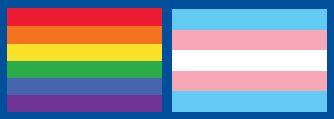
FORENSICARE
ANNUAL REPORT
20-21

Forensicare acknowledges the Traditional Custodians of the land and pays our respects to their Elders past, present and emerging.



Designed by OÙ

VICTORIAN INSTITUTE
OF FORENSIC MENTAL HEALTH

Yarra Bend Road
Fairfield VIC 3078

T 03 9495 9100
F 03 9495 9199
E info@forensicare.vic.gov.au

ABN 32 807 323 885

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www.forensicare.vic.gov.au

CONTENTS

OUR VISION

Meaningful lives led safely. Hope in Recovery. Connected Care.

OUR PURPOSE

Empower recovery for all Victorians living with mental illness, who are at risk of entering, or have entered the justice system, to lead safe and meaningful lives free from offending.

OUR STRATEGIC GOALS

- Consumers, families, carers, and their supporters have pathways to recovery that:
  - support hope, empowerment, and connections to the community
  - recognise the importance of holistic care
  - uphold human rights
  - recognise, and are responsive to, the impact of trauma, including the experience of coercion and compulsory treatment
  - are responsive to their diverse backgrounds, cultures, orientation, experiences, and abilities
  - facilitate safe, positive challenges and learning
  - enable personal responsibility and self-determination
- We develop and maintain strong and collaborative connections and partnerships that support the recovery of consumers, families, carers and supporters
- We are a workplace of choice for people with lived experience, mental health clinicians and corporate service leaders
- We are trusted thought leaders who lead innovation in understanding the interface between mental illness and offending behaviour

About Us

The Victorian Institute of Forensic Mental Health, known as Forensicare, is the state-wide provider of specialist forensic mental health services in Victoria. Forensicare is a statutory body established in 1997 under the *Mental Health Act 1986* and continued under the *Mental Health Act 2014*. The Minister for Mental Health is the Minister responsible for Forensicare and the forensic mental health services provided. Forensicare operates under the *Mental Health Act 2014* in terms of its treatment of consumers, however, Forensicare also has obligations under the *Crimes (Mental Impairment and Unfitness to be Tried) Act (CMIA) 1997* in respect of consumers placed on supervision orders under that Act.

Forensicare delivers a range of forensic mental health services based on a recovery-oriented mental health framework for people living with mental illness. Services are tailored to different stages of recovery and range from assessment, early intervention and prevention, inpatient care, rehabilitation, and community transition support. Forensicare's primary consumers are:

- Individuals with a mental illness at risk of, or involved in, the criminal justice system.
- Individuals who have carried out a criminal offence but who have been found not guilty, or unfit to be tried, under the CMIA 1997.
- Individuals within the community at risk of offending and/or who pose a risk to themselves or others.

OUR ORGANISATION

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

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

Our Services

Thomas Embling Hospital

Thomas Embling Hospital (TEH) is a 136-bed secure forensic mental health hospital providing care and treatment for people living with a serious mental illness.

TEH provides intensive, acute, sub-acute and extended rehabilitation for consumers, with a specific women's-only unit for acute and sub-acute care. Extended and transitional rehabilitation is provided within mixed gender units.

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* (MHA) or the *Sentencing Act 1991*. Patients may also be admitted from the general mental health system under the MHA.

Prison Services

Forensicare provides specialist forensic mental health services across 12 of Victoria's 14 prisons. Services include mental health reception assessments, dedicated units for the care and treatment of prisoners with mental illness, as well as outpatient care and mobile forensic mental health services. Our prison services also provide suicide and self-harm prevention assessment services. The Victorian prison system provides 141 prison-based beds dedicated to the provision of 24-hour mental health care, serviced by Forensicare. All Forensicare's prison based specialist mental health services are voluntary.

Our prison service locations include:

- Acute Assessment Unit (Melbourne Assessment Prison)— a 16-bed short stay unit for patients thought to be experiencing mental illness, requiring psychiatric assessment and a range of recovery-oriented short-term interventions and support. Forensicare also provides initial mental health reception assessments, at-risk assessments, and care within the custodial unit to treat male prisoners experiencing mental ill-health, as well outpatient services to prisoners requiring ongoing non-residential mental health care.
- Ballerrt Yeram-boo-ee Forensic Mental Health Unit (Ravenhall Correctional Centre)—75 prisons-based mental health beds as well as assessment and outpatients services provided in a maximum-security forensic mental health complex within the medium-security prison. Beds are available to prisoners of all security classifications across the men's prison system.
- Marrmak Unit (Dame Phyllis Frost Centre)—a 20-bed residential unit that provides acute, sub-acute and rehabilitative care to women experiencing mental ill-health while in prison. Forensicare also provide outpatient services, initial reception assessments and at-risk assessments at the Dame Phyllis Frost Centre.
- Mobile Forensic Mental Health Service (Metropolitan Remand Centre)—a mobile forensic mental health service that provides mental health treatment to prisoners experiencing mental ill-health, as well as an outpatient clinic service and initial reception assessments. The service also integrates with specialist forensic clinical psychology services at Barwon Prison, Marngoneet Correctional Centre and Karreenga Prison.
- St Paul's Unit (Port Phillip Prison)—a 30 prison-based bed unit provides mental health care, treatment and therapeutic programs, including psychosocial rehabilitation.
- Other outpatient services—Forensicare provides visiting 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 to support prisoners with their mental health recovery.

Community Forensic Mental Health Service

Forensicare's Community Forensic Mental Health Service provides a diverse suite of consultation and direct clinical services for those engaged in—or at risk of coming into contact with—the justice system. This includes:

- Court reports service—this service provides psychiatric and psychological pre-sentence reports to courts at the request of the judiciary.
- Community Transition and Treatment Program (CTT)—this program oversees the treatment, care and supervision for forensic and civil patients transitioning from Thomas Embling Hospital back into the community to ensure they are well supported in their reintegration.
- Non-Custodial Supervision Order Consultation and Liaison Program—this program supervises the monitoring and direct treatment of clients placed on a Non-Custodial Supervision Order under the *Crimes (Mental Impairment and Unfitness to be Tried) Act 1997*.
- Forensicare Serious Offender Consultation Service (F-SOCS)—this initiative provides support to Community Correctional Services (CCS) and mental health services in the management of individuals who have a serious mental illness and a history of serious violent and/or sexual offending.
- Mental Health Advice and Response Service (MHARS)—this service operates in eight metropolitan courts across Victoria, providing clinical mental health advice. The service aims to reduce delays in proceedings and remands, and improve the appropriateness of mental health interventions and referrals for people appearing before the court.
- Non-Custodial Supervision Order Consultation and Liaison Program—this program supervises the monitoring and direct treatment of clients placed on a Non-Custodial Supervision Order under the *Crimes (Mental Impairment and Unfitness to be Tried) Act 1997*.
- Problem Behaviour Program (PBP)—this program provides psychiatric and psychological consultation and treatment for adults aged 18 years and over with a range of "problem" behaviours associated with offending, and for whom services are not available elsewhere.
- Victorian Fixated Threat Assessment Centre (VFTAC)—this service provides a structured and coordinated approach to serious threats of violence posed by people with complex needs, which could result in terrorist acts or the perpetration of other forms of extreme violence.

The CFMHS also provides the following advice and consultation services to the broader mental health sector:

- Forensic Clinical Specialist (FCS) Program—this program builds forensic mental health expertise and capacity in Victoria's mental health services. Forensicare provides central coordination of the program, which is delivered in partnership with local specialist mental health service providers.
- Youth Justice Mental Health Program—this program was established to improve access to mental health services for people within the youth justice setting, as well as enhance the capacity of justice and mental health staff to effectively meet their needs. Forensicare provides direct services to Parkville Youth Justice Precinct and coordinates the overall program.

Forensicare delivers a range of forensic mental health services based on a recovery-oriented mental health framework for people living with mental illness.

BOARD CHAIR & CEO REPORT

We are incredibly proud of what the Forensicare community has achieved this year, particularly amongst the ongoing challenges of the COVID-19 pandemic.

While our community has been tested on many levels, it has also revealed the character and resilience of our staff, consumers, families, carers and their supporters. Without their achievements and commitment to each recovery journey, we would not be where we are today. It is a very exciting time to part of Forensicare and we are very proud to share the year's journey with you.

New Strategic Direction

Meaningful lives led safely. Hope in recovery. Connected care. These are the things we are aiming for following the development of our new Strategic Plan 2021-26. Developing this plan has involved extensive engagement with staff, consumers, carers, families, supporters and industry stakeholders. We are particularly pleased by the number of staff and consumers who willingly nominated themselves to be part of the working groups which met weekly over several months. The depth and vitality of the discussions are reflected in the final document and we look forward to launching and sharing this with everyone in the coming months. The new plan is a clear roadmap for the future with four key priorities – improving consumer recovery pathways, building connections and partnerships, being a workplace of choice and driving research, education and innovation. The next five years are going to be a busy but exciting time for Forensicare.

To support the delivery of our new strategic direction and respond to the findings of the Royal Commission into Victoria's Mental Health System, we have seen it as imperative to redevelop Forensicare's Model of Care. This framework outlines our commitment to empowering Victorians living with mental illness to lead safe and meaningful lives free from offending. It also describes the type of care and care pathways consumers can expect from our service and sets out our commitments to consumers, families, carers, supporters, staff, stakeholders, service providers and the community. Work is now underway to launch and implement our new Model of Care across all our services to ensure it is intrinsic to everything we do.

Responding to the Challenges of COVID-19

Throughout the year Forensicare has continued to adapt our services in response to the ongoing challenges of the COVID-19 pandemic. The speed and flexibility with which staff have responded to each lockdown and change in restrictions has continued to impress us and we have no doubt this has increased our preparedness.

When staff became eligible for the COVID-19 vaccination in March we had positive take-up through our partnership with Austin Health, as well as later through the Department of Justice and Community Safety's vaccination program and state vaccination centres. In June. a vaccination team from Austin Health attended Thomas Embling Hospital to vaccinate patients and will return in five weeks to provide second doses. We expect to have a high percentage of our staff and consumers vaccinated by the end of the year.

We also acknowledge how tough it has been for staff, consumers, families, carers, and their supporters. For consumers, pauses in leave have also meant a pause to work, education and seeing family and friends which forms a crucial part of each consumer's recovery journey. While for staff, it has meant managing the lockdowns, working from home, school and childcare closures, separation from families and cancelled plans. We admire everyone's strength and resilience and we hope the year ahead brings the freedom to get back to doing the things that we love.

Thomas Embling Hospital Expansion

In May, we welcomed the Victorian Government committed $349.6 million in the State Budget to expand the Thomas Embling Hospital. This funding will enable us to create 82 new beds, alongside supporting infrastructure to increase the capacity of the hospital and reduce wait times for consumers. This exciting redevelopment includes a 34-bed women's precinct, a 48-bed men's medium security unit, as well as refurbishments to our existing infrastructure. The project will be delivered in partnership with the Victorian Health Building Authority, and we have already begun planning and preparatory works with construction due to commence in mid-2022.

This funding commitment followed the submission of the Final Report from the Royal Commission into Victoria's Mental Health System. We welcomed the clear and ambitious set of recommendations to transform our sector and were glad to see so many of the contributions from Forensicare staff, consumers, carers, families and supports reflected within the final report. The significant mental health investment committed to by the Victorian Government offers us a unique opportunity and we look forward to working closely with them and the sector over the coming years to build a better mental health system.

Revitalising Our Culture

The safety and wellbeing of staff is a huge area of focus for our organisation. In July 2020, we launched our Heath, Safety and Wellbeing Plan which is guiding us on a journey of continuous improvement towards being a safe, supportive and inspiring workplace. We believe a safe workplace with a positive culture where staff report high levels of mental and physical health offers us the best chance to deliver high-quality forensic mental health services.

Since the launch, we have completed a range of work including the implementation of a Clinical Support Team at Thomas Embling Hospital, the establishment of an Employee Support Network and the revision of a range of policies and procedures related to health, safety and wellbeing.

In response to our 2020 People Matter Survey results, the executive management team met with their staff to discuss the results and develop localised ideas for how to respond. This work is now underway, and we hope it is reflected in our 2021 results. As with previous surveys, there continues to be unacceptable levels of bullying, harassment and discrimination within our services. These negative behaviours have no place in a modern and inclusive organisation and more needs to be done to overcome these deep-seated challenges. In March 2021, the Board commissioned an independent Bullying, Harassment and Discrimination Review to gain detailed and impartial understanding of the issues within our organisation and recommendations on how to address them. We recognise culture change can be a slow and incremental process but our efforts will continue until these behaviours no longer exist in our workplace.

Thank You

On behalf of the Board and Executive Management team, we would like to extend our thanks to our Minister for Mental Health James Merlino MP and his team, to our previous Minister for Mental Health Martin Foley MP and his team and to the teams at the Department of Health and Human Services and the Department of Justice and Community Safety for their continued engagement this year.

We also wish to thank consumers, families, carers and supporters for their patience and support in what has been another difficult year.

Finally, and most vitally, we would like to say thank you to Forensicare's staff. It has been a year of many challenges, but you have exhibited incredible resilience and the commitment and passion that you show in your work caring for consumers is enormously inspiring.

We look forward to what the year ahead will bring.

In accordance with the *Financial Management Act* 1994, we are pleased to present the report of operations for Forensicare for the year ending 30 June 2021.

Ken Lay AO APM

Chair
Forensicare Board

25 August 2021

Dr Margaret Grigg

Chief Executive Officer

25 August 2021

We are particularly pleased by the number of staff and consumers who willingly nominated themselves to be part of the strategic plan working groups which met weekly over several months.

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

Responsible Minister

The Victorian Minister for Mental Health is the minister responsible for Forensicare and the forensic mental health services we provide.

Forensicare Board

The Board of Forensicare is appointed by the Governor in Council for three-year terms on the recommendation of the Minister for Mental Health. The Board, which consists of up to nine directors, reports to the Minister for Mental Health.

The Board includes a nominee of the Attorney-General, a nominee of the Minister administering the *Corrections Act 1986* (Vic), 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.

GOVERNANCE

Board Movements

Mr Greg Pullen completed his time on the Forensicare Board after three terms on 30 June 2021. Forensicare is very grateful for the extensive experience in accounting, management and company directorship that Mr Pullen brought to the Board, especially in his position as chair of the Finance Committee. We wish him all the best in his future endeavours.

Ms Allison Smith has been appointed to the Board and will commence in July 2021.

Board Directors

As of the 30 June 2021, Forensicare's board comprised of 9 directors. Our members of the board are:

Ken D Lay AO APM
BA (Pol Stud), GDip Pub Admin, HonLLD (Monash), FAICD

Chair

Appointed 10 April 2019

Ken is a professional non-executive director. His substantial career was with Victoria Police, concluding as the Chief Commissioner (2011-2015). He has since conducted a number of reviews for both state and federal agencies concerning significant social policy, community safety, governance and leadership issues.

His Board portfolio in 2020-21 included the National Heavy Vehicle Regulator Board (Director), and chairing roles with Ambulance Victoria and Forensicare. From January to April 2020, Ken was Chair of Bushfire Recovery Victoria, a new permanent Victorian Government agency created to work directly with communities to listen, help and deliver what they need after the 2019/20 Victorian Bushfires.

He is an Officer of the Order of Australia and an Australian Police Medal recipient. As Forensicare's Board Chair, Ken attends a variety of Committee meetings in an ex officio capacity throughout the year and is chair of the Remuneration and Nominations Committee.

Greg Pullen
MBA, FCPA, FAICD

Appointed on 10 April 2013

Throughout his time on the Board, Greg 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 Central Highlands Rural Health.

Associate Professor Ruth Vine
MBBS, FRANZCP, LLB, PhD

Appointed 12 May 2015

Ruth was appointed to the Board on 12 May 2015. She was the Executive Director of North Western Mental Health until mid-2019 and has previously worked in the Victorian Department of Health as the Director of Mental Health and has also been the Chief Psychiatrist for Victoria. Ruth was appointed to a new role—Deputy Chief Medical Officer (Mental Health) in the Commonwealth Department of Health in May 2020. 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. Ruth has also contributed to the development of legislation and policy in areas such as mental health, disability and the management of offenders living with mental illness.

Sally Campbell
BA, LLB, GAICD

Appointed on 31 March 2018

Sally has extensive executive and non-executive private and public sector experience gained in Australia, New Zealand and the United Kingdom. Sally's diverse background illustrates a career committed to delivering exceptional customer service, high performance team management along with operational excellence in a diverse background that spans health management, law, informatics, digital technologies, bio-technology commercialisation, logistics, fulfillment, and building services. This experience is supplemented with highly developed skills in strategic planning, governance and risk management and business development. Sally has a proven record in designing and delivering major business strategies and systems. She has also driven significant cultural changes, improvements and delivered exemplary operational results for large, complex, organisations. Sally currently sits on the Board of Alfred Health and is the Chair of the Alfred Health Audit Committee.

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 Executive at Cabrini Health, a major not-for-profit hospital and healthcare provider. She has a Bachelor of Business Management, and Master of Business Administration from Monash University, as well as 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.

Ian Forsyth

Appointed 17 September 2019

Ian has extensive leadership experience across the public, private and not-for-profit sectors, including the media, health, finance, insurance, IT, and the arts. He began his career as a journalist and has held a range of senior executive positions including Deputy Chief Executive, WorkSafe Victoria, and Managing Director, Norwich Union Life Australia. Ian is also a Board Director for the Australian Centre for the Moving Image, Ambulance Victoria and the Emergency Services Foundation. While working as a Forensicare Board Director, Ian continues to maintain his role as Managing Partner with behaviour change communications specialists The Shannon Company.

Dr Jo Flynn AM
MBBS, MPH, HonDMedSc, FRACGP, FAICD

Appointed 2 July 2019

Jo is a medical practitioner who has worked as a general practitioner and medical educator and has held extensive governance and advisory roles at national and state levels over many years. Most recently, Jo was Chair of Eastern Health and the Medical Board of Australia and is the current Chair of the Board Ministerial Advisory Committee advising the Victorian Minister for Health on appointments to health-related boards. She is also a Board Director at Ambulance Victoria and President of Berry Street. Jo is a Member of the Order of Australia, and in 2018 was recognised in the Victorian Public Sector's Top 50 Public Sector Women Awards.

The Hon. Wade Noonan

Appointed 10 December 2019

Wade is the Executive Director of the West of Melbourne Economic Alliance (WoMEDA) and holds a number of board and committee roles with Jobsbank, the Western Bulldogs Community Foundation, Homes Victoria, and the Victorian Health Building Authority (VHBA). He is also an Ambassador for the Indigenous Marathon Foundation. Wade has previously served as a Member of the Victorian Parliament (2007-18), including appointments as the Minister for Police and Corrections (2014-2016) and the Minister for Industry, Employment and Resources (2016-2017).

Frances Sanders

Appointed 18 February 2020

Frances has held a wide range of senior management and executive positions across the mental health and human services sector for more than 25 years. She is currently the CEO of Nightlife Eclipse. With strong skills in service design, change management and project management, she is an expert in helping organisations develop their strategic capacity to deliver consumer and carer-centric services. She has most recently worked within the Department of Health and in complex mental health forensic services; where she is known for her professional, academic, and personal lived experience lens in supporting families and carers, co-design and enabling consumer and carer input into decision making and governance.

Independent Board Advisor

Allison Smith

Allison Smith is an experienced non-executive director and a results oriented executive. She has held senior retail, merchandise, marketing, supply chain and finance roles in international and Australian organisations. Allison specialises in growth and value creation agendas and has significant experience in CFO and management consulting roles. Allison is also the Deputy Chair at Peninsula Health as well as the Chair of the Finance Committee. Allison is a member of the Australian and New Zealand Institute of chartered Accountants and a Graduate of the Australian Institute of Company Directors.

Board Committees

Six committees help the Board to fulfil its responsibilities. Each committee reports to the Board, and some include non-Board members. During 2020-2021 Forensicare's Governance Framework and the committee structure was reviewed to maintain Board governance processes and support the Board to meet its obligations.

Audit and Risk Committee

The Audit and Risk 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.

Quality and Safety Committee

The Quality and Safety 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 (Governed by Swinburne University of Technology)

The purpose of the Research 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.

Remuneration and Nominations 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.

People and Culture Committee

The People and Culture Committee oversees and advises the Board on the effectiveness of Forensicare's people-related policies, frameworks, and strategies to ensure the health, safety, and wellbeing of employees. It encourages and guides management building and maintaining a positive, healthy, and productive workplace culture that is centred on patients and staff, and which supports the organisation's role in and contribution to the community.

Table 1: Board committee membership and attendance as at 30 June 2021

	Board		Audit & Risk Committee		Quality & Safety Committee		Remuneration & Nominations Committee		Finance		People & Culture Committee	
	H	A	H	A	H	A	H	A	H	A	H	A
Ken Lay	11*	10	5x	3	6x	2	3*	3	5x	1	4x	1
Sally Campbell	11	10	5*	5					5	5		
Greg Pullen	11	9	5	5					5	4		
Ruth Vine	11	9			6*	6					4	4
Susan Williams	11	11							5	4	4*	4
Ian Forsyth	11	11	5	5								
Jo Flynn	11	11			6	5	3	3			4	4
Wade Noonan	11	11	5	5			3	2				
Frances Sanders	11	10			6	6						
Allison Smith~	11	11							5*	5		

H = number of meetings eligible to attend

A = number of meetings attended

* Committee Chair

× ex officio (non-mandatory attendance)

~ independent board advisor

Organisational Chart

Forensicare's current organisational structure.

