

FORENSICARE Annual Report 2022-23



Forensicare

Acknowledgement of Country



Forensicare acknowledges Victoria's Aboriginal and Torres Strait Islander community and its rich culture, and pays respect to its Elders past and present. We acknowledge Aboriginal and Torres Strait Islander people as the traditional owners and custodians of the land and water on which we live, work and play. We recognise and value the ongoing contribution of Aboriginal and Torres Strait Islander people and communities to Victorian life and how this enriches our society more broadly. We embrace the spirit of self-determination and reconciliation, working towards equality of outcomes and ensuring equitable voice.

This publication is copyright. No part may be reproduced by any process except in accordance with the provisions of the *Copyright Act 1968*.

© Victorian Institute of Forensic Mental Health 2023

Designed by OÙ

VICTORIAN INSTITUTE
OF FORENSIC MENTAL HEALTH

Yarra Bend Road
Fairfield VIC 3078

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

ABN 32 807 323 885

ISSN: 2208-9403 (Print)
ISSN: 2652-3434 (Online)

www.forensicare.vic.gov.au

Contents

Board Chair and CEO report	4	Statement of Priorities 2022-23	54
Our organisation	12	Health service performance priorities	57
About us	12	State Funding (Modelled Budget)	59
Our services	15	Disclosures.....	60
Governance	18	Disclosure index	60
Responsible Minister	20	Building Act 1993	60
Forensicare Board	20	Freedom of Information Act 1982	60
Board movements	20	Public Interest Disclosures Act	61
Board directors	20	Carers Recognition Act	61
Retired Board members	22	Disability Act 2006	62
Board committees	24	Gender Equality Act 2020	62
Executive Leadership Team	25	National Competition Policy	63
Our care at a glance.....	30	Local Jobs First – Victorian Industry Participation Policy	63
Our year in review	34	Additional information	63
Strategic Direction 1	34	Consultancies used in 2022-23	64
Strategic Direction 2	36	Details of information and communication technology expenditure 2022-23	65
Strategic Direction 3	37	Attestations	66
Strategic Direction 4	37	Financial performance summary 2022-23.....	68
Awards and achievements	40	Revenue	68
Occupational health, safety and wellbeing	42	Expenditure	68
Occupation health and safety	42	Non-salary expenditure	68
Our workforce	44	Other comments to the financial statements	68
Sustainability – our environment	48	Historical financial analysis and key financial statistics	69
Stationary fuel use	51	Net result from transactions	70
Transportation	51	Financial Statements 2022-23.....	72
Total energy use	51	Disclosure index.....	138
Sustainable buildings and infrastructure	52	Glossary.....	140
Sustainable procurement	53		
Water consumption	53		

Board Chair and CEO report

Welcome to the 2022-23 Forensicare Annual Report. It is important to begin by recognising the First Nations people who are the traditional owners of the land upon which all Forensicare services are delivered. Forensicare acknowledges the deep and unbroken connection to land and sovereignty of Aboriginal and Torres Strait Islander communities.



Penny Armytage AM
Board Chair



Jessica Lightfoot
Interim CEO

We began the year with a farewell. Our Board Chair, Ken Lay AO, APM, stepped down after almost four years on the Forensicare Board. We are grateful for Ken's significant contributions over that time, particularly his strong governance focus on safety for consumers and staff.

Consumers, carers and lived experience

We continued to prioritise our focus on positive consumer outcomes. We have intentionally developed and grown our Lived Experience workforce, growing from three fulltime equivalent positions to 11 at the end of 2022-23. The contribution of this team to the organisation, and to our consumers and their families and carers has been significant, and their willingness to share with all of us so we are better informed, has been inspiring.

Participation in the Families and Carers Advisory Group at the Thomas Embling Hospital has grown, with both more families and carers and Lived Experience staff represented. These inputs are key to our focus on safely rehabilitating individuals in our care by carefully and gradually returning consumers to live safely in the community and to ensure the design of our infrastructure and services is informed by their insights.

Other positive consumer outcomes included development of initiatives to strengthen the delivery of our Model of Care, such as co-design as part of the hospital redevelopment and the regional model.

Statutory Duty of Candour legislation came into effect on 30 November 2022 and our open disclosure practice has been strengthened as a result. This ensures that when a serious adverse patient event occurs, there is a genuine apology for the harm caused to the consumer and/or the family. We implemented processes and steps to ensure consumers and carers are communicated with openly and honestly.

Staff wellbeing and development

Throughout the year our staff across all locations demonstrated dedication to providing the best possible service for our consumers, and their carers, families and supporters. Their positive attitude and professionalism, regardless of the ongoing impact of COVID-19 and other challenges, enabled us to continue to provide high quality care to our consumers.

In 2022-23, we developed measures designed to improve staff safety and wellbeing. We have implemented several initiatives to support staff wellbeing and psychological safety including Safe Place, an independent and confidential support and advice service supporting staff concerned about unlawful or inappropriate workplace behaviour.

We delivered the Working Better Together resources to guide and clarify options available to staff about dealing with difficult workplace behaviours and increased the size of the Employee Support Network to help staff navigate issues by providing kind, confidential and informal support.

The Cultural Reform Board, consisting of staff representatives, also provided critical insights and advice to the leadership team to develop and implement the Cultural Reform Plan.

Strengthening management and leadership capability is an ongoing priority, with a new management and leadership development program and capability framework being developed in 2022-23 to be rolled out in 2023-24.

The implementation of more just-in-time resources to support and assist managers in dealing with workplace challenges, as well as a proactive manager support and coaching program, provided by Forensicare's employee assistance program (EAP) provider, further complement our existing development structures.

We reviewed the risks, occurrence and impacts of occupational violence, implementing a comprehensive Prevention and Management of Aggression Framework that provides our staff the systems and capabilities to be both safe at work, and provide care safely. We continued embedding the Safewards Model which aids in the reduction of conflict, and for all new nursing staff, implemented Psychological First Aid training.

Acting on recommendations of the Royal Commission into Victoria's Mental Health System

We continued to work with the Department of Health on a range of service and system improvement initiatives, proactively seeking engagement and collaboration to support the delivery of the Royal Commission into Victoria's Mental Health System recommendations.

Construction commenced on stages 1 and 2 of the Thomas Embling Hospital expansion and a significant amount of work was undertaken to prepare operationally for opening new units in 2025.

The 2023 Budget allocated funding for the planning and detailed design for Stage 3 of the Forensic Mental Health Bed Expansion Project. This work will inform the future delivery of a men's high-security unit, bed refurbishments and supporting infrastructure. When fully implemented, the redevelopments will allow us to provide care for many more consumers. Consumers have participated in our design working groups at all stages of the project.

Emphasising the importance of early and accessible treatment

We developed a model for regional service expansion to provide greater accessibility to specialist forensic mental health services to people where they live. Not only have we expanded where we provide service, after community-wide consultations we are expanding our service offerings to include transition support, and shared care, delivered in partnership with Area Mental Health and Wellbeing Services.

Our regional teams will work with people who are at risk of offending before they offend through early identification, engagement and intervention, facilitate practical support in conjunction with Area Mental Health and Wellbeing Services as well as capability building across the sector. Importantly, peer support will be available for people as they transition out of our services - hospital, community or prison – into the region.

