	17,394
Other Comprehensive Income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	4.1(b)	28,031	2,437
Total Other Comprehensive Income		28,031	2,437
COMPREHENSIVE RESULT		34,625	19,831

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

Victorian Institute of Forensic Mental Health
Balance Sheet
As at 30 June 2019

	Note	2019 \$'000	2018 \$'000
Current Assets			
Cash and Cash Equivalents	6.2	18,874	8,924
Receivables	5.1	6,157	7,354
Other Assets		291	169
Total Current Assets		25,322	16,447
Non-current Assets			
Receivables	5.1	6,283	5,659
Property, Plant and Equipment	4.1(a)	144,232	111,453
Intangible Assets	4.2	167	113
Total Non-current Assets		150,682	117,225
TOTAL ASSETS		176,004	133,672
Current Liabilities			
Payables	5.2	10,553	6,010
Borrowings	6.1	31	-
Provisions	3.3	15,261	13,819
Other Current Liabilities	5.3	561	559
Total Current Liabilities		26,406	20,388
Non-current Liabilities			
Borrowings	6.1	144	-
Provisions	3.3	5,643	4,098
Total Non-current Liabilities		5,787	4,098
TOTAL LIABILITIES		32,193	24,486
NET ASSETS		143,811	109,186
EQUITY			
Asset Revaluation Reserve	4.1(f)	91,882	63,851
Contributed Capital		34,139	34,139
Accumulated Surpluses/(Deficits)		17,790	11,196
TOTAL EQUITY		143,811	109,186

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 2019

	Asset Revaluation Reserve \$'000	Contributed Capital \$'000	Accum Surpluses/ (Deficits) \$'000	Total \$'000
Balance at 1 July 2017	61,414	34,139	(6,198)	89,355
Net result for the year	-	-	17,394	17,394
Other comprehensive income for the year	2,437	-	-	2,437
Transfer to accumulated surplus	-	-	-	-
Balance at 30 June 2018	63,851	34,139	11,196	109,186
Net result for the year	-	-	6,594	6,594
Other comprehensive income for the year	28,031	-	-	28,031
Transfer to accumulated surplus	-	-	-	-
Balance at 30 June 2019	91,882	34,139	17,790	143,811

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 2019

	Note	2019 \$'000	2018 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants from DHHS		63,828	53,625
Capital Grants from DHHS		7,106	4,879
Operating Grants from DJCS		15,784	14,876
Service Fees Commercial Prison		29,508	18,581
Interest Received		383	202
Other Receipts ⁽ⁱ⁾		1,972	5,099
Total Receipts		118,581	97,262
Employee Expenses Paid		(81,927)	(73,144)
Payments for Supplies and Consumables		(22,404)	(17,833)
Total Payments		(104,331)	(90,977)
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES	8.1	14,250	6,285
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Non-financial Assets		(4,410)	(2,578)
Proceeds from Disposal of Non-financial Assets		110	120
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		(4,300)	(2,458)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		9,950	3,827
Cash and Cash Equivalents at Beginning of Year		8,924	5,097
CASH AND CASH EQUIVALENTS AT END OF YEAR	6.2	18,874	8,924

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

(i) Other receipts includes workcover recoveries and ad-hoc training programs provided

Basis of Preparation

These financial statements are presented in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in the preparation of these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

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

These annual financial statements represent the audited general purpose financial statements for the Institute for the year ended 30 June 2019. The report provides users with information about the Institute's stewardship of resources entrusted to it.

(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 AASBs, which include 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 Assistant Treasurer.

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

(b) Reporting Entity

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

Its principal address is:

Thomas Embling Hospital
Yarra Bend Road, Fairfield
Victoria, Australia 3078

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.

(c) Basis of Accounting Preparation and Measurement

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the Financial Year Ended 30 June 2019, and the comparative information presented in these financial statements for the Financial Year Ended 30 June 2018.

The financial statements are prepared on a going concern basis (refer to Note 8.8 Economic Dependency).

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

Notes to the Financial Statements

Victorian Institute of Forensic Mental Health Annual Report 2018/2019

Note 1 Summary of Significant Accounting Policies (continued)**(c) Basis of Accounting Preparation and Measurement (continued)**

All amounts shown in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated. Minor discrepancies in tables between totals and sum of components are due to rounding.

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.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASBs that have significant effects on the financial statements and estimates relate to:

- The fair value of land, buildings and plant and equipment (refer to Note 4.1 Property, Plant and Equipment); and
- Employee benefit provisions are based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.3 Employee Benefits in the Balance Sheet).

(d) Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case the GST payable 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 ATO, are presented as operating cash flow.

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

(e) Comparatives

Where applicable, the comparative figures have been restated to align with the presentation in the current year.

Note 2 Funding Delivery of Our Services

The Institute's overall objective is to provide quality health services to meet the objective of clinical excellence and translational research enabling our consumers to lead fulfilling and meaningful lives in a safer community. The Institute is predominantly funded by accrual based grant funding for the provision of outputs. The Institute also receives income from the supply of services.

Structure

2.1 Income from Transactions

Note 2.1 Income from Transactions

	2019 \$'000	2018 \$'000
Government Grants - Operating	100,199	88,698
Government Grants - Capital	10,109	17,737
Indirect Contributions by Department of Health and Human Services - Insurance	36	36
Professional Fees	35	187
Other Revenue from Operating Activities	521	417
Total Income from Operating Activities	110,900	107,075
Interest Revenue	347	202
Total Income from Non-Operating Activities	347	202
Total Income from Transactions	111,247	107,277

Revenue Recognition

Income is recognised in accordance with *AASB 118 Revenue* and is recognised as 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. Unearned income at reporting date is reported as income received in advance.

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

Government Grants and Other Transfers of Income (other than contributions by owners)

In accordance with *AASB 1004 Contributions*, government grants and other transfers of income (other than contributions by owners) are recognised as income when the Institute gains control of the underlying assets irrespective of whether conditions are imposed on the Institute's use of the contributions.

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

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

Indirect and Non-cash contributions from the Department of Health and Human Services

The Department of Health and Human Services makes some payments on behalf of the Institute as follows:

- The Victorian Managed Insurance Authority non-medical indemnity insurance payments are recognised as revenue following advice from the Department of Health and Human Services; and
- Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements set out in the relevant Department of Health and Human Services Hospital Circular.

Other Income

Other income is recognised as revenue when received. Other income includes recoveries for salaries and wages and external services provided.

Interest Revenue

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

Notes to the Financial Statements

Victorian Institute of Forensic Mental Health Annual Report 2018/2019

Note 3 The Cost of Delivering Our Services

This section provides an account of the expenses incurred by the Institute in delivering services and outputs. In Note 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

Structure

3.1 Expenses from Transactions

3.2 Other Economic Flows Included in Net Result

3.3 Employee Benefits in the Balance Sheet

3.4 Superannuation

Note 3.1 Expenses from Transactions

	2019 \$'000	2018 \$'000
Salaries and Wages	77,780	65,262
On-costs	6,444	5,561
Agency Expenses	1,667	1,453
Workcover Premium	1,301	1,112
Total Employee Expenses	87,192	73,388
Drug Supplies	894	1,379
Medical and Surgical Supplies (including Prostheses)	31	25
Diagnostic and Radiology Supplies	90	82
Other Supplies and Consumables	4,335	4,362
Total Supplies and Consumables	5,350	5,848
Fuel, Light, Power and Water	533	526
Repairs and Maintenance	453	488
Maintenance Contracts	378	360
Other Administrative Expenses	6,806	7,298
Total Other Operating Expenses	8,170	8,672
Depreciation and Amortisation (Note 4.3)	2,619	2,307
Total Other Non-Operating Expenses	2,619	2,307
Total Expenses from Transactions	103,331	90,215

Expense Recognition

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

Employee Expenses

Employee expenses include:

- Salaries and wages (including fringe benefits tax, leave entitlements, termination payments)
- On-costs
- Agency expenses
- Work cover premium

Supplies and consumables

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

Other Operating Expenses

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

- Fuel, light and power;
- Repairs and maintenance; and
- Other administrative expenses.