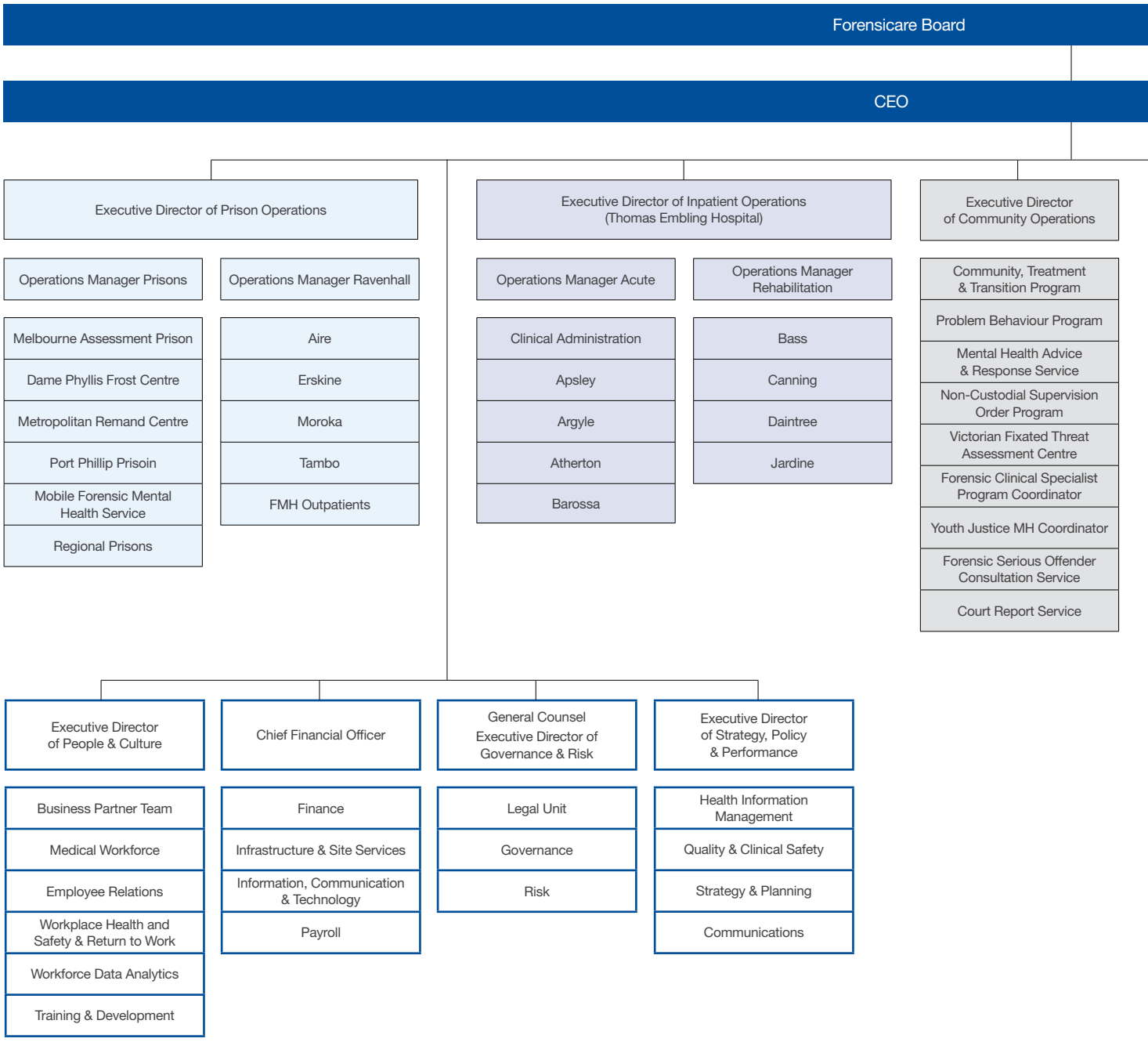
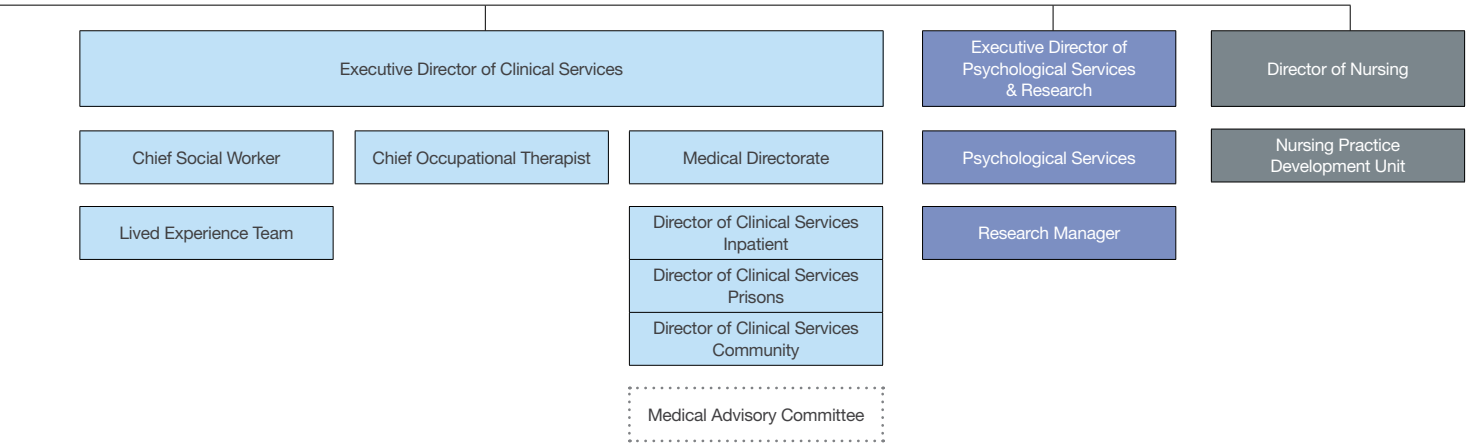


Figure 1: Organisational chart as of 30 June 2021


Executive Director of Clinical Services
Executive Director of Psychological Services & Research
Director of Nursing
Chief Social Worker
Chief Occupational Therapist
Medical Directorate
Psychological Services
Nursing Practice Development Unit
Lived Experience Team
Director of Clinical Services Inpatient
Research Manager
Director of Clinical Services Prisons
Director of Clinical Services Community
Medical Advisory Committee

Executive Leadership Team

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

Chief Executive Officer

Appointed August 2019

Margaret was appointed as Forensicare's CEO in August 2019 following a four-month period as interim CEO. She is an experienced health professional with extensive experience in senior leadership roles. Previously, she has worked as the Deputy Chief Executive of Mind Australia, and the Vice President of the Kyneton District Health Service Board. She has also worked for the Victorian Department of Health and Human Services as a senior executive for many years and was the Executive Director of Health Services Policy and Commissioning.

Nadia Baillie
LLB/BCom GAICD

General Counsel
Executive Director of Governance and Risk

Appointed July 2020

Nadia joined Forensicare in September 2001 as General Counsel and was appointed as Executive Director of Governance and Risk in July 2020. She is an experienced commercial lawyer having worked for over 16 years in top tier legal firms in Australia and the UK, as well as in-house in the university and health sectors. Prior to joining Forensicare Nadia worked at MinterEllison and Melbourne Health. She brings a breadth of commercial and government experience along with a passion for delivering positive consumer outcomes in mental health.

Nadia leads the provision of legal advice on a broad range of complex legal issues, including the *Crimes (Mental Impairment and Unfitness to be Tried) Act 1997*, the *Mental Health Act 2014* and recent Royal Commissions. She also oversees privacy and information sharing, contracts, statutory interpretation and coronial matters. Her expertise in governance and risk sees her playing an instrumental role in transforming Forensicare's risk management culture, leading the internal audit program and the delivery of governance services to Forensicare's board and subcommittees.

Dr Anthony Cidoni
MB BS MMed FRANZCP FRACMA

Director of Clinical Services, Community

Appointed October 2017

Anthony joined Forensicare in 2017 as Director of Clinical Services. With 24 years of experience in psychiatry, he is committed to excellence in patient care and clinical governance.

In his role, he works in partnership with the Executive Director of CFMHS to ensure delivery of the highest quality of clinical care across all programs through a robust framework for best care and positive relationships with all key stakeholders and advocacy for community forensic services within and outside Forensicare.

Alongside his role at Forensicare, he is the Deputy Chief Psychiatrist of Tasmania, an adjunct senior lecturer in the Department of Psychological Medicine at Monash University, and director of Perception: Forensic and Adult Psychiatry, Anthony's private practice which specialises in forensic psychiatry—particularly in the preparation of court reports.

Dr Shaymaa Elkadi
PhD BA Grad Dip App Psych MPA PhD GAICD

Executive Director, Strategy, Policy and Performance

Appointed May 2020

Shaymaa commenced at Forensicare in May 2019 as Executive Director of Community Operations and has since been appointed to the position of Executive Director of Strategy, Policy and Performance. Shaymaa is responsible for leading the development, implementation and monitoring of Forensicare's strategic objectives and projects, quality and safety, information and data management, as well as data analytics and communications portfolios. She is also the executive sponsor of Forensicare's First Nations portfolio. Shaymaa has PhD from the University of Melbourne in neuropsychology, and has worked extensively across the private, not-for-profit, and public justice and mental health sectors in system and service design.

Lucia Giagnorio
BBus, Grad Cert OHM and Change Management Certification Program (PROSCI)

Executive Director, People and Culture

Appointed May 2019

Lucia was the original Human Resources Manager when Forensicare was first established in 1998. Years later, she has 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.

Anthea Lemphers
BSc Honours (Psych), MPsych (Clin), MAPS

Executive Director, Community Operations

Appointed September 2020

Anthea has over 20 years' experience as a clinical and forensic psychologist, and has worked across all directorates within Forensicare's services in various operational and discipline leadership roles. As Executive Director of Community Operations, she is currently responsible for overseeing the delivery of our community-based services which includes the Problem Behaviour Program, the Mental Health Court Liaison Service, Community Treatment and Transition program, and many more. Prior to this she held the position of Director of Psychological Service for over 10 years.

Jessica Lightfoot
LLB/BA LLM GAICD MBA CPA

Chief Financial Officer

Appointed March 2020

Jessica is responsible for the financial stewardship of the organisation, including procurement, ICT and property services. She began her career as a lawyer, and spent three years working on policy and legislative reforms, including the reforms that led to the establishment of Forensicare.

She transitioned to project management to lead the establishment of the National Coroners Information System, and managed large-scale property projects at Monash University. She then took on the role of leading the University's financial performance management division, before assuming a Chief Financial Officer role in the private sector. Jessica holds Non-Executive Director roles at VESKI and the Springvale Monash Legal Service.

Distinguished Professor James Ogloff AM
BA, MA (ClinPsych), JD (Law), PhD, FCCP, PCFP, FAPS

Executive Director, Psychological Services and Research

Appointed November 2001

Jim is responsible for delivering psychology services and research across the organisation and provides vital service development advice. He serves on many boards and advisory groups on matters pertaining to forensic mental health and justice. He 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, Director of the Centre for Forensic Behavioural Science, and was recently recognised as a University Distinguished Professor by Swinburne University for his significant and exceptional contributions to forensic mental health research.

Les Potter
RN, BAppSc (AdvNurs), Administration (Dist)

Executive Director, Inpatient Operations

Appointed May 2014

As Executive Director of Inpatient Services, Les is responsible for managing inpatient services at the 136-bed Thomas Embling Hospital facility, and the strategic management and planning of service changes or enhancements. He provides leadership to drive the development of services that are sensitive to the needs of consumers and carers and ensures the delivery of clinical excellence.

Dr Kate Roberts
BSc (Med Sci) MBChB, MRCPsych, FRANZCP, Cert. Forensic Psychiatry

Director of Clinical Services, Prison Services

Appointed August 2017

Kate graduated from University of Manchester before returning to her hometown of Glasgow for psychiatric training. Having completed her elective in Melbourne as a medical student she decided to return to Melbourne for a short period between her basic and higher training where she worked at Juvenile Justice. She ended up staying and went on to complete her advanced training in Forensic Psychiatry with Forensicare, becoming a consultant in 2008 and Director of Clinical Services (Prisons) in 2017. She has worked across all directorates both as a registrar and consultant but has always particularly enjoyed prison work. She is committed to ensuring men and women in prisons have access to equivalent, recovery-focused mental health care within and on transition from prison.

Terry Runciman
BAppSc(Psych)(Hons), MPsych(Clinical)

Executive Director Prison Services

Appointed August 2020

Terry commenced his role as Executive Director of Prison Services in August 2020. Terry is a clinical psychologist with over 15 years of experience within public mental health services, including public community mental health services, homeless mental health teams, emergency mental health, consultation liaison, and commissioning mental health and police response teams (MHaPR). Prior to commencing with Forensicare, Terry was the Area Manager of Mid West Area Mental Health, one of Victoria's 21 area-based public mental health services. He brings a strong desire to deliver mental health service equivalency for people within prisons and to strengthen the transition from prisons services back to the community.

Jo Ryan
RN, BEd, CertForPsychNurs, PGC-VRAM

Director of Nursing

Appointed December 2013

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

Over 2020-2021, Jo led Forensicare's COVID-19 response, guiding the development and implementation of COVID policies, processes and planning to ensure the Forensicare can respond effectively and keep everyone safe.

Dr Mark Ryan
MBBS FRANZCP MRCPsych

Director of Clinical Services, Inpatient

Appointed August 2012

Mark was appointed as Director of Clinical Services for Forensicare's Inpatient Service at Thomas Embling Hospital in August 2012. Since joining the Forensicare team in 2003 as a registrar, Mark has worked across the gamut of Forensicare's services, including on the Atherton, Barossa and Jardine units at Thomas Embling Hospital; at the Melbourne Assessment Prison and Dame Phyllis Frost Centre in the prison service; and the Non-Custodial Supervision Order program team within the community service.

Mark graduated from Monash University with a Bachelor of Medicine and Surgery and is a Fellow and Foundation Member of the forensic faculty at the Royal Australian and New Zealand College of Psychiatry. He is also a Member of the Royal College of Psychiatrists in the UK.

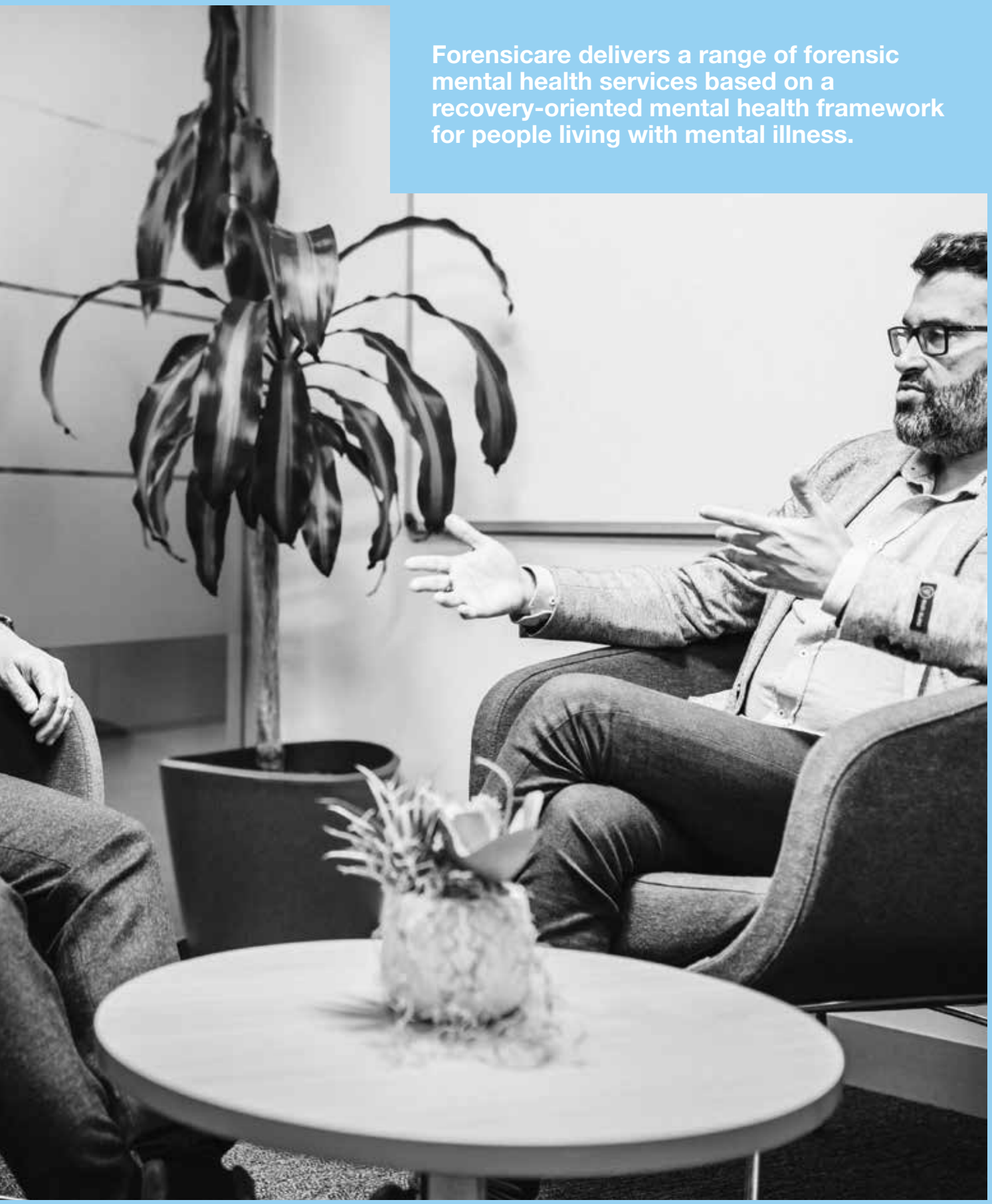
Dr Danny Sullivan
MBBS, MBioeth, MHlthMedLaw, AFRACMA, FRCPsych, FRANZCP

Executive Director of Clinical Services

Appointed June 2017

Danny joined Forensicare in 2004 and has held a range of consultant positions throughout the organisation. As Executive Director of Clinical Services, 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.

Forensicare delivers a range of forensic mental health services based on a recovery-oriented mental health framework for people living with mental illness.



Our staff work hard —and we are extremely proud of their dedication and commitment to improving mental health outcomes for consumers, carers and the wider community. That's why this year, we want to recognise and congratulate our staff and teams for their invaluable contributions.

AWARDS & ACHIEVEMENTS

Top 5 ABC Media Residency Program
(August 2020)

Centre for Forensic Behavioural Science's Associate **Professor Stephane Shepherd** was named recipient of the Top 5 ABC Media Residency Program which provides an opportunity to develop communication and media skills alongside some of Australia's best journalists and broadcasters.

2020 Christopher Webster Early Career Award
(September 2020)

Forensicare and the Centre for Forensic Behavioural Science's Senior Lecturer in Forensic Mental Health **Dr Tessa Maguire** was awarded the 2020 Christopher Webster Early Career Award for her contributions to forensic mental health research, particularly her work in preventing aggression and reducing the use of restrictive interventions.

2020 Mental Health Design Award (October 2020)

Forensicare won the 2020 Mental Health Design Award category at the European Healthcare Design Awards for our new Secure Psychiatrist Intensive Care Unit (SPICU) or Apsley Unit. This prestigious award recognises professional excellence in innovative healthcare design that meets the needs of staff and consumers.

Outstanding Contribution Awards (October 2020)

Forensicare held its first Outstanding Contribution Awards to acknowledge the contributions of Forensicare staff. The awards have three categories including Recovery-orientated care, Co-Design and Innovation.

ACHS 23rd Annual Quality Improvement Awards (November 2020)

Forensicare and the Centre for Forensic Behavioural Science won the Clinical Excellence and Patient Safety category at the ACHS 23rd Annual Quality Improvement Awards. This prize was won following the development and implementation of the eDASA+APP.

2020 Australian Mental Health Prize (November 2020)

Distinguished **Professor James Ogloff AM** was a finalist in the 2020 Australian Mental Health Prize. The prize, now in its fifth year, recognises Australians who have made outstanding contributions to the promotion of mental health or the prevention and treatment of mental illness. James was nominated for the integral role he has played in identifying, advocating, and improving the care of people with mental illness in the criminal justice system.

2020 Victorian Multiculturalism Commission Justice Award (December 2020)

Centre for Forensic Behavioural Science's **Associate Professor Stephane Shepherd** was awarded the 2020 Victorian Multiculturalism Commission Justice Award for his work developing a body of research on cross-cultural issues at the intersection of psychology and the Australian criminal justice system.

2020 Vice-Chancellor's Award (December 2020)

Centre for Forensic Behavioural Science's **Dr Justin Trounson** was awarded the 2020 Vice-Chancellor's Award for Excellence in Early Career Research at Swinburne University of Technology. His research interests include conducting applied research that supports the wellbeing and resilience of Aboriginal and Torres Strait Islander communities, prisoners and asylum seekers.

Order of Australia (June 2021)

Forensicare's Senior Consumer Consultant **Julie Dempsey** was awarded an Order of Australia for her outstanding services to community mental health. Julie's work promoting consumer perspectives and concerns has made significant and lasting improvements to our forensic mental health service delivery.

Outstanding Contribution Awards (June 2021)

Forensicare held its second Outstanding Contribution Awards to acknowledge the contributions of Forensicare staff. The awards have three categories including Recovery-orientated care, Co-Design and Innovation.

CLINICAL SERVICES

The Forensicare community has navigated the COVID-19 pandemic despite challenges to our wellbeing and grave threats to health. I have been incredibly impressed by the resilience, strength and adaptability, which have enabled us to manage so effectively. This has ensured that our clinical services have continued to be delivered with compassion, safety and quality.

For consumers, lockdowns result in cessation of community leave and delays in the activities which are integral to transition back into the community; and for people in prison, they result in periods of isolation in quarantine following reception or transfer; however, our consumers have all found the strength to manage these trials with impressive determination and purpose.

Many staff are balancing the need to maintain home schooling and juggle face to face work in personal protective equipment. The emotional impact of the pandemic is persistent, yet each has dug deep to maintain compassionate treatment and care.

The result of these sacrifices has been clear, in that so far, we have had few exposures within our services. Consumers at Thomas Embling Hospital were particularly quick to be vaccinated, and rates of vaccination among staff are high and are continuing to rise. The resilience and adaptability of our Forensicare community is impressive, and offers the best path forward in volatile times.

There has been a significant increase in admissions and throughput in recent years. This reflects efforts across all parts of Forensicare to work together for the benefit of consumers and to improve access to those awaiting treatment. In particular, we have made the most of the increased capacity to provide effective treatment to prisoners admitted under the *Mental Health Act 2014* through Apsley Unit, our 8-bed intensive care unit.

Nevertheless the complexity of our admissions may challenge our capacity to provide prompt treatment and rapid discharge back to prisons. A small number of civil patients significantly impacts our capacity and, in some cases, it is a challenge to plan effective discharge. Forensicare maintains a close working relationship and benefits greatly from the support of the Victorian Government and the Office of the Chief Psychiatrist to manage these challenges.

Of course the big news of 2021 has been the release of the findings of the Royal Commission into Victoria's Mental Health System. Among the recommendations are several that support a marked increase in capacity at Forensicare, and were promptly converted into a significant allocation of funding for the redevelopment and expansion of Thomas Embling Hospital. This will provide terrific opportunity to extend our ability to provide effective treatment, which will increasingly be tailored to the specific needs of our referrals. In particular service planning, which has already commenced, will focus on contemporary unit design which grants us more flexibility to address specific needs, particularly for female and elderly consumers.

The impact of the Royal Commission into Victoria's Mental Health System will not only be felt in the hospital: among the recommendations was advice to develop specific recovery pathways for young people in prison and increase the reach of our community services into all Victorian mental health services. These are profound opportunities to reshape the provision of specialised mental health services to those in contact with the criminal justice system. We are working to develop service models and to collaborate with other stakeholders to ensure that the quality of services is the best possible. Partnerships, and solid linkage to education, training and evaluation will be the keys to success, as the landscape of clinical services transforms over coming years.

However, these opportunities also bring great challenges. Forensicare – and indeed the entire Victorian mental health system – will require a marked expansion of workforce. Travel restrictions have reduced our access to the skilled and valued professionals who traditionally have come from overseas, and there will be increased competition to employ mental health and other professionals in coming years.

Forensicare will maintain a focus on high quality training and clinical experience to ensure that our future workforce is able to meet demand. Expanded training places for Junior Medical Officers, and a healthy rate of recruitment and retention for advanced trainees in forensic psychiatry bode well for medical recruitment. Forensicare has joined with several stakeholders to identify solutions to this projected issue.

This year saw the conclusion of several years of work on developing a new Model of Care for Forensicare. The Model of Care involved extensive internal and external consultation and is intended to provide a high-level blueprint for our services in coming years. In particular, it seeks to provide better integration of our services as we expand; to ensure that the Recovery model is central to our work and meets the needs of a forensic mental health service; and to meet the needs of our consumers, families, carers, supporters, staff and the services that we link with. The challenge for the Model of Care is now its implementation, and translation into practice. Once more, the plan is to engage the entire Forensicare community in converting theory into practice and bringing home this commitment.

I remain really honoured to work with a talented team of clinicians and owe special thanks to the discipline heads: Dr Chris Quinn and Jo Ryan (nursing); Dr Shelley Turner and Lisa Wright (social work); Dr Aleks Belofastov and Distinguished Professor Jim Ogloff (psychology); and Dani Ashley and Marissa Davidson-Blue (occupational therapy). The Directors of Clinical Services are integral to supporting the medical workforce and clinical services in our prison (Dr Kate Roberts), community (Dr Anthony Cidoni), and hospital (Dr Mark Ryan) services.