Early intervention initiatives are expected to generate economic and other benefits beyond their direct impact and are critical in achieving better health and social outcomes for vulnerable Victorians and their communities. Our regional expansion aims to enable people to access the supports they need, where they need it, and reduce engagement or reengagement with the criminal justice system.

Sincere thanks for supporting our consumers, carers and families

Thanks to our staff for their professionalism and compassion, the Board and the Executive team for their leadership and focus on improvements making sure best of care is always our primary purpose.

We appreciated Victorian Government support throughout 2022-23.

Forensicare is preparing to deliver an even greater level and quality of service for the people who need us in the years ahead. Forensicare has an exciting period of growth and innovation ahead of us. The appointment of our new CEO Colman O'Driscoll was announced and we look forward to him starting with us in October 2023.



Jessica Lightfoot
Interim CEO

6 September 2023



Penny Armytage AM
Board Chair

6 September 2023



Dr Margaret Grigg – thanks for making Forensicare ready for the future

Since 2019, Forensicare has benefitted from the experience, insight and passion of our departing CEO, Dr Margaret Grigg.

Margaret brought her deep knowledge and practical expertise in mental health to her tenure, and Forensicare's growth today is a direct consequence of her astute guidance. Margaret's passion for improving the quality of care we offer and the quality of life of the people who receive, it was tireless and appreciated.

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.



Penny Armytage AM
Forensicare Board Chair



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 is responsive to all aspects of holistic care (personal, clinical, wellbeing and offence specific recovery).
- Uphold human rights.
- Is responsive to the impact of trauma, including the experience of coercion and compulsory treatment.
- Are responsive to their diverse backgrounds, cultures, orientation, experiences, and abilities.
- Facilitate safe, positive challenges and learning.
- Enable personal responsibility and self-determination.

Strategic Direction 2:

Connections and partnerships

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

Strategic Direction 3:

Workplace of choice

We are a workplace of choice for mental health clinicians, corporate services leaders, and experts in lived experience.

Strategic Direction 4:

Research, education and innovation

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



Our organisation

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 1998 under the *Mental Health Act 1986* and continued under the *Mental Health Act 2014*. Forensicare will continue under the *Mental Health and Wellbeing Act 2022*, due to come into force on 1 September 2023.

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 have obligations under the *Crimes (Mental Impairment and Unfitness to be Tried) Act 1997* (CMIA) 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.



Service locations

Visiting sessions at the following prisons

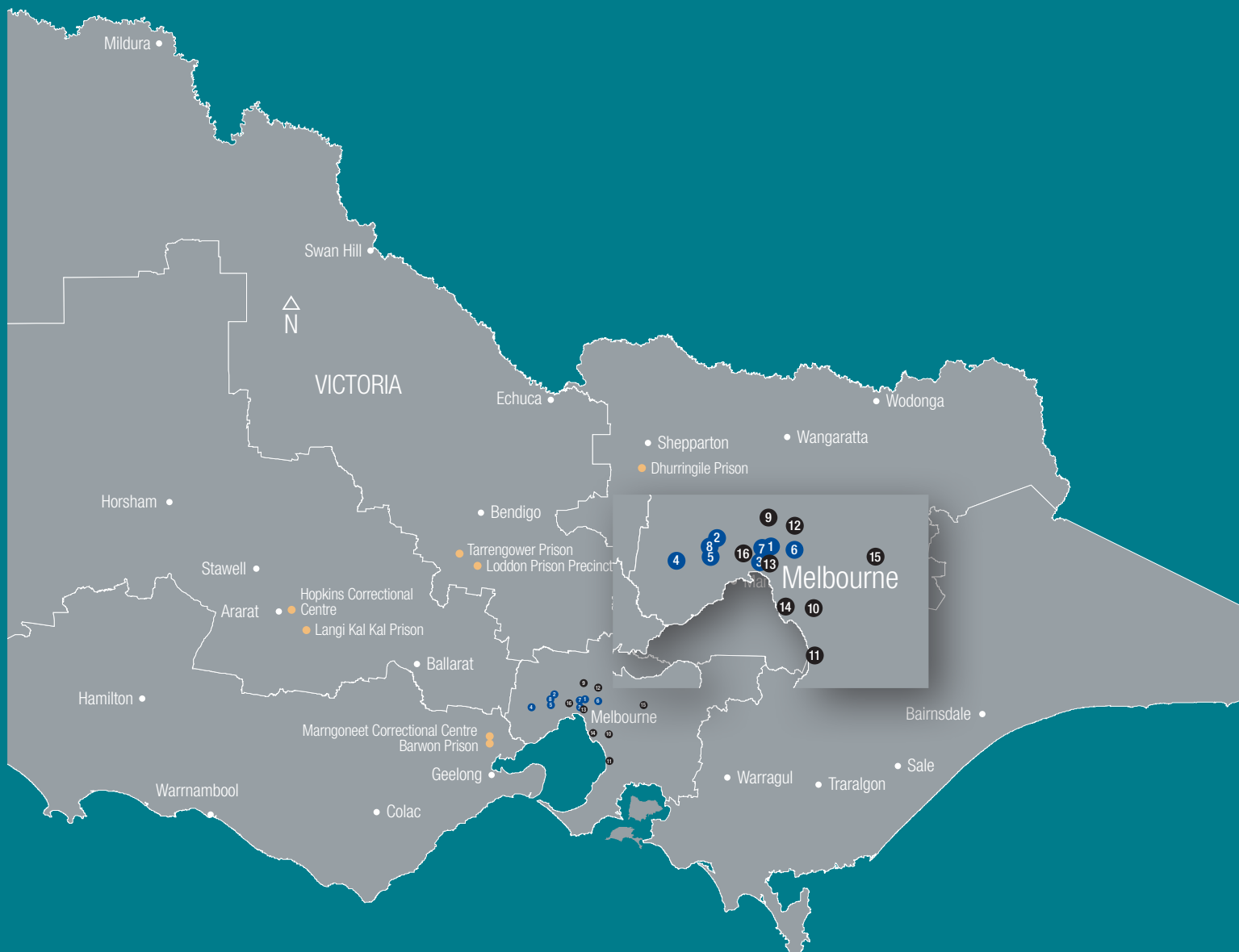
- Barwon Prison
- Dhurringile Prison
- Hopkins Correctional Centre (Ararat)
- Karreenga Annexe
- Langi Kal Kal Prison
- Loddon Prison Precinct (Middleton)
- Marngoneet Correctional Centre
- Tarrengower Prison

Forensic Mental Health Services

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

Court Mental Health Advice and Response Service

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



Our services

Forensic mental health services and Forensicare are in a significant growth and expansion phase. In the 2023 Victorian State Budget, \$81.3 million (over four years) was allocated to expand the forensic community mental health workforce, supporting adults with serious mental health needs who are in contact, or at risk of coming into contact, with the justice system. Funding will also help increase the forensic youth mental health workforce, particularly in regional areas, enable Forensicare to continue the Community Forensic Disability Mental Health Service, and to employ two Aboriginal Social and Emotional Wellbeing Advisors.

Additionally, allocated within the 2023 Victorian State Budget Forensicare will receive \$53.2 million for the stage 3 of Thomas Embling Hospital redevelopment. Capital funding is in addition to the \$462.5 million allocated across the 2021 and 2022 Victorian State Budgets.

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.

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.

