

FORENSICARE
Annual Report
21-22



Forensicare

Acknowledgement of Country



Forensicare acknowledges the Traditional Owners of the lands on which we live and work. We recognise First Nation peoples' continuing connection their culture, country, waters and communities and pay our respect to Elders past, present and emerging.

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Designed by OÙ

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We'd like to begin this report by recognising the First Nations People who are the Traditional Owners of the land upon which all Forensicare services are delivered.

In keeping with significant agents for change like the First Nations' Assembly, the commitment to Treaty and the Yoorrook Justice Commission, Forensicare acknowledges the connection to land and sovereignty of Aboriginal and Torres Strait Islander Communities.

We also acknowledge and thank our extraordinary staff for what has been another challenging year for those working in health care.



Board Chair and CEO report

As always, our staff have and continue to step-up to ensure care for consumers is not compromised. They again persevered through the ups and downs of living with COVID - lockdowns, isolation, illnesses, long shifts, full Personal Protective Equipment, and Rapid Antigen Tests. Yet despite all this, they continue to be the backbone and strength of our organisation. Their determination when faced with adversity is a testament to their strength and professionalism. We couldn't be more proud of work they do and know we would not be the organisation we are without them.

Moving towards our new vision

This year marks the beginning of a new strategic journey for Forensicare, one that is delivering transformational change across all aspects of our business and services.

Our new strategic plan was launched in October 2021 and sets out our new vision to deliver *Meaningful lives led safely. Hope in recovery. Connected care*. Supported by our four strategic directions, *Forensicare's Strategic Plan 2021-2026* lays down the foundation to strengthen who we are and what we do over the next 5 years. These priorities will be realised through a lot of hard work, commitment and innovation across Forensicare and are already well underway. We look forward to sharing the results with you in the years ahead.

Consumers at the heart of everything we do

Our *Model of Care 2021-26* sets out our commitment to empowering Victorians living with a mental illness to lead safe and meaningful lives, free from offending.

Developed after extensive consultation with consumers, carers, families, supporters, staff, stakeholders, service partners and subject matter experts, our Model of Care (MOC) demonstrates how we will deliver best practice mental health care and treatment for consumers.

We recognise each recovery journey is unique and commit to ensuring every individual finds their strengths, maintains connections and lives a meaningful life led safely. Our MOC transforms the way we work with our consumers and carers, placing them at the centre of everything we do so we deliver the right care, at the right time, in the right place with the right people.

Working better together

Rising to the challenge of delivering a new strategic vision and delivering the commitments in our MOC requires a strong team and cohesive culture. The *Forensicare Cultural Reform Plan 2022-2024*, finalised in May 2022, lays down our roadmap for creating a safe workplace for everyone, every day. The plan draws on the final recommendations handed down by the independent *Bullying, Harassment, Sexual Harassment, and Discrimination Review* and People Matter Survey results and gives us a framework for delivering cultural reforms that support the delivery of our vision and MOC commitments. We've heard our staff loud and clear. To support them to be their best, we need our leaders to be courageous and accountable, system design that reflects the people using them and working environment where staff feel safe to speak up, share ideas and are given opportunities to grow and thrive.

Co-designing Forensicare's future

The Thomas Embling Hospital Bed Expansion Project (TEHBEP) continues to progress with construction set to commence in late 2022. This year we welcomed an additional State Budget commitment of \$123.9m to fund Stage 2 of the project, resulting in a total investment of \$462.5m for the delivery of additional services.

This funding will provide for supporting infrastructure including a new entrance complex that will allow us to extend the therapeutic environment into the entrance space and ensure a whole of service experience.

Central to the success of the project is the focus on co-design and our commitment to moving away from designing services *for* people, to designing them *with* people. The ongoing contribution from consumers, carers, families and supporters is making a direct and genuine impact on the design and operation of the new facilities and bringing to life important key recommendations from the Royal Commission into Victoria's Mental Health System.

Thank you

On behalf of the Forensicare Board and Executive we'd like to thank the Hon. Wade Noonan and Dr Jo Flynn AM who have stepped down from their positions as board members. Wade and Jo are great advocates for improving outcomes for those with a lived experience of mental ill-health and made an important contribution towards driving our new vision. It has been a privilege to have worked with them, and we wish them the very best in their future ventures.



Ken Lay AO

Chair
Forensicare Board
7 September 2022



Dr Margaret Grigg

Chief Executive Officer
7 September 2022

Responsible bodies declaration

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 2022.



Ken Lay AO

Chair
Forensicare Board

Our vision

Meaningful lives led safely.
Hope in recovery.
Connected care.

Our mission

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 values

Responsiveness

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

Integrity

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

Impartiality

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

Accountability

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

Respect

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

Leadership

We actively implement, promote and support these values.

Human rights

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

Our strategic directions

Strategic Direction 1: Consumer recovery pathways

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 right
- 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

Strategic Direction 2: Connections and partnerships

We develop and maintain strong and collaborative connections and partnerships that support the recovery of consumers, families, carers and supporters.

Strategic Direction 3: Workplace of choice

We are a workplace of choice for people with lived experience, mental health clinicians and corporate service leaders.

Strategic Direction 4: Research, education and innovation

We are trusted thought leaders who lead innovation in understanding the interface between mental illness and offending behaviour recovery.



We are a workplace of choice
for people with lived experience,
mental health clinicians and
corporate service leaders.

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. We operate under the *Mental Health Act 2014* in terms of treatment of consumers and 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. We are also defined under the *Health Services Act 1988* as a health or related service, an agency, and have obligations in relation to information sharing for quality and safety purposes.

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.

Our organisation

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



Our services

Service locations

Visiting sessions at the following prisons

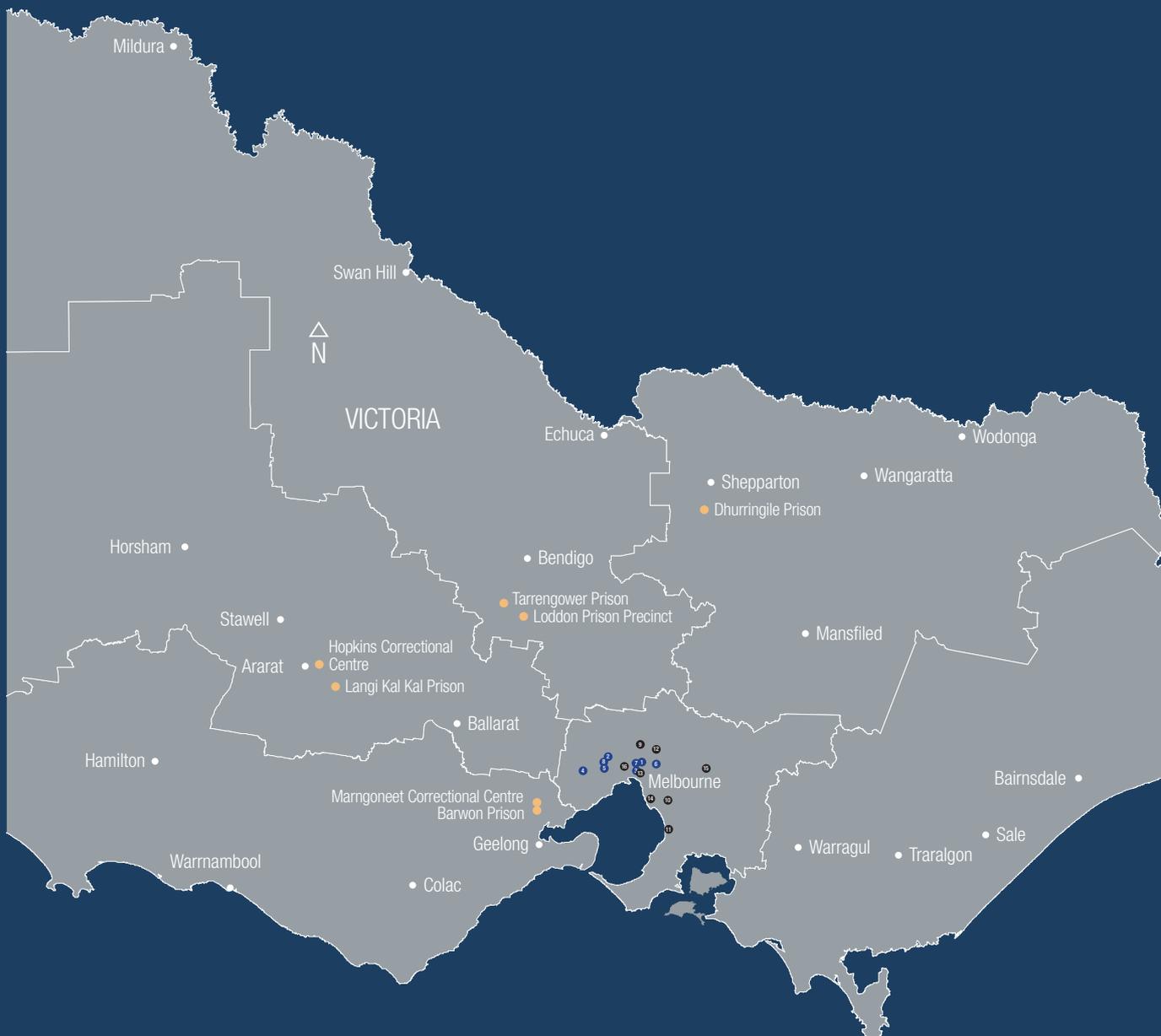
- Barwon Prison
- Dhurringile Prison
- Hopkins Correctional Centre (Ararat)
- Karreenga Annexe
- Langi Kal Kal Prison
- Loddon Prison Precinct (Middleton)
- Marngoneet Correctional Centre
- Tarrengower Prison

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



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, 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 2014*.

Across the 2021 and 2022 Victorian State Budgets, the Victorian Government has committed \$462.5 million to progress work on the Royal Commission into Victoria's Mental Health System recommendation to provide safe and appropriate mental health treatment, care and support at Thomas Embling Hospital (Recommendation 38).

Components of this recommendation include refurbishing the existing 136 beds, providing an additional 107 beds, and up to 20 beds as an extended care option. Current budget commitments will enable refurbishments to the current 136 beds and add an additional 82 beds to the campus.

Prison Mental Health Service

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. There is capacity within prison settings for 141 sentenced persons to receive unit-based mental health treatment from 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-person 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 as outpatient services to prisoners requiring ongoing non-residential mental health care.
- Ballerit Yeram-boo-ee Forensic Mental Health Unit (Ravenhall Correctional Centre)—a 75-person prison mental health service including assessments and outpatients services provided in maximum-security forensic mental health complex within the medium-security prison.
- Marmak Unit (Dame Phyllis Frost Centre)— a 20-person residential unit that provides acute, sub-acute and rehabilitative care to women experiencing mental ill-health while in prison.
- 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 provides outpatient services to Barwon, Marngoneet and Karenga prisons.
- St Paul's Unit (Port Phillip Prison)— a 30-person unit provides mental health care, treatment and therapeutic programs.
- 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, Karrenga, Loddon, Marngoneet, Middleton and Tarrengower prisons to support prisoners with their mental health recovery.



Forensicare provides specialist forensic mental health services across 12 of Victoria's 14 prisons.

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— provides psychiatric and psychological pre-sentence reports to courts at the request of the judiciary.
- Community Transition and Treatment Program (CTT)— oversees the treatment, care and supervision for forensic and civil patients transitioning from TEH back into the community to ensure they are well supported in their reintegration.
- Non-Custodial Supervision Order Consultation and Liaison 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)— 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)— 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.
- Problem Behaviour Program (PBP)— 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)— 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— 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— 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 is committed to working with the Department of Health and partner services to realize benefits from the Royal Commission into Victoria's Mental Health System recommendation to support the mental health and wellbeing of people in contact with, or at risk of coming into contact with, the criminal and youth justice systems (Recommendation 37).

Forensicare was established in 1997 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.

This year marks the beginning of a new strategic journey for Forensicare, one that is delivering transformational change across all aspects of our business and services.



Responsible minister

The Victorian Minister for Mental Health is the Minister responsible for Forensicare and the forensic mental health services we provide. We are a public health service established under the *Mental Health Act 2014*.

27 June 2022 to 30 June 2022

The Hon. Gabrielle Williams MP
Minister for Mental Health
Minister for Treaty and First Persons

1 July 2021 to 27 June 2022

The Hon. James Merlino MP
Minister for Mental Health

Forensicare board

The Board of Forensicare is appointed by the Governor in Council for terms not exceeding three years on the recommendation of the Minister for Mental Health. The Board, which consists of up to nine directors, reports to the Minister for Mental Health.

The Board includes a nominee of the Attorney-General, a nominee of the Minister administering the Corrections Act 1986, and at least four other members but not more than seven, 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.

Board movements

In 2021-22 The Hon. Wade Noonan retired from the board and Dr Jo Flynn finished her term. Forensicare is extremely grateful for the valuable contribution to the organisation both Directors provided during their respective terms and we wish them the best in their future endeavours.

Ms Allison Smith was appointed to the Board and commenced on 1 July 2021. Mr Kelvyn Lavelle was also appointed on 1 July 2021 as an independent advisor to the Board.

Board directors

As of the 30 June 2022, 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.

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.

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 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

RN, ICU cert, Bach BusMgt, MBA, GAICD

Appointed 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

B.Ec (Monash)

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.

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.

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.

Allison Smith

B.Acc CA GAICD

Appointed 1 July 2021

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.

Independent board advisor**Kelvyn Lavelle**

Kelvyn has 20 years' experience in the public infrastructure market. He has been a senior executive with international infrastructure developer Plenary for the past 17 years where he has overseen external engagement and market development planning and delivery.

As part of his current role, Kelvyn is the Chair of Plenary Health, New Footscray Hospital Project - Victoria's largest ever public hospital project. Immediately prior to joining Plenary, Kelvyn was Chair of market research firm, Australian Research Group, and was a regular commentator on political, media and communications issues on Melbourne radio. A graduate of the Australian Institute of Company Directors, Kelvyn is an experienced non-executive director. He sits on the advisory board of the Office of Projects Victoria and chairs McKell Institute Victoria. At various times he has been a non-executive director of Plenary Conventions, Western Health (finance and resources committee), Western Chances and the Melbourne Writer's Festival.

Retired board members**The Hon. Wade Noonan**

Appointed 10 December 2019

Wade is Deputy Vice-Chancellor External Relations and Partnerships, at Victoria University and is Chair of the Board of Jobscan. 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).

Board meetings and committees

The full Forensicare board meets eleven times a year. Six committees support the Board to fulfil its responsibilities. Each committee reports to the Board, and membership includes some non-Board members.

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.

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.

Finance Committee

The Finance Committee's role is to assist the Board to fulfil its financial governance responsibilities including compliance with the requirements of the *Financial Management Act 1994* and the Standing Directions under that Act issued by the Minister for Finance. The Committee oversees and advises the Board on annual budgeting, financial management and performance and capital expenditure.