Forensic mental health requires amazing teamwork and collaboration, and all our staff deserve lashings of praise for their hard work in trying circumstances, to keep the Forensicare ship on course through turbulent waters.

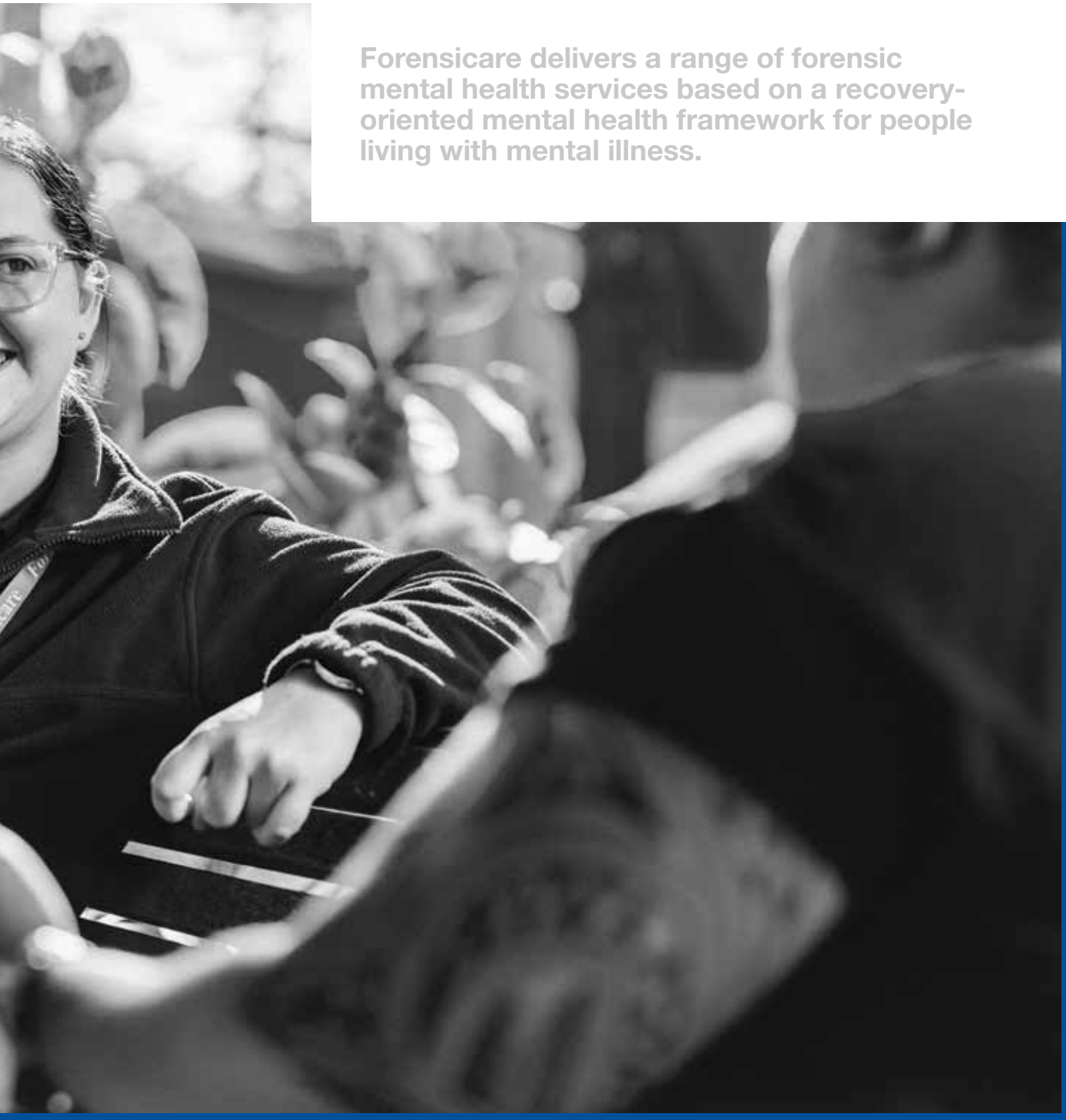
Dr Danny Sullivan

Executive Director, Clinical Services

Despite the disruptions from COVID-19, Forensicare has continued to focus on improving and strengthening the role lived experience plays in shaping the quality of our services.

The final recommendations from the Royal Commission into Victoria's Mental Health System, has provided the community with a clear and ambitious set of recommendations to transform Victoria's mental health system, particularly in the area of ensuring the voice of people with a lived experience is embedded into the planning and delivery of mental health treatment, care and support services. Forensicare recognises the value people with a lived experience provide and we are excited about developing new and innovative ways to deliver improvements with consumers, families and carers.

LIVED EXPERIENCE



Forensicare delivers a range of forensic mental health services based on a recovery-oriented mental health framework for people living with mental illness.

2020-2021 Highlights

Lived Experience Review

As pioneers in the development of lived experience roles within forensic mental health services in Australia, we understand the need to continue to explore and develop these roles. This year we conducted a review to guide us as we shape the future of the lived experience workforce and its development as an integral component of Forensicare. The review, in alignment with the recommendations of the Royal Commission into Victoria's Mental Health System and informed by evidence and best practice, identifies the lived experience team as a discipline in its own right and embeds the voice of people with lived experience into everything we do.

Medal of the Order of Australia – Julie Dempsey

Julie Dempsey, Forensicare's senior consumer consultant was awarded a Medal of the Order of Australia (OAM) in the 2021 Queen's Birthday Honours List. She was awarded this prestigious honour for her outstanding services to community mental health.

Through sustained commitment and advocacy, Julie's work promoting consumer perspectives and concerns has made significant and lasting improvements to our service delivery to ensure person-centred and recovery-focused care. Her work inspires others and highlights the difference it can make in consumers lives when they are empowered and have a voice in their treatment and recovery.

Peer Workforce Development

Early 2021 saw the introduction of two women's peer workers based on the Daintree and Barossa units at Thomas Embling Hospital. These roles join the established peer worker on Tambo Unit within our Prison Service.

The direct support provided to consumers is evidence-based and aligned with the Intentional Peer Support (IPS) model.

Initiatives run by peer workers include a peer support group, coffee chats and reflective trivia, which have all been adapted to suit the COVID-19 climate.

Although the new roles on Daintree and Barossa units are women specific, there has been regular peer support provided to men, outlining the need for substantial growth to ensure there is support available for everyone.

Having a peer workforce has empowered fifteen consumers to investigate peer support as a potential pathway for their future. Of these, a number have embarked on this journey and have enrolled in the *Certificate IV Mental Health (Peer Work)* or begun a job which draws upon their lived experience.

It is hoped that the Lived Experience Review will yield additional peer workers in the coming years.

COVID-19 Response

If we've learned anything about how to manage and respond to COVID-19, it's that the strength of community – of banding together and making sacrifices for the benefit of everyone - is what keeps us strong and enables us to get through. This was no different for consumers at Thomas Embling Hospital. Time and time again, consumers stepped up and took responsibility to play their part in ensuring we minimise the risk of COVID-19 to ensure the safety of their friends, families, hospital staff and the community.

COVID-19 Vaccinations

The opportunity to be vaccinated against COVID-19 was met with great enthusiasm by consumers at Thomas Embling Hospital.

In late June, the first COVID-19 vaccination doses were given to our consumers at Thomas Embling Hospital through a program delivered by the Austin Hospital. A pop-up vaccination clinic was set up in the hospital gymnasium and consumers with campus access were allocated time to receive their COVID-19 vaccination. Consumers in acute units without campus access were given vaccinations on their units. A total of 80 patients were vaccinated. The pop-up clinic will return in early August to administer the second and final doses.

Our consumers in the community have been supported in accessing COVID-19 vaccinations through their GPs and state-wide vaccination programs. Vaccinations for the men and women we provide care to within our prison settings are being provided through the Corrections Victoria vaccination program.

Consumer and Carer Participation

Due to the disruptions caused by lockdowns, consumer advisory committees were put on hold for the majority of the year. The Family Sensitive Practice Committee was reinstated and held online during lockdowns and in person when it was safe to do so.

Model of Care & Strategic Plan

Our new Strategic Plan and Model of Care play a central role in shaping Forensicare over the next five years and beyond.

Current and former consumers from across Forensicare, along with families, carers and supporters, and our lived experience workforce participated in a range of working groups and workshops with staff and stakeholders where they shared their ideas, insights and feedback. They were engaged at each stage of development for both projects, and were consulted on the direction, approach used, and language to ensure it reflected their input and was easily understood. We look forward to launching into this work in the second half of 2021.

"The strategic plan was excellent and beneficial to all parties, I had a great time working on it"

Consumer, Bass Unit, Thomas Embling Hospital

Co-design Framework

Forensicare acknowledges that the lives of our consumers, families, carers and supporters are directly impacted by the quality and effectiveness of the forensic mental health care we provide. We believe in, and commit to, the rights of people with lived experience to participate and have a direct and active role in the processes that affect their lives.

To ensure this is done effectively, Forensicare undertook the development of a Co-design Framework scheduled to be launched in the second half of 2021. The framework provides a consistent method to ensuring voices of consumers, carers, families and supporters are captured and reflected in the design of the services we provide. It also demonstrates Forensicare's commitment to an ongoing, effective and engaging partnership with consumers, carers, families and supporters, valuing their knowledge and expertise in creating quality services, programs and policies.

As a first step, codesign is being embedded into the planning and development processes for the Thomas Embling Hospital Bed Expansion Project. Using the principles of codesign, the project's redevelopment committee (made up of members of the project team, consumers, families and carers) will lead and oversee engagement with consumers, families, carers and supporters based on the codesign framework.

Education and vocation

Despite the interruptions caused by the COVID-19 pandemic, consumers at Thomas Embling Hospital continued to pursue education and vocational training throughout 2020-2021.

78
Students enrolled in one or more courses

62
Continuing students from previous year

16
New students commencing study in 2020-2021

Forensicare, as the statewide provider of forensic mental health services, operates under the *Mental Health Act 2014* (MHA) in terms of treatment for consumers, however, also has obligations under the *Crimes (Mental Impairment and Unfitness to be Tried) Act 1997* (CMIA) in relation to consumers being assessed for, or who have been placed, on supervision orders under the CMIA.

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

In 2020-2021 Forensicare provided 35 reports to the Court under section 41 of the *Crimes (Mental Impairment and Unfitness to be Tried) Act 1997* (CMIA).

Sometimes when a custodial supervision order is recommended for a person, there is not a bed immediately available for the making of that order. A certificate providing that no services are available is provided to the Court in accordance with section 47 of the CMIA. In 2020-2021, there were five occasions where we provided a certificate that stated we did not have a bed available at Thomas Embling Hospital for the making of a custodial supervision order. At 30 June 2021 there was one person remanded in prison waiting for a bed to become available for the making of a custodial supervision order.

LEGAL

Supervision orders under the *Crimes (Mental Impairment and Unfitness to be Tried) Act 1997*: An explainer

The CMIA upholds two legal principles that are fundamental to the Victorian legal system, namely: all people are entitled to a fair hearing and people should only be punished for behaviour for which they are criminally responsible. Importantly, the CMIA recognises that those with a mental illness or cognitive impairment:

- may not be able to understand the criminal trial process, including why they are in court or what it means to plead guilty or not guilty
- may not have understood, at the time of an offence, what they were doing or that what they were doing was wrong

The CMIA sets the test for both fitness to stand trial and the defence of mental impairment and specifies the Courts' options if a person is found unfit to stand trial or mentally impaired at the time of the offence. If the Court makes a supervision order, these orders are indefinite, and the person may be placed on a custodial supervision order at Thomas Embling Hospital or on a non-custodial supervision order where they will be supervised by Forensicare in the community. These supervision orders are focused on rehabilitation rather than punishment and are guided by the principle that restrictions on a person's freedom and personal autonomy should be kept to the minimum consistent with the safety of the community.

The Court cannot place a person with a mental illness under Forensicare's supervision (either in Thomas Embling Hospital or the Community) until they receive a report and a certificate from Forensicare confirming there are services available for the person. The reports provided to the Court in accordance with the CMIA are intended to assist the Court in making their decision as to the appropriate supervision order.

Supervision orders under the CMIA

As at 30 June 2021 there were 172 people under Forensicare's supervision on a supervision order. Of these, there were:

- 99 on a custodial supervision order
- 12 on a custodial supervision order with a grant of extended leave
- 61 on a non-custodial supervision order

Custodial supervision orders

There were six new custodial supervision orders made in 2020-2021 – two by the Supreme Court and four by the County Court. This is one less than 2019-2020.

A CSO can only be made when a bed becomes available at Thomas Embling Hospital. The average wait time for a bed for the five men recommended for a CSO was 170 days. The one woman placed on a CSO did not need to wait for a bed.

In addition, there were 10 new grants of extended leave and one grant of extended leave that was revoked. Four people on extended leave had their order varied to a non-custodial supervision order.

One person on extended leave had their extended leave suspended and was returned to Thomas Embling Hospital. They are currently being treated and assessed for return to the community on extended leave.

One person subject to a custodial supervision order passed away.

Non-custodial supervision orders

There were 13 new non-custodial supervision orders made in 2020-2021, 12 of which were made by the County Court, and one made by the Supreme Court. This is one less than 2019-2020.

Two people on a non-custodial supervision order breached their order and were apprehended and brought into Thomas Embling Hospital. They are currently being treated and assessed for return to the community on their non-custodial supervision orders where appropriate. Three consumers who were apprehended in the 2019-2020 financial year were returned to the community in the current financial year without a need to vary their order. One consumer who was apprehended in the 2018-2019 financial year had their supervision order varied to a custodial supervision order in the previous financial year.

Nineteen people had their non-custodial supervision order revoked, which means their order is complete and the person can live in the community without conditions. This is compared to 17 in 2019-2020.

Figure 1 shows the trend of increasing numbers of patients at Thomas Embling Hospital.

Supervision order hearings

Forensicare staff prepared 108 reports for 75 consumers on supervision orders who had court hearings to review their order under the CMIA during 2020-2021. Forensicare staff attended court to give evidence in 64 of these court hearings.

Security patients

In addition to forensic patients (i.e. those consumers in Thomas Embling Hospital on an order under the CMIA), Forensicare also provides treatment to prisoners who require compulsory treatment under the MHA in a hospital on a secure treatment order – these patients are known as security patients. Thomas Embling Hospital is the only hospital in Victoria that can admit security patients for mental health treatment. During 2020-2021 Forensicare admitted 176 security patients for treatment at Thomas Embling Hospital.

Civil patients

Civil patients (defined as compulsory patients in the MHA) are those people who are on a temporary treatment order or treatment order under the MHA. Historically, Forensicare has admitted civil patients to TEH directly from the community where those people cannot be safely managed by an area mental health service in an inpatient unit. However, due to the high demand on Thomas Embling Hospital from forensic and security patients, the number of civil patients at Thomas Embling Hospital has steadily decreased over time and is now largely limited to those security patients who are converted to a civil order when they are at the end of their sentence or are bailed. There were, 23 security patients whose sentence ended whilst receiving treatment and who were put on an assessment order before they were discharged, to receive mental health treatment in the community.

Royal Commission into Victoria's Mental Health System

The final report found a mental health system that has 'catastrophically failed to live up to expectations' and has set an ambitious reform agenda to redesign Victoria's mental health and wellbeing system. Forensicare commends the reform agenda and is committed and ready to support the implementation of these reforms. Whist many of the recommendations will indirectly impact Forensicare, two are directly relevant, including the expansion of Thomas Embling Hospital, which the State has now committed $349.6 million to meet this recommendation. Forensicare is working closely with the Victorian Health Building Authority to deliver on this recommendation.

OUR YEAR IN NUMBERS

COMMUNITY FORENSIC MENTAL HEALTH SERVICE

COURT REPORTS

75
Court reports prepared

66
Pre-sentence court reports for people on bail

215
Pre-sentence court reports for people in custody

29
Reports prepared for the Adult Parole Board

MENTAL HEALTH ASSESSMENT & TREATMENT

21
Referrals accepted from Area Mental Health Services

4964
Court liaison assessments completed by Court Mental Health Advice and Response Service

52
Referrals accepted by the Victorian Fixated Threat Assessment Centre

303
Assessments completed by the Problem Behaviour Program

65
Clients accepted for treatment by the Problem Behaviour Program

SUPPORTING COMMUNITY TRANSITION & REINTEGRATION

12 clients on extended leave

25 Forensic Leave Panel hearings

170 Mental Health Review Tribunal hearings

588 instances of escorted leave

4329 instances of unescorted leave

19 non-custodial supervision orders ended

COMMUNITY MENTAL HEALTH & WELLBEING SERVICES

THOMAS EMBLING HOSPITAL

204
Total admissions

205
Separations

96%
Occupancy rate

6.9%
Consumers identified as Aboriginal or Torres Strait Islander people

47378
Occupied bed days

4 COMPULSORY PATIENTS*
0 Female / 4 male

22 SECURITY PATIENTS*
2 Female / 20 male

104 FORENSIC PATIENTS*
16 Female / 88 male

*As at 30 June 2021

PRISON MENTAL HEALTH SERVICE

LAW ENFORCEMENT, COURTS & JUSTICE

SUPPORTING COMPLEX TRANSITIONS & COMMUNITY SAFETY

61 clients on non-custodial supervision orders

1698 contacts with Community Correctional Services by the Forensicare Serious Offender Consultation Service

3030 assessments completed for people on a community correction order

127 patients released from prison on an inpatient assessment order

69 episodes of care for the Community Integration Program

TRANSFERS FOR INVOLUNTARY MENTAL HEALTH TREATMENT

176 patients admitted under a secure treatment order

4 days average wait time for female security patients to be admitted

19 days average wait time for male security patients to be admitted

189 days average wait time for patients in prison to be admitted on a custodial supervision order

MENTAL HEALTH TRIAGE ASSESSMENT OF ENTRY INTO PRISONS

10,581
Mental health reception assessments within male prisons

1,410
Mental health assessments within female prisons

OUTPATIENT & SPECIALIST CONSULTATION

5,710
Occasions of service with male prisons

3,115
Occasions of service with female prisons

450
Episodes of intensive case management

1,846
Occasions of service with regional prisons

ACUTE MENTAL HEALTH RESPONSE

525
Acute and subacute admissions within male prisons

154
Acute and subacute admissions within female prisons

TRAINING

Supporting corrections staff to understand and respond to mental health needs of prisoners

92
Educational sessions

> 850
Corrections staff trained

RESEARCH OVERVIEW

CENTRE FOR FORENSIC BEHAVIOURAL SCIENCE AND FORENSICARE RESEARCH

Promoting Research in a Pandemic

The past year has been marked by significant challenges brought about by the COVID-19 pandemic, but despite this our research staff and students have persevered, and we have had a successful year marked by many accomplishments. It must be acknowledged that given the applied nature of our research work, we have experienced delays in many projects. Other elements of the research program have also been affected, such as the Centre for Forensic Behavioural Science (CFBS) Seminar Series. However, despite this, CFBS staff and students have been innovative in adapting to a different model of work. We have commenced a number of projects focused on responding to the challenges brought about by the COVID-19 situation. Occupational Therapist Lorrae Mynard has continued her work building staff wellbeing and expertise in the face of the pandemic, while Professor Michael Daffern, Forensicare Principal Consultant Psychologist and Deputy Director of the CFBS, has led research investigating the move towards using online platforms to conduct forensic evaluations and providing treatment.

We were delighted that the Royal Commission into Victoria's Mental Health System recognised the importance of research in the final report released earlier this year. The final three recommendations of the report highlighted the importance of facilitating translational research and its dissemination; the need to drive innovation in mental health treatment, care and support; and the importance of evaluating mental health and wellbeing programs, initiatives and innovations. The Royal Commission also reiterated the call to establish a Collaborative Centre for Mental Health and Wellbeing.

Since its inception, Forensicare has embedded strong research values, and our research record has continued to strengthen and is recognised nationally and internationally. Through its partnership operating the Centre for Forensic Behavioural Science with Swinburne University of Technology, our researchers are among the most productive and influential among any forensic mental health service internationally. Our work is read by thousands of people per year and is cited in scholarly articles more than 2,200 times annually.

The CFBS enjoys close collaborative relationships with other universities and agencies, including Corrections Victoria, Victoria Police, Youth Justice, Court Services Victoria. Our collective efforts help ensure that what we learn is relevant to improving the care offered by Forensicare and other providers of forensic mental health services.

We have continued to build interdisciplinary research strengths this year by facilitating collaborations with research staff across the disciplines. Most significantly, we have been enriched by discipline research leadership offered by Lorrae Mynard, occupational therapy research lead, Dr. Caroline Lambert, social work and lived experience industry research fellow, Dr. Tess Maguire, nursing research lead, and Dr. Rajan Darjee, psychiatry research lead.

Research Income and Contributions

Despite the challenges brought on by the COVID-19 pandemic, the CFBS has continued to perform well in income earned and scholarly outputs. Our researchers have secured $2,169,388 in funding this year, of which $2,027,271 was for research and evaluation and $142,117 was for training. Unsurprisingly, the training income has reduced by almost 40% from last year as a result of fewer opportunities to deliver training. We have adapted to the mandatory lockdowns by adapting much of our training for the online environment.

Our researchers remained productive, with 92 scholarly outputs published. This includes 63 peer reviewed articles, two books, thirteen book chapters and fourteen industry research/evaluation reports. Staff still managed to deliver 52 presentations at conferences or to professional groups.

Staff and Student Highlights

This year saw the departure of two valued CFBS staff members. As featured shortly, Professor Michele Pathé retired in 2020, but continues to collaborate with CFBS staff members. I am personally very grateful for Michele's ongoing support, wisdom and collegiality and wish her the very best in retirement. Dr. Stefan Luebbers resigned from the university in 2020 to return to full time clinical practice. Dr. Luebbers had a long association with the CFBS, having completed his doctoral training with us and having been employed as a research fellow and then senior lecturer. He made significant contributions to our research, particularly regarding young offenders and victims. He mentored many postgraduate students and staff. Happily, Stefan has continued his association with the CFBS as an adjunct member of staff.

Associate Professor Stuart Lee, Research Manager, Forensicare, also left his post to take up a position at the Alfred Hospital. Stuart played a significant role in helping to reshape the research landscape at Forensicare. We are in the process of recruiting a replacement.

Forensicare and the CFBS won the 2020 Clinical Excellence and Patient Safety award at the ACHS 23rd Annual Quality Improvement Awards.

The prize was awarded for quality improvements achieved following the development and implementation of the eDASA+APP — an electronic instrument and clinical decision support system designed to assess imminent aggression and structure nursing interventions. The team developed it to reduce aggression and the use of restrictive interventions. The results show that using the eDASA+APP saw a reduction in the use of seclusion from 22.3 to 16.2 episodes per 1000 occupied bed days. It was fantastic to see both a huge increase in the use of non-restrictive interventions, such as de-escalation reassurance and distraction techniques, and a 43% reduction in all types of aggression. Members of the winning team include Dr. Tessa Maguire, Dr. Jessica Griffith, Professor Michael Daffern, Distinguished Professor James Ogloff, Professor Brian McKenna, Chris Guest and Jo Ryan.