Commencing in 2022-23, our prison services also provide suicide and self-harm prevention assessment services and a new Mental Health Transition Support Service. 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 service for consumers 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 Service (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.
- Marrmak Service (Dame Phyllis Frost Centre) – provides acute, sub-acute and rehabilitative care for up to 20 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 Kareenga prisons.
- St Paul's (Port Phillip Prison)—a 30-person area that 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, Karreenga, Loddon, Marngoneet, Middleton and Tarrengower prisons to support prisoners with their mental health recovery.



Community Forensic Mental Health Service

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

- Court reports service—provides psychiatric and psychological pre-sentence reports to courts at the request of the judiciary. These may include in-custody or on-bail presentence reports, Adult Parole Board reports, Section 10 reports, Fitness and Mental Impairment reports, and Section 41 reports.
- Community Transition and Treatment Program—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 — provides support to Community Correctional Services 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. MHARS also supports the seven regional clinicians employed by AMHS operating in regional courts.
- Problem Behaviour Program— provides psychiatric and psychological consultation and treatment for adults aged 18 years and over with a range of 'problem' behaviours associated with offending, and for whom services are not available elsewhere.
- Victorian Fixated Threat Assessment Centre— 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 Community Forensic Disability Mental Health Service is an important component of the Forensic Disability Service (FDS) covering bed and community-based programs operated by the Department of Families, Fairness and Housing's FDS. Forensicare currently provides psychiatric assessment and reviews and clinical support for adults who are involved in, or at risk of coming into contact with the justice system in Victoria and who have: an intellectual disability, and co-morbid mental illness, or are subject to chemical restraint through the prescription of anti-libidinal medication.
- Regional Community Forensic Mental Health Service (CFMHS), via an initial pilot in the Barwon South West region.
- The CFMHS also provides the following coordination, advice and consultation services to the broader mental health sector:
 - Forensic Clinical Specialist 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).

Governance

Forensicare is a statutory body established in 1998 under the *Mental Health Act 1986* and continued under the *Mental Health Act 2014*. Forensicare will continue under the *Mental Health and Wellbeing Act 2022*, due to come into force on 1 September 2023.

Our statutory functions are to:

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



Responsible Minister

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

Forensicare Board

The Board of Forensicare is appointed by the Governor in Council for terms not exceeding three years on the recommendation of the Minister for Mental Health. The Board comprises up to nine directors and 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 these members, at least one is able to reflect the perspective of people receiving mental health services, and at least one has knowledge of, or experience in, accountancy or financial management.

Board movements

In 2022-23, Ken Lay AO APM and independent advisor, Kelvyn Lavelle, retired from the Board. Forensicare is extremely grateful for the valuable contribution to the organisation each provided during their terms and we wish them well in their future endeavours.

Ken Lay retired as Board Chair on 25 August 2022. Allison Smith was appointed Acting Chair from 30 August 2022, until the appointment and commencement of Penny Armytage AM as Chair on 18 October 2022.

Dr Angela Williams and Shaun Braybrook ACM were appointed to the Board and commenced on 5 July 2022.

Board directors

As of 30 June 2023, Forensicare's Board comprised nine directors. Our Board members are: Our Board members are:

Penny Armytage AM

BSW

Chair

Appointed on 18 October 2022

Penny Armytage AM was the Chair of the Royal Commission into Victoria's Mental Health System. Prior to this she was a Senior Partner at KPMG where she led the Victorian Government account and was the National Lead of the Justice and Security account. Penny has also had a distinguished career in the Victorian Public Service where she held a variety of senior executive positions, including a decade as the Secretary of the former Department of Justice.

In these roles Penny oversaw major policy and service delivery reforms in the justice and human services sectors. She worked extensively with Ministers, department and agency leaders, and heads of jurisdiction across the Victorian public sector and nationally. Penny conducted several seminal reviews including the Youth Justice Review and Strategy: Meeting Needs and Reducing Offending review co-authored by Professor Jim Ogloff, and was chair of the Independent Inquiry into the Environment Protection Authority.

She has been on many state and national boards. She is currently on the Board of Orygen Youth Mental Health Service. Until October 2022 she was the inaugural Chair of the Independent Pandemic Management Advisory Committee for Victoria. Penny was previously the Chair of the Transport Accident Commission Board and President of the Board of Berry Street, an independent family services organisation, and she was the National President of the Institute of Public Administration Australia. Penny was awarded an AM in the 2020 Queens Birthday honours in recognition of her significant service to public administration and to the community.

Associate Professor Ruth Vine

MBBS, FRANZCP, LLB, PhD

Appointed on 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. In April 2023 Ruth was appointed Interim Chief Executive Officer of the National Mental Health Commission for a period of four months.

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) GAICD

Appointed on 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

BA, MA, MPP, GradDipBus (org psych), DipMngt (psychiatric services)

Appointed on 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 Disability Services. 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.

Allison Smith

B.Acc CA GAICD

Appointed on 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.

Dr Angela WilliamsMBBS LLB GDLP MForensMed GAICD
MBA MPH/MHM

Appointed on 5 July 2022

Dr Angela Williams is a Senior Forensic Physician at the Victorian Institute of Forensic Medicine and chairs the Faculty of Clinical Forensic Medicine at the Royal College of Pathologists of Australasia. Angela holds Board appointments with OzChild, Emergency Services Telecommunications Authority, Post Sentence Authority and Eastern Health, and serves as a sessional member of the Victorian Civil and Administrative Tribunal and Football Victoria Tribunal. She is both a medical practitioner and a lawyer who holds Masters degrees in Public Health, Business Administration, Forensic Medicine and Health Management.

Shaun Braybrook ACM

Appointed on 5 July 2022

Shaun Braybrook is a proud Aboriginal man who follows his grandfather line to the Kuku-Yalanji people. Shaun has been working with the Victorian Koori community for around 30 years.

For the past 21 years, Shaun has been working in the corrections system, specifically with Koori men. For the past 15 years, he has been the General Manager of the Wulgunggo Ngalu Learning Place in Gippsland, which is a voluntary live-in facility that provides Koori men, on a Community Correction Order (CCO), with an important opportunity to learn new skills, reconnect with, or further strengthen, their culture and participate in programs and activities to help them address their offending behaviour.

It was officially opened in September 2008. Under Shaun's management, in 2011 Wulgunggo Ngalu Learning Place won an International Prison and Correctional Award in the area for Community Correction for its innovative approach in work with men on correctional orders.

He was a director of the Yarram and District Health Service for 11 years, with the last two years as Board Chair. In 2001, Shaun was elected to ATSIC's Tumbukka Regional Council and was Deputy Chair from 2003-05, and a director of the Aboriginal Housing Board of Victoria from 2003-05.

Shaun was the recipient of the prestigious Australian Corrections Medal (ACM) in the Queen's Birthday Honours, which was announced on the June 2019.

Shaun has an unwavering belief that Aboriginal cultural identity is a strength, protective factor, and crucial building block in our community's development. He has a deep commitment to social justice and to ensuring Aboriginal people have opportunities to achieve and excel – and works tirelessly to ensure even the most disadvantaged members of our community get this opportunity.

Retired Board members

Ken D Lay AO APM

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

Chair

Retired on 25 August 2023

Appointed on 10 April 2019

Ken is a professional non-executive director. His substantial career was with Victoria Police, concluding as the Chief Commissioner (2011-15). He has since conducted a number of reviews for both state and federal agencies concerning significant social policy, community safety, governance and leadership issues.