The Department of Health and Human Services also makes certain payments on behalf of the Institute. These amounts have been brought to account as grants in determining the operating result for the year by recording them as revenue and also recording the related expense. Further detail is provided in Note 2.1.

Non-operating expenses

Other non-operating expenses generally represent expenditure for outside the normal operations such as depreciation and amortisation.

Note 3.2: Other Economic Flows Included in Net Result

	2019 \$'000	2018 \$'000
Net Gain/(Loss) on Sale of Non-financial Assets		
Net Gain on Disposal of Property, Plant and Equipment	39	11
Total Net Gain/(Loss) on Non-financial Assets	39	11
Other Gain/(Loss) from Other Economic Flows		
Net Gain/(Loss) Arising from Revaluation of Long Service Liability	(1,361)	321
Total Other Gain/(Loss) from Other Economic Flows	(1,361)	321
Total Other Gain/(Loss) from Economic Flows	(1,322)	332

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions.

Total 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:

- Net gain/(loss) on disposal of non-financial assets; and
- Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

Total Other Gain/(Loss) from Other Economic Flows

Other gain/(loss) include:

- The revaluation of the present value of the long service leave liability due to changes in the bond rate movements, inflation rate movements and the impact of changes in probability factors.

Notes to the Financial Statements

Victorian Institute of Forensic Mental Health Annual Report 2018/2019

Note 3.3 Employee Benefits in the Balance Sheet**Current Provisions**Employee Benefits ⁽ⁱ⁾**Annual Leave**

- Unconditional and expected to be settled wholly within 12 months ⁽ⁱⁱ⁾
- Unconditional and expected to be settled wholly after 12 months ⁽ⁱⁱⁱ⁾

Long Service Leave

- Unconditional and expected to be settled wholly within 12 months ⁽ⁱⁱ⁾
- Unconditional and expected to be settled wholly after 12 months ⁽ⁱⁱⁱ⁾

Provisions Related to Employee Benefit On-costs

- Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾
- Unconditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾

Total Current Provisions**Non-current Provisions**

Conditional Long Service Leave

Provisions related to Employee Benefit On-costs

Total Non-current Provisions**Total Provisions****(a) Employee Benefits and Related On-costs****Current Employee Benefits and Related On-costs**Unconditional Long Service Leave Entitlements ⁽ⁱⁱ⁾Annual Leave Entitlements ⁽ⁱⁱ⁾**Non-Current Employee Benefits and Related On-costs**Conditional Long Service Leave Entitlements ⁽ⁱⁱⁱ⁾**Total Employee Benefits and Related On-costs****Notes:**

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

(ii) The amounts disclosed are nominal amounts.

(iii) The amounts disclosed are discounted to present values.

(b) Movement in On-costs Provision**Balance at start of year**

Additional provisions recognised

Unwinding of discount and effect of changes in the discount rate

Reduction due to transfer out

Balance at end of year

2019 \$'000	2018 \$'000
4,500	3,573
1,603	1,959
829	894
6,842	5,815
13,774	12,241
534	626
953	952
1,487	1,578
15,261	13,819
5,055	3,680
588	418
5,643	4,098
20,904	17,917

2019 \$'000	2018 \$'000
8,558	7,461
6,703	6,358
5,643	4,098
20,904	17,917

2019 \$'000
1,996
1,098
(106)
(913)
2,075

Note 3.3 Employee Benefits in the Balance Sheet (continued)

Employee Benefit Recognition

Provision is made for benefits accruing to employees in respect of annual leave and long service leave for services rendered to the reporting date as an expense during the period the services are delivered.

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.

Annual Leave

Liabilities for annual leave are recognised in the provision for employee benefits as 'current liabilities' because the Institute does not have an unconditional right to defer settlements of these liabilities.

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

- Nominal 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

The liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where the Institute does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. An unconditional right arises after a qualifying period.

The components of this current LSL liability are measured at:

- Nominal 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.

Conditional LSL is disclosed as a non-current liability. Any gain or loss following 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 estimations e.g. bond rate movements, inflation rate movements and changes in probability factors which are then recognised as other economic flows.

On-Costs Related to Employee Expense

Provision for on-costs such as workers compensation and superannuation are recognised separately from provisions for employee benefits.

Notes to the Financial Statements

Victorian Institute of Forensic Mental Health Annual Report 2018/2019

Note 3.4 Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Defined Benefit Plans ⁽ⁱ⁾				
State Superannuation Fund	135	132	-	-
Other	-	-	-	-
Defined Contribution Plans				
Health Employee Superannuation Trust				
Australia Fund	3,627	3,238	-	-
First State Super	2,068	1,854	-	-
Other Funds	614	337	-	-
Total	6,444	5,561	-	-

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

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

Defined Benefit Superannuation Plans

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

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 Department of Treasury and Finance discloses the State's defined benefits liabilities in its disclosure for administered items.

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of the Institute.

The name, details and amounts that have been expensed in relation to the major employee superannuation funds and contributions made by the Institute are disclosed above.

Defined Contribution Superannuation Plans

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

Note 4 Key Assets to Support Service Delivery

The Institute controls Property, plant and equipment that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to the Institute to be utilised for delivery of those outputs.

Structure

4.1 Property, Plant and Equipment

4.2 Intangible Assets

4.3 Depreciation and Amortisation

Note 4.1 Property, Plant and Equipment

Initial Recognition

Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment loss. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a merger/machinery of government change are transferred at their carrying amounts.

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.

The initial cost for non-financial physical assets under finance lease (refer to Note 6.1) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Theoretical opportunities that may be available in relation to the asset(s) are not taken into account until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best uses.

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

Revaluations of Non-Current Physical Assets

Non-current physical assets are measured at fair value and are revalued in accordance with FRD 103H *Non-Current Physical Assets*. This revaluation process normally occurs 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 FRDs. 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, except where an asset is transferred via contributed capital.

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

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For the purpose of fair value disclosures, the Institute has determined classes of assets on the basis of the nature, characteristics and risks of the asset 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 reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer-General Victoria (VGV) is the Institute's independent valuation agency.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Notes to the Financial Statements

Victorian Institute of Forensic Mental Health Annual Report 2018/2019

Valuation Hierarchy

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Identifying Unobservable Inputs (Level 3) Fair Value Measurements

Level 3 fair value inputs are unobservable valuation inputs for an asset or liability. These inputs require significant judgement and assumptions in deriving fair value for both financial and non-financial assets.

Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e., an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs shall reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

Consideration of Highest and Best Use (HBU) for Non-financial Physical Assets

Judgements about highest and best use must take into account the characteristics of the assets concerned, including restrictions on the use and disposal of assets arising from the asset's physical nature and any applicable legislative/contractual arrangements.