Table 1: Board meeting and committee membership and attendance as at 30 June 2022

Director	Board		ARC		QSC		Finance Remuneration & Nominations		P&CC		Rem		MCW	
	H	A	H	A	H	A	H	A	H	A	H	A		
Ken Lay - Chair	11C	11	6*	5	5*	2	8*	7	4*	4	2C	2	4	4
Sally Campbell	11	11	6C	6	-	-	2†	2	-	-	-	-	4	4
Ruth Vine	11	8	-	-	5	4	-	-	4	4	-	-	-	-
Jo Flynn	11	11	6	4	5C	5	-	-	-	-	1†	1	-	-
Sue Williams	11	10	-	-	-	-	8	7	-	-	1†	1	4	4
Ian Forsyth	11	10	-	-	-	-	6†	5	4C	3	1†	1	-	-
Wade Noonan Δ	8Δ	8	3Δ	3	-	-	-	-	2Δ	2	1†	1	-	-
Frances Sanders	11	10	-	-	5	5	-	-	4	3	-	-	-	-
Allison Smith	11	11	6	5	-	-	8C	8	-	-	-	-	-	-
Kelvyn Lavelle (Board advisor)	11	11	-	-	-	-	-	-	-	-	-	-	4C	4

* ex officio member (non-mandatory attendance)

C Chair of Board/Committee

Δ retired mid financial year. Wade Noonan resigned effectively immediately post the 2 March 2022 Board meeting and so Board and Committee meetings he was eligible to attend are reduced against the total meetings held.

† commenced or ceased on Committee/position mid financial year

Note – the attendance by Directors at the August 2021 joint meeting of ARC and Finance and the April 2022 joint meeting of the ARC / QSC are counted in their respective ARC/Finance/QSC columns.

Remuneration and Nominations Committee

The Remuneration and Nominations 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 as well as a positive, healthy and productive workplace culture.

Major Capital Works Committee

The Major Capital Works Committee was established during the financial year to oversee and monitor all major building and site redevelopments and expansions undertaken by Forensicare independently or in partnership with the Victorian Health Building Authority.

Executive leadership team

Strategic Executive

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 after a unanimous Board endorsement, 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.

Cayte Hoppner

MN, MBA, RN, BN, NP, Grad Dip (Occ Hlth), Grad Dip (Psych Nsg), Adv Cert Pharm, MHN, MACMHN, MACN, MACNP, MAPNA

Chief Operating Officer

Appointed July 2021

Cayte commenced at Forensicare in August 2021. She is a mental health nurse with more than 25 years' experience in operational, clinical and leadership roles in public mental health services across Australia. Prior to commencing with Forensicare, Cayte was the Executive Director of Mental Health and Chief Mental Health Nurse at Latrobe Regional Hospital. Cayte is passionate about delivering person centred care for all consumers, families and carers accessing the mental health service system. Her key interests include mental health clinical practice models, advanced practice roles for nurses, education, research, psychological safety, clinical supervision and reducing restrictive interventions.

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.

Jessica began her career as a lawyer, and spent three years working on the 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

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.

Matthew Hercus

BN, BA, GradCert Hlth Science (AOD), MPH

Executive Director Strategy, Policy and Planning

Appointed June 2022

Matthew commenced as Executive Director Strategy, Policy and Planning in June 2022. Most recently Matthew was Executive Director Mental Health and AOD System Management in the Victorian Department of Health, having commenced as a nurse, working across metropolitan, regional and remote settings. Matthew has gained an extensive understanding of Victoria's Health and Mental Health Systems, reform directions, including experience with and across government. With a clinical and systems background, Matthew is keen to support the important growth and development period that Forensicare is facing, working closely with teams, consumers and clinicians.

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.

Distinguished Professor James Ogloff AM FAPS

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

Executive Director, Psychological Services
and Research

Appointed November 2001

Professor Ogloff is responsible for delivering psychology services and research across the organisation, and provides vital service development advice. Jim 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.

Nadia Baillie

LLB/BCom GAICD

General Counsel and Executive Director
of Governance and Risk

Appointed July 2020

Nadia joined Forensicare in September 2017 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 17 years in 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 is also a Director on the Portland District Health Board.

Operational Executive Team

Cayte Hoppner

Chief Operational Officer

Anthea Lemphers

Executive Director Community Operations

Terry Runciman

Executive Director Prison Services

Fiona Whitecross

Executive Director Inpatient Services

Jo Ryan

Director of Nursing

Dr Jacques Claassen

Director of Clinical Services, Inpatients

Dr Kate Roberts

Director of Clinical Services, Prison Services

Dr Anthony Cidoni

Director of Clinical Services,
Community Forensic Mental Health Service

Liam Barry

Executive Director Redevelopment and Asset
Management

Larissa Dern

Chief Lived Experience

Marissa Davidson-Blue

Chief Occupational Therapist

Shelley Turner

Chief Social Worker

Aleksandra Belafastov

Director of Psychological Services

Tanya Mularczyk

Director of Strategy and Planning

Carly Laird

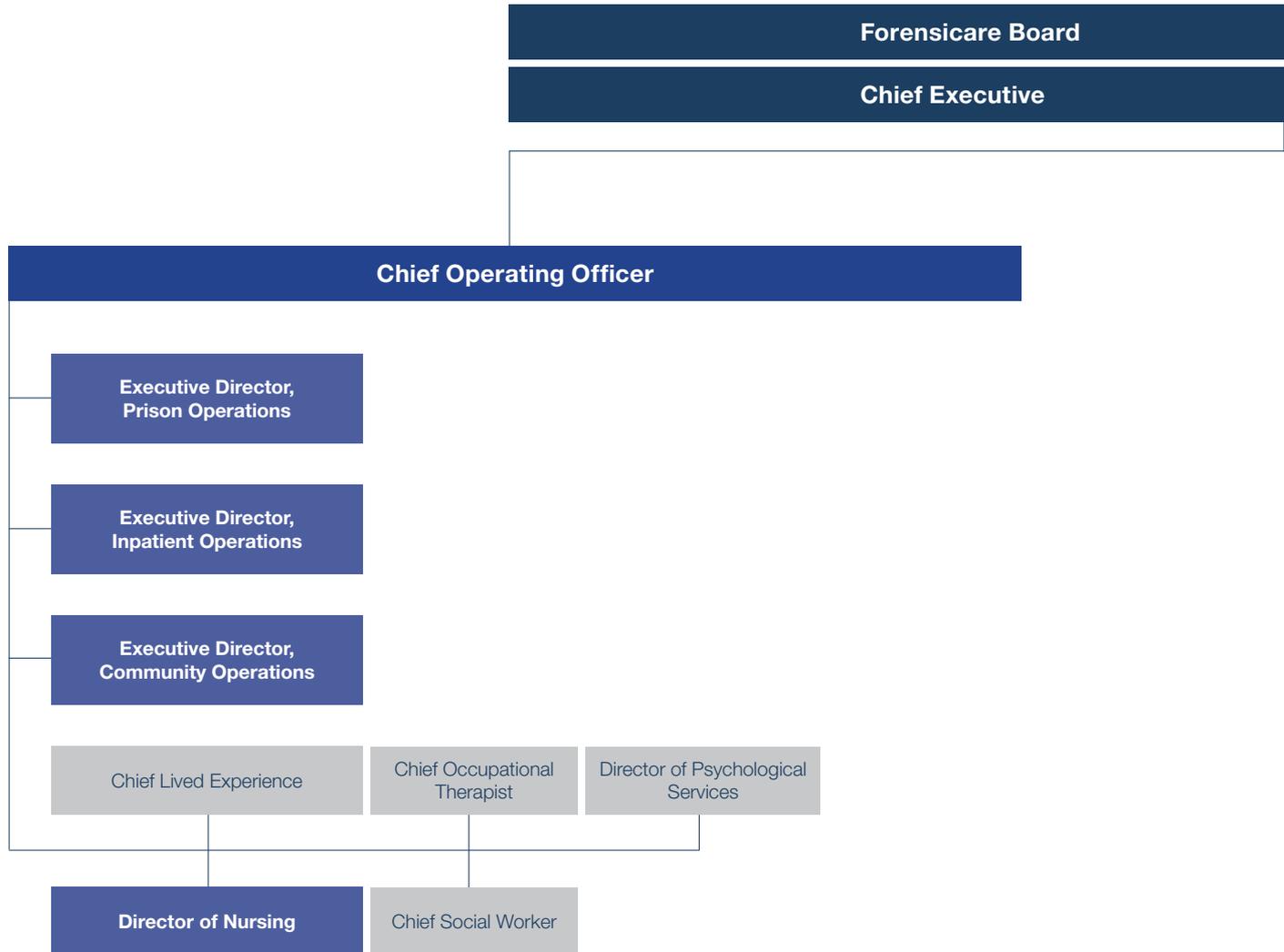
Director of Health Information

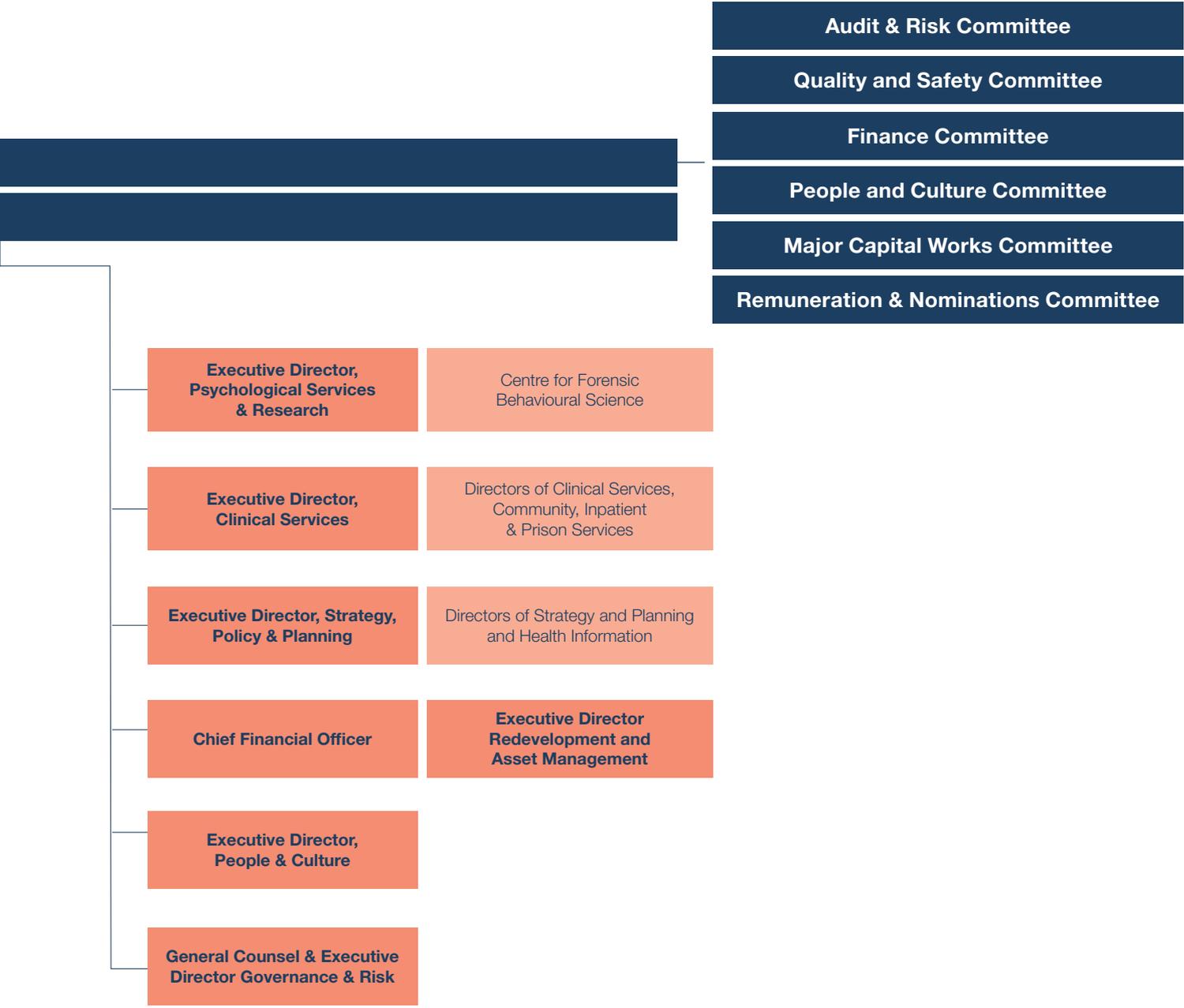


The full Forensicare Board meets eleven times a year. Six committees support the Board to fulfil its responsibilities.

Organisational Chart

Forensicare's current organisational structure.





1207

Mental health assessments on reception at Dame Phyllis Frost Centre

4663

Mental health assessments on reception at Melbourne Assessment Prison

4458

Mental health assessments on reception at Metropolitan Remand Centre

138

Mental health assessments on reception at Ravenhall Correctional Centre

30

Admissions to St Pauls

166

Admissions to Marmak

217

Admissions to Acute Assessment Unit

2744

Mobile Forensic Mental Health Service

392

Admissions to Ballert Yeram-boo-ee Forensic Mental Health Service

OUR CARE AT A GLANCE

170

Admissions to Thomas Embling Hospital

26 females

1 Custodial Supervision Order

25 Secure Treatment Order

144 males

10 Custodial Supervision Order

131 Secure Treatment Order

172

Discharges from Thomas Embling Hospital

120 to prison

35 to community services

17 to private accommodation

Our care at a glance

82

New beds to be added as part of the Thomas Embling Hospital Bed Expansion Project

6941

Early intervention mental health assessments delivered at court

7%

Consumers who identify as Aboriginal and/or Torres Strait Islander

4737

Registered consumers across CFMHS

95%

Applications to Forensic Leave Panel granted

3%

Decrease in average wait times for male security patient admission (18.5 days)

Female security patient average wait time 6 days

12

Consumers on extended leave from TEH being supervised in the community

57

Peer reviewed journals published by Forensicare and the Centre for Forensic Behavioural Science

Consumer participation

59

Coffee Chats sessions for prisoners

255

Individual art and music therapy sessions

82

Consumers at TEH enrolled in one or more educational/vocational course

32

Consumers at Ravenhall Correctional Centre who passed their VicRoads Learners Permit Test

22

Consumers had their non-custodial supervision orders ended and can live in the community unsupervised.

OUR CARE AT A GLANCE



Forensicare's obligations under the Crimes (*Mental Impairment and Unfitness to be Tried*) Act 1997

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.

Understanding supervision orders under the CMIA

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.

51

Reports to the court under section 41(1)

9

Number of men waiting on a bed to become available at Thomas Embling Hospital for the making of a CSO as at 30 June 2022

2

International forensic patients serving a sentence under the International Transfer of *Prisoners Act 1997* (Cth) at Thomas Embling Hospital

136

Reports prepared by Forensicare staff in respect of 92 consumers who had hearings to review their supervision orders

69

Supervision order hearings where Forensicare staff attended court to give evidence

99

Mental health consumers on a custodial supervision order (at Thomas Embling Hospital)

Non-custodial supervision orders

11

New non-custodial supervision orders during 2021-22

3

People breached their NCSO and were placed in Thomas Embling Hospital

1

Person had their NCSO varied to a CSO

22

People had their NCSO removed by the court and can live in the community unsupervised

5

Consumers on extended leave had their order varied to a non-custodial supervision order

12

On a custodial supervision order with a grant of extended leave

54

On non-custodial supervision orders

Custodial supervision orders

3

New custodial supervision orders for 2021-22

2 men / 1 woman

147

Days average wait time for a bed at Thomas Embling Hospital for men waiting to be placed on a CSO during 2021-2022

7

New grants of extended leave

1

Grant of extended leave was cancelled

This financial year saw the launch of our new *Forensicare Strategic Plan 2021-2026*. Over the next 5 years, our Strategic Plan will see us deliver against four strategic directions to ensure mental health consumers get the right care, at the right time, in the right place, and by the right person.