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

Table 1: Board committee membership and attendance as at 30 June 2023

Director	Board		Audit & Risk		Quality & Safety		Finance		People & Culture		Remuneration & Nominations		Major Capital Works		People & Remuneration Committee	
	H	A	H	A	H	A	H	A	H	A	H	A	H	A	H	A
Ken Lay Δ	1*	1	1x	0	1x	1	0	0	0	0	0	0	0	0	0	0
Penny Armytage \dagger	7*	7	3x	0	3x	0	4x	1	2x	1	1*	1	1	1	1*	1
Sally Campbell	10	9	5*	5	0	0	0	0	0	0	0	0	1	1	0	0
Ruth Vine	10	9	0	0	5	4	0	0	2	2	0	0	0	0	0	0
Susan Williams	10	10	0	0	0	0	5	3	0	0	1	1	1	1	1	1
Ian Forsyth	10	10	0	0	2	2	5	5	2*	2	1	1	0	0	1	1
Frances Sanders	10	9	0	0	5	5	0	0	2	2	0	0	0	0	1	1
Allison Smith	10	9	5	4	0	0	5*	5	0	0	0	0	0	0	0	0
Angela Williams	10	9	4	4	5*	5	0	0	0	0	0	0	0	0	0	0
Shaun Braybrook	10	10	0	0	3	2	0	0	2	2	0	0	0	0	1	1
Kelvyn Lavelle (Board Advisor) Δ	7	5	0	0	0	0	1	1	0	0	0	0	1*	1	0	0

H number of meetings eligible to attend

A number of meetings attended

* Chair/Committee Chair

x ex officio (non-mandatory attendance)

 \dagger Commenced position mid-financial year Δ Retired mid-financial year

Kelvyn Lavelle (Independent Board Advisor)

Retired on 2 March 2023

Kelvyn has over 20 years' experience in the public infrastructure market. He has been a senior executive with international infrastructure developer Plenary for the past 18 years where he has overseen external engagement and market development planning and delivery. 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 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.

Board committees

Six committees supported the Board to fulfil its responsibilities, which were reviewed throughout the financial year and consolidated into four by 30 June 2023. 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, capital expenditure and monitors progress of major capital works.

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. During the financial year, the Board decided to combine this Committee with the People and Culture Committee, to create the People and Remuneration Committee, which commenced in June 2023.

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. During the financial year, the Board decided to combine this Committee with the Remuneration and Nominations Committee, to create the People and Remuneration Committee, which commenced in June 2023.

Major Capital Works Committee

The Major Capital Works Committee was established in 2021 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. With significant progress made on these projects since establishment, during the financial year this Committee was disbanded and the responsibilities of this Committee were transferred to the Finance Committee.

Executive Leadership Team

Dr Margaret Grigg

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

Chief Executive Officer

Appointed in August 2019

Margaret was appointed as Forensicare's CEO, following a four month period as interim CEO. She is an experienced mental health professional with extensive experience in senior leadership roles. Previously, she has worked as the Deputy Chief Executive of Mind Australia, and worked for the Victorian Department of Health as a senior executive for many years. She is currently a Board Director at Colac Health, HealthShare Victoria and Mind Australia. In 2023 she was awarded an OAM for her services to mental health. She will retire as CEO of Forensicare in August 2023.

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 in 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 in March 2020

Jessica is responsible for the financial stewardship of the organisation, including procurement, ICT, property services and oversight of the Project Management Office for the Thomas Embling Hospital redevelopment. Jessica began her career as a lawyer, and spent three years working on policy and legislative reforms, including the reforms that led to the establishment of Forensicare. She transitioned to project management to lead the establishment of the National Coroners Information System, and managed large-scale property development 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 Springvale Monash Legal Service and the Analytics Institute of Australia Pty Ltd.

Dr Jacques Claassen

MBChB, FRANZCP, Cert Forensic Psychiatry

Acting Executive Director Forensic Mental Health

Appointed in November 2022

Originally trained in South Africa, Jacques emigrated to New Zealand in 2008 where he completed specialist training in the field of forensic psychiatry at the Mason Clinic in Auckland, New Zealand. He emigrated to Australia in 2014. He has worked across the public and private mental health sectors, including metropolitan Western Australia and regional Victoria, in a range of forensic and general adult mental health roles. Since 2015 he has worked in senior medical leadership roles. Jacques is passionate about the provision of recovery focused and consumer centred care, eliminating restrictive practices, maintaining a psychologically safe workplace, administrative psychiatry and the co-production of service delivery with the lived experience work force.

Matthew Hercus

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

Executive Director Strategy, Policy and Planning

Appointed in June 2022

Prior to working at Forensicare, Matthew was Executive Director Mental Health and AOD System Management in the Victorian Department of Health, having commenced working in healthcare as a nurse, across metropolitan, regional and remote settings. Matthew has gained an extensive understanding of Victoria's health and mental health systems and reform directions, and has experience with and across government. With a clinical and systems background, Matthew focusses on supporting the organisation during the important growth and development period that Forensicare is facing, working closely with teams, consumers and clinicians, and external partners.

Kate Douglas

Executive Director People and Culture

Appointed in January 2023

Kate has worked in global organisations and government agencies and brings to Forensicare over 20 years' experience in human resources, organisational development and change management. Kate is passionate about designing and leading strategy and delivering results-oriented programs that make a genuine difference to the employee experience. She believes that we achieve more when we work together, and that individuals and teams perform at their best when they are inspired and enabled to realise their potential.

Distinguished Professor James Ogloff

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

Special Advisor, Research, Education and Innovation

Appointed in November 2001

Jim provides strategic advice to Forensicare staff, executive and Board in the areas of research and evaluation, education and training, and service development innovation. Jim transitioned from his role as Executive Director, Research, Education and Innovation to his current position when he assumed the role of Dean, Health Science, at Swinburne University. 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 was the Foundation Director of the Centre for Forensic Behavioural Science. He also holds the positions of Distinguished Foundation Professor of Forensic Behavioural Science at Swinburne University of Technology.

Nadia Baillie

LLB/BCom GAICD

General Counsel and Executive Director of Governance and Risk

Appointed in 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 18 years in legal firms in Australia and the UK, as well as in-house in the university and health sectors. Nadia 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.

Liam Barry

EMPA, BA, Dip.Law, GDLP, PMP

Executive Director Redevelopment & Asset Management

Appointed in January 2021

Liam is responsible for leading Forensicare's Facilities, Asset Management and Capital Works portfolios, including leadership of the redevelopment of the Thomas Embling Hospital.

Prior to joining Forensicare Liam worked in the Justice sector delivering a range of significant capital and business transformation projects within the Courts and Justice sector at both the Commonwealth and State levels.

Anthea Lemphers

BSc Honours (Psych), MPsych (Clin), Cert IV Training & Assessment, Grad Dip (Clin Supervision)

Executive Director Community Operations

Appointed in September 2020

Anthea is a clinical and forensic psychologist with more than 25 years' experience in forensic mental health in operational, clinical and discipline leadership roles. Anthea commenced employment with Forensicare in 1998. Prior to her executive appointment, Anthea was the Director of Psychological Services at Forensicare.

She is passionate about leading services where staff feel valued and are empowered to achieve the best outcome for Forensicare's consumers and contribute to community safety. Anthea is committed to improving services in the community by enhancing Forensicare's role in creating and supporting linkages between the justice and mental health systems.