In accordance with paragraph AASB 13.29, the Institute has assumed the current use of a non-financial physical asset

Specialised Land and Specialised Buildings

Specialised land includes Crown Land which is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset.

During the reporting period, the Institute held Crown Land. The nature of this asset means that there are certain limitations and restrictions imposed on its use and/or disposal that may impact their fair value.

The market approach is also used for specialised land, 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 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 2019.

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 Health Service 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 amount (depreciated cost).

Plant and Equipment

Plant and equipment (including medical equipment, computers and communication equipment and furniture and fittings) are held at carrying amount (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.

There were no changes in valuation techniques throughout the period to 30 June 2019.

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

Note 4.1 Property, Plant and Equipment (continued)

(a) Gross Carrying Amount and Accumulated Depreciation

	2019 \$'000	2018 \$'000
Land		
Land at Fair Value	84,000	55,461
Total Land	84,000	55,461
Buildings		
Buildings at Fair Value	56,556	35,413
Additions at Cost		102
Less Acc'd Depreciation	-	(6)
	56,556	35,509
Leasehold Improvements at Cost	2,135	2,210
Less Acc'd Depreciation	(2,110)	(1,976)
	25	234
Total Buildings	56,581	35,743
Plant and Equipment		
Plant and Equipment at Fair Value	4,826	5,985
Less Acc'd Depreciation	(3,937)	(4,542)
Total Plant and Equipment	889	1,443
Motor Vehicles		
Motor Vehicles at Fair Value	530	811
Less Acc'd Depreciation	(391)	(500)
Total Motor Vehicles	139	311
Computer Equipment		
Computer Equipment at Fair Value	1,983	2,234
Less Acc'd Depreciation	(1,429)	(1,761)
Total Computer Equipment	554	473
Medical Equipment		
Medical Equipment at Fair Value	202	154
Less Acc'd Depreciation	(117)	(113)
Total Medical Equipment	85	41
Leased Assets		
Leased Motor Vehicles at Fair Value	197	-
Less Acc'd Depreciation	(22)	-
Total Leased Assets	175	-
Assets Under Construction		
Plant and Equipment at Cost	1,677	684
Buildings at Cost	132	17,297
Total Assets Under Construction	1,809	17,981
Total	144,232	111,453

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Note 4.1 Property, Plant and Equipment (continued)

(b) Reconciliations of the Carrying Amounts of each Class of Asset

	Land \$'000	Buildings \$'000	Leasehold Improv'ts \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Computer Equipment \$'000	Medical Equipment \$'000	Leased Assets \$'000	Assets Under Construct'n \$'000	Total \$'000
Balance at 1 July 2017	55,461	34,518	392	1,282	498	189	38	-	3,781	96,159
Additions	-	-	56	485	56	441	9	-	14,200	15,247
Disposals	-	-	-	(4)	(94)	-	-	-	-	(98)
Revaluation Increments/(Decrements)	-	2,437	-	-	-	-	-	-	-	2,437
Depreciation (Note 4.3)	-	(1,446)	(214)	(320)	(149)	(157)	(6)	-	-	(2,292)
Balance at 1 July 2018	55,461	35,509	234	1,443	311	473	41	-	17,981	111,453
Additions	-	-	4	124	-	364	15	197	6,719	7,423
Disposals	-	-	(12)	(10)	(59)	-	-	-	-	(81)
Revaluation Increments/(Decrements)	28,539	(508)	-	-	-	-	-	-	-	28,031
Net Transfers Between Classes	-	23,167	(55)	(298)	-	39	38	-	(22,891)	-
Depreciation (Note 4.3)	-	(1,612)	(146)	(370)	(113)	(322)	(9)	(22)	-	(2,594)
Balance at 30 June 2019	84,000	56,556	25	889	139	554	85	175	1,809	144,232

Land and Buildings and Leased Assets Carried at Valuation

The Valuer-General Victoria undertook to re-value all of the Institute's owned and leased land and buildings to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation is 30 June 2019.

Note 4.1 Property, Plant and Equipment (continued)

(c) Fair Value Measurement Hierarchy for Assets

	Carrying amount as at 30 June 2019 \$'000	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾ \$'000	Level 2 ⁽ⁱ⁾ \$'000	Level 3 ⁽ⁱ⁾ \$'000
Land at Fair Value				
Specialised Land	84,000	-	-	84,000
Total of Land at Fair Value	84,000	-	-	84,000
Buildings at Fair Value				
Specialised Buildings	56,556	-	-	56,556
Total of Building at Fair Value	56,556	-	-	56,556
Leasehold Improvements at Fair Value				
Leasehold Improvements	25	-	-	25
Total of Leasehold Improvements at Fair Value	25	-	-	25
Plant and Equipment at Fair Value				
Plant and Equipment	889	-	-	889
Total Plant, Equipment and Vehicles at Fair Value	889	-	-	889
Motor Vehicles at Fair Value				
Motor Vehicles ⁽ⁱⁱ⁾	139	-	-	139
Total Motor Vehicles at Fair Value	139	-	-	139
Computer Equipment at Fair Value				
Computer Equipment	554	-	-	554
Total Computer Equipment at Fair Value	554	-	-	554
Medical Equipment at Fair Value				
Medical Equipment	85	-	-	85
Total Medical Equipment at Fair Value	85	-	-	85
Leased Assets at Fair Value				
Leased Motor Vehicles	175	-	-	175
Total Leased Assets at Fair Value	175	-	-	175
Total Assets at Fair Value	142,423	-	-	142,423

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

⁽ⁱⁱ⁾ Vehicles are categorised to Level 3 assets if the current replacement cost is used in estimating the fair value. There have been no transfers between levels during the period in the prior year.

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Note 4.1 Property, Plant and Equipment (continued)

(c) Fair Value Measurement Hierarchy for Assets

	Carrying amount as at 30 June 2018 \$'000	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾ \$'000	Level 2 ⁽ⁱ⁾ \$'000	Level 3 ⁽ⁱ⁾ \$'000
Land at Fair Value				
Specialised Land	55,461	-	-	55,461
Total of Land at Fair Value	55,461	-	-	55,461
Buildings at Fair Value				
Specialised Buildings	35,413	-	-	35,413
Total of Building at Fair Value	35,413	-	-	35,413
Leasehold Improvements at Fair Value				
Leasehold Improvements	234	-	-	234
Total of Leashhold Improvements at Fair Value	234	-	-	234
Plant and Equipment at Fair Value				
Plant and Equipment	1,443	-	-	1,443
Total Plant, Equipment and Vehicles at Fair Value	1,443	-	-	1,443
Motor Vehicles at Fair Value				
Motor Vehicles ⁽ⁱⁱ⁾	311	-	-	311
Total Motor Vehicles at Fair Value	311	-	-	311
Computer Equipment at Fair Value				
Computer Equipment	473	-	-	473
Total Computer Equipment at Fair Value	473	-	-	473
Medical Equipment at Fair Value				
Medical Equipment	41	-	-	41
Total Medical Equipment at Fair Value	41	-	-	41
Leased Assets at Fair Value				
Leased Motor Vehicles	-	-	-	-
Total Leased Assets at Fair Value	-	-	-	-
Total Assets at Fair Value	93,376	-	-	93,376

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

⁽ⁱⁱ⁾ Vehicles are categorised to Level 3 assets if the current replacement cost is used in estimating the fair value.

There have been no transfers between levels during the period in the prior year.