Associate Professor Troy McEwan assumed the convenorship of the postgraduate courses in forensic psychology (i.e., Doctor of Psychology (Clinical and Forensic Psychology), Graduate Diploma in Forensic Psychology). Dr. Stephane Shephard was promoted to Associate Professor and was awarded a 2020 Victorian Government Multicultural Award for Excellence in Justice and was named an ABC Top 5 Scientist under 40 (Humanities). Dr. Tessa Maguire was awarded the 2020 Christopher Webster Early Career Award from the International Association of Forensic Mental Health Services. Dr. Justin Trounson won the 2020 Vice Chancellor's Award for Early Career Research Excellent Award. Professor Daffern was appointed Editor in Chief of the *International Journal of Forensic Mental Health*. I was named a finalist for the 2020 Australian Mental Health Prize.

The CFBS continues to train and mentor future clinical leaders and researchers. We have 62 doctoral students completing their PhD or Doctor of Psychology (Clinical and Forensic Psychology) degrees. This year, 10 students completed their doctoral training. We had more than 350 students enrolled in the post-graduate courses offered by the CFBS in forensic behavioural science and forensic mental health.

In closing, I want to express my sincere thanks to the CFBS staff members, students, and Forensicare Researchers for their perseverance and successes despite the challenging times. We are very strongly supported by both Dr. Margaret Grigg, CEO and Professor Bruce Thompson, Dean of Health Sciences at Swinburne University of Technology. I would like to thank Professor Michael Daffern, Deputy Director of the of the CFBS, and the CFBS leadership team and Forensicare Executive for their support and camaraderie. I benefit greatly from the able efforts of Mr. Brett McIvor, Research Centre Coordinator and Ms. Maree Stanford, Executive Assistant.

Distinguished Professor James Ogloff AM FAPS

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

Professor Michele Pathé

In December 2020, Professor Michele Pathé retired from Forensicare. It is not possible to overstate the significance of Michele's contributions to Forensicare. She played an instrumental role with Professor Paul Mullen in the development of the research and clinical work on stalkers which put Forensicare on the map internationally.

She was the first Assistant Clinical Director for the Community Forensic Mental Health Service and she has mentored and supported countless staff members over the years. She was a foundation member of the Centre for Forensic Behavioural Science. In addition to being a very highly regarded clinician, Michele is an accomplished researcher, having been awarded a Doctor of Medicine degree for her research from Monash University (the MD is classified as a research degree at, or above, the level of a PhD). Michele has won a number of international awards for her work in the stalking, lone actor grievance fuelled violence, and threatener work. She is a sought-after speaker and trainer.

She was instrumental internationally in developing the Fixated Threat Assessment model and established the first such service in Queensland. Michele returned to Victoria in November 2017 to help establish and serve as the clinical lead for the Victorian Forensic Threat Assessment Centre (VFTAC). In her unassuming way, Michele has helped shape our field. Upon her retirement, Michele received a Command Commendation from Victoria Police reflecting her significant contribution to the establishment and development of VFTAC.

Michele has taken up a post as Adjunct Professor of Forensic Psychiatry at the CFBS to continue to collaborate with our group. She also continues to play a training and education role with VFTAC.

The COVID-19 pandemic has challenged our capacity to provide internal and external education and training. Despite this, staff have adapted to new content and delivery methods.

We continue to retain strong links with the Centre for Forensic Behavioural Science and are engaged in a range of research and evaluation projects. We maintain that a skilled and specialised workforce is necessary to best meet the needs of our consumers, and to ensure we can contribute to community safety through effective forensic mental health interventions.

External Training and Research Dissemination

Despite the pandemic, we managed to continue to provide external training and research seminars this year. The CFBS delivered external training to multiple services and individuals requiring continuing education. The has included training for staff members in the Department of Justice and Community Safety, Youth Justice, and Australian Community Support Organisation. A number of one-off training sessions were also delivered to Forensicare audiences and external agency staff members.

Forensicare and CFBS staff pursue multiple avenues to share and educate all Forensicare stakeholders about new research findings and how they impact Forensicare practice as well as supporting growth in expertise in the conduct, use and dissemination of research. This includes regular in-person presentations to Forensicare Executive Best Care, the Consumer Advisory Group and discipline or directorate meetings, with regular intranet stories also shared.

We held one research dissemination seminar for Forensicare staff members that was live streamed in October 2020. As a result of the positive reviews and large online audience, ongoing research dissemination seminars will be live broadcast in addition to being presented in person.

The CFBS hosts seminar series where invited speakers share their work with research staff from the CFBS and clinical staff from Forensicare. We held two seminars this year:

- November 2020 – Professor David Copolov AO, Pro Vice-Chancellor Monash University – *"The Roles of Royal Commissions and Major Inquiries in Shaping Mental Health Policy in Australia"*
- June 2021 – Dr Simon Davies, The University of Waikato - *"A Closer Look at the Relationship Between Change in Dynamic Risk and Imminent Recidivism"*

EDUCATION & TRAINING

Staff Learning and Development

Leda Professional Development program

The Leda program promotes that managerial excellence combined with high levels of technical expertise and professional competencies, enable managers to lead teams so they can perform at their best. The program provides participants with flexible and self-paced learning modules that help develop practical skills for application in the workplace.

The Leda program is now firmly embedded in the Learning and Development suite of opportunities offered to people leaders at Forensicare. Forty emerging leaders from across the organisation took part in the program. Many have already moved into more senior roles, while others are now supporting participants in a mentoring capacity.

Learning and Development Committee

The Learning and Development Committee has been reintroduced to provide integrated and interdisciplinary leadership and governance for learning and development across Forensicare. The committee will:

- Oversee the implementation of Learning and Development strategies to ensure that learning and development activity at Forensicare aligns with our strategic plan, enterprise agreements, legislation and accreditation standards
- Ensure quality in the delivery of Learning and Development initiatives, in particular that it is efficient and effective; utilises learning plans; and includes compliance learning; in-house training (face-to-face, virtual conference and self-directed e-learning), conference leave, further study incentives, clinical supervision, mentoring and on the job training
- Ensure Learning & Development initiatives utilise best available evidence to support the transfer of knowledge into practice.

Disability Action: 3-year learning plan

A three-year Disability Action Plan (DAP) has been developed for all Forensicare employees. The DAP learning plan is designed to create awareness and understanding for those working with people who are living with a disability. It also promotes changes and adjustments in the workplace to support the diverse needs of people living with a disability. In year three, the introduction of an employee engagement panel is recommended to further promote and support DAP learning initiatives.

FITS Dashboard

The newly embedded Forensicare Internal Training System (FITS) dashboard supports all people managers to access the learning status of their employees and detail the compliance rates and assignments for learning and professional development.

The latest update to the learning management system means that reporting to the Department of Health and Human Services, the Board and Executive leadership is more accurate, data is available in real time and enables people leaders to manage their teams learning needs effectively.

Forensicare continues to identify opportunities and deliver improvements to our workplace and culture.

Over the past 12 months we have delivered improvements, including:

- Implemented and embedded our new Employee Wellbeing Program provider, SMG Health, which offers a more extensive range of wellbeing program supports, including a critical incident support, manager assist, individual and team wellbeing learning sessions and a range of other initiatives.
- Implemented Psychological First Aid training for all staff – over 222 staff completed the training and this number is increasing.
- Developed an Employee Support Network to support staff wellbeing in the workplace. This is a confidential peer support service that staff can access to obtain advice and support for personal or work-related matters and will continue to be embedded across the organisation.
- Introduced an electronic onboarding system to improve recruitment capability and employee experiences.
- Developed a succession planning framework for our senior leaders and critical roles.
- Implemented the Personal Leave Donation Bank to support critically ill staff to recover or care for a critically ill family member.
- Implemented a learning program for leaders to manage employee grievances respectfully.
- Implemented a new Leda Professional Development training program for managers.
- Implemented an Employee Recognition Program to acknowledge the outstanding contribution and achievements of staff.

OUR PEOPLE – PEOPLE & CULTURE

Forensicare is committed to providing a safe and healthy workplace for consumers, staff, contractors and visitors.

Employee Recognition Program

Outstanding Contribution Program

In 2020 we developed the Employee Recognition Program to increase acknowledgement and appreciation for staff achievements. This initiative was co-designed by the People Matters Committee – a group of staff who volunteer their time to support our ongoing efforts to improve our culture. The program has four categories including:

- Outstanding Contribution to Recovery-orientated Health Care
- Outstanding Contribution to Co-Design
- Outstanding Contribution to Innovation.
- Outstanding Contribution to Everyday Excellence

The awards are presented during the monthly All Staff Broadcast, with the first round of awards in December 2020 and the second in June 2021.

December 2020

Outstanding Contribution to Recovery-oriented Health Care

- Dr Chris Quinn (Acting Operations Manager, Rehabilitation)
- Jessica Duda (Nurse Unit Manager, Barossa)
- Kim Dahler (Registered Psychiatric Nurse, Port Phillip Prison)
- Shillar Sibanda (Registered Psychiatric Nurse, Aire)

Outstanding Contribution to Co-design

- Mark Carter (Health, Safety & Wellbeing Manager)

Outstanding Contribution to Innovation

- The T.E.H Reflective Practice Team, including:
  - Dr Meera Aurora
  - Dr Diana Talevski
  - Dr Bonnie Albrecht
- Chris Guest (ICT Strategic Manager, IT Services)
- Leanne Turner (Unit Manager, Marrmak)
- Jared Bottles (Procurement Coordinator, Stores)

June 2021

Outstanding Contribution to Recovery-Oriented Health Care

- Cait Mahony & Ghada El Zohbi (Therapeutic Assistants, Barossa)
- Dr Bonnie Albrecht (Problem Behaviour Program, CFMHS)
- Brittany McVeagh (Lived Experience Team)

Outstanding Contribution to Co-Design

- Taila Bennett (Registered Psychiatric Nurse, Barossa)
- Flora Gilbert & Amy Johnson (psychologists, Moroka Program)

Outstanding Contribution to Innovation

- Stuart Sweeney (Outpatients Team Leader, MAP)
- Abigail Reisner (Art Therapy, T.E.H)

Outstanding Contribution to Everyday Excellence

- Lauren Dimitriou (Health Information Clerk, Ravenhall)
- Pengzhu Cui (Registered Psychiatric Nurse, Ravenhall)
- Michelle Whittingham (Social Worker, Ravenhall)
- Rhonda Crowe (Ward Clerk, Port Phillip Prison)
- Cheryl Davis (Unit Manager, Canning)
- Gareth Lee (Registered Psychiatric Nurse, TEH)
- Courtney Lowther (Senior Clinical Psychologist, TEH)
- Clinical Support Team (TEH)
- James Godfrey (Spiritual Care Coordinator, TEH)
- Donna Melia (Registered Psychiatric Nurse, CFMHS)
- Huma Syeda (Health Information Manager)

Highlights: Employee Recognition Program

Outstanding Contribution to Recovery-oriented Health Care

Cait Mahony & Ghada El Zohbi – Therapeutic Assistants, Barossa Unit at TEH

Cait and Ghada won this award for their work planning and developing the Barossa Sensory Garden, which aims to use biophilic design and green space to improve stress levels and assist patients in their recovery. The garden is now a quiet space for consumers to relax in and engage in sensory experiences.

Outstanding Contribution to Everyday Excellence

Michelle Whittingham – Social Worker, Ravenhall Correctional Centre

Michelle works day-in-day-out with men on the Aire Unit at Ravenhall, often sitting with them through their appointments to advocate for their rights with lawyers, state trustee representatives and parole officers. The men on the unit can often be very unwell, irritable, antisocial and/or rejecting, yet despite this Michelle is able to form positive and engaged relationships. Michelle helps to tackle challenging issues the men are facing, such as homelessness, social exclusion, access to NDIS and drug addiction. The team in Aire Unit know Michelle to be reliable, resourceful and appreciate the time that she takes to educate them on the resources available to men.

Outstanding Contribution to Innovation

The TEH Reflective Practice Team, including: Dr Meera Aurora, Dr Diana Talevski, Dr Bonnie Albrecht

Meera, Diana and Bonnie manage the Reflective Practice Program which provides a psychologically safe space in which staff can discuss their thoughts and feelings about the challenges of their work. An evaluation conducted this year showed that it has improved staff confidence, individual wellbeing and team cohesion. When lockdowns have meant that sessions have not been able to happen in person, the team produced *The Ascent*, a newsletter to help staff feel more supported with practical tips on how to manage their mental health.

Outstanding Contribution to Co-design

Flora Gilbert & Amy Johnson – Moroka Unit, Ravenhall Correctional Centre

Senior psychologists Flora and Amy developed a plan to reach out to former Moroka Program consumers and ask if they would like to participate in an interview to share their experiences of living with personality disorder and mental ill health, being in the prison system, and staying on the Moroka Unit. The content of these interviews is being compiled into training that centres these consumers' voices. This training will be delivered to the clinical and correctional staff who work on the Moroka Unit to increase understanding of the consumer cohort and will contribute to better quality care delivered to future consumers.

Employee recognition cards were developed by the People Matter Committee for staff to offer informal recognition to each other.

Length of service awards

Every year we acknowledge the longstanding commitment of our highly experienced and valued employees. In December 2020 our service recognition ceremony was conducted for the fifth consecutive year to celebrate the major milestones of employment. Staff with 10 or more years of service and members of our Consumer Advisory Group and Family Sensitive Practice Committee who have dedicated at least five years continuous service are acknowledged by our Executive team and CEO at an awards ceremony.

Years of service	Number of recipients
30 Year Service Award	1
25 Year Service Award	1
20 Year Service Award	15
15 Year Service Award	10
10 Year Service Award	16
CCAG / Family Practice Ctee – 5 Year Service	1

Focus On: Spiritual Care Program

Our spiritual care program, led by James Godfrey, offers a meaningful response to those seeking spiritual support and growth at Thomas Embling Hospital. It provides patients with access to the wisdom and ritual practices of major religious traditions, as well as unit-based agnostic and multi-faith spiritual discussion groups.

All spiritual care services are open to all patients, regardless of their religious affiliation. We find that positive experiences of spiritual care can support consumers to lead fulfilling and meaningful lives throughout their recovery journey. Specifically, consumers have access to weekly meditation and prayer groups, church services and Friday prayers, a spiritual film and discussion group, individual pastoral care, as well as opportunities to mark significant events in the multi-faith spiritual and cultural calendar. External faith leaders are also supported to provide in-reach into units to support patients who are unable to access the prayer room. These connections provide a crucial link for consumers to their spiritual and cultural heritage and identity.

One particular event that highlights the value of our spiritual care program is the way in which we marked the fasting seasons of Lent and Ramadan, which this year overlapped. James and the Consumer Advocacy Group multicultural representative took this opportunity to visit all the units on the hospital to speak about what these traditions mean, and how they are observed in Christian and Muslim faiths. These sessions led to well-attended Easter liturgies, which moved into supporting patients to observe Ramadan. A highlight was a Solidarity Fast, which was participated in by patients, clinical and executive staff and involved breaking fast at sunset together in the prayer room. It was very positive to see staff and patients coming together for inter-religious dialogue and to witness the strengths of diversity, and we look forward to building upon this in the year ahead.

Occupational Health and Safety

Forensicare is committed to providing a safe and healthy workplace for employees, contractors, consumers, families, carers, supporters, and visitors.

Forensicare has three OHS committees supporting Thomas Embling Hospital, Prison Services and Community Forensic Mental Health Services respectively.

We also have a Strategic OHS Governance Committee which provides oversite to occupational violence and aggression to ensure every incident is reviewed and followed up. This commitee also oversees the delivery of the Health, Safety and Wellbeing Plan 2020-22. This plan includes actions resulting from:

- occupational health and safety management system audits
- occupational violence and aggression systems audits
- biannual psychosocial survey

Occupational health and safety training

The two online OHS training modules developed for managers and new staff now have compliance monitoring and oversight from the Strategic OHS Committee. Implementation of additional training to further enhance the capabilities of managers and our people include:

- OHS roles and responsibilities
- Psychological First Aid

Counselling services

This year Forensicare introduced a new Employee Wellbeing Program. Since the launch, utilization of this program has doubled to 9.7%. Forensicare's has extended this service to immediate family members and are pleased to see this aspect of the service now beginning to be accessed. This a confidential service which provides short-term professional counselling delivered by an independent provider.

Workplace bullying

Forensicare is committed to promoting respect in the workplace, and ensuring initiatives are in place to facilitate diversity and inclusion. A learning program called "Respect in the workplace" is an new initiative for managers which aims to embed a "fair go for all" philosophy within their teams. It provides them with guidance on how they can promote respect and inclusion and respond appropriately to issues.

A total of 78 leaders completed the training with 93% of leaders reporting that it enhanced their knowledge and skills.

Occupational Violence

Over the last 12 months there has been a:

- decrease in the percentage of incidents resulting in staff injury
- increase in the number of incidents being reported
- decrease in the number of serious injuries and Workcover claims

This is a result of providing training and promoting the importance of reporting and a range of employee support initiatives.

Table 2

Occupational violence statistics	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
WorkCover-accepted claims with an occupational violence cause per 100 EFT	1.20	1.32	1.37	1.36	0.87
Number of accepted WorkCover claims with lost time with an occupational violence cause per 1,000,000 hours worked	5.36	8.06	7.64	7.44	4.83
Number of occupational violence incidents reported	441	251	276	202	143
Number of occupational violence incidents reported per 100 EFT	61	36.7	42.2	34.4	31
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0.015%	3.58%	3.26%	3.96%	3%

Note: the % OVA resulting in a staff injury has had a significant shift down from 3.58% to 0.015% as a result of increased reporting and a reduction in injuries during the year.

Definitions

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

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

WorkCover

Table 3 summarises our WorkCover claims and premiums over the past five years and WorkCover performance (five-year claims tracking), 2014–15 to 2018–19

Table 3

Insurance year	Wages	Premium (inc. GST)	Premium rate	Average industry rate	Days paid	Time lost claims	Total standard claims
2016-17	$46,566,958	$803,413	1.56%	1.24%	1,298	6	8
2017-18	$63,114,065	$1,136,632	1.64%	1.50%	1,225	11	17
2018-19	$76,078,552	$1,594,253	1.88%	1.54%	882	14	20
2019-20	$84,738,768	$1,737,632	1.86%	1.65%	873	10	21
2020-21	$87,165,716	$2,234,828	2.56%	1.55%	1335	16	16

Workcover premiums increased by $587,196 from the previous three years claims experience, increased remuneration and growth in staff numbers. The number of standard WorkCover claims decreased by 3. Forensicare achieved improved performance in days lost reducing this to 366 for the 16 claims due to proactive support and return to work programs. A significant portion of the days paid [969] is made up of claims from previous years.

Workforce Profile

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.

Forensicare policies and procedures are in place to ensure all recruitment and employment-related practices are in line with the key principles of merit and equity.

Table 4: Forensicare's workforce profile, 2020-2021

	30 June 2021		30 June 2020		30 June 2019	
Employee Category	**Staff Number**	**Total EFT**	**Staff Number**	**Total EFT**	**Staff Number**	**Total EFT**
Clinical staff	**727**	**629.0**	**702**	**618.0**	**655**	**578.4**
Nursing	461	406.0	455	412.3	415	378.4
Medical - Consultants Medical Officers/Registrars	71	58.2	70	57.2	64	51.0
Clinical Support	62*	54.9*	45	39.9	39	34.3
Allied Health	120	103.9	128	105.6	131	109.7
Psychology	67	50.2	67	49.0	70	51.8
Social Work/	31	28.6	32	30.0	32	31.3
Occupational Therapy	27	24.1	28	25.6	28	25.6
Art Therapy	1	1.0	1	1.0	1	1.0
Lived Experience	7	6	4	3.2	6	5
Consumer Consultant	4	3.4	2	1.2	3	2.4
Aboriginal Health Worker	2	2.0	1	1.0	0	0.0
Family & Carer Consultant	1	0.6	1	1.0	2	1.6
Welfare Worker	0	0.0	0	0.0	1	1.0
Corporate Staff	**104**	**86.7**	**86**	**75.1**	**85**	**78.5**
Corporate/Admin	104	86.7	86	75.1	85	78.5
Administration	96	78.7	78	67.1	75	68.7
Corporate Support	8	8.0	8	8.0	10	9.8
Grand Total	**831**	**715.7**	**788**	**693.1**	**740**	**650.4**

**Inclusive of Psychiatric Services Officers (PSOs) which have been reclassified in 2021 and no longer counted in the nursing group.*

	30 June 2021		30 June 2020		30 June 2019	
Employee Age	Staff Number	Total EFT	Staff Number	Total EFT	Staff Number	Total EFT
Under 25	43	35.2	29	26.2	29	27.8
25–34	206	186.6	215	199.3	204	186.9
35–44	269	230.0	245	212.2	219	188.2
45–54	178	152.1	165	143.8	150	134.5
55–64	98	83.7	107	89.2	113	95.5
Over 64	37	28.1	27	22.4	25	21.7
Grand Total	**831**	**715.7**	**788**	**693.1**	**740**	**650.4**

	30 June 2021		30 June 2020		30 June 2019	
Employee Gender	Staff Number	Total EFT	Staff Number	Total EFT	Staff Number	Total EFT
Women	541 (65.1%)	459.6	516 (65.5%)	448.0	478 (64.6%)	413.4
Men	290 (34.9%)	256.1	272 (34.5%)	245.1	262 (35.4%)	237.0
Grand Total	**831**	**715.7**	**788**	**693.1**	**740**	**650.4**

Executive officers

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 TRP purposes

Table 5: Forensicare's executive staff, 2020-21

	30 June 2021	30 June 2020	30 June 2019
Number of executives	8	7	6
Vacancies	0	1	0
Ongoing/special projects	0	0	0
Gender	5 Females 3 Males	5 Females 2 Males	2 Females 4 Males

Strategy, Policy and Performance

The strategy, planning and performance directorate has responsibility for strategic planning, continuous improvement and external engagement; understanding how we currently operate and looking to the future; assessing emerging opportunities; and identifying challenges for the organisation.

By tracking our progress against agreed objectives, we not only ensure the continuous improvement of our services, we also ensure we have the right capabilities and effective partnerships to meet our objectives both now and into the future. The directorate provides a centralised function for quality, including a KPI analytics function, which brings together key metrics to help us undertake critical trend analyses of our activity.

Over the past 12 months Forensicare has been engaged in an extensive range of activities focused on clarifying and redefining our organisation's purpose, values, and expected outcomes, and reimagining our care delivery and pathways. We have spent the time needed to learn about, and define, the issues we face in our services. It is only by facing these challenges that we can improve.

As a result the Forensicare's Strategic Plan 2021-2026, was developed, culminating from hundreds of hours of consultation to help clearly articulate our organisational vision and direction. The voices of consumers (past and present), carers, families, supporters, staff, stakeholders and service delivery partners were heard, and four strategic directions developed to guide Forensicare in how we deliver care, our connections and partnerships, creating a workplace of choice, committing to research, education and innovation, and ensuring we have the supporting 'enablers' in place to succeed.

CORPORATE SERVICES

We have spent the time needed to learn about, and define, the issues we face in our services. It is only by facing these challenges that we can improve.

To support the Strategic Plan, we also developed Forensicare's Integrated Service Plan and Model of Care to guide our thinking and prioritize our planning and implementation of activities.

The Integrated Service Plan was developed in partnership with PricewaterhouseCoopers Consulting Australia (PwC) to act as a key tool in informing, shaping and planning our future service delivery, taking into consideration the projected and changing needs of Victoria's community and mental health system.

The service plan had an instrumental role in supporting the business case for the redevelopment of the Thomas Embling Hospital site by detailing projections and identifying opportunities for innovation and service redesign to mitigate demand, strengthen pathways and respond to mental health service delivery across the state. The service plan was endorsed by both the Department of Health and Human Service and the Department of Justice and Community Safety through the Redevelopment Steering Committee.