Here are our key achievements over the past 12 months:

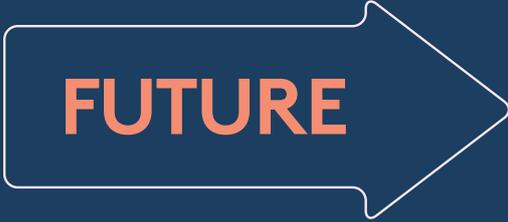
Strategic Direction 1: Consumer Recovery Pathway

- **Launched our new *Model of Care 2021-2026*:**

Our new model of care sets out our commitment to empowering Victorians living with a mental illness to lead safe, meaningful lives, free from offending. Developed after extensive consultation with consumers, carers, families, supporters, staff, stakeholders, service partners and subject matter experts, our model of care (MOC) demonstrates how Forensicare will deliver best practice mental health care and treatment for consumers. It is our commitment to supporting each unique recovery journey, ensuring every individual finds their strengths, maintains connections and lives a meaningful life led safely. It transforms the way we work with our consumers and carers by placing the consumer at the centre of everything we do.

- **Commenced working towards eliminating restrictive interventions:** Using the Safe in Care, Safe in Work 6 Core Strategies, we have implemented a range of interventions to reduce our use of seclusion and restraint at Thomas Embling Hospital. Our focus on strengthened leadership, reduction tools, training and consumer engagement delivered a range of improvements across our inpatient units. Working towards elimination of these practices supports our model of care and the transformation of the mental health service system through delivering the recommendations of the Royal Commission into Victoria's Mental Health Services.
- **Celebrating unique recovery journeys:** The development of our Diversity, Equity and Inclusion Framework and Action Plan (DEI), aligned with our strategic plan, demonstrates our commitment to diversity, equity and inclusion. The DEI framework guides us as we celebrate and respond to the diverse needs of all people engaging with our service – consumers, carers, families, supporters and staff. Through the implementation of the DEI action plan we provide an environment where all people are respected and safe to express and draw strength from their diversity and uniqueness. The framework and action plan directly supports the implementation of our new model of care as well as other key strategic documents.
- **Introduced the Daily Operating System:** The Daily Operating System (DOS) is a way of working that supports operational readiness, and improves our patient care, access and flow. It gives us visibility of our daily operations allowing us to quickly identify problems and escalate them to be resolved. Staff wellbeing, resource management, COVID oversight and quality and safety are also a key focus. Three tiers of 'huddles' are run each day with our clinical teams, managers and executive supporting the recovery journey of consumers across our organisation.

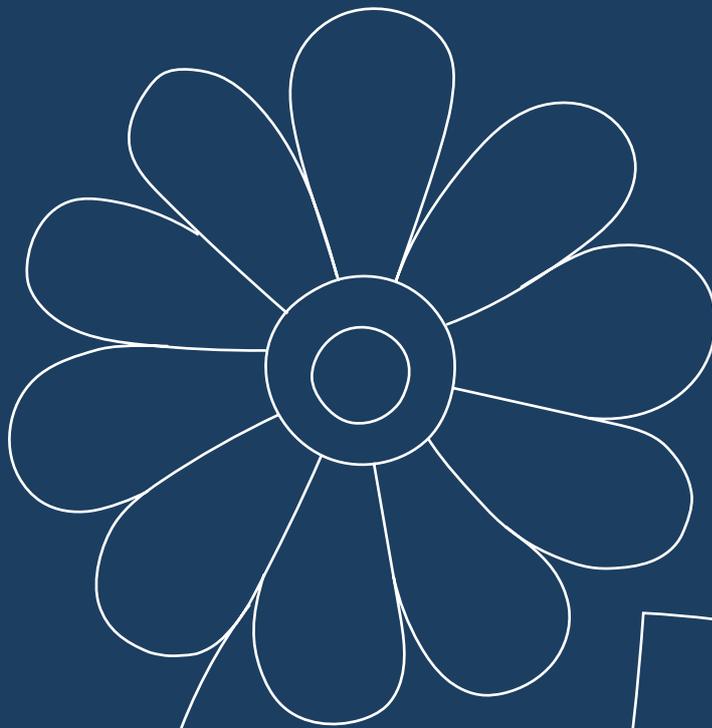
Our year in review



Model of Care 2021-2026

Our new model of care sets out our commitment to empowering Victorians living with a mental illness to lead safe, meaningful lives, free from offending.

OUR YEAR IN REVIEW



Strategic Direction 2: Connections & Partnerships

- Established the Co-design Committee:** This committee provides advice and feedback in the planning and design of the redevelopment of Thomas Embling Hospital. The committee engages with a diverse range of people with lived experience of using our services, including consumers, carers, families and supporters, to ensure the new building design provides a psychologically safe environment for each person. The committee also engages members of our Lived Experience workforce, along with our local First Nations community – ensuring everything we do reflects lived experience and is culturally safe and respectful to First Nations peoples.
- Building stronger relationships with our First Nations People:** This is being achieved through the development of our Cultural Safety Action Plan, strengthening of our First Nations Advisory Committee, expanding connections and partnerships with Aboriginal Services and governing bodies, and ensuring our services are safe, respectful and welcoming to First Nation consumers, carers, families, supporters and staff. Our Model of Care commits us to ensuring care is provided in a culturally safe and considered manner unique to the individual and their needs.
- Delivery of our Stakeholder Engagement Plan:** This plan is designed to support us to better respond to the rapidly changing landscape of mental health services across the state as we undertake the implementation of recommendations from the Royal Commission into Victoria's Mental Health System. Building strong connections across the North East Metropolitan Health Service Partnership, Interim Regional Bodies and then Regional Boards, Area and Local Mental Health and Wellbeing Services, and other support and wellbeing services (such as Alcohol and other Drug services, Housing, Vocational and Education services) ensures our focus on integrated quality and safety across services. Consumers are well supported in their recovery journey, allowing for reintegration into community that is safe, supported and meaningful.

- Enhancing and reinvigorating (post-COVID disruptions) the amazing Tambo Coffee Chat:**

A program developed by our prison Peer Worker to engage men in our Tambo Unit at Ballert Yeramboo-ee Forensic Mental Health Service, Ravenhall Correctional Centre. The chat is designed to support Tambo men with reintegration into the community by focusing on instilling hope and confidence and building connections. Key people from the prison and community are invited to come along to have a chat over a delicious cup of coffee to discuss programs and services that can assist the men on release.

Strategic Direction 3: Workplace of Choice

- Culture Reform Plan:** A comprehensive *Cultural Reform Plan 2022-2024* was developed and launched this year in response to the independent *Forensicare Bullying, Harassment, Sexual Harassment and Discrimination Review*. The plan was developed following broad consultation with staff through the cultural reform board, workshops and all staff broadcasts. The result is a cultural reform program that aims to create a safe workplace for everyone, everyday through the delivery of four key pillars:
 1. Courageous and accountable leadership
 2. A safe and inclusive workplace
 3. People are at the heart of everything we do
 4. Improvement through monitoring and evaluation

Significant work is already underway including the development of an extensive Leadership Development Program, new complaints guide and the development of an alternative support and advisory service to make it easier for staff to report damaging and unlawful behaviours.

- **Gender Equality Action Plan:** To be a workplace of choice that is safe and positive for everyone, every day, we need to ensure we have plans and actions in place to effectively respond to gender issues and challenges. Forensicare's Gender Equality Action Plan sets out a four year program of changes to ensure all aspects of our organisation complies with the new *Gender Equality Act 2020*. The plan is designed to:

- ensure a safe, inclusive working environment for all employees
- benefit from an increasingly diverse workforce, one that reflects our community diversity
- contribute to achieving gender equality for the benefit of all Victorians, especially our employees, consumers and community members
- adhere to the *Gender Equality Act 2020*.

- **Strengthening health, safety and wellbeing:** Our focus on delivering a safe workplace for everyone, every day saw us deliver a range of improvements in the health and wellbeing space. This resulted in the:

- new appointment to the role of Employee Wellbeing Coordinator to oversee staff health and wellbeing across Forensicare
- continued integration of health and wellbeing into all operational functions
- commencement of quarterly professional development workshops for Health and Safety Representatives and the Employee Support Network
- establishment of monthly ongoing training and development for staff in Psychological First Aid.

Strategic Direction 4: Research, education and innovation

- **Research aligned with our strategic priorities:** The Centre for Behavioural Science (CFBS) developed a set of research priorities that are consistent with the Forensicare Strategic Plan. Six research priorities were identified following key stakeholder engagement and expert consultation over multiple workshop and planning sessions. The priorities are founded in the nexus between science and practice – with each informing the other to ensure excellence and evidence-based practice in our service. The six priority areas also align with the Forensicare vision: meaningful lives lived safely; hope in recovery; connected care.
- **Translational and accessible research:** Research and application documents have been updated to ensure the 'Framework to Assess the Impact from Translational health research (FAIT)' is included in all new research projects across Forensicare. Dissemination material for stakeholders has also been redesigned to highlight key research findings in more accessible formats.
- **Forensicare Dissemination Research seminar:** The Forensicare Dissemination Research seminar continues to be a popular format to showcase research undertaken by Forensicare and the Centre for Forensic Behavioural Science. Livestreamed and viewed by 248 staff, this year's seminar showcased a range of presentations focused on clinical practices, forensic mental health and risk assessments.
- **Embedding evaluation into everything we do:** We are including relevant qualitative and quantitative evaluation methods to Forensicare clinical innovations. We are blending subjective and objective outcomes to provide a comprehensive analysis of impact, that can inform future Forensicare clinical innovation and provide exemplars for other Forensic Mental Health Services.

- **Refreshed our Professional Development**

Program: Our professional development program underwent a refresh this year. The new Forensic Mental Health Professional Development Program (FMHPDP) is a training initiative jointly developed and delivered cooperatively by the CFBS and Forensicare to further the skill development of clinicians and service providers who interact with the forensic mental health and justice systems. This is a particularly important topic in light of the Royal Commission into Victoria's Mental Health System, which has recommended a substantial increase in the capacity of the forensic mental health system. Increasing capacity requires significant investment to educate and train clinicians and service providers. As such, the FMHPDP plays a pivotal role in supporting the mental health and forensic mental health workforce development and training in Victoria. The FMHPDP commenced in 2022 and has held a range of professional development workshops to audiences comprising mental health professionals, non-governmental organisation staff members, and staff from the criminal justice system. The programs have been very well attended and participants have been very positive about the offerings.



Dr Ahona Guha

Dr Ahona Guha, Psychologist, a recipient of a 2022 Wheeler Centre Hot Desk Fellowship. Ahona is using this opportunity to develop her second work of non-fiction focused on helping people understand and navigate relationships. She also shared her expertise in her article *Stalking behaviour – early warning signs and why people do it* with the ABC Everyday program and wrote an opinion piece about radical acceptance and the COVID-19 pandemic also for the ABC.

Nishan Singh and Tuija Juusti

Nishan Singh and Tuija Juusti, Registered Psychiatric Nurses, were dual winners of Forensicare's Julie Bartrop Award. The award recognises exceptional achievement in our postgraduate nursing program in the areas of nursing practice, initiative, team contribution and professionalism.

Dr Tessa Maguire



Dr Tessa Maguire was awarded her Doctor of Philosophy on risk assessment and aggression prevention. Her thesis *Enhancing risk assessment and nursing interventions to prevent aggression and reduce the use of restrictive interventions in forensic mental health units*, explored the Dynamic Appraisal of Situational Aggression (DASA).

Dr Meredith Gray

Dr Meredith Gray, Psychiatrist, is the recipient of the 2022 RANZCP Medlicott Award. The award recognised her research into *Characteristics of serious violent and sexual offenders referred to a Forensic Mental Health Consultation Service in Victoria that differentiate judicial monitoring status and acceptance into co-ordination*.

Dr Melanie Simmons, Dr Tess Maguire and Professor Michael Daffern



Dr Melanie Simmons, Psychologist, Dr Tess Maguire, Registered Psychiatric Nurse, and Professor Michael Daffern, Psychologist, from the CFBS team were awarded a research grant to commence a new research project to examine whether a risk assessment instrument – developed to help nurses identify patients at risk of imminent aggression – can be adapted to help identify people who may be at risk of deliberate self-harm.

Awards & achievements

Shillar Sibanda OAM

Shillar Sibanda, Psychiatric Nurse, was awarded an Order of Australia (OAM) in the Queen's Birthday 2022 Honours List. Shillar was recognised for her exceptional service to the African community of Victoria. Shillar is a founding member of Africa Day Australia and has served as President since 2018. She currently serves on a number of committees in the African community including a number of charities and is an outstanding nurse and colleague.

Dr. Nina Papalia



Dr. Nina Papalia, Psychologist and Senior Research Fellow and Fulbright scholar with the Centre for Forensic Behavioural Science was awarded a Discovery Early Career Research Award (DECRA) fellowship to examine the impact of experiences of abuse, neglect, and exposure to domestic violence in childhood on future criminal justice system involvement.



During 2021-22, Forensicare continued to progress improvements to ensure we provide a workplace that is a safe, positive working environment for everyone, every day.

Occupation health and safety

The *Health, Safety and Wellbeing Plan 2020-22* was a three-year plan outlining a systematic approach to identifying and addressing critical psychosocial and physical safety risks for our staff. It identified ways in which we can continue to progress existing priorities, such as eliminating bullying and harassment, and intensifying our focus on areas such as psychological safety.

A new Health Safety and Wellbeing Plan is currently being finalised and will set out how Forensicare will support the health, safety and wellbeing of its staff in line with its *Strategic Plan 2021-2026* and *Model of Care 2021-2026*.

Counselling services

Utilisation of the new Employee Wellbeing Program has remained steady from last year [9.7%] to maintain a healthy rate of 9.6%. Use of other internal support services like the Employee Support Network has increased.

Workplace bullying

Commissioned by the Board and CEO, the *Bullying, Harassment, Sexual Harassment and Discrimination Review* was undertaken in response to ongoing concerns about unlawful behaviours raised in People Matter Survey results. The review aimed to provide better understanding of the specific nature, extent and impact of these negative behaviours on our organisation. The final report found there were unacceptable levels of bullying, harassment, sexual harassment and discrimination at Forensicare. All recommendations made in the report were accepted in full by the Forensicare Board and Executive and are currently being implemented as part of the *Forensicare Cultural Reform Plan 2022-2024*.

A review of all health safety and wellbeing policies and procedures has also been completed to ensure a contemporary approach to psychosocial hazards in the workplace with a particular focus on workplace bullying and harassment. The Employee Support Network has been actively supporting staff to feel safe to raise issues and work through these.

Occupational violence

A renewed focus on Occupational Violence and Aggression (OVA) was achieved through the forming of an OVA Committee to develop the Forensicare OVA Framework. This has now been incorporated into the Strategic Health Safety and Wellbeing Committee governance and local OVA Action plans are being developed for each work area and unit.

Occupational health, safety & wellbeing

Table 2 provides an overview of Occupational Violence statistics at Forensicare

Occupational violence statistics	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
WorkCover-accepted claims with an occupational violence cause per 100 EFT	1.10	1.20	1.32	1.37	1.36
Number of accepted WorkCover claims with lost time with an occupational violence cause per 1,000,000 hours worked	5.0	5.36	8.06	7.64	7.44
Number of occupational violence incidents reported	296	441	251	276	202
Number of occupational violence incidents reported per 100 EFT	38	61	36.7	42.2	34.4
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	2.36%	1.58%	3.58%	3.26%	3.96%

Definitions

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

Occupational violence—any incident where an employee is abused, threatened, assaulted or injured in circumstances in or out of the course of their employment.