Note 4.1 Property, Plant and Equipment (continued)

(d) Reconciliation of Level 3 Fair Value

30 June 2019	Land \$'000	Buildings \$'000	Leasehold Improv'ts \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Computer Equipment \$'000	Medical Equipment \$'000	Leased Assets \$'000
Opening Balance - 1 July 2018	55,461	35,413	234	1,443	311	473	41	-
Additions/(Disposals)	-	96	(8)	114	(59)	364	15	197
Net Transfers Between Classes	-	23,167	(55)	(298)	-	39	38	-
Recognised in Net Result - Depreciation	-	(1,612)	(146)	(370)	(113)	(322)	(9)	(22)
Subtotal	55,461	57,064	25	889	139	554	85	175
Items Recognised in Other Comprehensive Income - Revaluation	28,539	(508)	-	-	-	-	-	-
Subtotal	28,539	(508)	-	-	-	-	-	-
Closing Balance - 30 June 2019	84,000	56,556	25	889	139	554	85	175

30 June 2018	Land \$'000	Buildings \$'000	Leasehold Improv'ts \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Computer Equipment \$'000	Medical Equipment \$'000	Leased Assets \$'000
Opening Balance - 1 July 2017	55,461	34,416	392	1,282	498	189	38	-
Additions/(Disposals)	-	-	56	481	(38)	441	9	-
Net Transfers Between Classes	-	-	-	-	-	-	-	-
Recognised in Net Result - Depreciation	-	(1,440)	(214)	(320)	(149)	(157)	(6)	-
Subtotal	55,461	32,976	234	1,443	311	473	41	-
Items Recognised in Other Comprehensive Income - Revaluation	-	2,437	-	-	-	-	-	-
Subtotal	-	2,437	-	-	-	-	-	-
Closing Balance - 30 June 2018	55,461	35,413	234	1,443	311	473	41	-

Notes to the Financial Statements

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Note 4.1 Property, Plant and Equipment (continued)**(e) Property, Plant and Equipment (Fair value determination)**

Asset class	Expected Fair Value Level	Likely Valuation Approach	Significant Inputs (Level 3 Only)
Specialised Land (Crown / Freehold)	Level 3	Market approach	Community Service Obligations Adjustments ⁽ⁱ⁾
Specialised buildings	Level 3	Depreciated replacement cost approach	- Cost per square metre - Useful life
Vehicles	Level 3	Depreciated replacement cost approach	- Cost per unit - Useful life
Plant and equipment	Level 3	Depreciated replacement cost approach	- Cost per unit - Useful life
Medical equipment	Level 3	Depreciated replacement cost approach	- Cost per unit - Useful life

(i) The CSO allowance was 20% of the assessed valuation (\$21m).

(f): Property, Plant and Equipment Revaluation Surplus**Property, Plant and Equipment Revaluation Surplus**

Balance at the beginning of the reporting period

Revaluation Increment

- Land (refer Note 4.1(b))

- Buildings

Balance at the End of the Reporting Period**** Represented by:**

- Land

- Buildings

2019 \$'000	2018 \$'000
63,851	61,414
28,539	-
(508)	2,437
91,882	63,851
80,818	52,279
11,064	11,573
91,882	63,851

Note 4.2 Intangible Assets**Intangible assets - Gross Carrying Amount and Accumulated Amortisation**

	2019	2018
	\$'000	\$'000
Intangible Produced Assets - Software	381	209
Less Acc'd Amortisation	(214)	(96)
	167	113
TOTAL INTANGIBLE ASSETS	167	113

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the previous and current financial year:

	Software	Total
	\$'000	\$'000
Balance at 1 July 2017	86	86
Additions	43	43
Amortisation (Note 4.3)	(16)	(16)
Balance at 1 July 2018	113	113
Additions	79	79
Amortisation (Note 4.3)	(25)	(25)
Balance at 30 June 2019	167	167

Intangible assets represent identifiable non-monetary assets without physical substance such as computer software.

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Institute.

Notes to the Financial Statements

Victorian Institute of Forensic Mental Health Annual Report 2018/2019

Note 4.3 Depreciation and Amortisation

	2019	2018
	\$'000	\$'000
Depreciation		
Buildings	1,612	1,447
Plant and Equipment	370	319
Motor Vehicles	113	149
Computer Equipment	322	157
Medical Equipment	9	6
Leasehold Improvements	146	214
Leased Assets	22	-
Total Depreciation	2,594	2,292
Amortisation		
Intangible Assets	25	15
Total Amortisation	25	15
Total Depreciation and Amortisation	2,619	2,307

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Depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets (excluding items under operating leases and land) that have finite useful lives are depreciated. Depreciation is generally calculated on a straight-line basis at rates that allocate the asset's value, less any estimated residual value over its estimated useful life.

Amortisation

Amortisation is the systematic allocation of the depreciable amount of an asset over its useful life.

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

Useful life of non-current assets

	2019	2018
Buildings	50 Years	50 Years
Plant & Equipment	3 to 15 Years	3 to 15 Years
Medical Equipment	10 Years	10 Years
Furniture and Fitting	10 Years	10 Years
Leasehold Improvements	10 Years	10 Years
Intangible Assets	10 Years	10 Years
Motor Vehicles	5 to 10 Years	10 Years
Computers and Communication	3 Years	3 Years

Note 5 Other Assets and Liabilities

This section sets out those assets and liabilities that arose from the Institute's operations.

Structure

5.1 Receivables

5.2 Payables

5.3 Other Liabilities

Note 5.1 Receivables

	2019 \$'000	2018 \$'000
CURRENT		
Contractual		
Trade Debtors	5,657	7,154
Accrued Revenue	500	200
TOTAL CURRENT RECEIVABLES	6,157	7,354
NON-CURRENT		
Statutory		
Long Service Leave - Department of Health and Human Services	6,283	5,659
TOTAL NON-CURRENT RECEIVABLES	6,283	5,659
TOTAL RECEIVABLES	12,440	13,013

Receivables Recognition

Receivables consist of:

- Contractual receivables, which consists of debtors in relation to goods and services and accrued investment income; and These receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The Institute holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.
- Statutory receivables, which predominantly includes amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The Institute applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Trade debtors are carried at nominal amounts and are due for settlement within 30 days from the date of recognition.

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*.

The Institute is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates, management consider the credit quality of trade receivables that are not past due or impaired to be good.

Impairment losses of contractual receivables

No impairment for credit losses has been booked in a separate account during either financial year report.

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Note 5.2 Payables

	2019 \$'000	2018 \$'000
CURRENT		
Contractual		
Trade Creditors	719	760
Accrued Salaries and Wages	1,777	1,762
Accrued Expenses	2,761	2,929
Other Payables	5,140	405
	10,397	5,856
Statutory		
GST Payable	156	154
	156	154
TOTAL CURRENT	10,553	6,010
TOTAL PAYABLES	10,553	6,010

Payables consist of:

- contractual payables, classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to the Institute prior to the end of the financial year that are unpaid;
- statutory payables, that 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 contracts.

The normal credit terms for accounts payable are usually Nett 30 days.

Maturity analysis of payables

Please refer to Note 7.1(b) for the ageing analysis of payables.