Much like the consultation process undertaken with the Strategic Plan, consumers, carers, families, supporters, staff, industry colleagues and stakeholders also gave their time and insights to guide the development of our Model of Care. Through this consultation, and in line with evidence-informed best practice, our Model of Care defines the way our services are to be delivered, describes care pathways, and identifies clear commitments to our consumers, carers, families and supporters, staff and the Victorian community.
In alignment with the consultations undertaken and the recommendations from the Royal Commission into Victoria's Mental Health System, the Model of Care outlines a strong commitment to ensuring consistent, timely and individualised care across the health, mental health and justice systems that is person-centred, recovery-focused, respectful and tailored to the individual needs of each person.

While these three key documents provide a foundation for Forensicare as we work towards our vision and outcomes, during the past twelve months there have been many projects undertaken to support the ongoing improvements and efficiencies across all parts of the organisation.

Over the past 12 months Forensicare has been engaged in an extensive range of activities focused on clarifying and redefining our organisation's purpose, values, and expected outcomes, and reimagining our care delivery and pathways.

Finance and Business Services

Over the reporting period the Finance and Business Services (FBS) portfolio has focused on strengthening our capabilities to support improved service delivery in the care of our consumers and to ensure optimal operational readiness for the expansion of the Thomas Embling Hospital.

FBS actively participates across a range of consumer and carer forums to ensure the needs and priorities of the people we care for at Forensicare are understood.

Some key initiatives we have undertaken include:

IT Services

- Migration to the Cloud-based Microsoft platform for email and document management.
- Successfully implemented over 60 Cyber Security Controls established by the Department of Health and Human Services.
- Initiated project to upgrade our Human Resources Information System, including payroll and rostering capability.
- Commenced the development of a 3 year ICT Roadmap to be delivered in FY22 and aligned to the needs of a growing, modern secure hospital facility.

Finance

- Digitised a large number of processes across payroll and consumer trust accounts.
- Strengthened our monitoring and reporting of financial performance, cashflows for capital expenditure.
- Launched the Finance Fundamental program to support mangers in understanding their budgets and financial accountabilities.
- Commenced a program of activity costing to better understand the financial performance of our numerous clinical programs to ensure optimal resource allocation.

Infrastructure and Site Services

- Undertaken a significant amount of maintenance across the Thomas Embling Hospital to catchup on backlog maintenance whilst upgrading our maintenance management system to ensure timely attention to the need for repairs and maintenance.
- Delivered (and are continuing to deliver) over $20 million in capital works to improve the amenity and safety of our infrastructure. Examples include refurbishments to several residential units, a major upgrade of electrical and fire detection infrastructure,
- Commissioned an independent review of our asset management maturity and embarked on a program of improvements.
- Implementation of a cloud-based external contractor management, compliance and induction solution which will significantly reduce risk (e.g., regulatory, operational, financial, reputational and safety) attached to external contractors working at Forensicare sites.

Procurement

- Commissioned an external review of our procurement capability and commenced work on opportunities identified for uplift and improvement.
- Commenced Forensicare's alignment with the VGPB Expansion Project and initiated a major program of improvements to meet VGPB guidelines.
- Assessed suitability of aggregated purchasing options including increasing uptake of State Purchasing Contracts for supply of goods and services.
- Developed and published our first Modern Slavery Statement.
- Commenced implementation of Sourcing to Contract and Contract Management systems and processes to ensure a more standardised procurement approach and consistent contract performance monitoring.

Forensicare continues to monitor and report on its environmental performance. *Our Environmental Strategy – Our Contribution to a Healthier Environment – 2018-2020* commenced 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.

SUSTAINABILITY – OUR ENVIRONMENT

Environmental achievements in 2020–21

- Implemented polystyrene and soft plastic recycling
- Replacement plastic straws with paper straws throughout the Thomas Embling Hospital
- Commenced replacement of fluoro lighting with LED lights

WATER CONSUMPTION

	2017–2018	2018–2019	2019–2020	2020–2021
Water consumption (L)		14,248	13,775	15,069
Water reduction goal (L)		13,248	12775	14,069

VEHICLE USE

Kilometres travelled		233,638	163,758	103,975
Total tonnes of fleet CO2-e		45	31	19

TOTAL GREENHOUSE GAS EMISSIONS

Total tonnes of CO2-e	2,821	2,766	2591	2404

RECYCLING

Plastic bottles recycled (240 litre bins)		460	530	520
Paper recycling (Kg)		3202	2560	2001
Cardboard and paper recycling (4 cubic metres)		52	52	52
General waste (tonnes)		**115	115	116.18
Co-mingle waste* (tonnes)				15.05
Organic waste* (tonnes)				3.03
Clinical waste* (tonnes)				1.5
E-waste* (tonnes)				6.8

** New data for 2020/21*

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.

Strategic Priorities

With the COVID-19 pandemic causing a once in a generation disruption to the way people of Victoria lead their lives, health services across the state have faced unprecedented, complex and ever-changing pressures. To support health services in addressing these challenges and continue to strive for the delivery of safe, quality care, an abbreviated annual Statement of Priorities was introduced by the Minister for Mental Health.

At Forensicare we are proud of our staff, consumers, carers, families and supporters in their flexibility, understanding and concerted efforts to ensure we maintain a safe and quality service.

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STATEMENT OF PRIORITIES 2020–21

Health Service Performance Priorities

Part A: Strategic priorities

Objectives	Deliverables	Outcomes
Maintain robust COVID-19 readiness and response prioritizing the safety of consumers, carers, staff and the community.	View and update our Forensicare COVID-19 Management Plan in line with changing needs and CHO directives.	Completed
	Maintain an active COVID-19 working group to oversee the planning, co-ordination and delivery of our COVID response.	Completed
	Implement flexible and responsive communications plans for staff, consumers, carers, families, that provide timely and clear guidance.	Completed
	Develop and implement a COVID-19 vaccine program for all staff in partnership with Austin Health.	Completed
	Develop and implement a COVID-19 vaccine program for consumers at Thomas Embling Hospital (TEH) in partnership with Austin Health.	Completed
	Develop and implement a support plan for consumers receiving treatment through the Community Forensic Mental Health Services to receive COVID-19 vaccinations in line with Victoria's vaccination program rollout.	Completed
	Consumers in prison services to receive vaccinations in alignment with Corrections Victoria rollout.	Completed
Engage with consumers and service partners to build on opportunities to address the needs of current and prospective consumers as we continue to navigate the long-term impacts of COVID-19 on the health and wellbeing of people requiring forensic mental health services.	Review flexible engagement arrangements to maintain the provision of forensic mental health services through face-to-face and/or tele-health for consumers in the community and those in regional prisons.	Completed
	Review, revamp and deliver alternate unit-based, meaningful activity programs in response to COVID-19 restrictions and the inability to engage in cross-campus group learning and development (TAFE & gym).	Completed
	Implement options for consumers to maintain connections with friends and family through online technologies.	Completed
	Implement options for carers, families and supporters to maintain an active role in the planning and care of their person through online technologies.	Completed

Objectives	Deliverables	Outcomes
Respond to the recommendations of the Royal Commission into Victoria's Mental health System (RCVMHS) and the Royal Commission into Aged Care Quality and Safety (RCACQS).	Systematically review the recommendations of the RCVMHS, identifying key themes, areas of reform and the impact of these recommendations on Victoria's forensic mental health services.	Completed
	Systematically review the recommendations of the RCACQS, identifying key areas of need and the impact of these recommendations on Victoria's forensic mental health services.	Completed
	Align our Strategic Plan 2021-26 to provide direction and focus through a clear vision and purpose, and outline our strategic directions and responsibilities.	Completed
	Finalise a Model of Care that guides care delivery in an evidence-informed and recovery-focused manner and aligns with the recommendations and spirit of the RCVMHS Final Report.	Completed
	Develop an Integrated Service Plan to inform, shape and plan towards Forensicare's future service delivery with a focus on the projected and changing needs of Victoria's community and mental health system.	Completed
	Continue to engage with Capital Planning for the Redevelopment of TEH.	Completed
	Deliver a comprehensive Business Case for the redevelopment and expansion of TEH.	Completed
	Develop a Co-design Framework for Forensicare that enacts the Department's principles for public engagement and Mental Health Lived Experience Engagement Framework.	Completed
	Undertake a review of the current Lived Experience Workforce to explore opportunities to strengthen and enhance this integral component of Forensicare's workforce.	Completed
	Expansion of the peer worker program to enact the principles of "active partners in care" within TEH.	Completed

Objectives	Deliverables	Outcomes
Develop and foster mental health, primary health and community service partnerships, to build and strengthen collaborative approaches to planning, procurement and service delivery at scale.	Lead collaborative relationships with Area Mental Health Services (AMHS) and community service providers to improve access and transition pathways for forensic mental health consumers.	Completed
	Develop a stakeholder engagement plan to support transparency and clarity in partnership engagement.	Completed
	Strengthen primary health partnership with the Austin Hospital through engagement in planning and delivering COVID-19 prevention information and immunization programs for Forensicare staff and consumers.	Completed
	Establish an MOU that supports strong partnership with Orygen Youth Health and Youth Justice to develop care pathways for young offenders, increase opportunities for early intervention and prevention and build workforce capability.	Completed
	Establish an MOU with Melbourne Polytechnic to strengthen opportunities for shared use of the local environment, and increased opportunities for consumers wanting to engage in further education.	Completed
	Establish a First Nations Advisory Committee.	Completed
	Implement the First Nations Action Plan, including the commencement of a cultural safety assessment and cultural awareness training.	In progress
	Develop and implement the Disability Action Plan 2020-2023.	In progress
	Enhance mental health assessment and advisory capacity through the expansion of a MHARS pilot program in the Melbourne County Court.	Completed
	Align the Forensicare family violence related policies, procedures, practice guidelines and tools to the pillars in the MARAM framework.	In progress
	Act on opportunities to improve the implementation of MARAM through training led by staff specially trained as Family Violence Clinical Champions; and develop a strong Community of Practice.	Completed
Improve maintenance practices by developing a maintenance strategy that increases planned preventative maintenance expenditure and reduces reactive maintenance and asset risk.	Deliver on the TEH Capital Works program and refurbishment with a focus on preventative maintenance to reduce asset risk.	Completed
	Act on opportunities to improve environmental sustainability identified in the Forensicare Environmental Strategy 18-20, including review of lighting, water and sewerage options	Completed

High Quality and Safe Care

Key Performance Measure	Target	Result
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	83%	84.3%
Percentage of healthcare workers immunised for influenza	90%	81.1%
Patient experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses (TEH and CFMHS)	95%	75%*
Mental Health		
Rate of seclusion events relating to an adult acute mental health admission	≤ 10/1,000 occupied bed days	40.3
Percentage of adult acute mental health inpatients who have a post-discharge follow-up within seven days	80%	70%

Timely Access to Care

Key Performance Measure	Target	Result
Timely access to care		
Number of male security patients admitted to acute units at Thomas Embling Hospital	≥ 80	151
Percentage of male security patients admitted to Thomas Embling Hospital within 14 days of certification as requiring compulsory treatment	100%	56.9%*
Percentage of male security patients discharged to prison within 80 days	75%	83.7%^
Percentage of male security patients at Thomas Embling Hospital discharged within 21 days of becoming a civil patient	75%	90.7%

** There were 153 patients certified in the period 17/06/2020 to 16 /06/2021 (14 days lag applied, in line with DH). Of which, 87 were admitted within 14 days of certification. The shortest waiting time was 2 days and the longest waiting time was 63 days from certification.*

^ There were 104 male security patients discharged back to prisons during the period 12/04/2020 to 11/04/2021 (80 days lag applied, in line with DH). Of which, 87 patients were discharged back to prisons within 80 days of admission. The shortest LOS was 2 days and the longest LOS was 467 days.

Effective Financial Reporting

Key Performance Measure	Target	Result
Operating result ($m)	Break even	$26k
Average number of days to pay trade creditors	60 days	59.4 days
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.87
Actual number of days available cash, measured on the last day of each month.	14 days	36.1
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ $250,000	$2,721K

State Funding (Modelled Budget)

The performance and financial framework within which relevant state government-funded health organisations operate, including the specific business-critical conditions of base-level funding, pricing arrangements, funding amounts, and activity levels are outlined in detail within the Policy and funding guidelines, available from: https://www2.health.vic.gov.au/about/policy-and-funding-guidelines. Table 6 below sets out the 2020-21 funding summary for your health service.

Table 6: Victorian Institute of Forensic Mental Health's funding summary for 2020-21

Funding Type	Activity	Budget Target ($'000)	Result
Mental Health and Drug Services		**73,997**	
Mental Health Ambulatory	19,818	10,922	10,922
Mental Health Inpatient - Available bed days	49,642	55,436	55,436
Mental Health PDRS		194	194
Mental Health Service System Capacity		2,493	2335
Mental Health Other		4,952	4,952
Other		**915**	
Health Workforce		532	576
Other specified funding		383	383
Total Funding		**74,912**	**74,798**

Disclosure Index

The index prepared to help identify Forensicare's compliance with statutory disclosure requirements is provided at pages 126 to 127.

Building Act 1993 (Vic)

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

During the financial year, registered building practitioners were engaged and permits obtained for two capital projects:

- accommodation upgrades; and
- electrical infrastructure upgrades.

For one further capital project Forensicare obtained a building permit as owner builder:

- Fire Indicator Panel upgrades.

Freedom of Information Act 1982 (Vic)

The *Freedom of Information Act 1982* (the Act) gives members of the public a right to apply for access to documents held by Forensicare. This comprises documents both created by Forensicare or supplied to Forensicare by an external organisation or individual and may include film and photographs, computer discs and tape recordings.

The Act allows Forensicare to refuse access, either fully or partially, to certain documents or information. The majority of information held by Forensicare consists of clinical records. Examples of documents that may not be accessed include: some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to Forensicare in-confidence.

From 1 September 2017, the Act has been amended to reduce the Freedom of Information (FOI) processing time for requests received from 45 to 30 days. However, when external consultation is required under ss29, 29A, 31, 31A, 33, 34 or 35, the processing time automatically reverts to 45 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the time frame for deciding a request.

If an applicant is not satisfied by a decision made by the Department, under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

The majority of FOI request Forensicare receives are from consumers or their legal representatives for clinical records. Requests for health records created in prison are not within Forensicare's scope and requests for access to these records must be directed to Justice Health.

Making an FOI request

The FOI requests for Forensicare's Thomas Embling Hospital and Community Forensic Mental Health Service information are made by contact the Forensicare health information services team:

e: health.information@forensicare.vic.gov.au
p: (03) 9495 9100

DISCLOSURES

An application fee applies unless waived. Access charges may also be payable if the document pool is large, and the search for material time consuming.

When making an FOI request, applicants should ensure requests are in writing, and clearly identify what types of material/documents are being sought.

FOI requests for health records created by Forensicare Prison Services are made through the Justice Health Team at the Department of Justice and Community Safety:

p: (03) 8684 0063

FOI statistics/timeliness

No fees were charged for accessing information in 2020–21. During the reporting period, 71 requests were received and processed. All 71 requests were from members of the public.

- Documents were released in full in response to 40 applications
- 0 applications were received for which no documents were found
- 2 applications were denied
- 0 applications were transferred
- 29 applications had some exemptions applied

There were no applications carried over to be completed in 2021-22.

Of the 29 applications that were not released in full, the following exemptions* were applied to some of the documents:

- 29 had section 33(1) applied
- 0 had section 33(4) applied
- 5 had section 35(1) applied

**Note: Some applications had multiple exemptions.*

71 decisions were made within the statutory 30-day time period. The average time taken to finalise requests in 2020-21 was 6 days. Of requests finalised, the average number of days (over or under the average statutory time period to decide the request) was 24 days (under). During 2020-21, 0 requests were subject to a complaint/internal review by OVIC. No requests progressed to the Victorian Civil and Administrative Tribunal (VCAT).

Further information

All patients are provided with a FOI kit as part of their admission packs upon admission to assist them in making an FOI request should they wish at any stage. More information can be obtained from the Act, from regulations made under the Act, or at https://ovic.vic.gov.au.

Protected Disclosure Act 2012 (Vic)

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 2012 (Vic)

Forensicare has taken all practical measures to comply with its obligations under the *Carers Recognition Act 2012* (Vic) (the CRA). These include:

1. ensuring our staff have an awareness and understanding of the care relationship principles set out in the CRA;
2. considering the care relationships principles set out in the Act when setting policies and providing services;
3. implementing priority actions in *Recognising and Supporting Victoria's Carers: Victorian Carer Strategy 2018-22*.

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.

Gender Equality Act 2020 (Vic)

Forensicare complies with its obligations under the *Gender Equality Act 2020*. As part of the broader obligation to take positive action towards achieving workplace gender equality, Forensicare is in the process of developing its first gender equality action plan, which is due to the Public Sector Gender Equality Commissioner in October 2021. This plan will be informed by Forensicare's workplace gender audit. Forensicare has also commenced conducting gender impact assessments on its programs and services.

National Competition Policy

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

Local Jobs First – Victorian Industry Participation Policy

Forensicare complies with the Victorian Industry Participation Policy Act 2003, which requires departments and public sector agencies to report on the implementation of the Victorian Industry Participation Policy (VIPP). Departments and public sector agencies are required to apply VIPP in all procurement activities valued at $3 million or more in metropolitan Melbourne or $1 million or more for procurement activities in regional Victoria.

Within the past 12 months Forensicare undertook a procurement event for the provision of food services to Thomas Embling Hospital with a contract value over $3 million. This event was undertaken in compliance with the VIPP.

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 for each engagement

Consultancies Used in 2020 – 21

Table 7: Consultancies used in 2020-2021

Consultant	Purpose of consultancy	Total approved project fee (exc. GST)	Expenditure 2020–21 (exc. GST)	Future expenditure (exc. GST)
Swinburne University of Technology	Evaluation of Forensicare Services at Ravenhall and Clinical Support Team	$816,775	$255,315	$86,654
KPMG	Review of procurement & logistics, payroll rule book & contract tendering	$363,714	$363,714	
Brian Stevenson Consulting	Strategic capital development advisor	$254,025	$254,025	
Highlands Consulting Service	Strategic Plan Development	$195,080	$195,080	
Mapn Consulting Pty Ltd	Bulling and Harassment review	$128,800	$128,800	
Workwell Consulting	Executive Leadership Strategic Readiness for Reform	$100,000	$100,000	
PricewaterhouseCoopers Consulting	Project Management Plan	$78,206	$78,206	
Committo Pty Ltd	IaaS Project	$76,100	$76,100	
Myob Australia Pty Ltd	Payroll rule book, ESS set up	$55,940	$55,940	
Redmosaic	Information Management Framework	$39,750	$39,750	
Pixel Perfect Limited-Courtheath	Probity for service contract	$30,000	$30,000	
Craze Lateral Solutions	Lived Experience Evolution	$28,792	$28,792	
Grosvenor Performance Group Pty Ltd	Asset Management Accountability Framework	$25,000	$25,000	
Nicole Tournier	Property Services Capability Review	$24,500	$24,500	
NTT Australia Pty Ltd	Comprehensive Penetration Testing	$23,764	$23,764	
Protiviti	COVID-19 Executive Simulation Exercise	$22,933	$22,933	
Birch Consulting	Financial Training Resources	$21,895	$21,895	
Security Consulting Group Pty Ltd	Review of Security Contract Services	$21,790	$21,790	
FBG Group Pty Ltd	Operations Strategy & Workbook Creation	$19,063	$19,063	
Corrs Chambers Westgarth	Modern Slavery Review	$17,404	$17,404	
Wise Workplace Solutions	Workplace investigations	$12,607	$12,607	
Joanne Silver	Disability Action Plan	$12,500	$12,500	

Throughout the financial year, Forensicare engaged 19 consultancies where the total fees payable to the consultants were less than $10,000, with a total expenditure of $87,731 (excl. GST).

Details of Information and Communication Technology Expenditure 2020 – 2021

The total ICT expenditure incurred during 2020–21 was $4.9million (excluding GST), with the details shown below.

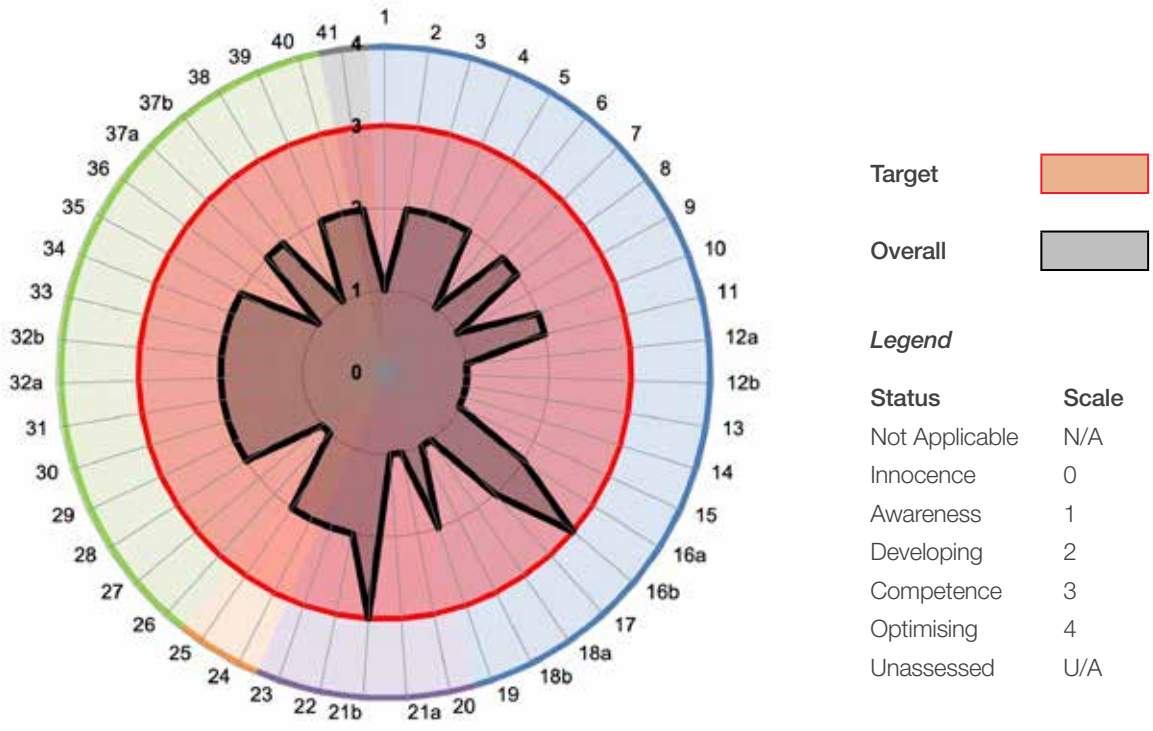
($ million)

Business as usual (BAU) ICT expenditure	Non-business as usual (non BAU) ICT expenditure		
(Total) (excluding GST)	(Total = operational expenditure and capital expenditure) (excluding GST)	Operational expenditure (OPEX) (excluding GST)	Capital expenditure (CAPEX) (excluding GST)
$3.2m	**$1.7m**	**$0.6m**	**$1.1m**

Asset Management Accountability Framework (AMAF) maturity assessment

The following sections summarise Forensicare's assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the DTF website (https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework).

Forensicare's target maturity rating is 'competence', meaning systems and processes fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.



Legend

Status	Scale
Not Applicable	N/A
Innocence	0
Awareness	1
Developing	2
Competence	3
Optimising	4
Unassessed	U/A

Leadership and Accountability (requirements 1-19)

Forensicare has not met its target maturity level under most requirements within this category.

There is no material non-compliance reported in this category. A plan for improvement is in place to improve Forensicare's maturity rating in these areas.

Planning (requirements 20-23)

Forensicare has not met its target maturity level under most requirements within this category.