Incident—occupational health and safety incidents reported in the Forensicare RiskMan reporting system.

All Forensicare employees are correctly classified and employed in accordance with the relevant enterprise agreement and are required to meet the standards set out in the Victorian Public Sector Commission's Code of Conduct at all times.

Forensicare 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 3: Forensicare's workforce profile

Employee Category	30 June 2022		30 June 2021		30 June 2020	
	Staff Number	Total EFT	Staff Number	Total EFT	Staff Number	Total EFT
Nursing	467	424.8	461	406.0	455	412.3
Medical - Consultants Medical Officers/Registrars	81	69.9	71	58.2	70	57.2
Clinical Support	23	20.8	62	54.9	45	39.9
Psychology	54	37.5	67	50.2	67	49.0
Social Work/	35	32.2	31	28.6	32	30.0
Occupational Therapy	36	32.2	27	24.1	28	25.6
Art Therapy	1	0.4	1	1.0	1	1.0
Lived Experience	3	3	7	6	4	3.2
Corporate/Admin	140	123.1	104	86.7	86	75.1
Grand Total	840	743.9	831	715.7	788	693.1

Our workforce

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.



Workforce inclusion

Forensicare is working towards creating an inclusive working environment where equal opportunity and diversity are valued, and reflects the communities we serve consistent with the *Gender Equality Act 2020*.

Forensicare values staff with non-binary gender identities at all levels across the organisation. We acknowledge that due to historic and current barriers to disclosure of non-binary gender identities, staff may not choose to disclose this information. As a result, targets or quotas are not currently a useful way to promote opportunities for gender diverse staff at all levels.

The following tables outline Forensicare's progress in 2021-22.

Table 4: Employees by gender

Employee Gender	30 June 2022		30 June 2021		30 June 2020	
	Staff Number	Total EFT	Staff Number	Total EFT	Staff Number	Total EFT
Women	591 (67.2%)	515	541 (65.1%)	459.6	516 (65.5%)	448.0
Men	289 (32.8%)	264.7	290 (34.9%)	256.1	272 (34.5%)	245.1
Gender diverse	n/a	n/a	n/a	n/a	n/a	n/a
Grand Total	880	779.7	831	715.7	788	693.1

Table 5: Employees by age

Employee Age	30 June 2022		30 June 2021		30 June 2020	
	Staff Number	Total EFT	Staff Number	Total EFT	Staff Number	Total EFT
Under 25	43	38.8	43	35.2	29	26.2
25-34	225	205.6	206	186.6	215	199.3
35-44	298	260.9	269	230.0	245	212.2
45-54	187	163.1	178	152.1	165	143.8
55-64	94	85.0	98	83.7	107	89.2
Over 64	33	26.2	37	28.1	27	22.4
Grand Total	880	779.6	831	715.7	788	693.1

Executive data

Members of the Senior Executive Services 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 6: Forensicare's executive staff

	30 June 2022	30 June 2021	30 June 2020
Number of executives	13	7	7
Vacancies	0	0	1
Gender	7 females 6 males n/a self-described	5 females 2 males	5 females, 2 males

Length of service awards

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

Table 7: Service recognition awards 2021–22

Years of service	Number of recipients
30 Year Service Award	1
25 Year Service Award	1
20 Year Service Award	8
15 Year Service Award	6
10 Year Service Award	24
CCAG – 5 Year Service	0

Forensicare continues to monitor and report on its environmental performance.

Environmental achievements in 2021–22

For the period 2021-22, the Environmental Strategy achievements include:

- Installation of solar panels on the roof of the Thomas Embling Hospital gymnasium
- Completed program to replace fluorescent lighting with LED lighting
- New, more energy efficient, generator at Thomas Embling Hospital
- Created an e-bike charging station

**Sustainability
– our environment**

Table 8: Environmental performance

	2021-22	2020-21	2019-20	
Water Consumption				
	Water consumption KL	14,749	15,069	13,775
	Water reduction goal KL	13,749	14,069	12,775
Vehicle use				
	Kilometres travelled	86,346	103,975	163,758
	Total tonnes of fleet CO2-e	15	19	31
Total greenhouse gas emissions				
	Total tonnes of CO2-e	2,821	2,404	2591
Recycling				
	Paper recycling (Kg)	2,110	2,001	2560
	Cardboard and paper recycling (4 cubic metres)	52	52	52
	General waste (tonnes)	136	116	115
	Co-mingle waste (tonnes)	16	15	-
	Organic waste (tonnes)	6	3	-
	Clinical waste (tonnes)	4	2	-
	E-waste (tonnes)	5	7	-

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

We continue to be 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.

Forensicare, along with health services across Victoria, continue to face unparalleled, complex and evolving challenges as we navigate the COVID-19 pandemic. Supporting our service to remain focused on delivery of safe and quality care, and recognising the extraordinary agility required under these prolonged conditions, the Minister for Mental Health provided an abbreviated annual Statement of Priorities for the 2021-22 financial year.

The abbreviated Statement of Priorities notes that the Royal Commission into Victoria's Mental Health System has prompted significant reforms to better meet the mental health needs of our community, and the health system continues to manage the impacts of the pandemic.

There are four strategic priorities (immediate and ongoing) that the Minister for Mental Health requested focus on.

Statement of Priorities 2021 – 22

Table 9: Forensicare's 2021-22 Strategic Priorities and Actions

Objectives	Focus and actions
Maintain robust COVID-19 readiness and response, working with the department to ensure rapid response to outbreaks, if and when they occur, which includes providing to testing for consumers and staff, where necessary and if required	<p>Ongoing participation in department and system leadership forums on pandemic preparation, planning and response.</p> <p>Regular collaboration with the Northeast Public Health Unit to provide outbreak management, testing, infectious disease advice, care pathways for COVID+ve patients and external oversight of infection prevention and control practices within our COVID Safe Plan.</p>
Address forensic mental health demand pressures and support the implementation of system reform	<p>Forensicare is partnering with the Victorian Health Building Authority (VHBA) to deliver an 82-bed expansion of the Thomas Embling Hospital (TEH) and plan for future development. This is part of our plan to implement the recommendations of the Royal Commission into Victoria's Mental Health System to address systematic demand pressures.</p> <p>Forensicare is an active member of the Clinical Mental Health Funding Reform – Clinical and Operational Reference Group. This group has been established to advise the project regarding the operational feasibility, clinical implications, and care model opportunities of a new funding system for mental health services based on activity-based funding principles and national mental health planning framework benchmarks.</p>
Actively collaborate on the development and delivery of priorities along with Victoria's Area Mental Health and Wellbeing Services, contribute to inclusive and consensus-based decision-making, support optimum utilisation of services, facilities and resources	<p>Supporting the implementation of the Royal Commission of Victoria's Mental Health System's Recommendation 37.2, Forensicare is developing a service model for an expanded Regional Community Forensic Mental Health Service, incorporating the functions of a specialist behaviour response team. This model will be piloted in the Barwon Southwest region for evaluation and state-wide rollout.</p> <p>Executive leaders have been active in support of the Northeast Melbourne Health Service Partnership, including the CEO chairing a mental health interest group engaging partnership member organisations. This collaboration has determined to establish a joint mental health morbidity and mortality committee, building on planning and partnership work across Northeast Melbourne.</p>
Embed the Aboriginal and Torres Strait Islander Cultural Safety Framework into your organisation and build a continuous quality improvement approach to improving cultural safety, underpinned by Aboriginal self-determination, to ensure delivery of culturally safe care to Aboriginal patients and families, and to provide culturally safe workplaces for Aboriginal employees.	Forensicare's Aboriginal and Torres Strait Islander Cultural Safety Action Plan (CSAP) is under review to be realigned with the Department of Health Aboriginal and Torres Strait Islander Cultural Safety Framework. Forensicare's CSAP is a living document that continues to guide our organisational response to ensuring a culturally safe and respectful environment for our Aboriginal and Torres Strait Islander consumers, carers, families, staff and stakeholders.

Health service performance priorities

Table 10: Health service performance priorities

High quality and safe care

Key Performance Measure	Target	Result
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	85%	80.3%
Percentage of healthcare workers immunised for influenza	92%	83%
Patient experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses (TEH)	95%	76%
Percentage of mental health consumers reporting a ‘very good’ or ‘excellent’ experience of care in the last 3 months or less	80%	49%
Percentage of mental health consumers reporting they ‘usually’ or ‘always’ felt safe using this service	90%	88%
Mental health		
Rate of seclusion events relating to an adult acute mental health admission per 1,000 occupied bed days	≤ 10	44.2
Percentage of adult acute mental health inpatients who have a post-discharge follow-up within seven days	88%	65%

Strong governance, leadership and culture

Key Performance Measure	Target	Result
Organisational culture		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions	62%	57%

Timely access to care

Key Performance Measure	Target	Result
Emergency care		
Number of male security patients admitted to acute units at Thomas Embling Hospital	>80	133
Percentage of male security patients admitted to Thomas Embling Hospital within 14 days of certification as requiring compulsory treatment	100%	41%
Percentage of male security patients discharged to prison within 80 days	75%	72%
Percentage of male security patients at Thomas Embling Hospital discharged within 21 days of becoming a civil patient	75%	86%

Effective financial reporting

Key Performance Measure	Target	Result
Operating result (\$m)	[Health service specific \$0.00]	\$0.04
Average number of days to pay trade creditors	60 days	43.5
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.01
Actual number of days available cash, measured on the last day of each month.	14 days	58.1
Variance between forecast and actual net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ \$250,000	\$2,574

We continue to be 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.



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>. The funding included in the table below refers to health service funding only. Funding received under the service agreements with the Department of Justice and Community Safety can be found in our Financial Performance summary.

Table 11: Victorian Institute of Forensic Mental Health's funding summary for 2021-22

Funding Type	Activity	Budget Target (\$'000)	Result (\$'000)
Mental health and drug services			
Mental health ambulatory	19,818	11,386	12,397
Mental health inpatient - available bed days	49,819	58,252	58,252
Mental health service system capacity		2,732	10,090
Mental health other		5,582	6,127
Other			
Health workforce		584	1,140
Other specified funding		30	4,945
Total funding		78,567	93,833

Disclosure index

The index prepared to help identify Forensicare's compliance with statutory disclosure requirements is provided at pages 132.

Building Act 1993

Forensicare complies with the building and maintenance provisions of the *Building Act 1993* in delivering projects and operating its facilities. Actions taken by Forensicare to enable compliance include:

- obtaining building permits for new projects and Certificates of Occupancy or Certificates of Final Inspection for all completed projects and supplier sign off for all essential safety measure testing
- use of registered building practitioners, registered building consultants, qualified engineers, building surveyors and qualified trades personnel
- undertaking of regular compliance inspections and promptly addressing non-compliances where identified

During 2021-2022, Forensicare was issued with nine (9) building permits for works undertaken on its sites as part of the *Priority and Enabling Works Program* and refurbishment of the administration building.

Freedom of Information Act

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 of documents 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.

Processing times for information requests received under the Act is 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 timeframe 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 freedom of information (FOI) requests 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

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

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

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.

Disclosures

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

Freedom of information applications

No fees were charged for accessing information in 2020–21. During the reporting period, 85 requests were received and processed. All 85 requests were from members of the public, with none being received from media or Members of Parliament.

- Documents were released in full in response to 53 applications
- 1 application was received for which no documents were found
- 0 applications were denied
- 0 applications were transferred
- 31 applications had some exemptions applied

There were no applications carried over to be completed in 2021-2022.

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

- 29 had section 33(1) applied
- 3 had section 33(4) applied
- 6 had section 35(1) applied

*Note: Some applications had multiple exemptions.

85 decisions were made within the statutory 30-day time period. The average time taken to finalise requests in 2021-22 was 4 days. Of requests finalised, the average number of days (over or under the average statutory time period to decide the request) was 26 days (under). During 2021-22, no 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>

Public Interest Disclosures Act

Forensicare has policies and procedures available to staff on its intranet, and to the public on its website, for the notification of public sector improper conduct and corrupt conduct, which comply with the *Public Interest Disclosures Act 2012 (Vic)*. Forensicare's policy informs employees of their right to report suspected improper and/or corrupt conduct directly to the Independent Broad-based Anti-corruption Commission (IBAC). Under the legislation Forensicare cannot accept public interest disclosures. One mandatory notification was made by the Chief Executive Officer to IBAC under the Independent Broad-based Anti-Corruption Commission Act 2011 (Vic.) in 2020-2021.

Carers Recognition Act

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

- ensuring our staff have an awareness and understanding of the care relationship principles set out in the Act
- considering the care relationships principles set out in the Act when setting policies and providing services

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.

Disability Act 2006

The *Disability Act 2006* reaffirms and strengthens the rights of people with a disability and recognises this requires support across the government sector and within the community.

Forensicare complies with its obligations under the Disability Act with its *Disability Action Plan 2020-2023*. The plan outlines how we will build our capability to be responsive to the needs of people living with disability and reduce barriers to accessing services, facilities, employment and promote community inclusion and participation.

Reducing barriers to accessing goods, services and facilities

Access issues continue to be identified through regular consumer surveys.

All facilities are regularly inspected for best practice, compliance to any legislation or regulations and all new works are completed to *Disability Discrimination Act 1992* (DDA) requirements.

Thomas Embling Hospital Bed Expansion Project is ensuring all DDA requirements are included in the masterplan.

Reducing barriers to persons with a disability obtaining and maintaining employment

Pre-employment screening is now in place to help us identify how we can best support new staff commencing at Forensicare. This includes health and wellbeing assessments.

An extensive review of our Reasonable Adjustments Procedure was undertaken ensure it takes into consideration people with a disability.

Various roles within corporate, executive and community services have been identified as suitable for people with disability. Provisions have been made to ensure advertisements for future roles indicate if they are suitable for a person with disability. All other roles where safety may be a consideration will be assessed on a case-by-case basis, utilising the reasonable adjustments, recruitment and health and safety frameworks.

Our flexible work policy and procedure has also been developed and implemented.

Promoting inclusion and participation in the community

Forensicare's Diversity, Equity and Inclusion Advisory Committee (with external members from diverse backgrounds and areas of expertise) assist the organisation to address collective issues and facilitate and foster partnerships between key partners to improve outcomes for consumers with forensic mental health and dual disability.

Achieving tangible changes in attitudes and practices that discriminate against people with a disability

A new Diversity, Equity and Inclusion Framework has been developed and sets out how Forensicare commits to ensuring equity, accessibility, responsiveness and inclusion for everyone at Forensicare.

Our Disability Action Plan updates continue to be provided to consumers, families and supporters and staff and will continue throughout the life of the plan.

All promotional and in-house videos now include closed captions.

Online training and information modules are available for staff. This includes a disability awareness module that challenges the ingrained cultural attitudinal barriers that perpetuate discrimination. It also provides a general overview of the legislative framework that supports the inclusion of people with disability at Forensicare.

Gender Equality Act 2020

The *Gender Equality Act 2020* sets out to promote, encourage and facilitate workplace gender equality across the Victorian public service, universities and local councils.