Note 5.3 Other Liabilities

	2019 \$'000	2018 \$'000
CURRENT		
Monies Held in Trust ⁽ⁱ⁾	551	534
Unearned Income	-	25
Other Liabilities	10	-
Total Current	561	559
Total Other Liabilities	561	559
(i) Total Monies Held in Trust		
Represented by the following assets:		
Cash at Bank - Salary Packaging	378	393
Cash at Bank - Patient Funds	173	141
TOTAL	551	534

Note 6 How We Finance Our Operations

This section provides information on the sources of finance utilised by the Institute during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the Institute.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 7.1 provides additional, specific financial instrument disclosures.

Structure

6.1 Borrowings

6.2 Cash and Cash Equivalents

6.3 Commitments for Expenditure

Note 6.1 Borrowings

	2019 \$'000	2018 \$'000
CURRENT		
Finance Lease Liability	31	-
Total Current Borrowings	31	-
NON CURRENT		
Finance Lease Liability	144	-
Total Non Current Borrowings	144	-
Total Borrowings	175	-

(a) Maturity analysis of borrowings

Please refer to Note 7.1(b) for the ageing analysis of borrowings.

(b) Defaults and breaches

During the current and prior year, there were no defaults and breaches of any of the borrowings.

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Note 6.1 Borrowings (continued)**(c) Finance Lease Liabilities****Finance Leases**

Repayments in relation to finance leases are payable as follows:

Not later than one year

Later than 1 year and not later than 5 years

Minimum lease payments

Less future finance charges

TOTAL

Minimum future lease payments		Present value of minimum future lease payments	
2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
36	-	31	-
150	-	144	-
186	-	175	-
(11)	-		-
175	-	175	-

Included in the financial statements as:

Current borrowings finance lease liability

Non-current borrowings finance lease liability

TOTAL

31	-	31	-
144	-	144	-
175	-	175	-

The weighted average interest rate implicit in the finance lease is 3.25%.

Borrowings Recognition

A lease is a right to use an asset for an agreed period of time in exchange for payment. Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership.

Leases of property, plant and equipment are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases, in the manner described in Note 6.3 Commitments.

Finance Leases**Entity as lessee**

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. Minimum lease payments are apportioned between reduction of the outstanding lease liability, and the periodic finance expense which is calculated using the interest rate implicit in the lease, and charged directly to the Comprehensive Operating Statement.

Note 6.2 Cash and Cash Equivalents

	2019 \$'000	2018 \$'000
Cash on Hand (excluding monies held in trust)	3	3
Cash at Bank (excluding monies held in trust)	18,320	387
Term Deposits < 3 Months (excluding monies held in trust)	-	8,000
Cash on Hand (monies held in trust)	17	17
Cash at Bank (monies held in trust)	534	517
Total Cash and Cash Equivalents	18,874	8,924

Cash and Cash Equivalents

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and in banks, deposits at call and highly liquid investments (with an original maturity date of three months or less), which are held for the purpose of meeting short term cash commitments rather than for investment purposes, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

For cash flow statement presentation purposes, cash and cash equivalents, which are included on the balance sheet. The cash flow statement includes monies held in trust.

Notes to the Financial Statements

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Note 6.3 Commitments for Expenditure

	2019 \$'000	2018 \$'000
Capital Expenditure Commitments		
Less than 1 year	353	-
Total Capital Expenditure Commitments	353	-
Operating Expenditure Commitments		
Less than 1 year	6,461	5,438
Longer than 1 year but not longer than 5 years	5,894	5,334
Total Operating Expenditure Commitments	12,355	10,772
Non-cancellable Operating Lease Commitments		
Commitments for Photocopiers are as follows		
Less than 1 year	25	20
Longer than 1 year but not longer than 5 years	43	-
Commitments for Lease at Clifton Hill are as follows		
Less than 1 year	264	236
Longer than 1 year but not longer than 5 years	1,056	944
5 years or more	1,088	982
Commitments for Lease at Heidelberg are as follows		
Less than 1 year	19	-
Commitments for Lease of vehicles are as follows		
Less than 1 year	54	-
Longer than 1 year but not longer than 5 years	63	-
Total Non-cancellable Operating Lease Commitments	2,612	2,182
Total Commitments (Inclusive of GST)	15,320	12,954
Less GST Recoverable from the Australian Tax Office	(1,393)	(1,178)
Total Commitments (Exclusive of GST)	13,927	11,776

Future finance lease payments are recognised on the balance sheet, refer to Note 6.1 Borrowings.

Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed at their nominal value and are inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the Balance Sheet.

The Institute has entered into commercial leases on certain medical equipment, computer equipment and property where it is not in the interest of the Institute to purchase these assets. These leases have an average life of between 1 and 20 years with renewal terms included in the contracts. Renewals are at the option of the Institute. There are no restrictions placed upon the lessee by entering into these leases.

Note 7 Risks, Contingencies and Valuation Uncertainties

The Institute is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the Institute is related mainly to fair value determination.

Structure

7.1 Financial Instruments

7.2 Contingent Assets and Contingent Liabilities

Note 7.1 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*

(a) Categorisation of Financial Instruments

	Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost	Total
2019	\$'000	\$'000	\$'000
Contractual Financial Assets			
Cash and Cash Equivalents	18,874	-	18,874
Receivables	-	-	-
- Trade Debtors	5,657	-	5,657
Total Financial Assets ⁽ⁱ⁾	24,531	-	24,531
Financial Liabilities			
Payables	-	10,397	10,397
Borrowings	-	175	175
Total Financial Liabilities ⁽ⁱ⁾	-	10,572	10,572

	Contractual Financial Assets - Loans and Receivables	Contractual Financial Liabilities at Amortised Cost	Total
2018	\$'000	\$'000	\$'000
Contractual Financial Assets			
Cash and Cash Equivalents	8,924	-	8,924
Receivables	-	-	-
- Trade Debtors	7,154	-	7,154
Total Financial Assets ⁽ⁱ⁾	16,078	-	16,078
Financial Liabilities			
Payables	-	5,856	5,856
Borrowings	-	-	-
Total Financial Liabilities ⁽ⁱ⁾	-	5,856	5,856

(i) The carrying amount excludes statutory receivables and statutory payables.

From 1 July 2018, The Institute applies AASB 9 and classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms.

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Note 7.1 Financial Instruments (continued)

From 1 July 2018, the Institute Service applies AASB 9 and classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms.

Categories of financial assets under AASB 9

Financial Assets at Amortised Cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the Institute to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The Department recognises the following assets in this category:

- cash and deposits;
- receivables (excluding statutory receivables);

Categories of financial assets previously under AASB 139

Loans and receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs.

Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). The Institute recognises the following assets in this category:

- cash and deposits;
- receivables (excluding statutory receivables); and

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. The Institute recognises the following liabilities in this category:

- payables (excluding statutory payables); and
- borrowings (including finance lease liabilities).

Derecognition of financial assets: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired.

Derecognition of financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Note 7.1 Financial Instruments (continued)

(b) Payables and Borrowings Maturity Analysis

The following table discloses the contractual maturity analysis for the Institute's financial liabilities. For interest rates applicable to each class of liability refer to individual notes to the financial statements.