There is no material non-compliance reported in this category. A plan for improvement is in place to improve Forensicare's maturity rating in these areas.

Acquisition (requirements 24 and 25)

Forensicare has not met any of its target maturity level in this category.

There is no material non-compliance reported in this category. A plan for improvement is in place to improve Forensicare's maturity rating in these areas.

Operation (requirements 26-40)

Forensicare has not met any of its target maturity level in this category.

There is no material non-compliance reported in this category. A plan for improvement is in place to improve Forensicare's maturity rating in these areas.

Disposal (requirement 41)

Forensicare has not met any of its target maturity level in this category.

There is no material non-compliance reported in this category. A plan for improvement is in place to improve Forensicare's maturity rating in these areas.

At the end of the reporting period, Forensicare recorded a net surplus for the year of $5.6m (following a deficit of $2.3m in 2019-20. The Statement of Priorities operating result was a surplus of $26k against a break-even budget.

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

Revenue

Total income from transactions grew during the year by 12.0 per cent to $130.4m up from $116.4m in 2019-20. Key increases in the year were due to:

- DH additional funding to support costs of the new Clinical Support Team, the cost of escorting consumers to hospital for medical care, additional repairs and maintenance, Nurse Graduate programs and Clinical Nurse Consultant program.
- Reimbursement by DH for expenditure related to managing the COVID-19 pandemic.
- DH funded capital works at the Thomas Embling Hospital.

Expenditure

Salary and Wages

Employee benefits increased to $106.2m up from $100.4m in 2019-20 (5.8%), the result of a combination of additional expenditure on overtime and contracted staff costs and EBA increases.

Non-salary expenditure

Non-salary expenditure increased during the year to $16.2m from $14.0m in 2019-20 (15.7%), including expenditure related to managing the COVID-19 pandemic such as additional PPE and cleaning services.

Other Comments to the Financial Statements

1. The cash and cash equivalents balance was $18.8m up from $14.5m. This increase was predominantly due to funding for capital works projects being provided by the Victorian Health Building Authority in advance rather than in arrears.
2. Property, plant and equipment spend increased by $22.3m. This was for a range of capital works programs, including the Priority Works and Enabling and Priority Works 2 programs.

FINANCIAL PERFORMANCE SUMMARY 2020–21

Historical Financial Analysis and Key Financial Statistics

Table 8: Historical financial analysis and key financial statistics

	2021	2020	2019	2018
	$'000	$'000	$'000	$'000
Financial performance				
Operating revenue	$122,347	$114,023	$101,138	$89,540
Operating expenditure	($122,321)	($114,377)	($100,712)	($87,908)
	$26	($354)	$426	$1,632
Other gains/(losses) from other economic flows	$1,772	($417)	($1,322)	$332
Capital revenues	$8,051	$2,416	$10,109	$17,394
Depreciation and amortisation	($4,225)	($3,902)	($2,619)	($2,307)
Expenditure for capital purpose	($71)	-	-	-
Net result	$5,552	($2,311)	$6,594	$17,394
Financial position				
Current assets	$26,393	$21,503	$25,322	$16,625
Non-current assets	$174,069	$152,550	$150,682	$117,225
Total assets	$200,462	$174,053	$176,004	$133,850
Current liabilities	$35,502	$32,168	$26,406	$20,566
Non-current liabilities	$5,990	$7,956	$5,787	$4,098
Total liabilities	$41,492	$40,124	$32,193	$24,664
Net assets	$158,970	$133,929	$143,811	$109,186
Equity	$158,970	$133,929	$143,811	$109,186
Cash held				
Cash at the end of reporting period	$18,830	$14,470	$18,874	$8,924
Key statistics				
Current ratio – liquidity	0.87	0.67	0.96	0.81
Equity/assets – stability	0.79	0.83	0.82	0.82

Net Result from Transactions

Table 9: Reconciliation between the Net result from transactions reported in the model to the Operating result as agreed in the Statement of Priorities

	2021	2020	2019	2018	2017
	$'000	$'000	$'000	$'000	$'000
Net operating result *	**26**	**-354**	**474**	**1,644**	**(234)**
Capital and specific items					
Capital purpose income	8,051	2,416	10,109	17,736	3,729
Specific income	1,706	(455)	(1,361)	321	(171)
Assets provided free of charge	-	-	-	-	-
Assets received free of charge	-	-	-	-	-
Expenditure for capital purpose	(21)				
Depreciation and amortisation	(4,225)	(3,902)	(2,619)	(2,307)	(1,907)
Impairment of non-financial assets	-	-	-	-	-
Finance costs (other)	(50)	(54)	(9)	-	-
Net profit on disposal of assets	66	38			
Net result from transactions	**5,553**	**(2,311)**	**6,594**	**17,394**	**1,417**

ATTESTATIONS

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
Chief Executive Officer
Accountable Officer
Melbourne
25 August 2021

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 2021.

Ken Lay AO APM
Chair, Forensicare Board
Melbourne
25 August 2021

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 Chief Executive Officer Accountable Officer
Melbourne
25 August 2021

Financial management compliance attestation

I, Margaret Grigg, on behalf of the Responsible Body, certify that Forensicare has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

Dr Margaret Grigg Chief Executive Officer Accountable Officer
Melbourne
25 August 2021

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 Chief Executive Officer Accountable Officer
Melbourne
25 August 2021

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

HOW THIS REPORT IS STRUCTURED

The Victorian Institute of Forensic Mental Health has presented its audited general purpose financial statements for the financial year ended 30 June 2021 in the following structure to provide users with the information about the Institute's stewardship of the resources entrusted to it.

FINANCIAL STATEMENTS 2020–21

HOW THIS REPORT IS STRUCTURED

The Victorian Institute of Forensic Mental Health has presented its audited general purpose financial statements for the financial year ended 30 June 2021 in the following structure to provide users with the information about the Institute's stewardship of the resources entrusted to it.

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) shows 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 are 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.

The Institute's 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 the Institute's cash receipts and payments for the financial year and shows the net increase or decrease in cash held by the Institute.

The 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 people 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 true and fair and not misleading or inaccurate.

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 2021 and the financial position of the Victorian Institute of Forensic Mental Health at 30 June 2021.

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

We authorise the attached financial statements for issue on 25th August 2021.

Member of Responsible Body

Mr Ken Lay AO APM
Chair

Accountable Officer

Dr Margaret Grigg
Chief Executive Officer

Chief Finance and Accounting Officer

Ms Jessica Lightfoot
Chief Financial Officer

25th August 2021
Melbourne, Victoria

VAGO
Victorian Auditor-General's Office

Independent Auditor's Report

To the Board of the Victorian Institute of Forensic Mental Health

Opinion

I have audited the financial report of the Victorian Institute of Forensic Mental Health (the institute) which comprises the:

- balance sheet as at 30 June 2021
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- board member's, accountable officer's and chief finance and accounting officer's declaration.

In my opinion the financial report presents fairly, in all material respects, the financial position of the institute as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975.* 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 *Code of Ethics for Professional Accountants* (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.

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

Board's responsibilities for the financial report

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 *Financial Management Act 1994*, 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.

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.

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.

MELBOURNE
2 September 2021

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 2021

	Note	2021 $'000	2020 $'000
Revenue and Income from Transactions			
Operating activities	2.1	130,338	116,189
Non-operating activities	2.1	59	250
Total Revenue and Income from Transactions		**130,397**	**116,439**
Expenses from Transactions			
Employee expenses	3.1	(106,237)	(100,402)
Supplies and consumables	3.1	(6,280)	(6,034)
Other operating expenses	3.1	(9,875)	(7,995)
Depreciation and amortisation	3.1, 4.3	(4,225)	(3,902)
Total Expenses from Transactions		**(126,617)**	**(118,333)**
Net Result from Transactions - Net Operating Balance		**3,780**	**(1,894)**
Other Economic Flows included in Net Result			
Net gain/(loss) on sale of non-financial assets	3.4	66	38
Other gain/(loss) from other economic flows	3.4	1,706	(455)
Total Other Economic Flows included in Net Result		**1,772**	**(417)**
NET RESULT FOR THE YEAR		**5,552**	**(2,311)**
Other Comprehensive Income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus	4.1b	19,488	-
Total Other Comprehensive Income		**19,488**	**-**
COMPREHENSIVE RESULT FOR THE YEAR		**25,040**	**(2,311)**

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

Victorian Institute of Forensic Mental Health
Balance Sheet
As at 30 June 2021

	Note	2021 $'000	2020 $'000
Current Assets			
Cash and cash equivalents	6.2	18,830	14,470
Receivables	5.1	6,649	6,125
Other assets		914	908
Total Current Assets		**26,393**	**21,503**
Non-Current Assets			
Receivables and contract assets	5.1	4,918	6,117
Property, plant and equipment	4.1a	168,631	146,292
Intangible assets	4.2	520	141
Total Non-Current Assets		**174,069**	**152,550**
Total Assets		**200,462**	**174,053**
Current Liabilities			
Payables and contract liabilities	5.2	15,858	13,972
Borrowings	6.1	474	377
Employee benefits	3.2	18,925	17,604
Other current liabilities	5.3	245	215
Total Current Liabilities		**35,502**	**32,168**
Non-Current Liabilities			
Borrowings	6.1	1,513	1,951
Employee benefits	3.2	4,477	6,004
Total Non-Current Liabilities		**5,990**	**7,955**
Total Liabilities		**41,492**	**40,123**
NET ASSETS		**158,970**	**133,930**
Equity			
Property, plant and equipment revaluation surplus	4.1f	111,370	91,882
Contributed capital	SCE	34,139	34,139
Accumulated surplus	SCE	13,461	7,909
TOTAL EQUITY		**158,970**	**133,930**

This Statement should be read in conjunction with the accompanying notes.
SCE refers to the Statement of Changes in Equity

Victorian Institute of Forensic Mental Health
Statement of Changes in Equity
For the Financial Year Ended 30 June 2021

	Property, Plant & Equipment Revaluation Surplus	Contributed Capital	Accumulated Surplus/ (Deficit)	Total
	$'000	$'000	$'000	$'000
Balance at 30 June 2019	**91,882**	**34,139**	**17,790**	**143,811**
Effect of adoption of AASB 15, 16 & 1058	-	-	(7,570)	(7,570)
Restate Balance at 1 July 2019	**91,882**	**34,139**	**10,220**	**136,241**
Net result for the year	-	-	(2,311)	(2,311)
Balance at 30 June 2020	**91,882**	**34,139**	**7,909**	**133,930**
Net result for the year		-	5,552	5,552
Other comprehensive income for the year	19,488	-	-	19,488
BALANCE AT 30 JUNE 2021	**111,370**	**34,139**	**13,461**	**158,970**

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 2021

	Note	2021 $'000	2020 $'000
Cash Flows From Operating Activities			
Operating grants from DH		79,282	68,688
Operating grants from Commonwealth		136	206
Operating grants from DJCS [(i)]		18,944	17,710
Capital grants from DH		8,182	809
Service fees - commercial prison		29,065	27,747
Interest received		59	250
Other receipts [(ii)]		63	330
Total Receipts		**135,731**	**115,740**
Employee expenses paid		(103,601)	(97,398)
Payments for supplies and consumables		(20,820)	(19,667)
Total Payments		**(124,421)**	**(117,065)**
Net Cash Flows from/(used in) Operating Activities	8.1	**11,310**	**(1,325)**
Cash Flows From Investing Activities			
Purchase of non-financial assets		(7,035)	(3,134)
Proceeds from disposal of non-financial assets		85	55
Net Cash Flows from/(used in) Investing Activities		**(6,950)**	**(3,079)**
Net Increase/(Decrease) in Cash and Cash Equivalents Held		**4,360**	**(4,404)**
Cash and Cash Equivalents at Beginning of Year		14,470	18,874
CASH AND CASH EQUIVALENTS AT END OF YEAR	6.2	**18,830**	**14,470**

(i) Operating grants from DJCS represents revenue received by The Department of Justice and Community Safety

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

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

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 1: Basis of Preparation

These financial statements represent the audited general purpose financial statements for the Institute for the year ended 30 June 2021. The report provides users with information about the Institute's stewardship of the resources entrusted to it.

This section explains the basis of preparing the financial statements and identifies the key accounting estimates and judgements.

Note 1.1: Basis of Preparation of the Financial Statements

These financial statements are general purpose financial statements which have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards, 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 (DTF), and relevant Standing Directions (SDs) authorised by the Assistant Treasurer.

The Institute is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a "not-for-profit" health service under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Apart from the changes in accounting policies, standards and interpretations as noted below, material accounting policies adopted in the preparation of these financial statements are the same as those adopted in the previous period.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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

The financial statements are in Australian dollars.

The amounts presented in the financial statements have been rounded to the nearest thousand dollars. Minor discrepancies in tables between totals and sum of components are due to rounding.

The annual financial statements were authorised for issue by the Board of the Institute on 25th August 2021.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 1.2 Impact of COVID-19 Pandemic

In March 2020 a state of emergency was declared in Victoria due to the global coronavirus pandemic, known as COVID-19. Since this date, to contain the spread of COVID-19 and prioritise the health and safety of our community, the Institute was required to comply with various directions announced by the Commonwealth and State Governments, which in turn, has continued to impact the way in which the Institute operates.

The Institute introduced a range of measures in both the prior and current year, including:

- introducing restrictions on non-essential visitors
- greater utilisation of telehealth services
- implementing reduced visitor hours
- implementing work from home arrangements where appropriate.

The financial impacts of the pandemic are disclosed at:

- Note 2: Funding delivery of our services
- Note 3: The cost of delivering services
- Note 4: Key assets to support service delivery
- Note 5: Other assets and liabilities
- Note 6: How we finance our operations.

Note 1.3 Abbreviations and Terminology Used in the Financial Statements

The following table sets out the common abbreviations used throughout the financial statements:

Reference	Title
AASB	Australian Accounting Standards Board
AASs	Australian Accounting Standards, which include Interpretations
DH	Department of Health
DTF	Department of Treasury and Finance
FMA	Financial Management Act 1994
FRD	Financial Reporting Direction
SD	Standing Direction
VAGO	Victorian Auditor General's Office
the Institute	Victorian Institute of Forensic Mental Health

Note 1.4 Key Accounting Estimates and Judgements

Management make estimates and judgements when preparing the financial statements.

These estimates and judgements are based on historical knowledge and best available current information and assume any reasonable expectation of future events. Actual results may differ.

Revisions to key estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

The accounting policies and significant management judgements and estimates used, and any changes thereto, are identified at the beginning of each section where applicable and are disclosed in further detail throughout the financial statements.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 1.5 Accounting Standards Issued but not yet Effective

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to the Institute and their potential impact when adopted in future periods is outlined below:

Standard	Adoption Date	Impact
AASB 17: Insurance Contracts	Reporting periods on or after 1 January 2023	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-8: Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2	Reporting periods on or after 1 January 2021.	Adoption of this standard is not expected to have a material impact.

There are no other accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to the Institute in future periods.

Note 1.6 Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except where the GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables in the Balance Sheet are stated inclusive of the amount of GST. 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 included in the Cash Flow Statement on a gross basis, except for the GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, which are disclosed as operating cash flows.

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

Note 1.7 Reporting Entity

The financial statements include all the Victorian Institute of Forensic Mental Health, operating under the trading name Forensicare.

Its principal address is:

Thomas Embling Hospital
Yarra Bend Road
Fairfield
Victoria 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.

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 2: Funding Delivery of Our Services

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

Structure
2.1 Revenue and Income from Transactions
2.2 Other Income

Telling the COVID-19 story

Revenue recognised to fund the delivery of our services increased during the financial year which was partially attributable to the COVID-19 Coronavirus pandemic.

Funding provided included:
• COVID-19 grants to fund increased cleaning, security, consumption of personal protective equipment, employee costs, and infrastructure and equipment acquisition.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Identifying performance obligations	The Institute applies significant judgment when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations. If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring the Institute to recognise revenue as or when the health service transfers promised goods or services to customers. If this criteria is not met, funding is recognised immediately in the net result from operations.
Determining timing of revenue recognition	The Institute applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.
Determining time of capital grant income recognition	The Institute applies significant judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service's progress as this is deemed to be the most accurate reflection of the stage of completion.

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 2.1: Revenue and Income from Transactions

	2021 $'000	2020 $'000
Operating Activities		
Revenue from Contracts with Customers		
Government grants (DJCS) - Operating	17,158	15,690
Service fees - commercial prisons	26,295	25,191
Total Revenue from Contracts with Customers	**43,453**	**40,880**
Other Resource of Income		
Government grants (DH) - Operating[(i)]	78,140	71,971
Government grants (DH) - Capital[(ii)]	8,048	2,416
Government grants (Commonwealth) - Operating	136	206
Other revenue from operating activities	561	715
Total Other Resource of Income	**86,885**	**75,309**
Total Income from Operating Activities	**130,338**	**116,189**
Non-Operating Activities		
Other Resource of Income		
Interest revenue	59	250
Total Other Resource of Income	**59**	**250**
Total Income from Non-Operating Activities	**59**	**250**
Total Income from Transactions	**130,397**	**116,439**

[(i)] Government grants (DH) – Operating includes $1.3m funding received to provide for the COVID-19 impact on health service operations.
[(ii)] Government grants (DH) – Capital includes $0.3m funding received to provide for the COVID-19 impact on health service construction works and equipment acquisition.

How we recognise revenue and income from transactions

Government Operating Grants

To recognise revenue, the Institute assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15: *Revenue from Contracts with Customers* .

When both these conditions are satisfied, the health service:

- identifies each performance obligation relating to the revenue
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, in accordance with AASB 1058 – *Income for not-for-profit entities* , the health service:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example, AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities from a contract with a customer), and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 2.1: Revenue and Income from Transactions (continued)

The types of contracts recognised under AASB 15: *Revenue from Contracts with Customers* includes:

Contracts	Performance obligation
Service Fees - Commercial Prisons	Two contracts are used to determine the contractual obligation based on a mix of provision of Forensicare staff and fixed costs used to deliver programs within State based private prison services. Revenue is invoiced and recognised monthly.
Government Grant - Department of Justice and Community Safety	Service Payment Model is used to determine the contractual obligation based on a mix of provision of Forensicare staff and fixed costs used to deliver programs within State controlled prison services. Revenue is invoiced and recognised monthly.

Capital Grants
Where the Institute receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities arising from a contract with a customer) recognised under other Australian Accounting Standards.

Income is recognised progressively as the asset is constructed which aligns with the Institute's obligation to construct the asset. The progressive percentage of costs capitalised is used to recognise income, as this most accurately reflects the stage of completion.

2.2: Other Income

	2021 $'000	2020 $'000
Other interest	59	250
Total other income	**59**	**250**

How we recognise other income

Interest Income
Interest income 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.

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

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 costs associated with provision of services are recorded.

Structure

3.1 Expenses from Transactions

3.2 Employee Benefits in the Balance Sheet

3.3 Superannuation

3.4 Other Economic Flows

Telling the COVID-19 story

Expenses incurred to deliver our services increased during the financial year which was partially attributable to the COVID-19 Coronavirus pandemic.

Additional costs were incurred to:

- implement COVID safe practices throughout the Institute including increased cleaning, increased security, consumption of personal protective equipment;
- assist with COVID-19 case management, contact tracing and outbreak management contributing to an increase in employee costs.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring and classifying employee benefit liabilities	The Institute applies significant judgment when measuring and classifying its employee benefit liabilities. Employee benefit liabilities are classified as a current liability if the Institute does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category. Employee benefit liabilities are classified as a non-current liability if the Institute has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category. The health service also applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value. All other entitlements are measured at their nominal value.

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 3.1: Expenses from Transactions

	Note	2021 $'000	2020 $'000
Salaries and wages		84,304	77,976
On-costs		18,282	18,314
Agency expenses		1,607	2,699
Workcover premium		2,044	1,413
Total Employee Expenses		**106,237**	**100,402**
Drug supplies		980	1,046
Medical and surgical supplies		69	105
Diagnostic and radiology supplies		210	142
Other supplies and consumables		5,021	4,741
Total Supplies and Consumables		**6,280**	**6,034**
Fuel, light, power and water		610	600
Repairs and maintenance		756	487
Maintenance contracts		415	381
Other administrative expenses		8,023	6,527
Expenditure for capital purpose		71	-
Total Other Operating Expenses		**9,875**	**7,995**
Total Operating Expenses		**122,392**	**114,431**
Depreciation and amortisation	4.3	4,225	3,902
Total Non-Operating Expenses		**4,225**	**3,902**
Total Expenses from Transactions		**126,617**	**118,333**

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 3.1: Expenses from Transactions (continued)

How we recognise expenses from transactions

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
- Workcover premium

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

Finance Costs
Finance costs include finance charges in respect of leases which are recognised in accordance with AASB 16 Leases.

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
- Other administrative expenses
- Expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold of $1,000)

The Department of Health 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.

Non-operating Expenses

Other non-operating expenses generally represent expenditure outside the normal operations such as depreciation and amortisation, and assets and services provided free of charge or for nominal consideration.

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 3.2: Employee Benefits in the Balance Sheet

	2021 $'000	2020 $'000
Current Provisions		
Annual Leave		
- Unconditional and expected to be settled wholly within 12 months (i)	6,230	5,337
- Unconditional and expected to be settled wholly after 12 months (ii)	2,394	2,031
	8,624	**7,368**
Long Service Leave		
- Unconditional and expected to be settled wholly within 12 months (i)	1,215	989
- Unconditional and expected to be settled wholly after 12 months (ii)	7,197	7,536
	8,412	**8,525**
Provisions Related to Employee Benefit On-costs		
Unconditional and expected to be settled within 12 months (i)	768	635
Unconditional and expected to be settled after 12 months (ii)	1,121	1,076
	1,889	**1,711**
Total Current Employee Benefits	**18,925**	**17,604**
Non-Current Provisions		
Conditional Long Service Leave	3,991	5,379
Provisions related to Employee Benefit On-costs	486	625
Total Non-Current Employee Benefits	**4,477**	**6,004**
Total Employee Benefits	**23,402**	**23,608**

(i) The amounts disclosed are nominal amounts
(ii) The amounts disclosed are disounted to present values

How we recognise employee benefits

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.

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 3.2a: Employee Benefits and Related On-costs

	2021 $'000	2020 $'000
Current Employee Benefits and Related On-costs		
Unconditional Long Service Leave Entitlements	9,416	9,511
Annual Leave Entitlements	9,510	8,092
Total Current Employee Benefits and Related On-costs	**18,926**	**17,603**
Non-Current Employee Benefits and Related On-costs		
Conditional Long Service Leave Entitlements	4,476	6,005
Total Non-Current Employee Benefits and Related On-costs	**4,476**	**6,005**
Total Employee Benefits and Related On-Costs	**23,402**	**23,608**
Carrying Amount at Start of Year	**23,608**	**20,904**
Additional provisions recognised	8,504	11,117
Amounts incurred during the year	(8,710)	(8,413)
Carrying Amount at End of Year	**23,402**	**23,608**

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 3.3: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Defined Benefit Plans [(i)]				
State Superannuation Fund	129	151	-	-
Other	-	-	-	-
Defined Contribution Plans				
Health Employee Superannuation Trust Australia Fund	3,996	3,916	-	-
First State Super	2,501	2,303	-	-
Other	1,379	1,004	-	-
TOTAL	**8,005**	**7,374**	-	**-**

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

How we recognise superannuation

Employees of the Institute are entitled to receive superannuation benefits and the Institute contributes to both defined benefit and defined contribution plans.

Defined Benefit Superannuation Plans
The defined benefit plan provides benefits based on years of service and final average salary. 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 the Institute's current 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 DTF 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.

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.