In line with the Act, Forensicare has developed a *Gender Equality Action Plan* based on extensive consultation with staff. The plan is currently being reviewed by the Gender Equality Commissioner. We will begin implementation once approved.

National Competition Policy

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

Local Jobs First – Victorian Industry Participation Policy

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

Within the past 12 months Forensicare undertook a procurement event for the provision of security 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 to for each engagement

Consultancies used in 2021 – 22

Table 12: List of consultancies used in 2021-2022

Consultant	Purpose of consultancy	Total approved project fee (exc. GST)	Expenditure 2021-22 (exc. GST)	Future expenditure (exc. GST)
DELOITTE CONSULTING PTY LTD	Human Resource Management System & IT Roadmap	\$385,000	\$385,000	
PRICEWATERHOUSECOOPERS CONSULTING AUS	Bed Expansion Forensicare Service Plan	\$276,122	\$276,122	
SWINBURNE UNIVERSITY OF TECHNOLOGY	Ravenhall Prison Evaluation & Cultural Reform Evaluation	\$228,490	\$228,490	
COMMITTO PTY LTD	Microsoft E5 Implementation and IT systems external support	\$156,560	\$156,560	
NOUS GROUP PTY LTD	Bed Expansion Workforce Planning Consultancy	\$269,120	\$153,384	\$115,736
NELSON SALA TRUST	Cultural Reform	\$84,000	\$84,000	
ARCBLUE CONSULTING (AUS) PTY LTD	Procurement Security Services	\$76,786	\$76,786	
KPMG	Superannuation Review including data analytics	\$62,100	\$62,100	
PITCHER PARTNERS CONSULTING PTY LTD	Procurement Security Services & Financial Risk Assessment	\$50,000	\$50,000	
GROSVENOR PERFORMANCE GROUP PTY LTD	Modern Slavery Risk Assessment & Asset Management Documentation	\$49,625	\$49,625	
GRAYLIN PTY LTD	Mock Assessment NSQHS Standards	\$34,936	\$34,936	
PIXEL PERFECT LIMITED-COURTHEATH	Procurement Probity Advisory	\$30,100	\$30,100	
THE TRUSTEE FOR THE SCAFFIDI HUGH- JONES TRUST	Culture Change of Communications	\$30,000	\$30,000	
PORTABLE AUSTRALIA PTY LTD	Microsoft E5 Implementation & Cultural Reform Project	\$28,986	\$28,986	
CENITEX	Forensicare - Resilience Uplift, Discovery and Design	\$19,284	\$19,284	
RUTH DEARNLEY (INFLUENCE GLOBAL)	Staff Complaints Policy Review	\$12,480	\$12,480	
PERFEKT PTY LTD	Managed Services Proposal	\$12,000	\$12,000	
GREG WILSON ADVISORY PTY LTD	VPSC Capability Review	\$11,550	\$11,550	

DISCLOSURES

Throughout the financial year, Forensicare engaged 20 consultancies where the total fees payable to the consultants were less than \$10,000, with a total expenditure of \$111,512 (excl. GST).

Details of information and communication technology expenditure 2021 – 2022

The total ICT expenditure incurred during 2021-22 was \$4.4 million (excluding GST), with the details shown below.

Table 13: Forensicare ICT expenditure 2021-22

(\$ 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)
3.3m	1.1m	0.6m	0.5m

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
 7 September 2022

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
 7 September 2022

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
7 September 2022

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.

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
7 September 2022

At the end of the reporting period, Forensicare recorded a net surplus for the year of \$5.9m (FY2021: \$5.6m). The Statement of Priorities operating result was a surplus of \$42k against a break-even budget.

Revenue

Total income from transactions grew during the year by 14.0 per cent to \$148.6m up from \$130.4m in 2020-21. Key increases in the year were due to:-

- DH additional funding to support hospital expansion project;
- DH additional funding for Covid-19 specific initiatives;
- Reimbursement by DH for expenditure related to managing the COVID-19 pandemic.

Expenditure

Salary and wages

Employee Benefits increased to \$119.3m up from \$106.2m in 2020-21 (12.3%), the result of a combination of additional expenditure on overtime and contracted staff costs, Covid-19 surge allowance, hospital expansion project management costs, and accrued EBA increases.

Non-salary expenditure

Non-salary expenditure increased during the year to \$19.0m from \$16.2m in 2020-21 (17.8%), including expenditure related to managing hospital expansion project and 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 \$31.8m up from \$18.8m in 2020-21. 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 decreased slightly by \$0.5m. This was for a range of capital works programs, including the Priority Works and Enabling and Priority Works 2 programs.

Financial performance summary 2021–22

Historical financial analysis and key financial statistics

Table 14: Historical financial analysis and key financial statistics

	2022	2021	2020	2019
	\$'000	\$'000	\$'000	\$'000
Financial performance				
Operating revenue	\$138,337	\$122,347	\$114,023	\$101,138
Operating expenditure	(\$138,295)	(\$122,321)	(\$114,377)	(\$100,683)
	\$42	\$26	(\$354)	\$455
Other gains/(losses) from other economic flows	\$379	\$1,772	(\$417)	(\$1,322)
Capital revenues	\$10,260	\$8,051	\$2,416	\$10,109
Depreciation and amortisation	(\$4,694)	(\$4,225)	(\$3,902)	(\$2,619)
Finance costs (other)	(\$42)	(\$51)	(\$54)	-
Expenditure for capital purpose	(\$19)	(\$21)	-	(29)
Net result	\$5,926	\$5,552	(\$2,311)	\$6,594
Financial position				
Current assets	\$40,024	\$26,393	\$21,503	\$25,322
Non-current assets	\$179,176	\$174,069	\$152,550	\$150,682
Total assets	\$219,200	\$200,462	\$174,053	\$176,004
Current liabilities	\$48,308	\$35,502	\$32,168	\$26,406
Non-current liabilities	\$5,557	\$5,990	\$7,956	\$5,787
Total liabilities	\$53,865	\$41,492	\$40,124	\$32,193
Net assets	\$165,335	\$158,970	\$133,929	\$143,811
Equity	\$165,335	\$158,970	\$133,929	\$143,811
Cash held				
Cash at the end of reporting period	\$31,750	\$18,830	\$14,470	\$18,874
Key statistics				
Current ratio – liquidity	1.01	0.87	0.67	0.96
Equity/assets – stability	0.75	0.79	0.83	0.82

Net result from transactions

Table 15: Reconciliation between the Net result from transactions reported in the model to the Operating result as agreed in the Statement of Priorities

	2022	2021	2020	2019
	\$'000	\$'000	\$'000	\$'000
Operating result	42	26	(354)	455
Capital purpose income	10,260	8,051	2,416	10,109
Specific income	-	-	-	-
Assets provided free of charge	-	-	-	-
Assets received free of charge	-	-	-	-
Expenditure for capital purpose	(19)	(21)	-	(29)
Depreciation and amortisation	(4,694)	(4,225)	(3,902)	(2,619)
Impairment of non-financial assets	-	-	-	-
Finance costs (other)	(42)	(51)	(54)	-
Net result from transactions	5,547	3,780	(1,894)	7,916



Forensicare is working towards creating an inclusive working environment where equal opportunity and diversity are valued, and reflects the communities we serve consistent with the *Gender Equality Act 2020*.

Financial Statements 2021–22

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 2022 in the following structure to provide users with the information about the Institute's stewardship of the resources entrusted to it.

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Victorian Institute of Forensic Mental Health

Understanding Our Financials

What do Financial Statements show?

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

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

What is in the Financial Statements?

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

The four financial reports are:

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

Comprehensive Operating Statement

The Comprehensive Operating Statement (previously known as the Operating statement and the Statement of Financial Performance and sometimes called the Profit and Loss Statement) 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 2022 and the financial position of the Victorian Institute of Forensic Mental Health at 30 June 2022.

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 7th September 2022.

Member of Responsible Body



Ms Allison Smith
Acting Chair

Accountable Officer



Dr Margaret Grigg
Chief Executive Officer

Chief Finance and Accounting Officer



Ms Jessica Lightfoot
Chief Financial Officer

7th September 2022
Melbourne, Victoria

Independent Auditor's Report

To the Board of the Victorian Institute of Forensic Mental Health

Opinion	<p>I have audited the financial report of the Victorian Institute of Forensic Mental Health (the institute) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2022 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • board member's, accountable officer's and chief finance and accounting officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the institute as at 30 June 2022 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the institute in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the institute is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
27 September 2022



Sanchu Chummar
as delegate for the Auditor-General of Victoria

**Victorian Institute of Forensic Mental Health
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2022**

	Note	2022 \$'000	2021 \$'000
Revenue and Income from Transactions			
Operating activities	2.1	148,519	130,338
Non-operating activities	2.1	78	59
Total Revenue and Income from Transactions		148,597	130,397
Expenses from Transactions			
Employee expenses	3.1	(119,325)	(106,237)
Supplies and consumables	3.1	(6,544)	(6,280)
Finance cost	3.1	(42)	(50)
Other operating expenses	3.1	(12,445)	(9,825)
Depreciation and amortisation	3.1, 4.5	(4,694)	(4,225)
Total Expenses from Transactions		(143,050)	(126,617)
Net Result from Transactions - Net Operating Balance		5,547	3,780
Other Economic Flows included in Net Result			
Net gain/(loss) on sale of non-financial assets	3.4	(198)	66
Other gain/(loss) from other economic flows	3.4	577	1,706
Total Other Economic Flows included in Net Result		379	1,772
NET RESULT FOR THE YEAR		5,926	5,552
Other Comprehensive Income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus	4.1b	512	19,488
Total Other Comprehensive Income		512	19,488
COMPREHENSIVE RESULT FOR THE YEAR		6,438	25,040

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

Victorian Institute of Forensic Mental Health
Balance Sheet
As at 30 June 2022

	Note	2022 \$'000	2021 \$'000
Current Assets			
Cash and cash equivalents	6.2	31,750	18,830
Receivables	5.1	7,039	6,649
Other assets		1,235	914
Total Current Assets		40,024	26,393
Non-Current Assets			
Receivables and contract assets	5.1	4,852	4,918
Property, plant and equipment	4.1a, 4.2a	173,814	168,631
Intangible assets	4.4a	510	520
Total Non-Current Assets		179,176	174,069
Total Assets		219,200	200,462
Current Liabilities			
Payables and contract liabilities	5.2	27,131	15,858
Borrowings	6.1	416	474
Employee benefits	3.2	20,504	18,925
Other current liabilities	5.3	257	245
Total Current Liabilities		48,308	35,502
Non-Current Liabilities			
Borrowings	6.1	1,263	1,513
Employee benefits	3.2	4,294	4,477
Total Non-Current Liabilities		5,557	5,990
Total Liabilities		53,865	41,492
NET ASSETS		165,335	158,970
Equity			
Property, plant and equipment revaluation surplus	4.3	111,882	111,370
Contributed capital	SCE	34,139	34,139
Accumulated surplus	SCE	19,314	13,461
TOTAL EQUITY		165,335	158,970

*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 2022

	Property, Plant & Equipment Revaluation Surplus \$'000	Contributed Capital \$'000	Accumulated Surplus/ (Deficit) \$'000	Total \$'000
Balance at 1 July 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
Net result for the year	-	-	5,926	5,926
Other comprehensive income for the year	512	-	-	512
Transfer to accumulated surplus	-	-	(73)	(73)
BALANCE AT 30 JUNE 2022	111,882	34,139	19,314	165,335

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 2022

	Note	2022 \$'000	2021 \$'000
Cash Flows From Operating Activities			
Operating grants from DH		95,923	79,282
Operating grants from Commonwealth		156	136
Operating grants from DJCS ⁽ⁱ⁾		20,587	18,944
Capital grants from DH		9,686	8,182
Service fees - commercial prison		29,374	29,065
Interest received		78	59
Other receipts received ⁽ⁱⁱ⁾		576	63
Total Receipts		156,380	135,731
Employee expenses		(113,542)	(103,601)
Payments for supplies and consumables		(23,404)	(20,820)
Total Payments		(136,946)	(124,421)
Net Cash Flows from/(used in) Operating Activities	8.1	19,434	11,310
Cash Flows From Investing Activities			
Purchase of non-financial assets		(6,560)	(7,035)
Proceeds from disposal of non-financial assets		46	85
Net Cash Flows from/(used in) Investing Activities		(6,514)	(6,950)
Net Increase/(Decrease) in Cash and Cash Equivalents Held		12,920	4,360
Cash and Cash Equivalents at Beginning of Year		18,830	14,470
CASH AND CASH EQUIVALENTS AT END OF YEAR	6.2	31,750	18,830

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

(ii) Other receipts received includes ad-hoc training programs provided on a fee for service basis

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 2022

Note 1: Basis of Preparation

These financial statements represent the audited general purpose financial statements for the Institute for the year ended 30 June 2022. 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 7th September 2022.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

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. On 2 August 2020 a state of disaster was added with both operating concurrently. The state of disaster in Victoria concluded on 28 October 2020 and the state of emergency concluded on 15 December 2021.

The COVID-19 pandemic has created economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the health service at the reporting date. Management recognises that it is difficult to reliably estimate with certainty, the potential impact of the pandemic after the reporting date on the health service, its operations, its future results and financial position.

In response to the ongoing COVID-19 pandemic, the Institute:

- introduced restrictions on non-essential visitors
- greater utilisation of telehealth services
- implemented reduced visitor hours
- performed COVID-19 testing
- implemented work from home arrangements where appropriate.

Where financial impacts of the pandemic are material to the Institute, they are disclosed in the explanatory notes. For the Institute, this includes:

- Note 2: Funding delivery of our services
- Note 3: The cost of delivering services

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
DJCS	Department of Justice and Community Safety
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 2022

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 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 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates.	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2021-6: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2021-7: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	Reporting periods on or after 1 January 2023.	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.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

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 2022

Note 2: Funding Delivery of Our Services

The Institute's overall objective is to 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. 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

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, pathology testing costs, 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	<p>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.</p> <p>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.</p> <p>If this criteria is not met, funding is recognised immediately in the net result from operations.</p>
Determining timing of revenue recognition	<p>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.</p>
Determining time of capital grant income recognition	<p>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.</p>

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

Note 2.1: Revenue and Income from Transactions

		2022 \$'000	2021 \$'000
Operating Activities			
Revenue from Contracts with Customers			
Government grants (DJCS) - Operating		18,618	17,158
Service fees - commercial prisons		26,681	26,295
Total Revenue from Contracts with Customers	2.1a	45,299	43,453
Other Resource of Income			
Government grants (DH) - Operating ⁽ⁱ⁾		92,327	78,140
Government grants (DH) - Capital		10,260	8,048
Government grants (Commonwealth) - Operating		156	136
Other revenue from operating activities		477	561
Total Other Resource of Income		103,220	86,885
Total Revenue and Income from Operating Activities		148,519	130,338
Non-Operating Activities			
Other Resource of Income			
Interest revenue		78	59
Total Other Resource of Income		78	59
Total Income from Non-Operating Activities		78	59
Total Revenue and Income from Transactions		148,597	130,397

Note 2.1a: Timing of Revenue from Contracts with Customers

	2022 \$'000	2021 \$'000
The Institute disaggregates revenue by the timing of revenue recognition.		
Goods and services transferred to customers:		
At a point in time	-	-
Over time	45,299	43,453
Total Revenue from Contracts with Customers	45,299	43,453

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.

If a contract liability is recognised, the Institute recognises revenue in profit or loss as and when it satisfies its obligations under the contract, unless a contract modification is entered into between all parties. A contract modification may be obtained in writing, by oral agreement or implied by customary business practices.