Maturity Analysis of Financial Liabilities as at 30 June

	Note	Carrying Amount \$'000	Nominal Amount \$'000	Maturity Dates		
				Less than 1 Month \$'000	3 months - 1 Year \$'000	1 - 5 Years \$'000
2019						
Financial Liabilities						
<i>At Amortised Cost</i>						
Payables	5.2	10,397	10,397	10,397	-	-
Borrowings	6.1	175	175	-	-	175
Other Financial Liabilities ⁽ⁱ⁾	5.3	561	561	-	561	-
Total Financial Liabilities ⁽ⁱ⁾		11,133	11,133	10,397	561	175
2018						
Financial Liabilities						
<i>At Amortised Cost</i>						
Payables	5.2	5,856	5,856	5,856	-	-
Borrowings	6.1	-	-	-	-	-
Other Financial Liabilities ⁽ⁱ⁾	5.3	559	559	-	559	-
Total Financial Liabilities ⁽ⁱ⁾		6,415	6,415	5,856	559	

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

c) Contract Receivables at amortised cost

The Institute applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. The Institute has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss. On this basis, the Institute has determined that the expected credit loss at 30 June 2019 is nil.

(d) Changes to Classification and Measurement

On initial application of AASB 9 on 1 July 2018, the Institute has assessed for all financial assets based on the Institute's business models for managing the assets. The following are the changes in the classification of financial assets:

- Contractual receivables previously classified as other loans and receivables under AASB 139 are now reclassified as financial assets at amortised cost under AASB 9. The accounting for financial liabilities remains largely the same as it was under AASB 139.

Note 7.2 Contingent Assets and Contingent Liabilities

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

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

Notes to the Financial Statements

Victorian Institute of Forensic Mental Health Annual Report 2018/2019

Note 8 Other Disclosures

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this annual report.

Structure

8.1 Reconciliation of Net Result for the Year to Net Cash Flow from Operating Activities

8.2 Responsible Persons Disclosures

8.3 Remuneration of Executive Officer Disclosures

8.4 Related Parties

8.5 Remuneration of Auditors

8.6 Ex-gratia Payments

8.7 Events Occurring after the Balance Sheet Date

8.8 Economic Dependency

8.9 AASBs Issued that are not yet Effective

Note 8.1 Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from Operating Activities

	2019 \$'000	2018 \$'000
Net Result for the Period	6,594	17,394
Non-cash Movements:		
Depreciation and Amortisation	2,619	2,307
Net Movement in Finance Lease	175	-
Grant Revenue Paid by DHHS Directly to 3rd Parties for Building Works	(3,081)	(12,722)
Movements Included in Investing and Financing Activities		
Net (Gain)/Loss from Disposal of Non-financial Physical Assets	(39)	(11)
Movements in Assets and Liabilities:		
Change in Operating Assets and Liabilities		
(Increase)/Decrease in Receivables	573	(6,003)
(Increase)/Decrease in Other Assets	(123)	1,345
Increase/(Decrease) in Payables	4,543	2,175
Increase/(Decrease) in Provisions	2,987	1,648
Increase/(Decrease) in Other Liabilities	2	153
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	14,250	6,285

Note 8.2 Responsible Persons Disclosures

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

Responsible Ministers:

The responsible Minister of the Victorian Institute of Forensic Mental Health during the reporting period was Martin Foley MLA, Minister for Mental Health

Governing Board Members

The responsible persons (Board members) of the Institute at any time during the reporting period were:

Chairperson

- Bill Healy, AM
- Ken Lay, AO APM

Nominee of the Attorney-General

- Cristea Mileschkin

Nominee of the Minister administering the Corrections Act 1986

- Jennifer Roberts

Other Members

- Andrew Buckle, OAM
- Greg Pullen
- Janet Farrow, OAM
- Julie Anderson
- Ruth Vine
- Sally Campbell
- Sue Williams

Chief Executive Officer, Victorian Institute of Forensic Mental Health (Accountable Officer)

- Thomas Dalton
- Margaret Grigg

Remuneration of Responsible Persons

The number of Responsible Persons are shown in their relevant income bands:

Income Band			Total remuneration 30 Jun 2019 No.	Total remuneration 30 Jun 2018 No.
\$0	-	\$9,999	8	8
\$10,000	-	\$19,999	4	2
\$300,000	-	\$309,999		1
\$320,000	-	\$329,999	1	
Total number of responsible persons			13	11
			\$'000	\$'000
Total remuneration received, or due and receivable by Responsible Persons from the Institute for the financial period:			413	377

Amounts relating to the Governing Board Members and Accountable Officer are disclosed in the Institute's financial statements.

Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report as disclosed in Note 8.4 Related Parties.

Notes to the Financial Statements

Victorian Institute of Forensic Mental Health Annual Report 2018/2019

Note 8.3 Remuneration of Executive Officer Disclosures

The number of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

Remuneration of Executive Officers**(Including Key Management Personnel disclosed in Note 8.4)**

	Total Remuneration	
	2019 \$'000	2018 \$'000
Short-term Employee Benefits	1,485	1,445
Post-employment Benefits	130	143
Other Long-term Benefits	146	61
Termination Benefits	133	-
Total Remuneration	1,894	1,649
Total Number of Executives ⁽ⁱ⁾	11	8
Total Annualised Employee Equivalent (AEE) ⁽ⁱⁱⁱ⁾	6.64	8

(i) The total number of executive officers include persons who meet the definition of Key Management Personnel (KMP), of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.4).

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

Total remuneration payable to executives during the year included a number of executives who received bonus payments during the year. These bonus payments depend on the terms of individual employment contracts.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided in exchange for services rendered, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long-service benefit or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

Other factors

Several factors affected total remuneration payable to executives over the year. A number of employment contracts were renegotiated and a number of executive officers resigned or did not have their contracts renewed. This has had an impact on remuneration figures for the termination benefits category.

Note 8.4 Related Parties

The Victorian Institute of Forensic Mental Health (VIFMH) is a wholly owned and controlled entity of the State of Victoria. Related parties of the hospital include:

- All Key Management Personnel (KMP) and their close family members;
- Cabinet ministers (where applicable) and their close family members; and
- All hospitals and public sector entities that are controlled and consolidated into the State of Victoria financial

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of the Institute, directly or indirectly.

The Board of Directors and the Executive Directors of the Institute are deemed to be KMPs.

Entity	KMPs	Position Title
VIFMH	Bill Healy, AM	Chair of the Board
VIFMH	Ken Lay, AO AMP	Chair of the Board
VIFMH	Cristea Mileschkin	Board Member
VIFMH	Jennifer Roberts	Board Member
VIFMH	Greg Pullen	Board Member
VIFMH	Ruth Vine	Board Member
VIFMH	Janet Farrow, OAM	Board Member
VIFMH	Andrew Buckle, OAM	Board Member
VIFMH	Julie Anderson	Board Member
VIFMH	Sally Campbell	Board Member
VIFMH	Sue Williams	Board Member
VIFMH	Tom Dalton	Chief Executive Officer
VIFMH	Margaret Grigg	Chief Executive Officer
VIFMH	Danny Sullivan	Executive Director, Clinical Services
VIFMH	Ian Holland	Executive Director, Finance & Business Services
VIFMH	James Ogloff, AM	Executive Director, Psychological Services and Research
VIFMH	Jonathan Norton	Executive Director, Community Operations & Strategic
VIFMH	Shaymaa Elkadi	Executive Director Community Operations
VIFMH	Les Potter	Executive Director, Inpatient Operations
VIFMH	Ryan Dube	Executive Director, Prison Operations
VIFMH	Jo Ryan	Executive Director, Prison Operations
VIFMH	Nicole Kondogiannis	Executive Director, People & Culture
VIFMH	Wendy McManus	Executive Director, Human Resources
VIFMH	Lucia Giagnorio	Executive Director, People & Culture

The compensation detailed below is reported in \$'000 and excludes the salaries and benefits the Portfolio Ministers receive. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968*, and is reported within the Department of Parliamentary Services' Financial Report.