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 3.4: Other Economic Flows

	2021 $'000	2020 $'000
Net Gain/(Loss) on Sale of Non-financial Assets		
Net gain on disposal of property, plant and equipment	66	38
Total Net Gain/(Loss) on Non-financial Assets	**66**	**38**
Other Gain/(Loss) from Other Economic Flows		
Net gain/(loss) arising from revaluation of long service liability	1,706	(455)
Total Other Gain/(Loss) from Other Economic Flows	**1,706**	**(455)**
Total Gains/(Losses) from Other Economic Flows	**1,772**	**(417)**

How we recognise other economic flows

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

Net Gain/(Loss) on Non-financial Assets

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

- revaluation gain/(loss) of non-financial physical assets (Refer to Note 4.1 Property plant and equipment);
- 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.

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.

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

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

Telling the COVID-19 story

Assets used to support the delivery of our services during the financial year were not materially impacted by the COVID-19 coronavirus pandemic.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of property, plant and equipment and investment properties	The Institute obtains independent valuations for its non-current assets at least once every five years. If an independent valuation has not been undertaken at balance date, the health service estimates possible changes in fair value since the date of the last independent valuation with reference to Valuer-General of Victoria indices. Managerial adjustments are recorded if the assessment concludes a material change in fair value has occurred. Where exceptionally large movements are identified, an interim independent valuation is undertaken.
Estimating useful life and residual value of property, plant and equipment	The Institute assigns an estimated useful life to each item of property, plant and equipment, whilst also estimating the residual value of the asset, if any, at the end of the useful life. This is used to calculate depreciation of the asset. The health service reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset. The Institute applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.
Estimating restoration costs at the end of a lease	Where a lease agreement requires the Institute to restore a right-of-use asset to its original condition at the end of a lease, the health service estimates the present value of such restoration costs. This cost is included in the measurement of the right-of-use asset, which is depreciated over the relevant lease term.
Estimating the useful life of intangible assets	The Institute assigns an estimated useful life to each intangible asset with a finite useful life, which is used to calculate amortisation of the asset.
Identifying indicators of impairment	At the end of each year, the Institute assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment. The health service considers a range of information when performing its assessment, including considering: • if an asset's value has declined more than expected based on normal use • if a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset • if an asset is obsolete or damaged • if the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life • if the performance of the asset is or will be worse than initially expected. Where an impairment trigger exists, the health service applies significant judgement and estimate to determine the recoverable amount of the asset.

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 4.1: Property, Plant and Equipment

Note 4.1a: Gross Carrying Amount and Accumulated Depreciation

	2021 $'000	2020 $'000
Land at fair value	103,488	84,000
Total Land	**103,488**	**84,000**
Buildings at fair value	57,201	57,166
Less accumulated depreciation	(5,703)	(2,835)
Total buildings at fair value	**51,498**	**54,331**
Right of use buildings at fair value	2,335	2,335
Less accumulated depreciation	(623)	(286)
Total buildings right-of-use	**1,712**	**2,049**
Leasehold improvements at fair value	2,257	2,165
Less accumulated depreciation	(2,130)	(2,117)
Total leasehold improvements at fair value	**127**	**48**
Building work in progress at fair value	4,801	1,658
Total Land and Buildings	**161,626**	**142,086**
Plant and equipment at fair value	6,805	5,356
Less accumulated depreciation	(4,530)	(4,215)
Total Plant and Equipment	**2,275**	**1,141**
Right-of-use plant and equipment	43	43
Less accumulated depreciation	(30)	(15)
Total Right-of-use Plant and Equipment	**13**	**28**
Medical equipment at fair value	223	213
Less accumulated depreciation	(146)	(132)
Total Medical Equipment	**77**	**81**
Computer and communications equipment at fair value	3,263	2,660
Less accumulated depreciation	(2,227)	(1,780)
Total Computer and Communication	**1,036**	**880**
Motor vehicles at fair value	334	440
Less accumulated depreciation	(297)	(370)
Total Motor Vehicles	**37**	**70**
Right-of-use motor vehicles	319	282
Less accumulated depreciation	(103)	(57)
Total Right-of-use Motor Vehicles	**216**	**225**
Plant and equipment work in progress at fair value	3,351	1,781
Total Plant, Equipment, and Vehicles at Fair Value	**7,005**	**4,206**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**168,631**	**146,292**

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 4.1: Property, Plant and Equipment (continued)

Note 4.1b: Reconciliations of the Carrying Amount By Class of Asset

	Note	Land	ROU Bldgs	Bldgs	L'hold Improve-ments	Plant and Equip	ROU Plant & Equip	Medical Equip	Computer & Comm Equip	Motor Vehicles	ROU Motor Vehicles	Assets under Construc-tion	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2019		**84,000**	**1,974**	**56,556**	**25**	**889**	**43**	**85**	**554**	**139**	**175**	**1,809**	**146,249**
Additions		-	361	4	30	209	-	10	132	-	85	3,105	3,936
Transfers from WIP		-	-	606	-	321	-		548	-	-	(1,475)	-
Disposals		-	-	-	-	-	-	-	-	(17)	-	-	(17)
Revaluation Increments/(Decrements)		-	-	-	-	-	-	-	-	-	-	-	-
Net Transfers between Classes		-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	4.3	-	(286)	(2,835)	(7)	(278)	(15)	(14)	(354)	(52)	(35)	-	(3,876)
Balance at 1 July 2020	4.1a	**84,000**	**2,049**	**54,331**	**48**	**1,141**	**28**	**81**	**880**	**70**	**225**	**3,439**	**146,292**
Additions		-	-	1	66	91	-	10	180	-	37	6,655	7,040
Transfers from WIP		-	-	34	26	1,358	-		504	20	-	(1,942)	-
Disposals		-	-	-	-	-	-	-	(1)	(18)	-	-	(19)
Revaluation Increments/(Decrements)		19,488	-	-	-	-	-	-	-	-	-	-	19,488
Net Transfers between Classes		-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	4.3	-	(337)	(2,868)	(13)	(315)	(15)	(14)	(527)	(35)	(46)	-	(4,170)
Balance at 30 June 2021	4.1a	**103,488**	**1,712**	**51,498**	**127**	**2,275**	**13**	**77**	**1,036**	**37**	**216**	**8,152**	**168,631**

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 4.1: Property, Plant and Equipment (continued)

How we recognise property, plant and equipment

Property, plant and equipment are tangible items that are used by the Institute in the supply of goods or services, for rental to others, or for administration purposes, and are expected to be used during more than one financial year.

Initial recognition

Items of property, plant and equipment (excluding right-of-use assets) are initially measured at cost. Where an asset is acquired for no or nominal cost, being far below the fair value of the asset, the deemed cost is its fair value at the date of acquisition. Assets transferred as part of an amalgamation/machinery of government change are transferred at their carrying amounts.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The cost of 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.

Subsequent measurement

Items of property, plant and equipment (excluding right-of-use assets) are subsequently measured at fair value less accumulated depreciation and impairment losses where applicable.

Fair value is determined with reference to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset).

Further information regarding fair value measurement is disclosed below.

Revaluation

Fair value is based on periodic valuations by independent valuers, which normally occur once every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate a material change in fair value has occurred.

Where an independent valuation has not been undertaken at balance date, the Institute performs a managerial assessment to estimate possible changes in fair value of land and buildings since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) indices.

An adjustment is recognised if the assessment concludes that the fair value of land and buildings has changed by 10% or more since the last revaluation (whether that be the most recent independent valuation or managerial valuation). Any estimated change in fair value of less than 10% is deemed immaterial to the financial statements and no adjustment is recorded. Where the assessment indicates there has been an exceptionally material movement in the fair value of land and buildings since the last independent valuation, being equal to or in excess of 40%, the Institute would obtain an interim independent valuation prior to the next scheduled independent valuation.

An independent valuation of the Institute's property, plant and equipment was performed by the VGV on June 2019. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The managerial assessment performed at 30 June 2021 indicated an overall:

- increase in fair value of land of 23% ($19m)
- increase in fair value of buildings of 8% ($4m).

Note 4.1: Property, Plant and Equipment (continued)

As the cumulative movement was less than 10% for buildings since the last revaluation a managerial revaluation adjustment was not required as at 30 June 2021.

As the cumulative movement was greater than 10% for land since the last revaluation a managerial revaluation adjustment was required as at 30 June 2021.

Revaluation increases (increments) arise when an asset's fair value exceeds its carrying amount. In comparison, revaluation decreases (decrements) arise when an asset's fair value is less than its carrying amount. Revaluation increments and revaluation decrements 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 increments are recognised in 'Other Comprehensive Income' and are credited directly to the asset revaluation reserve, 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, in which case 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 reserve in respect of the same class of property, plant and equipment. Otherwise, the decrement is recognised as an expense in the net result.

The revaluation reserve included in equity in respect of an item of property, plant and equipment may be transferred directly to retained earnings when the asset is derecognised.

Impairment

At the end of each financial year, the Institute assesses if there is any indication that an item of property, plant and equipment may be impaired by considering internal and external sources of information. If an indication exists, the Institute estimates the recoverable amount of the asset. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised. An impairment loss of a revalued asset is treated as a revaluation decrease as noted above.

The Institute has concluded that the recoverable amount of property, plant and equipment which are regularly revalued is expected to be materially consistent with the current fair value. As such, there were no indications of property, plant and equipment being impaired at balance date.

How we recognise right-of-use assets

Where the Institute enters a contract, which provides the health service with the right to control the use of an identified asset for a period of time in exchange for payment, this contract is considered a lease.

Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.1 for further information), the contract gives rise to a right-of-use asset and corresponding lease liability. The Institute presents its right-of-use assets as part of property, plant and equipment as if the asset was owned by the health service.

Right-of-use assets and their respective lease terms include:

Class of right-of-use asset	Lease term
Leased buildings	3 to 10 years
Leased plant, equipment, furniture, fittings and vehicles	3 years

Presentation of right-of-use assets

The Institute presents right-of-use assets as 'property plant and equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet.

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 4.1: Property, Plant and Equipment (continued)

Initial recognition

When a contract is entered into, the Institute assesses if the contract contains or is a lease. If a lease is present, a right-of-use asset and corresponding lease liability is recognised. The definition and recognition criteria of a lease is disclosed at Note 6.1.

The right-of-use asset is initially measured at cost and comprises the initial measurement of the corresponding lease liability, adjusted for:

- any lease payments made at or before the commencement date
- any initial direct costs incurred and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

Subsequent measurement

Right-of-use assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses where applicable. Right-of-use assets are also adjusted for certain remeasurements of the lease liability (for example, when a variable lease payment based on an index or rate becomes effective).

Impairment

At the end of each financial year, the Institute assesses if there is any indication that a right-of-use asset may be impaired by considering internal and external sources of information. If an indication exists, the Institute estimates the recoverable amount of the asset. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised.

The Institute performed an impairment assessment and noted there were no indications of its right-of-use assets being impaired at balance date.

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 4.1: Property, Plant and Equipment (continued)

Note 4.1c: Fair Value Measurement Hierarchy for Assets

	Note	Carrying Amount	Fair value measurement at end of reporting period using:		
			Level 1[(i)]	Level 2[(i)]	Level 3[(i)]
Balance At 30 June 2021		**$'000**	**$'000**	**$'000**	**$'000**
Specialised land	4.1a	103,488	-	-	103,488
Total Land at Fair Value		**103,488**	**-**	**-**	**103,488**
Right of use buildings	4.1a	1,712	-	-	1,712
Total Right of use buildings at Fair Value		**1,712**	**-**	**-**	**1,712**
Specialised buildings	4.1a	51,498	-	-	51,498
Total Building at Fair Value		**51,498**	**-**	**-**	**51,498**
Leasehold improvements	4.1a	127	-	-	127
Total Leasehold Improvements at Fair Value		**127**	**-**	**-**	**127**
Plant and equipment at fair value	4.1a	2,275	-	-	2,275
Medical equipment at fair value	4.1a	77	-	-	77
Computer and communications at fair value	4.1a	1,036	-	-	1,036
Motor vehicles at fair value	4.1a	37	-	-	37
Right of use plant and equipment and vehicles	4.1a	229	-	-	229
Total Other Plant and Equipment at Fair Value		**3,654**	**-**	**-**	**3,654**
Total Property, Plant and Equipment at Fair Value		**160,479**	**-**	**-**	**160,479**

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

There have been no transfers between levels during the period.

	Note	Carrying Amount	Fair value measurement at end of reporting period using:		
			Level 1[(i)]	Level 2[(i)]	Level 3[(i)]
Balance At 30 June 2020		**$'000**	**$'000**	**$'000**	**$'000**
Specialised land	4.1a	84,000	-	-	84,000
Total Land at Fair Value		**84,000**	**-**	**-**	**84,000**
Right of use buildings	4.1a	2,049	-	-	2,049
Total Right of use buildings at Fair Value		**2,049**	**-**	**-**	**2,049**
Specialised buildings	4.1a	54,331	-	-	54,331
Total Building at Fair Value		**54,331**	**-**	**-**	**54,331**
Leasehold improvements	4.1a	48	-	-	48
Total Leasehold Improvements at Fair Value		**48**	**-**	**-**	**48**
Plant and equipment at fair value	4.1a	1,141	-	-	1,141
Medical equipment at fair value	4.1a	81	-	-	81
Computer and communications at fair value	4.1a	880	-	-	880
Motor vehicles at fair value	4.1a	70	-	-	70
Right of use plant and equipment and vehicles	4.1a	253	-	-	253
Total Other Plant and Equipment at Fair Value		**2,425**	**-**	**-**	**2,425**
Total Property, Plant and Equipment at Fair Value		**142,853**	**-**	**-**	**142,853**

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

There have been no transfers between levels during the period.

Note 4.1: Property, Plant and Equipment (continued)

Note 4.1d: Reconciliation of Level 3 Fair Value Meaurement

	Note	Land	ROU Bldgs	Bldgs	L'hold Improve-ments	Plant & Equip	ROU Plant & Equip	Medical Equip	C'puter & Comm.	Motor Vehicles	ROU Motor Vehicles
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2019	4.1b	**84,000**	**1,974**	**56,556**	**25**	**889**	**43**	**85**	**554**	**139**	**175**
Additions/(disposals)	4.1b	-	361	4	30	209	-	10	132	(17)	85
Net transfers between classes	4.1b	-	-	606	-	321	-	-	548	-	-
Gains/(losses) recognised in net result:											
- Depreciation and amortisation	4.3	-	(286)	(2,835)	(7)	(278)	(15)	(14)	(354)	(52)	(35)
Items recognised in other comprehensive income:											
- Revaluation		-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2020	4.1c	**84,000**	**2,049**	**54,331**	**48**	**1,141**	**28**	**81**	**880**	**70**	**225**
Additions/(disposals)	4.1b	-		1	66	91		10	179	(18)	37
Net transfers between classes	4.1b	-		34	26	1,358		-	504	20	
Gains/(losses) recognised in net result:											
- Depreciation and amortisation	4.3	-	(337)	(2,868)	(13)	(315)	(15)	(14)	(527)	(35)	(46)
Items recognised in other comprehensive income:											
- Revaluation		19,488		-	-	-		-	-	-	
Balance at 30 June 2021	4.1c	**103,488**	**1,712**	**51,498**	**127**	**2,275**	**13**	**77**	**1,036**	**37**	**216**

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 4.1: Property, Plant and Equipment (continued)

Note 4.1e: Fair Value Determination

Asset class	Valuation Approach	Significant Inputs (Level 3 only)
Specialised land (Crown)	Market approach	Community Service Obligations Adjustments[(i)]
Specialised buildings	Current replacement cost approach	- Cost per square metre - Useful life
Plant and equipment	Current replacement cost approach	- Cost per unit - Useful life
Medical equipment	Current replacement cost approach	- Cost per unit - Useful life
Computer and communications	Current replacement cost approach	- Cost per unit - Useful life
Vehicles	Current replacement cost approach	- Cost per unit - Useful life

(i) A Community Service Obligation (CSO) of 20% was applied to the Institute specialised land classified in accordance with the fair value hierarchy.

How we measure fair value
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.

There have been no transfers between levels during the period.

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

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

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.

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 4.1: Property, Plant and Equipment (continued)

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 Fair Value Measurement paragraph 29, the Institute has assumed the current use of a non-financial physical asset is its HBU unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

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.

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.

Theoretical opportunities that may be available in relation to the assets 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 use.

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

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

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

An independent valuation of the Institute's specialised land and specialised building was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation was 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 Institute, which sets 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).

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 4.1: Property, Plant and Equipment (continued)

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 2021.

Note 4.1f: Property, Plant and Equipment Revaluation Surplus

	Note	2021 $'000	2020 $'000
Balance at the beginning of the reporting period		**91,882**	**91,882**
Revaluation increment			
- Land	4.1b	19,488	-
- Buildings	4.1b	-	-
Balance at the End of the Reporting Period*		**111,370**	**91,882**
*** Represented by:**			
- Land		100,306	80,818
- Buildings		11,064	11,064
		111,370	**91,882**

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 4.2: Intangible Assets

Note 4.2a: Intangible assets - Gross Carrying Amount and Accumulated Amortisation

	2021 $'000	2020 $'000
Intangible produced assets - software	815	381
Less accumulated amortisation	(295)	(240)
Total Intangible Assets	**520**	**141**

Note 4.2b: Intangible Assets - Reconciliation of the Carrying Amount by Class of Asset

	Note	Software $'000	Total $'000
Balance at 1 July 2019		**167**	**167**
Additions		-	-
Disposals		-	-
Amortisation	4.3	(26)	(26)
Balance at 1 July 2020		**141**	**141**
Additions		434	434
Disposals		-	-
Amortisation	4.3	(55)	(55)
Balance at 30 June 2021		**520**	**520**

How we recognise intangible assets
Intangible assets represent identifiable non-monetary assets without physical substance such as computer software.

Initial Recognition
Purchased intangible assets are initially recognised at cost.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is also recognised at cost if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- an intention to complete the intangible asset and use or sell it
- the ability to use or sell the intangible asset
- the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Expenditure on research activities is recognised as an expense in the period on which it is incurred.

Subsequent Measurement
Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Impairment
Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are testing for impairment whenever an indication of impairment is identified.

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 4.3: Depreciation and Amortisation

	2021 $'000	2020 $'000
Depreciation		
Buildings	2,868	2,835
Leasehold improvements	13	7
Plant and equipment	315	278
Motor vehicles	35	52
Computer and communications	527	354
Medical equipment	14	14
Right of use buildings	337	286
Right of use plant and equipment	15	15
Right of use vehicles	46	35
Total Depreciation	**4,170**	**3,876**
Amortisation		
Software	55	26
Total Amortisation	**55**	**26**
Total Depreciation and Amortisation	**4,225**	**3,902**

How we recognise depreciation

All buildings, plant and equipment and other non-financial physical assets (excluding items under assets held for sale, land and investment properties) 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.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the health service anticipates to exercise a purchase option, the specific right-of-use asset is depreciated over the useful life of the underlying asset.

How we recognise 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.

	2021	2020
Buildings	3-50 years	3-50 years
Leasehold improvements	10 years	10 years
Plant and equipment	3-15 years	3-15 years
Furniture and fittings	10 years	10 years
Motor vehicles	3-10 years	3-10 years
Computer and communications	3 years	3 years
Medical equipment	10 years	10 years
Intangible assets	10 years	10 years

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

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

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 and Contract Assets
5.2 Payables and Contract Liabilities
5.3 Other Liabilities

Telling the COVID-19 story

The measurement of other assets and liabilities were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating the provision for expected credit losses	The Institute uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.
Classifying a sub-lease arrangement as either an operating lease or finance lease	The Institute applies significant judgement to determine if a sub-lease arrangement, where the health service is a lessor, meets the definition of an operating lease or finance lease. The health service considers a range of scenarios when classifying a sub-lease. A sub-lease typically meets the definition of a finance lease if: • The lease transfers ownership of the asset to the lessee at the end of the term • The lessee has an option to purchase the asset for a price that is significantly below fair value at the end of the lease term • The lease term is for the majority of the asset's useful life • The present value of lease payments amount to the approximate fair value of the leased asset and • The leased asset is of a specialised nature that only the lessee can use without significant modification. All other sub-lease arrangements are classified as an operating lease.
Measuring deferred capital grant income	Where the Institute has received funding to construct an identifiable non-financial asset, such funding is recognised as deferred capital grant income until the underlying asset is constructed. The Institute applies significant judgement when measuring the deferred capital grant income balance, which references the estimated the stage of completion at the end of each financial year.
Measuring contract liabilities	The Institute applies significant judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the health service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.
Recognition of other provisions	Other provisions include the Institute's obligation to restore leased assets to their original condition at the end of a lease term. The health service applies significant judgement and estimate to determine the present value of such restoration costs.

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 5.1: Receivables and Contract Assets

	Note	2021 $'000	2020 $'000
Current Receivables and Contract Assets			
Contractual			
Trade debtors		2,899	2,779
Accrued revenue		85	204
Amounts receivable from governments and agencies		3,665	3,142
Total Contractual Receivables		**6,649**	**6,125**
Total Current Receivables		**6,649**	**6,125**
Non-Current Receivables and Contract Assets			
Contractual			
Long service leave - Department of Health		4,918	6,117
Total Contractual Receivables		**4,918**	**6,117**
Total Non-Current Receivables		**4,918**	**6,117**
Total Receivables and Contract Assets		**11,567**	**12,242**

How we recognise receivables

Receivables consist of:

- Contractual receivables, which mostly includes debtors in relation to goods and services. 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 health service holds the contractual receivables with the objective to collect the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less any impairment.
- Statutory receivables, which mostly includes amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits that are 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 health service 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 due 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.

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 5.2: Payables and Contract Liabilities

	Note	2021 $'000	2020 $'000
Current Payables and Contract Liabilities			
Contractual			
Trade creditors [(i)]		1,422	1,489
Accrued salaries and wages		3,490	2,436
Accrued expenses		2,236	1,912
Other payables		-	1,040
Deferred grant income	5.2a	7,308	6,439
Contract liabilities - income received in advance	5.2b	1,353	568
Total Contractual Payables		**15,809**	**13,884**
Statutory			
GST payable		49	88
Total Statutory Payables		**49**	**88**
Total Payables and Contract Liabilities		**15,858**	**13,972**
(i) Financial liabilities classified as payables and contract liabilities (Note 7.1a)			
Total payables and contract liabilities		15,858	13,972
Deferred grant income		(7,308)	(6,439)
Contract liabilities		(1,353)	(568)
GST payable		(49)	(88)
Total Financial Liabilities	7.1a	**7,148**	**6,877**

How we recognise payables and contract liabilities

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**, to the Victorian Government and Goods and Services Tax (GST) payable. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

Note 5.2a: Deferred Capital Grant Revenue

	2021 $'000	2020 $'000
Opening balance of deferred grant income	6,439	7,570
Grant consideration for capital works received during the year	8,917	1,285
Deferred grant revenue recognised as revenue due to completion of capital works	(8,048)	(2,416)
Closing balance of deferred grant income	**7,308**	**6,439**

How we recognise deferred capital grant revenue

Grant consideration was received from the State Government to support the Electrical Works, Fire Detection Upgrades, Demolition of MacFarlane Burnett and Car Park Works. Capital grant revenue is recognised progressively as the asset is constructed, since this is the time when the Institute satisfies its obligations. The progressive percentage of costs incurred is used to recognise income because this most closely reflects the percentage of completion of the works. As a result, the Institute has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

The Institute expects to recognise all of the remaining deferred capital grant revenue for capital works by June 2022.