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 in accordance with AASB 1058.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

Note 2.1: Revenue and Income from Transactions (continued)

In contracts with customers, the 'customer' is typically a funding body, who is the party that promises funding in exchange for the Institute's goods or services. The Institute funding bodies often direct that goods or services are to be provided to third party beneficiaries, including individuals or the community at large. In such instances, the customer remains the funding body that has funded the program or activity, however the delivery of goods or services to third party beneficiaries is a characteristic of the promised good or service being transferred to the funding body.

This policy applies to each of the Institute's revenue streams, with information detailed below relating to the Institute's significant revenue streams:

Contracts	Performance obligation
Service Fees - Commercial Prisons	The Institute provides specialist forensic mental health at Ravenhall Correctional Centre and Port Philip Prison. Two contracts, one with each prison operator, 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 recognised over time, as and when the services are delivered.
Government Grant - Department of Justice and Community Safety	The Institute provides specialist forensic mental health across various Victoria's publicly operated prisons. 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 recognised over time, as and when the services are delivered.

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.

How we recognise revenue and income from non-operating activities**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.

Non-cash Contributions from the Department of Health

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

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for the Institute which is paid directly to the Victorian Managed Insurance Authority. To record this contribution, such payments are recognised as income with a matching expense in the net result from transactions.
Department of Health	Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements set out in the relevant Department of Health Hospital Circular. Construction costs paid on behalf of hospitals (CCPH) is paid directly to the suppliers by the Department of Health. To record this contribution, such payments are recognised as income with a matching capital expense.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

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 and Related On-Costs
- 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 and pathology;
- 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
Classifying employee benefit liabilities	<p>The Institute applies significant judgment when measuring and classifying its employee benefit liabilities.</p> <p>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.</p> <p>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.</p>
Measuring employee benefit liabilities	<p>The Institute applies significant judgment when measuring its employee benefit liabilities.</p> <p>The Institute applies judgement to determine when it expects its employee entitlements to be paid.</p> <p>With reference to historical data, if the Institute does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees.</p> <p>Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields on government bonds at the end of the reporting period. All other entitlements are measured at their nominal value.</p>

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

Note 3.1: Expenses from Transactions

	Note	2022 \$'000	2021 \$'000
Salaries and wages		92,264	84,304
On-costs		22,767	18,282
Agency expenses		2,837	1,607
Workcover premium		1,457	2,044
Total Employee Expenses		119,325	106,237
Drug supplies		1,020	980
Medical and surgical supplies		76	69
Diagnostic and radiology supplies		215	210
Other supplies and consumables		5,233	5,021
Total Supplies and Consumables		6,544	6,280
Finance costs		42	50
Total Finance Costs		42	50
Fuel, light, power and water		600	610
Repairs and maintenance		954	756
Maintenance contracts		377	415
Other administrative expenses		10,497	8,023
Expenditure for capital purpose		17	21
Total Other Operating Expenses		12,445	9,825
Total Operating Expenses		138,356	122,392
Depreciation and amortisation	4.5	4,694	4,225
Total Non-Operating Expenses		4,694	4,225
Total Expenses from Transactions		143,050	126,616

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

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 DH 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 2022

Note 3.2: Employee Benefits and Related On-Costs

	2022 \$'000	2021 \$'000
Current Employee Benefits and Related On-Costs		
Annual leave		
- Unconditional and expected to be settled wholly within 12 months (i)	6,593	6,230
- Unconditional and expected to be settled wholly after 12 months (ii)	2,761	2,394
	9,354	8,624
Long service leave		
- Unconditional and expected to be settled wholly within 12 months (i)	1,326	1,215
- Unconditional and expected to be settled wholly after 12 months (ii)	7,490	7,197
	8,816	8,412
Provisions related to employee benefit on-costs		
- Unconditional and expected to be settled within 12 months (i)	965	768
- Unconditional and expected to be settled after 12 months (ii)	1,369	1,121
	2,334	1,889
Total Current Employee Benefits and Related On-Costs	20,504	18,925
Non-Current Employee Benefits and Related On-Costs		
Conditional long service leave	3,767	3,991
Provisions related to employee benefit on-costs	527	486
Total Non-Current Employee Benefits and Related On-Costs	4,294	4,477
Total Employee Benefits and Related On-Costs	24,798	23,402

(i) The amounts disclosed are nominal amounts

(ii) The amounts disclosed are discounted to present values

Note 3.2a: Consolidated Employee Benefits and Related On-costs

	2022 \$'000	2021 \$'000
Current Employee Benefits and Related On-costs		
Unconditional annual leave entitlements	10,526	9,510
Unconditional long service leave entitlements	9,978	9,415
Total Current Employee Benefits and Related On-costs	20,504	18,925
Non-Current Employee Benefits and Related On-costs		
Conditional long service leave entitlements	4,294	4,477
Total Non-Current Employee Benefits and Related On-costs	4,294	4,477
Total Employee Benefits and Related On-Costs	24,798	23,402
Attributable to:		
Employee benefits	21,937	21,027
Provision for related on-costs	2,861	2,375
Total Employee Benefits and Related On-Costs	24,798	23,402

Note 3.2b Provision for Related On-costs Movement Schedule

	2022 \$'000	2021 \$'000
Carrying Amount at Start of Year	2,375	2,336
Additional provisions recognised	1,425	1,217
Amounts incurred during the year	(1,180)	(1,040)
Net gain/(loss) arising from revaluation of long service liability	241	(139)
Carrying Amount at End of Year	2,861	2,375

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

Note 3.2: Employee Benefits in the Balance Sheet (continued)**How we recognise employee benefits****Employee Benefit Recognition**

Employee benefits are accrued for 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.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income as it is taken.

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.

Provision for 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 2022

Note 3.3: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Defined Benefit Plans ⁽ⁱ⁾				
State Superannuation Fund	107	129	-	-
Defined Contribution Plans				
Hesta	4,462	3,996	-	-
First State Super	2,621	2,501	-	-
Other	2,314	1,379	-	-
TOTAL	9,504	8,005	-	-

(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 2022

Note 3.4: Other Economic Flows

	2022 \$'000	2021 \$'000
Net Gain/(Loss) on Sale of Non-financial Assets		
Net gain/(loss) on disposal of property, plant and equipment	(198)	66
Total Net Gain/(Loss) on Non-financial Assets	(198)	66
Other Gain/(Loss) from Other Economic Flows		
Net gain/(loss) arising from revaluation of long service liability	577	1,706
Total Other Gain/(Loss) from Other Economic Flows	577	1,706
Total Gains/(Losses) from Other Economic Flows	379	1,772

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.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

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 Right-of-use Assets
- 4.3 Revaluation Surplus
- 4.4 Intangible Assets
- 4.5 Depreciation and Amortisation
- 4.6 Impairment of Assets

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
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. 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: <ul style="list-style-type: none"> • 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 Institute 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 2022

Note 4.1: Property, Plant and Equipment**Note 4.1a: Gross Carrying Amount and Accumulated Depreciation**

	2022	2021
	\$'000	\$'000
Land at fair value	104,000	103,488
Total Land	104,000	103,488
Buildings at fair value	59,368	57,201
Less accumulated depreciation	(8,465)	(5,703)
Total Buildings at Fair Value	50,903	51,498
Leasehold improvements at fair value	2,257	2,257
Less accumulated depreciation	(2,147)	(2,130)
Total Leasehold Improvements at Fair Value	110	127
Building work in progress at cost	8,894	4,801
Total Land and Buildings	163,907	159,914
Plant and equipment at fair value	11,611	6,805
Less accumulated depreciation	(5,294)	(4,530)
Total Plant and Equipment at Fair Value	6,317	2,275
Medical equipment at fair value	265	223
Less accumulated depreciation	(160)	(146)
Total Medical Equipment	105	77
Computer and communications equipment at fair value	3,421	3,263
Less accumulated depreciation	(2,579)	(2,227)
Total Computer and Communication	842	1,036
Motor vehicles at fair value	334	334
Less accumulated depreciation	(314)	(297)
Total Motor Vehicles	20	37
Plant and equipment work in progress at fair value	996	3,351
Total Plant, Equipment, and Vehicles at Fair Value	8,280	6,776
TOTAL PROPERTY, PLANT AND EQUIPMENT	172,187	166,690

Victorian Institute of Forensic Mental Health
Notes to the Financial Statements for the Financial Year Ended 30 June 2022

Note 4.1: Property, Plant and Equipment (continued)

Note 4.1.b: Reconciliations of the Carrying Amount by Class of Asset

Note	Land	Bids	L'hold Improve- ments	Plant and Equip	Medical Equip	Computer & Comm Equip	Motor Vehicles	Assets under Construction	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2020	84,000	54,331	48	1,141	81	880	70	3,439	143,990
Additions	-	1	66	91	10	180	-	6,655	7,003
Transfers from WIP	-	34	26	1,358	-	504	20	(1,942)	0
Disposals	-	-	-	-	-	(1)	(18)	-	(19)
Revaluation Increments/(Decrements)	19,488	-	-	-	-	-	-	-	19,488
Net Transfers between Classes	-	-	-	-	-	-	-	-	-
Depreciation	-	(2,868)	(13)	(315)	(14)	(527)	(35)	-	(3,772)
Balance at 1 July 2021	103,488	51,498	127	2,275	77	1,036	37	8,152	166,690
Additions	-	12	-	171	20	80	-	9,132	9,416
Transfers from WIP	-	2,496	-	4,635	22	242	-	(7,395)	-
Disposals	-	(215)	-	-	-	1	-	-	(214)
Revaluation Increments/(Decrements)	512	-	-	-	-	-	-	-	512
Net Transfers between Classes	-	-	-	-	-	-	-	-	-
Depreciation	-	(2,888)	(17)	(764)	(14)	(517)	(17)	-	(4,217)
Balance at 30 June 2022	104,000	50,903	110	6,317	105	842	20	9,890	172,187

Land and Buildings Carried at Valuation

The Valuer-General Victoria undertook to re-value all of the Institute's land and buildings to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation was 30 June 2019 for the buildings and 30 June 2022 for the land.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

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 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 in Note 7.4.

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 2022 indicated an overall:

- increase in fair value of land of 53% (\$44m)
- increase in fair value of buildings of 7% (\$3m).

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

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 2022.

As the cumulative movement was greater than 40% for land since the last independent revaluation, an interim independent valuation was required as at 30 June 2022 and an adjustment was recorded.

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 surplus 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.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

Note 4.2: Right-of-use Assets**Note 4.2a: Gross Carrying Amount and Accumulated Depreciation**

	2022	2021
	\$'000	\$'000
Right of use buildings at fair value	2,380	2,335
Less accumulated depreciation	(966)	(623)
Total Right-of-use Buildings	1,414	1,712
Right-of-use plant and equipment	43	43
Less accumulated depreciation	(43)	(30)
Total Right-of-use Plant and Equipment	-	13
Right-of-use motor vehicles	362	319
Less accumulated depreciation	(149)	(103)
Total Right-of-use Motor Vehicles	213	216
TOTAL RIGHT-OF-USE ASSETS	1,627	1,941

Note 4.2b: Reconciliations of the Carrying Amount by Class of Asset

	Note	Right-of-use Buildings	Right-of-use Plant & Equipment	Right-of-use Motor Vehicles	Total
		\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2020		2,049	28	225	2,302
Additions		-	-	37	37
Disposals		-	-	-	-
Revaluation Increments/(Decrements)		-	-	-	-
Net Transfers between Classes		-	-	-	-
Depreciation	4.5	(337)	(15)	(46)	(398)
Balance at 1 July 2021	4.2a	1,712	13	216	1,941
Additions		45	-	77	122
Disposals		-	-	(29)	(29)
Revaluation Increments/(Decrements)		-	-	-	-
Net Transfers between Classes		-	-	-	-
Depreciation	4.5	(343)	(13)	(51)	(407)
Balance at 30 June 2022	4.2a	1,414	-	213	1,627

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

Note 4.2: Right-of-use Assets (continued)**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

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 fair value, with the exception of right-of-use asset arising from leases with significantly below-market terms and conditions, which 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).

Further information regarding fair value measurement is disclosed in Note 7.4.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

Note 4.3: Revaluation Surplus

	Note	2022 \$'000	2021 \$'000
Balance at the beginning of the reporting period		111,370	91,882
Revaluation increment			
- Land	4.1b	512	19,488
- Buildings	4.1b	-	-
Balance at the End of the Reporting Period*		111,882	111,370
* Represented by:			
- Land		100,818	100,306
- Buildings		11,064	11,064
		111,882	111,370

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

Note 4.4: Intangible Assets**Note 4.4a: Gross Carrying Amount and Accumulated Amortisation**

	2022 \$'000	2021 \$'000
Intangible produced assets - software	875	815
Less accumulated amortisation	(365)	(295)
Total Intangible Assets	510	520

Note 4.4b: Reconciliation of the Carrying Amount by Class of Asset

	Note	Software \$'000	Total \$'000
Balance at 1 July 2020		141	141
Additions		434	434
Disposals		-	-
Amortisation	4.5	(55)	(55)
Balance at 1 July 2021	4.4a	520	520
Additions		60	60
Disposals		-	-
Amortisation	4.5	(70)	(70)
Balance at 30 June 2022	4.4a	510	510

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.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

Note 4.5: Depreciation and Amortisation

	2022	2021
	\$'000	\$'000
Depreciation		
Buildings	2,888	2,868
Leasehold improvements	17	13
Plant and equipment	764	315
Motor vehicles	17	35
Computer and communications	517	527
Medical equipment	14	14
Total Depreciation - Property, Plant and Equipment	4,217	3,772
Right-of-use buildings	343	337
Right-of-use plant and equipment	13	15
Right-of-use vehicles	51	46
Total Depreciation - Right-of-use Assets	407	398
Total Depreciation	4,624	4,170
Amortisation		
Software	70	55
Total Amortisation	70	55
Total Depreciation and Amortisation	4,694	4,225

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.

	2022	2021
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 2022

Note 4.6: Impairment of Assets**How we recognise impairment**

At the end of each reporting period, the Institute reviews the carrying amount of its tangible and intangible assets that have a finite useful life, to determine whether there is any indication that an asset may be impaired.

The assessment will include consideration of external sources of information and internal sources of information.

External sources of information include but are not limited to observable indications that an asset's value has declined during the period by significantly more than would be expected as a result of the passage of time or normal use. Internal sources of information include but are not limited to evidence of obsolescence or physical damage of an asset and significant changes with an adverse effect on the Institute which changes the way in which an asset is used or expected to be used.

If such an indication exists, an impairment test is carried out. Assets with indefinite useful lives (and assets not yet available for use) are tested annually for impairment, in addition to where there is an indication that the asset may be impaired.

When performing an impairment test, the Institute compares the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in net result, unless the asset is carried at a revalued amount.

Where an impairment loss on a revalued asset is identified, this is recognised against the asset revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the cumulative balance recorded in the asset revaluation surplus for that class of asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the Institute estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The Institute did not record any impairment losses for the year ended 30 June 2022

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

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.