	2019 \$'000	2018 \$'000
Compensation - KMPs		
Short-term Employee Benefits	1,795	1,790
Post-employment Benefits	157	175
Other Long-term Benefits	221	61
Termination Benefits	133	-
Total	2,307	2,026

Note that KMPs are also reported in the disclosure of remuneration of executive officers (Note 8.3).

Notes to the Financial Statements

Victorian Institute of Forensic Mental Health Annual Report 2018/2019

Note 8.4 Related Parties (continued)**Significant Transactions with Government Related Entities**

The Institute received funding from the Department of Health and Human Services of \$66m (2018: \$58m) and indirect contributions of \$3m (2018: \$14m).

The Institute received funding from the Department of Justice and Regulation of \$40m (2018: \$35m).

Expenses incurred by the Institute in delivering services and outputs are in accordance with Health Purchasing Victoria requirements. Goods and services including procurement, diagnostics, patient meals and multi-site operational support are provided by other Victorian Health Service Providers on commercial terms.

Professional medical indemnity insurance and other insurance products are obtained from a Victorian Public Financial Corporation.

The Standing Directions of the Assistant Treasurer require the Institute to hold cash (in excess of working capital) in accordance with the State's centralised banking arrangements. All borrowings are required to be sourced from Treasury Corporation Victorian unless an exemption has been approved by the Minister for Health and Human Services and the Treasurer.

Transactions and Balances with KMPs and Other Related Parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

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Outside of normal citizen type transactions with the Institute, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2019.

There were no related party transactions with Cabinet Ministers required to be disclosed in the 2019 financial year.

There were no related party transactions required to be disclosed for the Institutes Board of Directors and Executive Directors in the 2018/2019 financial year.

Note 8.5 Remuneration of Auditors

Victorian Auditor-General's Office
Audit of Financial Statements

2019 \$'000	2018 \$'000
37	36

Other Providers

Other Non-audit Services - Internal Audit Review

2019 \$'000	2018 \$'000
99	62

Note 8.6 Ex-gratia Payments

The Institute has made the following ex-gratia expenses:

Compensation for Economic Loss

Total ex-gratia Payments

2019 \$'000	2018 \$'000
-	21
-	21

Includes ex-gratia for both individual items and in aggregate that are greater than or equal to \$5,000.

Note 8.7 Events Occurring after the Balance Sheet Date

There are no events occurring after the Balance Sheet Date.

Note 8.8 Economic Dependency

The Institute is dependent on the Department of Health and Human Services for the majority of its revenue used to operate the entity. At the date of this report, the Board of Directors has no reason to believe the Department will not continue to support the Institute.

Notes to the Financial Statements
Victorian Institute of Forensic Mental Health Annual Report 2018/2019

Note 8.9 AASBs Issued that are not yet Effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2019 reporting period. Department of Treasury and Finance assesses the impact of all these new standards and advises the Institutes of their applicability and early adoption where applicable.

As at 30 June 2019, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. The Institutes has not and does not intend to adopt these standards early.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on the Institute's Financial Statements
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 for Not-for-Profit entities.	1 January 2019	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. Revenue from grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as the performance obligations attached to the grant are satisfied. The standard is not expected to have a significant impact on the Institute.
AASB 2018-4 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors	AASB 2018-4 amends AASB 15 and AASB 16 to provide guidance for revenue recognition in connection with taxes and Non-IP licences for Not-for-Profit entities.	1 January 2019	The amendment to the standard is not expected to have a significant impact on the Institute.
AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities	AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events.	1 January 2019	This standard clarifies the application of AASB 15 and AASB 9 in a not-for-profit context. The areas within these standards that are amended for not-for-profit application include: AASB 9 · Statutory receivables are recognised and measured similarly to financial assets. AASB 15 · The 'customer' does not need to be the recipient of goods and/or services; · The "contract" could include an arrangement entered into under the direction of another party; · Contracts are enforceable if they are enforceable by legal or 'equivalent means'; · Contracts do not have to have commercial substance, only economic substance; and · Performance obligations need to be 'sufficiently specific' to be able to apply AASB 15 to these transactions.
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	The Institute has a number of vehicle finance leases that have been accounted for as per AASB 16 during 2018/19. They have been recognised on the balance sheet as right-of use assets with corresponding lease liabilities. The other expected impact on the institute is for the commercial lease for 505 Hoddle St, Clifton Hill. This will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability. This would have an approximately \$208k favourable impact on the 2019/20 operating result. Instead of recognising expenditure as lease payments, they will now be classified as depreciation and interest payments. This favourable impact will increase slightly each year as the lease liability diminishes.
AASB 2018-8 Amendments to Australian Accounting Standards – Right of Use Assets of Not-for-Profit entities	This standard amends various other accounting standards to provide an option for not-for-profit entities to not apply the fair value initial measurement requirements to a class or classes of right of use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives. This Standard also adds additional disclosure requirements to AASB 16 for not-for-profit entities that elect to apply this option.	1 January 2019	The Institute does not have any right-of-use assets arising under leases with significantly below market terms and condition.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on the Institute's Financial Statements
AASB 1058 Income of Not-for-Profit Entities	AASB 1058 will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 Contributions. The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public sector context, AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective.	1 January 2019	The Institute currently recognises grant revenue up front upon receipt of the funds under AASB 1004 Contributions. The timing of revenue recognition for grant agreements that fall under the scope of AASB 1058 may be deferred. For example, revenue from capital grants for the construction of assets will need to be deferred and recognised progressively as the asset is being constructed. The assessment of the impact on introduction of this standard is nil.
AASB 17 Insurance Contracts	The new Australian standard eliminates inconsistencies and weaknesses in existing practices by providing a single principle based framework to account for all types of insurance contracts, including reissuance contract that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities. This standard currently does not apply to the not-for-profit public sector entities.	1 January 2021	The standard is not expected to have an impact on the Institute.
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	This Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	1 January 2020	The standard is not expected to have an impact on the Institute.
AASB 1059 Service Concession Arrangements: Grantor	This standard applies to arrangements that involve an operator providing a public service on behalf of a public sector grantor. It involves the use of a service concession asset and where the operator manages at least some of the public service at its own direction. An arrangement within the scope of this standard typically involves an operator constructing the asset used to provide the public service or upgrading the assets and operating and maintaining the assets for a specified period of time.	1/01/2020 (The State is intending to early adopt AASB 1059 for annual reporting periods beginning on or after 1 January 2019)	The standard is not expected to have an impact on the Institute.
AASB 2018-5 Amendments to Australian Accounting Standards – Deferral of AASB 1059	This standard defers the mandatory effective date of AASB 1059 from 1 January 2019 to 1 January 2020.	1/01/2020 (The State is intending to early adopt AASB 1059 for annual reporting periods beginning on or after 1 January 2019)	The amendment to the standard is not expected to have an impact on the Institute.