Terry Runciman

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

Executive Director Prison Services

Appointed in August 2020

Terry is a clinical psychologist with 20 years of experience within public mental health services, including public community mental health services, homeless mental health teams, emergency mental health, consultation liaison, and commissioning new mental health services models (MHaP Response, HOPE). Prior to commencing with Forensicare, Terry was the Area Manager of Mid West Area Mental Health, one of Victoria's 21 area-based public mental health services. His key focus is bringing equivalency of mental health service for people within the complex systems with Victorian prisons, building partnerships, psychological safety, and supporting our staff to delivery best care.

Fiona Whitecross

Grad Dip Nursing, BA Nursing, Grad Dip (Community MH Nursing), MA (Health Services Management), FACMHN

Executive Director Inpatient Operations

Appointed in February 2022

Fiona is a Mental Health Nurse with over 25 years' experience in mental health settings across Australia. Fiona's career spans across community, Inpatient and Government mental health settings. Prior to joining Forensicare, Fiona was the inpatient operations manager at the Alfred and before that, was the quality and risk manager for the Alfred Mental Health program. Fiona's key interests are in reducing restrictive practices and acute care.

Departing Executive Team members

Dr Danny Sullivan

MBBS, MBioeth, MHlthMedLaw, AFRACMA, FRCPsych, FRANZCP

Executive Director of Clinical Services

Resigned on 14 November 2022

Danny joined Forensicare in 2004 and has held a range of consultant positions throughout the organisation. As Executive Director of Clinical Services, Danny was responsible for the leadership and governance of clinical services across the organisation and headed the medical team.

Lucia Giagnorio

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

Executive Director, People and Culture

Resigned on 9 December 2022

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.

Directors and Discipline Leads

Dr Sobia Khan

Director of Clinical Services, Community Forensic Mental Health Service

Dr Kate Roberts

Director of Clinical Services, Prison Services

Dr Abhilash Balakrishnan

Acting Director of Clinical Services, Inpatient Operations

Jo Ryan

Director of Nursing

Dr Shelley Turner

Chief Social Worker

Paul Ferguson

Chief Occupational Therapist

Larissa Dern

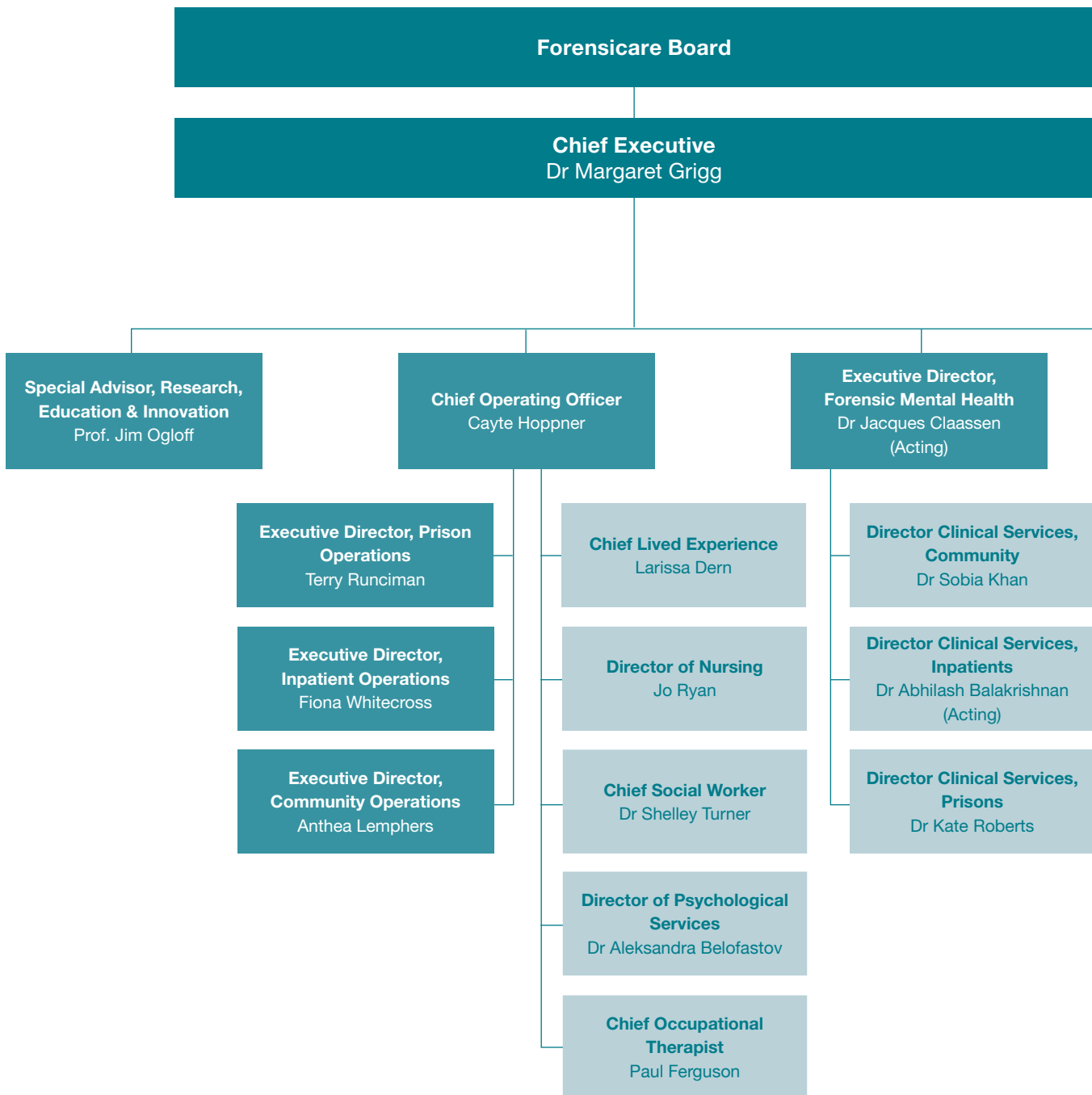
Chief Lived Experience

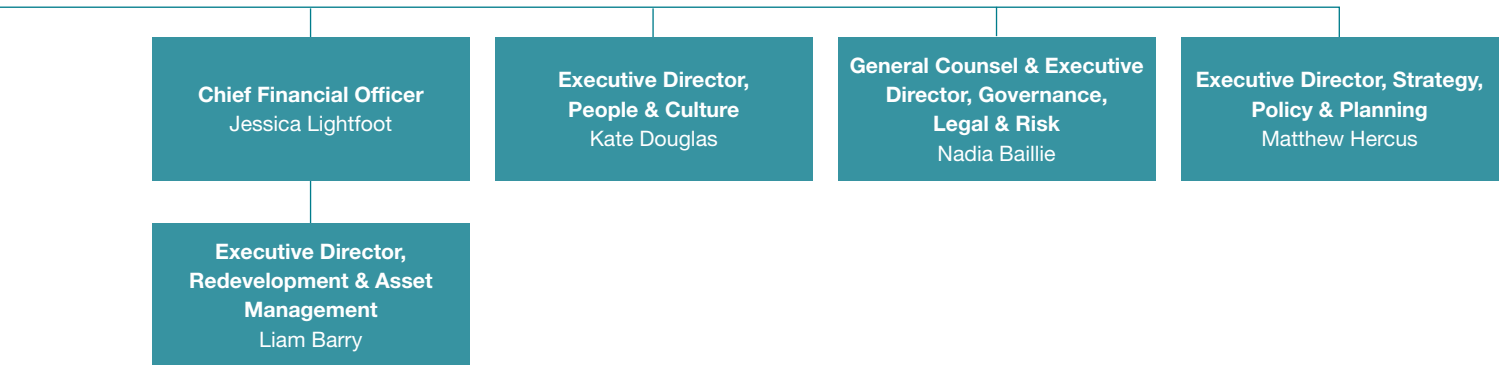
Dr Aleksandra Belofastov

Director of Psychological Services

Organisational Chart

Forensicare's organisational structure, at June 2023





Our care at a glance

30

Admissions to St Pauls

185

Admissions to Marrmak

237

Admissions to Acute Assessment Service

439

Admissions to Ballerit Yeram-boo-ee

8141

Early intervention mental health assessments delivered at court

44,777

Mental Health Community Service Hours (direct and indirect)