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 5.2: Payables and Contract Liabilities (continued)

Note 5.2b: Contract Liabilities

	2021 $'000	2020 $'000
Opening balance of contract liabilities	568	-
Payments received for performance obligations not yet fulfilled	1,158	568
Revenue recognised for the completion of a performance obligation	(373)	-
Total Contract Liabilities	**1,353**	**568**
Represented by:		
Current contract liabilities	1,353	568
Non-current contract liabilities	-	-
	1,353	**568**

How we recognise contract liabilities

Contract liabilities include consideration received in advance from the Department of Health in respect of Stablising and Reinforcing Mental Health Care Capacity Program, Early Intervention Psychosocial Response Program, Mental Health Nurse Transition and Lived Experience Workforce Leadership Program.

Note 5.3: Other Liabilities

	2021 $'000	2020 $'000
Current monies held in trust		
Patient monies	245	215
Other monies	-	-
Total Current Monies Held in Trust	**245**	**215**
Non-current monies held in trust		
Patient monies	-	-
Other monies	-	-
Total Non-Current Monies Held in Trust	-	-
Total Other Liabilities	**245**	**215**
Total Monies Held in Trust Represented by:		
Cash assets	245	215
Other financial assets	-	-
Total Monies Held in Trust	**245**	**215**

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

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

Telling the COVID-19 story

Our finance and borrowing arrangements were not materially impacted by the COVID-19 coronavirus pandemic because the health service's response was funded by Government.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	The Institute applies significant judgement to determine if a contract is or contains a lease by considering if the health service: • has the right-to-use an identified asset • has the right to obtain substantially all economic benefits from the use of the leased asset and • can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	The Institute applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria. The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than $10,000, the health service applies the low-value lease exemption. The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.
Discount rate applied to future lease payments	The Institute discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the health service's lease arrangements, the Institute uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.
Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if the Institute is reasonably certain to exercise such options. The Institute determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: • If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease. • If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease. • The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 6.1: Borrowings

		2021 $'000	2020 $'000
Current Borrowings			
Lease liability[(i)]	6.1a	474	377
Total Current Borrowings		**474**	**377**
Non-Current Borrowings			
Lease liability[(i)]	6.1a	1,513	1,951
Total Non-Current Borrowings		**1,513**	**1,951**
Total Borrowings		**1,987**	**2,328**

(i) Secured by the assets leased.

How we recognise borrowings
Borrowings refer to interesting bearing liabilities mainly raised from advances from the Treasury Corporation of Victoria (TCV) and other funds raised through lease liabilities, service concession arrangements and other interest-bearing arrangements.

Initial Recognition
All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether the Institute has categorised its liability as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'.

Subsequent Measurement
Subsequent to initial recognition, interest-bearing borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the net result over the period of the borrowing using the effective interest method. Non-interest bearing borrowings are measured at 'fair value through profit or loss'.

Defaults and Breaches
During the current and prior year, there were no defaults and breaches of any of the loans.

Note 6.1a: Lease Liabilities

The Institute's lease liabilities are summarised below:

	2021 $'000	2020 $'000
Total undiscounted lease liabilities	2,147	2,705
Less unexpired finance expenses	(160)	(377)
Net lease liabilities	**1,987**	**2,328**

The following table sets out the maturity analysis of lease liabilities, showing the undiscounted lease payments to be made after the reporting date.

	2021 $'000	2020 $'000
Not longer than one year	519	439
Longer than one year but not longer than five years	1,119	1,384
Longer than five years	509	882
Minimum future lease liability	**2,147**	**2,705**
Less unexpired finance expenses	(160)	(377)
Present value of lease liability	**1,987**	**2,328**
*** Represented by:**		
Current borrowings - lease liability	474	377
Non-current borrowings - lease liability	1,513	1,951
Total	**1,987**	**2,328**

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 6.1: Borrowings (continued)

How we recognise lease liabilities

A lease is defined as a contract, or part of a contract, that conveys the right for the Institute to use an asset for a period of time in exchange for payment.

To apply this definition, the Institute ensures the contract meets the following criteria:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Institute and for which the supplier does not have substantive substitution rights;
- the Institute has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the Institute has the right to direct the use of the identified asset throughout the period of use; and
- the Institute has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

The Institute's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased buildings	3 to 10 years
Leased plant, equipment, furniture, fittings and vehicles	3 years

All leases are recognised on the balance sheet, with the exception of low value leases (less than $10,000 AUD) and short term leases of less than 12 months. The following low value, short term and variable lease payments are recognised in profit or loss:

Type of payment	Description of payment	Type of leases captured
Low value lease payments	Leases where the underlying asset's fair value, when new, is no more than $10,000	Equipment

Separation of Lease and Non-lease Components
At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Initial Measurement
The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the Institute's incremental borrowing rate. Our lease liability has been discounted by rates of between 1.91% to 3.14%.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee and
- payments arising from purchase and termination options reasonably certain to be exercised.

The following types of lease arrangements, contain extension and termination options:

- Leased building - further option of 3 years

These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the health service and not by the respective lessor.

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 6.1: Borrowings (continued)

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term and lease liability if the lease is reasonably certain to be extended (or not terminated).

Potential future cash outflows of $405K have not been included in the lease liability because it is not reasonably certain that the leases will be extended.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Subsequent Measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right of use asset is already reduced to zero.

Note 6.2: Cash and Cash Equivalents

	2021 $'000	2020 $'000
Cash on hand (excluding monies held in trust)	8	8
Cash on hand (monies held in trust)	16	12
Cash at bank (excluding monies held in trust)	-	-
Cash at bank (monies held in trust)	-	-
Cash at bank - CBS (excluding monies held in trust)	18,577	14,247
Cash at bank - CBS (monies held in trust)	229	203
Total Cash and Cash Equivalents	**18,830**	**14,470**

How we recognise 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 include bank overdrafts, which are included as liabilities on the balance sheet. The cash flow statement includes monies held in trust.

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 6.3: Commitments for Expenditure

	2021 $'000	2020 $'000
Capital Expenditure Commitments		
Less than one year	665	-
Longer than one year but not longer than five years	10	
Total Capital Expenditure Commitments	**675**	**-**
Operating Expenditure Commitments		
Less than one year	4,980	5,027
Longer than one year but not longer than five years	4,312	5,347
Total Operating Expenditure Commitments	**9,292**	**10,374**
Non-cancellable Short Term and Low Value Lease Commitments		
Less than one year	-	-
Longer than one year but not longer than five years	-	-
Total Non-cancellable Short Term and Low Value Lease Commitments	**-**	**-**
Total Commitments for Expenditure (inclusive of GST)	**9,967**	**10,374**
Less GST Recoverable from the Australian Tax Office	(906)	(943)
Total Commitments for Expenditure (exclusive of GST)	**9,061**	**9,431**

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

How we disclose our commitments
Our commitments relate to expenditure and short term and low value leases.

Expenditure 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.

Short term and low value leases
The Institute discloses short term and low value lease commitments which are excluded from the measurement of right-of-use assets and lease liabilities. Refer to Note 6.1 for further information.

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

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 Financial Risk Management Objectives and Policies
7.3 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 (for example, taxes, fines and penalties). Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation.*

Note 7.1a: Categorisation of Financial Instruments

2021	Note	Financial Assets at Amortised Cost $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Financial Assets				
Cash and cash equivalents	6.2	18,830	-	18,830
Receivables and contract assets	5.1	11,567	-	11,567
Total Financial Assets[(i)]		**30,397**	**-**	**30,397**
Financial Liabilities				
Payables	5.2	-	7,148	7,148
Borrowings	6.1	-	1,987	1,987
Other financial liabilities - patient monies held in trust	5.3	-	245	245
Total Financial Liabilities[(i)]		**-**	**9,380**	**9,380**

2020	Note	Financial Assets at Amortised Cost $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Financial Assets				
Cash and cash equivalents	6.2	14,470	-	14,470
Receivables and contract assets	5.1	12,242	-	12,242
Total Financial Assets[(i)]		**26,712**	**-**	**26,712**
Financial Liabilities				
Payables	5.2	-	6,877	6,877
Borrowings	6.1	-	2,328	2,328
Other financial liabilities - patient monies held in trust	5.3	-	215	215
Total Financial Liabilities[(i)]		**-**	**9,420**	**9,420**

(i) The carrying amount excludes statutory receivables (i.e. GST receivable) and statutory payables (i.e. Revenue in advance).

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 7.1: Financial Instruments (continued)

How we categorise financial instruments

Categories of Financial Assets
Financial assets are recognised when the Institute becomes party to the contractual provisions to the instrument. For financial assets, this is at the date the Institute commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through net result, in which case transaction costs are expensed to profit or loss immediately.

Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15 para 63.

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 solely to collect the contractual cash flows; and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specific dates.

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 Institute recognises the following assets in this category:
- cash and deposits;
- receivables (excluding statutory receivables); and
- term deposits.

Categories of Financial Liabilities
Financial liabilities are recognised when the Institute becomes a party to the contractual provisions to the instrument. Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately.

Financial liabilities at amortised cost
Financial liabilities are measured at amortised cost using the effective interest method, where they are not held at fair value through net result.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in net result over the relevant period. The effective interest is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

The Institute recognises the following liabilities in this category:
- payables (excluding statutory payables and contract liabilities);
- borrowings; and
- other liabilities (including monies held in trust).

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 7.1: Financial Instruments (continued)

Offsetting Financial Instruments
Financial instrument assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, the Institute has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where the Institute does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

Derecognition of Financial Assets
A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:
- the rights to receive cash flows from the asset have expired; or
- the Institute retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass through" arrangement; or
- the Institute has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset; or
  - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the Institute has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Institute's continuing involvement in the asset.

Derecognition of Financial Liabilities
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an "other economic flow" in the Comprehensive Operating Statement.

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 7.2: Financial Risk Management Objectives and Policies

As a whole, the Institute's financial risk management program seeks to manage the risks and the associated volatility of its financial performance.

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

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

The Institute uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Accountable Officer.

Note 7.2a: Credit Risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. The Institute's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Institute. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Institute's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, the health service is exposed to credit risk associated with patient and other debtors.

In addition, the Institute does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, the Institute's policy is to only deal with banks with high credit ratings.

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

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

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

There has been no material change to the Institute's credit risk profile in 2020-21.

Impairment of Financial Assets under AASB 9
The Institute records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9, impairment assessment includes the health service's contractual receivables and its investment in debt instruments.

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9.

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 7.2: Financial Risk Management Objectives and Policies (continued)

Contractual Receivables at Amortised Cost
The Institute applies AASB 9's 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 selects the expected credit loss rate based on the Institute's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

On this basis, the Institute has determined that there was no opening loss allowance and closing loss allowance at the end of the financial year.

Statutory Receivables and Debt Investments at Amortised Cost
The Institute's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, no loss allowance has been recognised.

Note 7.2b: Liquidity Risk

Liquidity risk arises from being unable to meet financial obligations as they fall due.

The Institute is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. The health service manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

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.

	Note	Carrying Amount	Nominal Amount	Maturity Dates				
				Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	Over 5 years
2021		**$'000**	**$'000**	**$'000**		**$'000**	**$'000**	**$'000**
Financial Liabilities at Amortised Cost								
Payables	5.2	7,148	7,148	7,148	-	-	-	-
Borrowings	6.1	1,987	1,987	39	79	355	1,017	497
Other financial liabilities [(i)]	5.3	245	245	-	-	245	-	-
Total Financial Liabilities[(i)]		**9,380**	**9,380**	**7,187**	**79**	**600**	**1,017**	**497**

	Note	Carrying Amount	Nominal Amount	Maturity Dates				
				Less than 1 Month	1 - 3 months	3 months - 1 Year	1 - 5 Years	Over 5 years
2020		**$'000**	**$'000**	**$'000**		**$'000**	**$'000**	**$'000**
Financial Liabilities at Amortised Cost								
Payables	5.2	6,877	6,877	5,837	-	1,040	-	-
Borrowings	6.1	2,328	2,328	31	63	283	1,173	778
Other financial liabilities [(i)]	5.3	215	215	-	-	215	-	-
Total Financial Liabilities[(i)]		**9,420**	**9,420**	**5,868**	**63**	**1,538**	**1,173**	**778**

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

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 7.3: Contingent Assets and Contingent Liabilities

At balance date, the Board are not aware of any contingent assets or liabilities.

How we measure and disclose 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 if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent Assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the health service.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

Contingent Liabilities
Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the health service or
- present obligations that arise from past events but are not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations or
  - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 8: Other Disclosures

This section includes additional material disclosures required by accounting standards or otherwise for the understanding of this financial 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 Officers
8.4 Related Parties
8.5 Remuneration of Auditors
8.6 Events Occurring after the Balance Sheet Date
8.7 Equity
8.8 Economic Dependency

Telling the COVID-19 story

Our other disclosures were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

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

	Note	2021 $'000	2020 $'000
Net Result for the Year		**5,552**	**(2,311)**
Non-cash Movements:			
Net (gain)/loss from disposal of non-financial physical assets		(66)	(38)
Depreciation and amortisation	4.3	4,225	3,902
Net movement in finance lease		(378)	(309)
(Gain)/Loss on revaluation of long service leave liability		(1,706)	455
Non-cash grant - long service leave		1,199	166
Grant revenue paid by DH directly to third parties for building works		(403)	(358)
Movements in Assets and Liabilities:			
Change in Operating Assets and Liabilities			
Decrease/(Increase) in receivables and contract assets		(524)	32
Decrease/(Increase) in other assets		(5)	(617)
Increase/(Decrease) in payables and contract liabilities		1,889	(4,539)
Increase/(Decrease) in provisions		1,500	2,249
Increase/(Decrease) in other liabilities		27	43
Net Cash Inflow/(Outflow) from Operating Activities		**11,310**	**(1,325)**

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

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.

	Period
Responsible Minister:	
The Honourable Martin Foley, Minister for Mental Health	01/07/2020 - 29/09/2020
The Honourable James Merlino, Minister for Mental Health	29/09/2020 - 30/06/2021
Governing Board:	
Ken Lay AO APM (Chair of the Board)	01/07/2020 - 30/06/2021
Associate Professor Ruth Vine	01/07/2020 - 30/06/2021
Sally Campbell	01/07/2020 - 30/06/2021
Sue Williams	01/07/2020 - 30/06/2021
Greg Pullen	01/07/2020 - 30/06/2021
Dr Joanna Flynn AM	01/07/2020 - 30/06/2021
Ian Forsyth	01/07/2020 - 30/06/2021
Hon. Wade Noonan	01/07/2020 - 30/06/2021
Frances Sanders	01/07/2020 - 30/06/2021
Accountable Officer	
Dr Margaret Grigg (Chief Executive Officer)	01/07/2020 - 30/06/2021

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

Income Band	2021 No.	2020 No.
$0 - $9,999	-	2
$10,000 - $19,999	-	2
$20,000 - $29,999	8	5
$30,000 - $39,999	-	1
$40,000 - $49,999	-	1
$60,000 - $69,999	1	-
$240,000 - $249,999 (i)	-	1
$380,000 - $389,999	1	-
Total numbers	**10**	**12**
	$'000	**$'000**
Total remuneration received, or due and receivable by Responsible Persons from the Institute amounted to:	**$660**	**$495**

(i) In the prior year the CEO remuneration was met in part by the Department of Health. This accounts for the variation in income disclosure between years.

Amounts relating to the Governing Board Members and Accountable Officer are disclosed in the Institute's financial statements.
Amounts relating to Responsible Minister are reported within the Department of Parliamentary Services' Financial Report.

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 8.3: Remuneration of Executive Officers

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	
	2021	**2020**
	$'000	**$'000**
Short-term Employee Benefits	2,074	1,609
Post-employment Benefits	192	146
Other Long-term Benefits	70	71
Termination Benefits	-	-
Total Remuneration	**2,336**	**1,826**
Total Number of Executives [(i)]	**11**	**9**
Total Annualised Employee Equivalent (AEE) [(ii)]	**9.0**	**7.3**

(i) The total number of executive officers include persons who meet the definition of Key Management Personnel (KMP) of the Institute under AASB 124 Related Party Disclosures and are also reported within Note 8.4 Related Parties.
(ii) Annualised employee equivalent is based on working 38 ordinary hours per week 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
Salaries and wages, 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
Pensions and other retirement benefits (such as superannuation guarantee contributions) paid or payable on a discrete basis when employment has ceased.

Other Long-term Benefits
Long service leave, other long-service benefit or deferred compensation.

Termination Benefits
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 completed and 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.

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2021

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 Institute include:
- All Key Management Personnel (KMP) and their close family members;
- Cabinet ministers (where applicable) and their close family members; and
- All health services and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

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

Key Management Personnel
The Board of Directors and the Executive Directors of the Institute are deemed to be KMPs. This includes the following:

KMPs	Position Title
Ken Lay AO APM	Chair of the Board
Assoc Professor Ruth Vine	Board Member
Sally Campbell	Board Member
Sue Williams	Board Member
Greg Pullen	Board Member
Dr Joanna Flynn AM	Board Member
Ian Forsyth	Board Member
Hon. Wade Noonan	Board Member
Frances Sanders	Board Member
Dr Margaret Grigg	Chief Executive Officer
Jessica Lightfoot	Chief Financial Officer and Executive Director Business Services
Dr Danny Sullivan	Executive Director, Clinical Services
Professor James Ogloff AM	Executive Director, Psychological Services and Research
Dr Shaymaa Elkadi	Executive Director, Strategy, Policy and Performance
Les Potter	Executive Director, Inpatient Operations
Lucia Giagnorio	Executive Director, People and Culture
Terry Runciman	Executive Director, Prison Services
Anthea Lemphers	Executive Director, Community Operations
Nadia Baillie	General Counsel and Executive Director, Governance and Risk
Jo Ryan	Acting Executive Director, Prison Services
Teresa Kudinoff	Acting Executive Director, Inpatient Operations

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

	2021 $'000	2020 $'000
Compensation - KMPs		
Short-term Employee Benefits[(i)]	2,687	2,066
Post-employment Benefits	227	177
Other Long-term Benefits	82	78
Termination Benefits	-	-
Total [(ii)]	**2,996**	**2,321**

(i) Total remuneration paid to KMPs employed as a contractor during the reporting period through accounts payable has been reported under short-term employee benefits.
(ii) KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executive Officers.

Significant Transactions with Government Related Entities
The Institute received funding from the Department of Health of $86 million (2020: $74 million) and indirect contributions of $0.5 million (2020: $0.4 million). Balances outstanding as at year end are $9 million (2020: $8 million).

The Institute received funding from the Department of Justice and Community Safety of $17 million (2020: $16 million) and service fees from the Commercial Prisons of $26 million (2020: $25 million).

Expenses incurred by the Institute in delivering services and outputs are in accordance with HealthShare 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.

Note 8.4: Related Parties (continued)
Professional medical indemnity insurance and other insurance products are obtained from a Victorian Managed Insurance Authority.

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 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 HealthShare Victoria and Victorian Government Procurement Board requirements.

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 2021 (2020: none).

There were no related party transactions required to be disclosed for the Institute Board of Directors, Chief Executive Officer and Executive Directors in 2021 (2020: none).

Note 8.5: Remuneration of Auditors

	2021 $'000	2020 $'000
Victorian Auditor-General's Office		
Audit of the Financial Statements	37	38
Total Remuneration of Auditors	**37**	**38**

Note 8.6: Events Occurring after the Balance Sheet Date

There are no events occurring after the Balance Sheet date.

Note 8.7: Equity

Contributed Capital
Contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Institute.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Other transfers that are in the nature of contributions or distributions or that have been designated as contributed capital are also treated as contributed capital.

Note 8.8: Economic Dependency

The Institute is dependent on the Department of Health 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 of Health will not continue to support 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 Forensicare's compliance with statutory disclosure requirements.

Legislation	Requirement	Page reference
Ministerial Directions **Report of operations**		
Charter and purpose		
FRD 22H	Manner of establishment and the relevant ministers	16
FRD 22H	Purpose, functions, powers and duties	6
FRD 22H	Initiatives and key achievements	12
FRD 22H	Nature and range of services provided	9
Management and structure		
FRD 22H	Organisational structure	22
Financial and other information		
FRD 10A	Disclosure index	136
FRD 11A	Disclosure of ex gratia expenses	76
FRD 21C	Responsible person and executive officer disclosures	78
FRD 22H	*Application and operation of Protected Disclosure 2012*	69
FRD 22H	*Application and operation of Carers Recognition Act 2012*	69
FRD 22H	*Application and operation of Freedom of Information Act 1982*	68
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GLOSSARY

Acute assessment unit	A 16-bed unit at the Melbourne Assessment Prison. Currently closed for refurbishment – estimated to re-open in August 2018.
Apsley Unit	An 8 bed secure intensive care unit for male prisoners at Thomas Embling Hospital
Aire Unit	A 25-bed acute unit at Ballerrt 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.
Ballerrt 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 *Mental Health Act 2014*, 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 *Mental Health Act 2014* 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.
CCO Screening Service	Service currently delivered at Melbourne and Sunshine magistrates' courts where a mental health clinician screens someone referred by a magistrate for suitability for a community correction order with a condition requiring mental health treatment (to be reconfigured to be part of the Mental Health Advice and Referral Service).
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 *Mental Health Act 2014*.
Compulsory treatment	The treatment of a person for their mental illness without their consent under the *Mental Health Act 2014*.
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.
Crimes (Mental Impairment and Unfitness to be Tried) Act 1997	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 *Mental Health Act 2014* and released and supervised in the community.

Custodial supervision order	An order made under the *Crimes (Mental Impairment and Unfitness to be Tried) Act 1997* 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 Marrmak service with 20 beds and some outpatient services at the prison.
Department of Health and Human Services	The Victorian Government department responsible for providing mental health and through which Forensicare reports to the Minister for Mental Health.
Department of Justice and Community Safety	The Victorian Government department responsible for the criminal justice system (including prisons, courts and community corrections).
Disability Forensic Assessment and Treatment Service (DFATS)	A statewide disability forensic service (located next to Thomas Embling Hospital) that delivers time-limited treatment, support and residential services for people with a disability who display high-risk antisocial behaviour and who are involved, or at risk of being involved, in the criminal justice system.
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 Ballerrt 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 *Crimes (Mental Impairment and Unfitness to be Tried) Act 1997* 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.
GEO Group	Private company that operates the Ravenhall Correctional Centre as well as Fulham Prison in Victoria under contracts with Corrections Victoria.
G4S	Private company that operates Port Phillip Prison under contract with Corrections Victoria.
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 over-sight of health and mental health services in prisons and Youth Justice Centres. Its executive director is Ms Jan Noblett.
Marrmak 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.
Mental Health Branch	The business unit in the Department of Health and Human Services (Health and Wellbeing Division) that is Forensicare's main point of contact in the department.
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.
Mental health community support services	Non-clinical not-for-profit services that focus on activities and programs that help people manage their own recovery and maximise their participation in community life.
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 Ballerrt 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.
Post Sentence Authority	The agency set up to oversee the services provided to people under supervision on post-sentence orders under the *Serious Sex Offenders Detention and Supervision Act 2009*.
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.
Seclusion episodes	A single event of sole confinement of a patient to address imminent and immediate harm to self or others.
Secondary consultation	Clinical advice to another service on an identified client or patient.
Secure extended care unit	Unit that provides medium to long-term inpatient treatment and rehabilitation for people who have unremitting and severe symptoms of a mental illness or disorder. These units are located in Area Mental Health Service settings.
Secure psychiatric intensive care unit	The new eight-bed unit at Thomas Embling Hospital that is scheduled to open in 2018, and now to be known as Apsley Unit.
Security patient	A person who is placed on either a secure treatment order under the *Mental Health Act 2014* or on a court secure treatment order under the *Sentencing Act 1991* 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 Ballerrt 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

info@forensicare.vic.gov.au
www.forensicare.vic.gov.au

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