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.
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.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

Note 5.1: Receivables and Contract Assets

Note	2022 \$'000	2021 \$'000
Current Receivables and Contract Assets		
Contractual		
Trade debtors	2,855	2,899
Accrued revenue	131	85
Amounts receivable from governments and agencies	4,053	3,665
Total Contractual Receivables	7,039	6,649
Total Current Receivables	7,039	6,649
Non-Current Receivables and Contract Assets		
Contractual		
Long service leave - Department of Health	4,852	4,918
Total Contractual Receivables	4,852	4,918
Total Non-Current Receivables	4,852	4,918
Total Receivables and Contract Assets	11,891	11,567

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 Institute 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.

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 2022

Note 5.2: Payables and Contract Liabilities

	Note	2022 \$'000	2021 \$'000
Current Payables and Contract Liabilities			
Contractual			
Trade creditors ⁽ⁱ⁾		1,710	1,422
Accrued salaries and wages		7,287	3,490
Accrued expenses		2,051	2,236
Deferred capital grant income	5.2a	8,992	7,308
Contract liabilities	5.2b	6,886	1,353
Total Contractual Payables		26,926	15,809
Statutory			
GST payable		205	49
Total Statutory Payables		205	49
Total Payables and Contract Liabilities		27,131	15,858
(i) Financial liabilities classified as payables and contract liabilities (Note 7.1a)			
Total payables and contract liabilities		27,131	15,858
Deferred grant income		(8,992)	(7,308)
Contract liabilities		(6,886)	(1,353)
GST payable		(205)	(49)
Total Financial Liabilities	7.1a	11,048	7,148

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

	2022 \$'000	2021 \$'000
Opening balance of deferred grant income	7,308	6,439
Grant consideration for capital works received during the year	11,944	8,917
Deferred grant revenue recognised as revenue due to completion of capital works	(10,260)	(8,048)
Closing balance of deferred grant income	8,992	7,308

How we recognise deferred capital grant revenue

Grant consideration was received from the State Government to support the Patient Bedroom Upgrade Works, Key Shelter Works, Water Sewer Upgrades, Power Generator Upgrade, Administration Office Space Reconfiguration, Demolition of MacFarlane Burnett Building 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 2023.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

Note 5.2: Payables and Contract Liabilities (continued)**Note 5.2b: Contract Liabilities**

	2022 \$'000	2021 \$'000
Opening balance of contract liabilities	1,353	568
Payments received for performance obligations not yet fulfilled	6,747	1,158
Revenue recognised for the completion of a performance obligation	(1,214)	(373)
Total Contract Liabilities	6,886	1,353
Represented by:		
Current contract liabilities	6,886	1,353
Non-current contract liabilities	-	-
	6,886	1,353

How we recognise contract liabilities

Contract liabilities include consideration received in advance from the DH in respect of Allied Health Graduate Program, Early Intervention Psychosocial Response Program, Mental Health Nurse Transition, Lived Experience Workforce Leadership Program and ICT infrastructure Human Capital Management Program; and from the DJCS in respect of Suicide Prevention Counselling Program.

Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 2.1.

Maturity analysis of payables

Please refer to Note 7.2b for the ageing analysis of payables.

Note 5.3: Other Liabilities

	2022 \$'000	2021 \$'000
Current monies held in trust		
Patient monies	257	245
Other monies	-	-
Total Current Monies Held in Trust	257	245
Non-current monies held in trust		
Patient monies	-	-
Other monies	-	-
Total Non-Current Monies Held in Trust	-	-
Total Other Liabilities	257	245
Total Monies Held in Trust Represented by:		
Cash assets	257	245
Other financial assets	-	-
Total Monies Held in Trust	257	245

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

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.

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	<p>The Institute applies significant judgement to determine if a contract is or contains a lease by considering if the health service:</p> <ul style="list-style-type: none"> • 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	<p>The Institute applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria.</p> <p>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.</p> <p>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.</p>
Discount rate applied to future lease payments	<p>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.</p>
Assessing the lease term	<p>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.</p> <p>The Institute determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including:</p> <ul style="list-style-type: none"> • 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 2022

Note 6.1: Borrowings

		2022 \$'000	2021 \$'000
Current Borrowings			
Lease liability ⁽ⁱ⁾	6.1a	416	474
Total Current Borrowings		416	474
Non-Current Borrowings			
Lease liability ⁽ⁱ⁾	6.1a	1,263	1,513
Total Non-Current Borrowings		1,263	1,513
Total Borrowings		1,679	1,987

*(i) Secured by the assets leased.***How we recognise borrowings**

Borrowings refer to interest-bearing liabilities mainly raised from lease liabilities.

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:

	2022 \$'000	2021 \$'000
Total undiscounted lease liabilities	1,800	2,147
Less unexpired finance expenses	(121)	(160)
Net lease liabilities	1,679	1,987

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

	2022 \$'000	2021 \$'000
Not longer than one year	453	519
Longer than one year but not longer than five years	1,075	1,119
Longer than five years	272	509
Minimum future lease liability	1,800	2,147
Less unexpired finance expenses	(121)	(160)
Present value of lease liability	1,679	1,987
* Represented by:		
Current borrowings - lease liability	416	474
Non-current borrowings - lease liability	1,263	1,513
Total	1,679	1,987

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

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 3.05%.

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 2022

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

	2022 \$'000	2021 \$'000
Cash on hand (excluding monies held in trust)	8	8
Cash at bank (excluding monies held in trust)	-	-
Cash at bank - CBS (excluding monies held in trust)	31,485	18,577
Total cash held for operations	31,493	18,585
Cash on hand (monies held in trust)	16	16
Cash at bank (monies held in trust)	-	-
Cash at bank - CBS (monies held in trust)	241	229
Total cash held as monies in trust	257	245
Total Cash and Cash Equivalents	31,750	18,830

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 2022

Note 6.3: Commitments for Expenditure

	2022	2021
	\$'000	\$'000
Capital Expenditure Commitments		
Less than one year	6,254	665
Longer than one year but not longer than five years	-	10
Total Capital Expenditure Commitments	6,254	675
Operating Expenditure Commitments		
Less than one year	7,511	4,980
Longer than one year but not longer than five years	10,200	4,312
Total Operating Expenditure Commitments	17,711	9,292
Total Commitments for Expenditure (inclusive of GST)	23,965	9,967
Less GST Recoverable from the Australian Tax Office	(2,179)	(906)
Total Commitments for Expenditure (exclusive of GST)	21,786	9,061

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 2022

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
- 7.4 Fair Value Determination

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of non-financial assets	<p>Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use.</p> <p>In determining the highest and best use, the Institute has assumed the current use is its highest and best use. Accordingly, characteristics of the health service's assets are considered, including condition, location and any restrictions on the use and disposal of such assets.</p> <p>The Institute uses a range of valuation techniques to estimate fair value, which include the following:</p> <ul style="list-style-type: none"> • Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of the Institute's specialised land and specialised buildings, are measured using this approach. • Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of the Institute's furniture, fittings, plant, equipment and vehicles are measured using this approach. • Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. The Institute does not use this approach to measure fair value. <p>The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.</p> <p>Subsequently, the health service applies significant judgement to categorise and disclose such assets within a fair value hierarchy, which includes:</p> <ul style="list-style-type: none"> • Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. The Institute does not categorise any fair values within this level. • Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. The Institute categorises non-specialised land and right-of-use concessionary land in this level. • Level 3, where inputs are unobservable. The Institute categorises specialised land, non-specialised buildings, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-of-use buildings and right-of-use plant, equipment, furniture and fittings in this level.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

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

	Note	Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total \$'000
2022				
Financial Assets				
Cash and cash equivalents	6.2	31,750	-	31,750
Receivables and contract assets	5.1	11,891	-	11,891
Total Financial Assets⁽ⁱ⁾		43,641	-	43,641
Financial Liabilities				
Payables	5.2	-	11,048	11,048
Borrowings	6.1	-	1,679	1,679
Other financial liabilities - patient monies held in trust	5.3	-	257	257
Total Financial Liabilities⁽ⁱ⁾		-	12,984	12,984
2021				
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

(i) The carrying amount excludes statutory payables (i.e. GST Payables, Revenue in advance and DH payable).

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

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; and
- receivables (excluding statutory receivables).

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 2022

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 2022

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 2021-22.

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 2022

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; and
- 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
2022		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Liabilities at Amortised Cost								
Payables	5.2	11,048	11,048	6,328	4,720	-	-	-
Borrowings	6.1	1,679	1,679	35	69	312	994	269
Other financial liabilities ⁽ⁱ⁾	5.3	257	257	-	-	257	-	-
Total Financial Liabilities⁽ⁱ⁾		12,984	12,984	6,363	4,789	569	994	269
2021		\$'000	\$'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

(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 2022

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 2022

Note 7.4: Fair Value Determination

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.

The following assets are carried at fair value:

- Property, plant and equipment
- Right-of-use assets

In addition, the fair value of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure.

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.

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 Institute monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required. The Valuer-General Victoria (VGV) is the Institute's independent valuation agency for property, plant and equipment.

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.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

Note 7.4: Fair Value Determination (continued)**Note 7.4a: Fair Value Determination of Non-financial Physical 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 2022		\$'000	\$'000	\$'000	\$'000
Specialised land	4.1a	104,000	-	-	104,000
Total Land at Fair Value		104,000	-	-	104,000
Specialised buildings	4.1a	50,903	-	-	50,903
Total Building at Fair Value		50,903	-	-	50,903
Leasehold improvements	4.1a	110	-	-	110
Total Leasehold Improvements at Fair Value		110	-	-	110
Plant and equipment at fair value	4.1a	6,317	-	-	6,317
Medical equipment at fair value	4.1a	105	-	-	105
Computer and communications at fair value	4.1a	842	-	-	842
Motor vehicles at fair value	4.1a	20	-	-	20
Total Other Plant and Equipment at Fair Value		7,284	-	-	7,284
Right-of-use buildings	4.2a	1,414	-	-	1,414
Right-of-use plant, equipment and vehicles	4.2a	213	-	-	213
Total Right-of-use Assets at Fair Value		1,627	-	-	1,627
Total Non-financial Physical Assets at Fair Value		163,924	-	-	163,924

(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 2021		\$'000	\$'000	\$'000	\$'000
Specialised land	4.1a	103,488	-	-	103,488
Total Land at Fair Value		103,488	-	-	103,488
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
Total Other Plant and Equipment at Fair Value		3,425	-	-	3,425
Right-of-use buildings	4.2a	1,712	-	-	1,712
Right-of-use plant, equipment and vehicles	4.2a	229	-	-	229
Total Right-of-use Assets at Fair Value		1,941	-	-	1,941
Total Non-financial Physical Assets 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.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

Note 7.4: Fair Value Determination (continued)**How we measure fair value of non-financial physical assets**

The fair value measurement of non-financial physical assets takes into account the market participant's ability to use the asset in its highest and best use, or to sell it to another market participant that would use the same asset in its highest and best use.

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 AASB 13 Fair Value Measurement paragraph 29, the Institute has assumed the current use of a non-financial physical asset is its highest and best use 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 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 2022. An independent valuation of the Institute's specialised buildings was performed by the Valuer-General Victoria. 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 2022

Note 7.4: Fair Value Determination (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 2022.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

Note 7.4: Fair Value Determination (continued)

Reconciliation of Level 3 Fair Value Measurement

Note	Land	Buildings	Leasehold Improvements	Plant & Equipment	Medical Equipment	Computer & Comm.	Motor Vehicles	Right-of-use Buildings	Right-of-use Plant, Equipment & Vehicles
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2020	84,000	54,331	48	1,141	81	880	70	2,049	253
Additions/(disposals)	-	1	66	91	10	179	(18)	-	37
Net transfers between classes	-	34	26	1,358	-	504	20	-	-
Gains/(losses) recognised in net result:									
- Depreciation and amortisation	-	(2,868)	(13)	(315)	(14)	(527)	(35)	(337)	(61)
Items recognised in other comprehensive income:									
- Revaluation	19,488	-	-	-	-	-	-	-	-
Balance at 30 June 2021	7.4a 103,488	51,498	127	2,275	77	1,036	37	1,712	229
Additions/(disposals)	-	(203)	-	171	20	81	-	45	48
Net transfers between classes	-	2,496	-	4,635	22	242	-	-	-
Gains/(losses) recognised in net result:									
- Depreciation and amortisation	-	(2,888)	(17)	(764)	(14)	(517)	(17)	(343)	(64)
Items recognised in other comprehensive income:									
- Revaluation	512	-	-	-	-	-	-	-	-
Balance at 30 June 2022	7.4a 104,000	50,903	110	6,317	105	842	20	1,414	213

i Classified in accordance with the fair value hierarchy, refer Note 7.4.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

Note 7.4: Fair Value Determination (continued)**Fair value determination of level 3 fair value measurement**

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.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

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	2022 \$'000	2021 \$'000
Net Result for the Year		5,926	5,552
Non-cash Movements:			
Net (gain)/loss from disposal of non-financial physical assets		198	(66)
Depreciation and amortisation	4.5	4,694	4,225
Net movement in finance lease		(396)	(378)
(Gain)/Loss on revaluation of long service leave liability		(577)	(1,706)
Non-cash grant - long service leave		66	1,199
Grant revenue paid by DH directly to third parties for building works		(4,512)	(403)
Other non-cash movements		1,489	-
Movements in Assets and Liabilities:			
Change in Operating Assets and Liabilities			
Decrease/(Increase) in receivables and contract assets		(390)	(524)
Decrease/(Increase) in other assets		(321)	(5)
Increase/(Decrease) in payables and contract liabilities		11,273	1,889
Increase/(Decrease) in provisions		1,972	1,500
Increase/(Decrease) in other liabilities		12	27
Net Cash Inflow/(Outflow) from Operating Activities		19,434	11,310

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

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 James Merlino MP, Minister for Mental Health	01/07/2021 - 27/06/2022
The Honourable Gabrielle Williams MP, Minister for Mental Health	27/06/2022 - 30/06/2022
Governing Board:	
Ken Lay AO APM (Chair of the Board)	01/07/2021 - 30/06/2022
Associate Professor Ruth Vine	01/07/2021 - 30/06/2022
Sally Campbell	01/07/2021 - 30/06/2022
Sue Williams	01/07/2021 - 30/06/2022
Dr Joanna Flynn AM	01/07/2021 - 30/06/2022
Ian Forsyth	01/07/2021 - 30/06/2022
Hon. Wade Noonan	01/07/2021 - 03/03/2022
Frances Sanders	01/07/2021 - 30/06/2022
Allison Smith	01/07/2021 - 30/06/2022
Accountable Officer	
Dr Margaret Grigg (Chief Executive Officer)	01/07/2021 - 30/06/2022

Remuneration of Responsible Persons

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

Income Band	2022 No.	2021 No.
\$10,000 - \$19,999	1	-
\$20,000 - \$29,999	7	8
\$60,000 - \$69,999	1	1
\$380,000 - \$389,999	-	1
\$410,000 - \$419,999	1	-
Total numbers	10	10
	\$'000	\$'000
Total remuneration received, or due and receivable by Responsible Persons from the Institute amounted to:	\$684	\$660

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 State's Annual Financial Report.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

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	
	2022 \$'000	2021 \$'000
Short-term Employee Benefits	2,703	2,074
Post-employment Benefits	251	192
Other Long-term Benefits	160	70
Termination Benefits	-	-
Total Remuneration	3,114	2,336
Total Number of Executives⁽ⁱ⁾	15	11
Total Annualised Employee Equivalent (AEE)⁽ⁱⁱ⁾	12.0	9.0

(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 2022

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
Dr Joanna Flynn AM	Board Member
Ian Forsyth	Board Member
Hon. Wade Noonan	Board Member
Frances Sanders	Board Member
Allison Smith	Board Member
Dr Margaret Grigg	Chief Executive Officer
Cathryn Hoppner	Chief Operating 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
Matthew Hercus	Executive Director, Strategy, Policy and Performance
Les Potter	Executive Director, Operational Readiness
Lucia Giagnorio	Executive Director, People and Culture
Terry Runciman	Executive Director, Prison Services
Anthea Lemphers	Executive Director, Community Operations
Fiona Whitecross	Executive Director, Inpatient Operations
Nadia Baillie	General Counsel and Executive Director, Governance and Risk
Liam Barry	Executive Director, Redevelopment & Asset Management
Jo Ryan	Acting Executive Director, Inpatient Operations
Tanya Mularczyk	Acting Executive Director, Strategy, Policy and Performance

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 State's Annual Financial Report.