6.4%

Consumers who identify as Aboriginal and/or Torres Strait Islander

5181

Registered consumers across CFMHS

21.4

Days average wait times for security patient admission

53

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

387

Family Violence Information Sharing requests processed

46

Reports to the court under section 41(1) of the CMIA

12

Number of men waiting on a bed to become available at Thomas Embling Hospital for the making of a CSO as at 30 June 2023

133

Reports prepared by Forensicare staff in respect of 90 consumers who had hearings to review their supervision orders at Thomas Embling Hospital

69

Supervision order hearings where Forensicare staff attended court to give evidence

210

Admissions to Thomas Embling Hospital

30 females
10 Custodial Supervision Order
20 Secure Treatment Order

180 males
45 Custodial Supervision Order
135 Secure Treatment Order

180

Discharges from Thomas Embling Hospital

137 to prison
31 to community services
11 to private accommodation

Mental health consumers on a supervision order under the CMIA

as at 30 June 2023

101	2	15	47
On a custodial supervision order (at Thomas Embling Hospital)	International forensic patients serving a sentence under the <i>International Transfer of Prisoners Act 1997</i> (Cth) at Thomas Embling Hospital	On a custodial supervision order with a grant of extended leave	On non-custodial supervision orders

Custodial supervision orders

12	345	7	1
New custodial supervision orders for 2022-23	Days average wait time for a bed at Thomas Embling Hospital for men waiting to be placed on a CSO during 2022-23	New grants of extended leave	Person breached conditions of their grant of extended leave and had their grant of extended leave cancelled

Non-custodial supervision orders

8	6	0	18	5
New non-custodial supervision orders during 2022-23	People breached their NCSO and were placed in Thomas Embling Hospital	People had their NCSO varied to a CSO	People had their NCSO removed by the court and can live in the community unsupervised	Consumers had their order varied to a non-custodial supervision order



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

As the statewide provider of forensic mental health services, Forensicare 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.

Our year in review

This financial year we continued implementing the Forensicare Strategic Plan 2021-2026 that sets out our delivery against the following four strategic directions:

- **Strategic Direction 1: Consumer Recovery Pathway**
- **Strategic Direction 2: Connections and Partnerships**
- **Strategic Direction 3: Workplace of Choice**
- **Strategic Direction 4: Research, Education and Innovation**

Collectively, these strategic directions provide us a foundation to our service delivery 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

Delivering our Model of Care 2021-2026

In 2022-23 we continued implementing our model of care, which defines our commitment to empower Victorians living with a mental illness so they can lead safe, meaningful lives, free from offending. Developed in consultation with consumers, carers, families, supporters, staff, stakeholders, service partners and subject matter experts, the model of care has transformed the way we work with our consumers and carers by placing the consumer at the centre of everything we do.

Continued working towards eliminating restrictive practices

To reduce the use of seclusion and restraint at Thomas Embling Hospital, we continued implementing a range of interventions founded on the Safe in Care, Safe in Work strategies. We focused on strengthening leadership, reduction tools, training and consumer engagement to deliver 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.

Support for people following an attempted suicide, serious planning or intent within Prison

Expanding on the Victorian Government's Hospital Outreach Post-suicidal Engagement (HOPE) initiative and the recommendations of the Royal Commission into Victoria's Mental Health System, Forensicare (in partnership with the Department of Justice and Community Safety) implemented a 'Hope Inside' program in three metropolitan prisons. The program provides intensive, evidence-based care, with a focus on targeted psychological interventions, reestablishing psychosocial supports and safety planning. An important element of this program is the referral and continuity of support on release from custody to community HOPE programs.

Sustained commitment to unique recovery journeys

Forensicare's commitment to diversity, equity and inclusion was affirmed through delivery of our Diversity, Equity and Inclusion Framework and Action Plan, which helped provide an environment where all people are respected and safe to express and draw strength from their diversity and uniqueness. Aligned with our strategic plan and supporting the implementation of our model of care, the framework guided our actions as we responded to the diverse needs of all people engaging with our service – consumers, carers, families, supporters and staff.

Implementing the Daily Operating System

Forensicare's Daily Operating System represents a way of working to support our operational readiness, and improve patient care, access and flow. It clarifies our daily operations so we can quickly identify and resolve problems. It also enables greater focus on staff wellbeing, resource management, and quality and safety. Each day we conduct three tiers of 'huddles' with clinical teams, managers and executive supporting the recovery journey of consumers.



Strategic Direction 2: Connections and Partnerships

Building stronger relationships with our First Nations People

Recognising our responsibilities in Closing the Gap and reducing the overrepresentation of Aboriginal People within the forensic mental health system, we have engaged with Aboriginal consultants to improve our understanding of the drivers of inequity, reasons for action, and our role in driving change. We have developed, through deep listening to Aboriginal consumers, families and organisation partners, an Aboriginal Social and Emotional Wellbeing Approach that centres around cultural safety in the workplace, building trust, and delivering culturally safe care.

Establishing connections and partnerships with regional Victoria

With a strong commitment to supporting people to receive the care they need where they live and strengthening prevention and early intervention services, we partnered with others to enhance access to specialist forensic mental health services in regional communities. In addition to our current service delivery, we listened to and acted on the need for shared care, assertive outreach and transition support for people living outside of metropolitan Melbourne. Our partners in this journey included people with lived experience of mental illness, their carers and families, Barwon Health and South West Healthcare, local service providers (housing, AOD, family violence, youth health), emergency services and local Aboriginal Community Controlled Health Organisations and other Aboriginal organisations convened under the Aboriginal Justice Agreement such as the Aboriginal Justice Caucus and Regional Aboriginal Justice Advisory Committee.

Connecting with Area Mental Health and Wellbeing Services (AMHWS) to embed collaborative care across the system

Working closely with the North East Metropolitan Health Service Partnership (NEM HSP), we have obtained endorsement to Chair the NEM HSP Mental Health Reform Stream Committee – dedicated to improving coordination and integration across NEMHSP partners around key recommendations arising from the Royal Commission into Victoria's Mental Health System. Together we will deliver coordinated reform activities, drive coherence with system-wide issues impacting mental health reform and identify and enable opportunities for improvement.