Disclosure index

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

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Glossary

Acute assessment unit	A 16-bed unit at the Melbourne Assessment Prison.
Apsley Unit	An eight bed secure intensive care unit for male prisoners at Thomas Embling Hospital
Aire Unit	A 25-bed acute unit at Ballerit Yeram-boo-ee (Ravenhall Correctional Centre).
Area Mental Health Services	Clinical services provided by general health facilities within geographically defined catchment areas, with a focus on assessing and treating people with a mental illness.
Argyle Unit	A 15-bed male acute unit at Thomas Embling Hospital.
Atherton Unit	A 15-bed male acute unit at Thomas Embling Hospital.
Ballerit Yeram-boo-ee	The forensic mental health service at Ravenhall Correctional Centre (incorporating bed-based services and outpatients).
Barossa Unit	A 10-bed female acute/subacute unit at Thomas Embling Hospital.
Bass Unit	A 20-bed male subacute unit at Thomas Embling Hospital.
Board	The governing body of the Victorian Institute of Forensic Mental Health, established by the <i>Mental Health Act 2014</i> , replacing the previously designated council.
Canning Unit	A 20-bed male rehabilitation unit at Thomas Embling Hospital.
Centre for Forensic Behavioural Science	An independent research Centre of Swinburne University of Technology that works in partnership with Forensicare to undertake research.
Chief Psychiatrist	Statutory position under the <i>Mental Health Act 2014</i> responsible for professional standards and clinical practice in mental health services in Victoria. The current incumbent is Dr Neil Coventry.
Client	A person receiving care or treatment from Forensicare's Community Forensic Mental Health Service.
Community Correction Order	A flexible sentencing order that the offender serves in the community under the supervision of Corrections Victoria.
Community Forensic Mental Health Service	The service arm of Forensicare that is responsible for delivering community-based programs.
Compulsory patient	A person who is subject to an assessment order, a temporary treatment order or a treatment order under the <i>Mental Health Act 2014</i> .
Compulsory treatment	The treatment of a person for their mental illness without their consent under the <i>Mental Health Act 2014</i> .
Consumer	A person who uses the services of Forensicare.
Consumer consultant	Employees of Forensicare with a lived experience of mental illness employed to advocate in a systemic way for consumers and ensure their views are reflected in our work.
Corrections Victoria	A business unit of the Department of Justice and Community Safety– the Victorian Government agency responsible for state-managed prisons and community-based corrections.

<i>Crimes (Mental Impairment and Unfitness to be Tried) Act 1997</i>	Legislation that creates the system where people are found 'unfit to plead' or 'not guilty by reason of mental impairment', how they are treated under the <i>Mental Health Act 2014</i> and released and supervised in the community.
Custodial supervision order	An order made under the <i>Crimes (Mental Impairment and Unfitness to be Tried) Act 1997</i> 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.
Daintree Unit	A 20-bed mixed gender rehabilitation unit at Thomas Embling Hospital.
Dame Phyllis Frost Centre	The main prison for women in Victoria that is managed by Corrections Victoria. Forensicare provides the Marmmak service with 20 beds and some outpatient services at the prison.
Department of Health and Human Services (DHHS)	The Victorian Government department responsible for providing program support and funding to mental health services across Victoria and through which Forensicare reports to the Minister for Mental Health.
Department of Justice and Community Safety	The Victorian Government department responsible for the criminal justice system (including prisons, courts and community corrections).
DUNDRUM	The Dangerousness Understanding, Recovery and Urgency Manual (DUNDRUM) is a structured professional judgment tool used to assist clinicians in making decisions about the appropriate level of therapeutic security required for a consumer within a forensic mental health service. It was developed in Ireland by Dr Harry Kennedy and colleagues from the forensic mental health service in Dundrum, Dublin.
Early Intervention Support Team	A team at Thomas Embling Hospital designed to support staff in the acute units by providing additional RPN2s on the floor to assist with clinical and therapeutic engagements with patients and provide early intervention and de-escalation to reduce the risk of violence and aggression.
EFT	Equivalent full-time staffing position.
Erskine Unit	A 30-bed subacute unit at Ballert Yeram-boo-ee at Ravenhall Correctional Centre.
Extended leave	Court order where a person detained on a custodial supervision order can live in the community for 12 months.
Forensic patient	A person detained under the <i>Crimes (Mental Impairment and Unfitness to be Tried) Act 1997</i> or placed on a custodial supervision order under this legislation.
Forensicare Serious Offender Consultation Service	This program aims to support Community Correctional Services and mental health services in managing individuals who have a serious mental illness/disorder and complex needs, including a history of serious violent or sexual offending.
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.
Jardine Unit	A 16-bed mixed-gender rehabilitation unit at Thomas Embling Hospital, outside the secure wall.
Justice Health	The business unit of the Department of Justice and Community Safety that is responsible for contract management and oversight of health and mental health services in prisons and youth justice centres.
Marmmak 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	The state reception prison for men that is managed by Corrections Victoria. Forensicare provides forensic mental health services at the Melbourne Assessment Prison under a contractual arrangement with the Department of Justice and Community Safety.
Multi Agency Panel	As part of serious offender reform in Victoria, the Multi Agency Panel provides coordination of services for individuals on post-sentence supervision orders. Standing members of the Multi Agency Panel include Victoria Police, the Department of Health and Human Services and the Department of Justice and Community Safety.
Metropolitan Remand Centre	A maximum security remand prison managed by Corrections Victoria. Forensicare provides the Mobile Forensic Mental Health Service at the Metropolitan Remand Centre.
Mobile Forensic Mental Health Service	The multidisciplinary mobile service based at the Metropolitan Remand Centre. It is part of Forensicare's prison services.
Moroka Unit	A 10-bed unit that provides a specialist service for people with complex and challenging behaviours at Ballert Yeram-boo-ee, Ravenhall Correctional Centre.
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 allows the person to live in the community subject to conditions set by the court, including participating in treatment by an Area Mental Health Service. Forensicare supervises all adult 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.
Primary consultation	Direct individual assessment and service to a client or patient.
Ravenhall Correctional Centre	A medium security men's prison opened in 2017 to accommodate 1,000 prisoners. Forensicare provides a bed-based service and outpatient clinics.
Recovery	A contemporary approach to mental health care based on individualised care that focuses on strengths, hope, consumer choice and social inclusion.
Secondary consultation	Clinical advice to another service on an identified client or patient.
Secure psychiatric intensive care unit	The new eight-bed unit at Thomas Embling Hospital opened in 2018, and is known as Apsley Unit.
Security patient	A person who is placed on either a secure treatment order under the <i>Mental Health Act 2014</i> or on a court secure treatment order under the <i>Sentencing Act 1991</i> and detained in Thomas Embling Hospital (prisoners transferred to Thomas Embling Hospital typically return to prison once treated).
Separation/discharge	The completion of an episode of care when the patient/client leaves a service or program.
Statement of Priorities	The annual planning document detailing Forensicare's deliverables and key performance indicators that is agreed between the board and the Minister for Mental Health.
St Paul's Unit	A 30-bed psycho-social rehabilitation unit at Port Phillip Prison.
Tambo Unit	A 10-bed program with purpose-built cottage-style accommodation for prisoners transitioning from prison to the community. It is located at Ballert Yeram-boo-ee, Ravenhall Correctional Centre.
Thomas Embling Hospital	Forensicare's 116-bed secure inpatient facility.
Victorian Fixated Threat Assessment Centre (VFTAC)	A statewide service jointly staffed by a team of senior forensic mental health clinicians and senior police officers. VFTAC deals specifically with fixated individuals and grievance-fuelled lone actors, many of whom have a major mental illness or current mental health needs.



Forensicare

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