	2022	2021
	\$'000	\$'000
Compensation - KMPs		
Short-term Employee Benefits ⁽ⁱ⁾	3,325	2,687
Post-employment Benefits	300	227
Other Long-term Benefits	173	82
Termination Benefits	-	-
Total ⁽ⁱⁱ⁾	3,798	2,996

(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.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2022

Note 8.4: Related Parties (continued)

Significant Transactions with Government Related Entities

The Institute received funding from the DH of \$98 million (2021: \$86 million) and indirect contributions of \$5 million (2021: \$0.5 million). Balances outstanding as at year end are \$16 million (2021: \$9 million).

The Institute received funding from the DJCS of \$19 million (2021: \$17 million) and service fees from the Commercial Prisons of \$27 million (2021: \$26 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.

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 2022 (2021: none).

There were no related party transactions required to be disclosed for the Institute Board of Directors, Chief Executive Officer and Executive Directors in 2022 (2021: none).

Note 8.5: Remuneration of Auditors

	2022 \$'000	2021 \$'000
Victorian Auditor-General's Office		
Audit of the Financial Statements	43	37
Total Remuneration of Auditors	43	37

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 DH 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 DH will not continue to support the Institute.



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.

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Accreditation	An evaluation process that involves assessment by qualified external peer reviewers to assess a health service's compliance with the National Safety and Quality Health Service (NSQHS) Standards.
Acute Assessment Unit	A 16-bed short-stay unit at the Melbourne Assessment Prison for patients thought to be experiencing mental illness, requiring psychiatric assessment and a range of recovery-oriented short-term interventions and support.
Aire Unit	A 25-bed acute unit at Ballerrt Yerram-boo-ee Forensic Mental Health Unit (Ravenhall Correctional Centre).
Apsley Unit	An 8-bed secure intensive care unit at Thomas Embling Hospital primarily for male prisoners.
Argyle Unit	A 17-bed male acute unit at Thomas Embling Hospital.
Assessment Order	An order that authorises the compulsory assessment of a person to determine whether the person has a mental illness and needs compulsory mental health treatment. It is the first step in compulsory mental health treatment.
Atherton Unit	A 17-bed male acute unit at Thomas Embling Hospital.
Authorised Psychiatrist	A person appointed as an authorised psychiatrist for a designated mental health service under section 150 of the <i>Mental Health Act 2014</i> . At Forensicare the Authorised Psychiatrist is the Executive Director Clinical Services.
Ballerrt Yerram-boo-ee Forensic Mental Health Unit	75 prison based mental health beds as well as assessment and outpatients services provided in a maximum security forensic mental health complex within the medium security Ravenhall Correctional Centre.
Barossa Unit	12 bed female acute/subacute unit at Thomas Embling Hospital.
Bass Unit	24 bed male sub-acute unit at Thomas Embling Hospital.
Canning Unit	A 22 bed male rehabilitation unit at Thomas Embling Hospital.
Care relationship	A person is in a care relationship if he or she provides another person, or receives from another person, care because one of the persons in the relationship has a disability, is older, has a mental illness, or has an ongoing medical condition (including a terminal or chronic illness or dementia).
Carer	A person, including a person under the age of 18 years, who provides care to another person with whom he or she is in a care relationship but does not include a parent if the person to whom care is provided is under the age of 16 years.

Glossary

CCU	Community Care Units that provide clinical care and rehabilitation services in a home-like environment. They support the recovery of people seriously affected by mental illness to develop or relearn skills in self-care, communication and social skills in a community-based residential facility.
Centre for Forensic Behavioural Science (CFBS)	An independent research Centre of Swinburne University of Technology that works in partnership with Forensicare to undertake research.
Chief Psychiatrist	The person appointed as Victoria's Chief Psychiatrist under section 119 of the <i>Mental Health Act 2014</i> . Incumbent: Dr Neil Coventry.
Civil Patient	The term often used to refer to a compulsory patient admitted to Thomas Embling Hospital under the <i>Mental Health Act 2014</i> .
CMIA	<i>Crimes (Mental Impairment and Unfitness to be Tried) Act 1997</i> . The legislation essentially diverts those found “unfit to plead” or “not guilty because of mental impairment” from the justice system into a therapeutic, recovery-oriented framework under the supervision of Forensicare.
Community Correction Order (CCO)	A flexible sentencing order that the offender serves in the community (as an alternative to prison), under the supervision of Community Correctional Services.
Community Correctional Services (CCS)	A division of Corrections Victoria, which oversees the delivery of community corrections in Victoria.
Community Forensic Mental Health Service (CFMHS)	The service arm of Forensicare responsible for delivering community-based programs.
Community Transition and Treatment Program (CTTP)	A CFMHS service that oversees the treatment, care and supervision for forensic patients transitioning from TEH to the community on Extended Leave until they progress onto a non-custodial supervision order.
Compulsory Patient	A person who is subject to an Assessment Order, a Court Assessment Order, Temporary Treatment Order or a Treatment Order under the <i>Mental Health Act 2014</i> .
Compulsory Treatment	The treatment of a person, for their mental illness, without their consent under the MHA.
Consumer	A person who has received or is receiving mental health services from 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 prison management and all prisoners in both publically and privately-managed prisons, including administering contracts of the two private prison providers and community correctional services.
Court Report Service	This service provides psychiatric and psychological pre-sentence reports to courts at the request of the judiciary.

Court Services Victoria (CSV)	Provides, or arranges for the provision of, the administrative services and facilities necessary to support the performance of the judicial, quasi-judicial and administrative functions of the Victorian Courts and VCAT, and to enable the Judicial College of Victoria and the Judicial Commission of Victoria to perform their functions.
Custodial Supervision Order (CSO)	An order made under the CMIA by a court following a finding that a person is permanently unfit to plead or not guilty because of mental impairment. The order commits the person to custodial supervision at Thomas Embling Hospital for an indefinite period.
Daintree Unit	20 bed mixed gender rehabilitation unit at TEH.
Dame Phyllis Frost Centre (DPFC)	The main prison for women in Victoria, managed by Corrections Victoria. Forensicare provides the Marmak service with 20 beds and some outpatient services at the prison.
Department of Health (DH)	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 (DJCS)	The Victorian Government department responsible for the criminal justice system (including prisons, courts and community corrections).
Designated Mental Health Service	A health service that may provide compulsory assessment and treatment to people in accordance with the <i>Mental Health Act 2014</i> .
Disability Forensic Assessment and Treatment Service (DFATS)	A statewide disability forensic service (located next to TEH) that delivers time-limited treatment, support and residential services for people with an intellectual disability who display high-risk anti-social behaviour and who are involved, or at risk of being involved, in the criminal justice system.
Early Intervention Support Team (EIST)	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 risk of violence and aggression.
EFT	Equivalent full-time staffing position.
Erskine Unit	A 30 bed sub-acute unit at Ballert Yerram-Boo-ee at Ravenhall Correctional Centre.
Extended Leave	Court order where a person detained on a Custodial Supervision Order can live full time in the community for a 12-month period.
Forensic Clinical Specialist Program (FCSP)	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.
Forensic Leave Panel (FLP)	An independent tribunal made up of a judge, the Chief Psychiatrist (or their representative), a psychiatrist who does not work at Thomas Embling Hospital and a community member. The panel hears applications for forensic leave (also just called 'leave'). Leave allows consumers to go outside Thomas Embling Hospital for a short period to take part in an activity.
Forensic Patient	A person detained in Thomas Embling Hospital under the <i>Crimes (Mental Impairment and Unfitness to be Tried) Act 1997</i> , including under a custodial supervision order.

Forensicare Serious Offender Consultation Service (F-SOCS)	A statewide program that supports Community Correctional Services and area mental health services in managing individuals who have a serious mental illness/disorder (SMI) and complex needs, including a history of serious violent and/or sexual offending.
GEO Group	Private company that operates the Ravenhall Correctional Centre as well as Fulham Correctional Centre in Victoria under contracts with Corrections Victoria.
G4S	Private company that operates Port Phillip Prison under contract with Corrections Victoria and facilitates prisoner movement/transport under contract with Corrections Victoria, which operates this service on behalf of Victoria Police and Youth Justice.
High Dependency Unit	A locked area of a psychiatric unit which is not seclusion, but enables a small group of behaviourally disturbed people with severe mental illness to be managed safely with higher staff ratios. Thomas Embling Hospital does not contain High Dependency Units.
Independent Mental Health Advocacy (IMHA)	Provides non-legal advocacy support to people who are receiving, or at risk of receiving, compulsory treatment to make decisions and have as much say as possible about their assessment, treatment and recovery.
Jardine Unit	16 bed mixed gender rehabilitation unit at TEH, outside the secure wall.
JCare	The electronic medical record system that is used in all Victorian prisons for the management of health information. Justice Health is the custodian of JCare and oversees its use by all services contracted to provide health services in the prison setting.
Justice Health	Business Unit of DJCS responsible for contract management and oversight of health and mental health services in prisons and Youth Justice Centres.
Marmak Unit, Dame Phyllis Frost Centre (DPFC)	A 20-bed residential unit that provides acute, sub-acute and rehabilitative care to women experiencing mental ill health whilst in prison, which is operated by Forensicare with 24-hour psychiatric nursing staffing. In addition, Forensicare provides outpatient services, initial reception assessments and at-risk assessments at DPFC.
Melbourne Assessment Prison (MAP)	The State's main reception prison for men, managed by Corrections Victoria. Forensicare provides forensic mental health services at the MAP under a contractual arrangement with the DJCS.
Mental Health and Wellbeing Branch	Business Unit of DH in the Health and Wellbeing Division. The Branch is the main point of contact for Forensicare in DH.
Mental Health Advice and Response Service (MHARS)	A court-based assessment and advice program operating in 13 Magistrates' Courts and the County Court, of which Forensicare delivers services in eight metropolitan courts and the County Court, 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 Courts.
Metropolitan Remand Centre (MRC)	A maximum-security remand prison managed by Corrections Victoria. Forensicare provides the Mobile Forensic Mental Health Service at MRC.
MHA	<i>Mental Health Act 2014 (Vic)</i>
MHT	Mental Health Tribunal.
Mobile Forensic Mental Health Service (MFMHS)	Forensicare's multidisciplinary Mobile Forensic Mental Health Service based at the MRC 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, Marnongneet Correctional Centre and Karreenga Prison.

Moroka Unit	A 10-bed unit that provides a specialist service for people with complex and challenging behaviours at Ballerit Yerram-Boo-ee.
Non-Custodial Supervision Order (NCSO)	An order made by a court under the CMIA that allows the person to live in the community full time subject to conditions set by the court. Whilst on a NCSO the person receives treatment from their local designated mental health service Forensicare has a supervisory role. The Court may make a NCSO following a finding that a person is permanently unfit to plead or not guilty because of mental impairment or following an application to vary a person's CSO to a NCSO.
NCSO Consultation and Liaison Service	This program supervises the monitoring and direct treatment of those placed on a Non-Custodial Supervision Order under the CMIA.
Occupied Bed Days	Total number of patients in Thomas Embling Hospital in a given period.
Office of Public Prosecutions (OPP)	Victoria's public prosecutions service, which prepares and presents prosecutions against people accused of serious crimes on behalf of the community.
Patient	A compulsory patient, security patient or forensic patient.
PMI	Forensicare's Clinical Patient Management Information System and Electronic Medical Record. The primary electronic vehicle through which patient administrative and clinical information is managed for hospital, community and, where possible, prison services.
Post Sentence Authority (PSA)	The agency set up to independently monitor offenders subject to supervision under the <i>Serious Offenders Act 2018</i> .
Primary consultation	Direct individual assessment and service to a client or patient.
Problem Behavior Program (PBP)	A CFMHS service providing 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. Problem behaviours include; serious physical violence, threats to kill or harm others, stalking, sexual offending, paedophilia, internet child pornography, fire-setting and querulous (vexatious) complainants.
Ravenhall Correctional Centre (RCC)	A medium security men's prison at Ravenhall to accommodate 1300 prisoners. Forensicare provides 75 bed service and outpatients clinics.
Recovery	A contemporary approach to mental health care based on individualised care that focusses on strengths, hope, consumer choice and social inclusion.
Restrictive intervention	A term used to describe methods that restricts a persons movement and behaviour such as seclusion, bodily, physical mechanical or medical restraint. Under the <i>Mental Health Act 2014</i> , restrictive interventions can only be used on a person after all reasonable and less restrictive options have been tried or considered and been found unsuitable.
Royal Commission into Victoria's Mental Health System (RCVMHS)	The Royal Commission into Victoria's Mental Health System delivered its final report on 3 February 2021 which handed down 65 recommendations (in addition to the 9 recommendations made by their interim report). It was tabled in Parliament by the Victorian Government on 2 March 2021. The work of the Commission has now concluded.
Seclusion	The sole confinement of a person to a room or any other enclosed space from which it is not within the control of the person confined to leave.

Secondary Consultation	Clinical advice to another service on an identified client or patient.
Secure Extended Care Unit (SECU)	Provide medium to long-term inpatient treatment and rehabilitation for people who have unremitting and severe symptoms of mental illness or disorder. These units are located in AMHS hospital settings.
Secure Treatment Order	An order that enables an acutely unwell prisoner (whether sentenced or on remand) to be taken to Thomas Embling Hospital for compulsory treatment.
Security Patient	A person who is subject to a Secure Treatment Order or Court Secure Treatment Order and detained in Thomas Embling Hospital.
Separation/Discharge	The completion of an episode of care when the patient/client leaves a service or program.
Statement of Priorities (SoP)	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, Port Phillip Prison	A 30 prison-based bed unit that provides mental health care, treatment and therapeutic programs including psycho-social rehabilitation.
Tambo Unit	A 10-bed program with purpose built cottage style accommodation for prisoners transitioning from prison to the community, at Ballert Yerram-Boo-ee, Ravenhall Correctional Centre.
Thomas Embling Hospital (TEH)	Forensicare's 136 bed secure hospital.
Thomas Embling Hospital Bed Expansion Project	<p>A \$462.5m Victorian Government project to expand the capacity of Thomas Embling Hospital. Stage 1 & 2 of the project will see the delivery of an additional 82 beds and supporting infrastructure which is scheduled to be completed in 2024.</p> <p>The project is being delivered in response to the Royal Commission of Victoria's Mental Health System which recommended that by 2026 an additional 107 beds be built at the hospital as well as the refurbishment of the existing 136 beds.</p>
Victorian Fixated Threat Assessment Centre (VFTAC)	A statewide service jointly staffed by a team of Forensicare 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.
VLA	Victoria Legal Aid.
Youth Justice Mental Health Program (YJMHP)	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

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