Grow our knowledge through translational research

We work in partnership with Swinburne University to support the transfer of academic knowledge and clinical excellence into practice. Working together with people receiving our services to seek better, meaningful outcomes through research and continuous improvement, we engage in a broad range of clinical, epidemiological and experimental research in key research streams, such as:

- Aggression and violence.
- Childhood maltreatment and youth offending.
- Complex criminal behaviour.
- Culture, psychology and law.
- Forensic mental health.
- Psychology and legal processes.
- Rehabilitation, reintegration and offender management.

Strategic Direction 3: Workplace of Choice

Our continuing focus on improvements to ensure we provide a safe, positive working environment for everyone, every day saw us embed or initiate a range of improvements in the health and wellbeing space. This resulted in the:

- Appointment of a Health Safety and Wellbeing (HSW) Coordinator to oversee OHS functions intersecting with staff HSW across Forensicare. A key appointment, the role enhances Forensicare's capacity to provide risk assessments of workplace changes, capital works, hazards, and their controls, with plans to extend this capability across portfolios.
- HSW being integrated into critical operational and clinical management meetings to ensure meaningful discussion and visibility of actions.
- Expansion of quarterly professional development workshops for Health and Safety Representatives and the Employee Support Network, benefitting over 40 ESN and 30 HSRs in building supportive capabilities.
- Monthly training in Psychological First Aid, including a new program addressing Recognizing and Responding to Burnout for staff, alongside a dedicated manager module.
- Introducing new support services: Proactive Employee Assistance Program, Proactive Workplace Support, and a tiered triage system for staff grappling with personal or work-related challenges impacting their performance.

Actions from the *Cultural Reform Plan 2022-2024* were implemented across 2022-2023 to address the independent *Forensicare Bullying, Harassment, Sexual Harassment and Discrimination Review*. The cultural reform program aims to create a safe workplace for everyone, every day through the following 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.

Summary progress of implementation:

- 21 actions completed.
- 15 actions in progress and on track.
- 1 action not yet commenced.

Significant work was completed on resolving workplace concerns, and encouraging respectful workplace behaviours. Additionally, scope of practice and credentialing procedures were approved and implemented for all disciplines to improve role clarity and accountability for staff.

The Cultural Reform Board, a key engagement tool between staff and the CEO, met monthly to provide advice on the implementation of actions and staff impacts. A review of the Cultural Reform Board resulted in a rebrand and restructure as a Staff Advisory Council to increase engagement and feedback in embedding cultural reform.

The Cultural Reform Evaluation report showed that while work remains to be done across the organisation, culture is improving across Forensicare, with survey results showing slight improvements in key psychometric outcome measures.

Strategic Direction 4: Research, education and innovation

Research aligned with our strategic priorities

Forensicare's six research priority areas align with organisation's vision: meaningful lives lived safely; hope in recovery; connected care. Our research aims to:

- Evaluate and improve Forensicare services.
- Improve how we partner with our consumers and carers, and promote their journey towards improved wellbeing and more meaningful lives.
- Strengthen the capability and wellbeing of our staff.
- Address the causes of violence and complex problem behaviour, including mental health and other factors.
- Improve how we prevent inpatient aggression and violence and reduce restrictive intervention use.
- Help address co-occurring disorders and other factors that delay recovery progress.



Translational and accessible research

We updated research and application documents to incorporate the Framework to Assess the Impact from Translational health research to make research findings across Forensicare clear and accessible for all our stakeholders:

- Consumers, carers and significant others.
- Clinicians.
- Senior clinical leaders (such as best care committees) highlight key research findings in more accessible and relevant formats.

We also updated our internal and external communication to ensure greater accessibility of existing research projects.

Forensicare Dissemination Research Seminars

The Forensicare Dissemination Research Seminars continued to be a popular way to showcase research undertaken by Forensicare and the Centre for Forensic Behavioural Science. In November 2022 and June 2023, these events were livestreamed. They were viewed live by 127 staff and more than 200 times on the intranet.

Embedding evaluation into everything we do

Potential researchers are required to include the Enhancing the Quality and Transparency of Health Research network guidelines into relevant qualitative, quantitative, or mixed methods evaluation designs. The strengths of qualitative and quantitative methods can blend to provide a comprehensive analysis of impact, which can inform future Forensicare clinical innovation and other forensic mental health service providers.

Promoting our professional development program

The Forensic Mental Health Professional Development Program (FMHPDP) training initiative was jointly developed and delivered 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 an important topic considering the Royal Commission's recommendation of 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 were well attended and participants positive about the opportunities.

Awards and achievements

Forensicare CEO Dr Margaret Grigg awarded OAM

Chief Executive Officer Margaret Grigg received the Medal of the Order of Australia (OAM) for her contributions to mental health. Margaret's distinguished career in the health, mental health and human services sector includes working as the Deputy Chief Executive of Mind Australia, the Vice President of the Kyneton District Health Service Board and the Senior Executive Director, Health Service Policy and Commissioning at the Department of Health. She has also represented Victoria on national committees and led national work on Suicide Prevention.

The award citation notes for more than 35 years, Distinguished Professor Ogloff AM played an integral role in identifying, advocating, and improving the care of people with mental illness in the criminal justice system. His life-long work has focussed on using research and legal policy to enhance forensic mental health services. His work has fused clinical practice, scholarly research, service development and administration, and student supervision and mentorship. He has continuously worked as a clinical forensic psychologist in service development and leadership positions, as a prolific academic and mentor, and as a trusted advisor and advocate to government in matters at the crossroads of mental health and the law.

Distinguished Professor James Ogloff AM awarded the 2023 Rüdiger Müller-Isberner Award

Distinguished Professor James Ogloff AM was awarded the 2023 Rüdiger Müller-Isberner Award by the International Association of Forensic Mental Health Services. The Rüdiger Müller-Isberner Award is the peak career contribution award of the Association and honours a long-standing member of the association whose career epitomises the fusion of clinical practice, scholarly research, and mentorship. The award is named after esteemed German forensic psychiatrist, Rüdiger Müller-Isberner, founding member of the IAFMHS and known internationally for integrating science and practice.

Associate Professor Stephane Shepherd awarded Australian Research Council (ARC) Grant

Associate Professor Stephane Shepherd from the Centre for Forensic Behavioural Sciences at Swinburne University of Technology has been awarded an ARC Discovery Grant for the project 'Understanding the drivers and motivators of extremist violence'. The project received total funding of \$864,680 for the period 2023-26 and will be conducted with fellow researchers Professor Michele Grossman, Professor Michele Pathé and Professor Paul Gill.



Occupational health, safety and wellbeing

Forensicare continued to focus on improvements to ensure we provide a safe, positive working environment for everyone, every day.

Occupation health and safety

With dual goals of embedding and building upon the work commenced in the previous period, Forensicare's Health, Safety, and Wellbeing Plan 2022-2024 was developed through collaboration and consultation with our dedicated staff. Underpinned by a commitment to fostering a safe and healthy work environment, while prioritizing wellbeing, the plan maintains focus on the priority issues of eliminating bullying and harassment and improving psychological safety, while enhancing alignment with the Strategic Plan 2021-2026 and Model of Care 2021-2026.

Counselling services

Engagement with the Employee Assistance Program has continued to increase, surpassing industry benchmarks with growth in annual usage from 9.7% to 11.58% in 2022-23.

To appropriately support the wellbeing needs of our staff, we provide a range of additional support mechanisms including an Employee Wellbeing Program, Employee (Peer) Support Network and the newly introduced 'Safe Place' initiative.

The goal of Safe Place is to ensure employees always feel safe to speak up by giving direct access to a team of external specialists for confidential, independent support service for concerns and complaints.

Workplace bullying

Developed in consultation with leadership, unions and staff, Forensicare's Cultural Reform Plan 2022-2024 outlines the program of change we are undertaking to address the 2021 Bullying, Harassment and Discrimination Review recommendations, and deliver on the cultural priorities within our strategic directions and Model of Care. The plan focuses on four key pillars, each of which contribute to the broader goal of creating a safe, positive working environment:

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.

To monitor effectiveness of the reform measures, Forensicare partnered with the Centre for Forensic Behavioural Science (CFBS) at Swinburne University to develop a robust evaluation framework and measure performance at six and 14 months post-review.

The CFBS review provided valuable insights, notably a 2 per cent to 4 per cent improvement across the measured factors. While this progress is promising, we acknowledge that further work is required to achieve our desired outcomes.

Along with the review, the progress of the Cultural Reform Plan 2022-2024 has been overseen by Forensicare's Cultural Reform Board. Made up of staff from across the organisation, the Board champions cultural change and ensures continuous improvement is ingrained in our approach. As part of our ongoing commitment, the Cultural Reform Board will reform in 2023-24 as the Staff Advisory Council. We have opened expressions of interest to all staff members, inviting their active participation in shaping the future of our workplace culture.

Occupational violence

While we have seen an increase in occupational violence incidents, standard WorkCover claims and lost time due to occupational violence, during the past 12 months, we continue to work closely with staff and consumers to reduce incidents of occupational violence in the workplace.

Central to our approach of proactively addressing this crucial issue is the establishment of a comprehensive Prevention and Management of Aggression Framework. The Framework has informed the implementation of initiatives such as the Safe Wards program, Care Pathway Plans, De-escalation and Relapse Prevention Training, and the continuous improvement of our Clinical Governance Framework.

Table 2: Overview of occupational violence statistics at Forensicare

Occupational violence statistics	2022-23	2021-22	2020-21	2019-20	2018-19
WorkCover-accepted claims with an occupational violence cause per 100 EFT	1.47	1.1	1.2	1.32	1.37
Number of accepted WorkCover claims with lost time with an occupational violence cause per 1,000,000 hours worked	8.18	5	5.36	8.06	7.64
Number of occupational violence incidents reported	355	296	441	251	276
Number of occupational violence incidents reported per 100 EFT	40.02	38	61	36.7	42.2
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	3.66%	2.36%	1.58%	3.58%	3.26%

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.

Our workforce

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

	30 June 2023		30 June 2022		30 June 2021	
Employee Category	Staff Number	Total EFT	Staff Number	Total EFT	Staff Number	Total EFT
Clinical staff	678	514.3	571	515.5	727	629
Nursing	577	430.1	467	424.8	461	406
Medical - Consultants Medical Officers/Registrars	77	64	81	69.9	71	58.2
Clinical Support	24	20.2	23	20.8	62	54.9
Allied Health	180	151.9	150	124.6	120	103.9
Psychology	74	52.3	54	37.5	67	50.2
Social Work	48	46.9	35	32.2	31	28.6
Occupational Therapy	42	38	36	32.2	27	24.1
Art Therapy	3	2.8	1	0.4	1	1
Lived Experience – Peer Workers	8	7.2	3	3	7	6
Consumer Consultant	1	1	1	1	4	3.4
Aboriginal Mental Health Trainee (under allied health/social work)	2	2	2	2	2	2
Family and Carer Consultant	2	1	0	0	1	0.6
Welfare Worker	0	0	0	0	0	0
Administrative Roles	158	137.1	140	123.1	104	86.7
Corporate/Admin	158	137.1	140	123.1	104	86.7
Total	1016	803.6	840	743.9	831	715.7



Workforce inclusion

Forensicare continues to work 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 2023-23.

Table 4: Employees by gender

	30 June 2023		30 June 2022		30 June 2021	
Employee Gender	Staff Number	Total EFT	Staff Number	Total EFT	Staff Number	Total EFT
Women	670	519.6	541 (65.1%)	459.6	516 (65.5%)	448
Men	346	284	290 (34.9%)	256.1	272 (34.5%)	245.1
Gender diverse	n/a	n/a	n/a	n/a	n/a	n/a
Total	1016	803.6	831	715.7	788	693.1

Table 5: Employees by age

	30 June 2023		30 June 2022		30 June 2021	
Employee Age	Staff Number	Total EFT	Staff Number	Total EFT	Staff Number	Total EFT
Under 25	36	30.2	43	38.8	43	35.2
25–34	274	230.5	225	205.6	206	186.6
35–44	343	271.4	298	260.9	269	230
45–54	222	168.9	187	163.1	178	152.1
55–64	102	75.8	94	85.0	98	83.7
Over 64	39	26.8	33	26.2	37	28.1
Total	1016	803.6	880	779.6	831	715.7

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 senior executive service 2022-23

	30 June 2023	30 June 2022	30 June 2021
Number of executives	12	13	8
Vacancies	0	0	0
Ongoing/special projects	0	0	0
Gender	7 females 5 males 0 self-described	7 females 6 males 0 self-described	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.

Table 7: Service recognition awards 2022-23

Years of service	Number of recipients
30 Year Service Award	0
25 Year Service Award	4
20 Year Service Award	6
15 Year Service Award	14
10 Year Service Award	13
CCAG – 5 Year Service	0

Sustainability

– our environment

Environmental achievements in 2022–23

Forensicare is committed to environmental sustainability in its operations. Sustainability and greenhouse gas emissions reduction form core parts of our corporate strategy. We support the Victorian public sector in adopting new technology that lowers emissions and increases environmental sustainability.

Greenhouse gas emissions

Forensicare reports its greenhouse gas emissions broken down into emissions ‘scopes’ consistent with national and international reporting standards. Scope 1 emissions are from sources that we own or control, such as burning fossil fuels in vehicles or machinery. Scope 2 emissions are indirect emissions from our use of electricity from the grid, which still uses coal and gas-fired power generation. Scope 3 emissions are indirect emissions from sources we do not control but do influence. Forensicare reports only Scope 3 emissions from corporate air travel and waste disposal.

Our Scope 1 greenhouse gas emissions increased by 3.49 per cent from 2020-21 to 2021-22 and decreased by 2.18 per cent from 2021-22 to 2022-23. This increase has largely been driven by increased vehicle use as travel activities resumed after extended remote work periods over 2022 and 2023. This initial increase is likely due to increased vehicle use after travel activities resumed.

Forensicare’s Scope 2 greenhouse gas emissions decreased by 9.7 per cent from 2020-21 to 2021-22 and decreased by 9.33 per cent from 2021-22 to 2022-23. This decrease can likely be credited to the full year of the solar panels and efficient lighting installed.

Forensicare did not collect data on Scope 3 greenhouse gas emissions from corporate air travel and waste disposal during 2022-23 but will collect this data in future.

Table 8: Greenhouse gas emissions

Indicator	2022-23	2021-22	2020-21
Total Scope 1 greenhouse gas emissions (tonnes CO2-e)	430.9	440.5	425.1
Total Scope 2 greenhouse gas emissions (tonnes CO2e)	1502.1	1656.6	1834.7
Total Scope 3 greenhouse gas emissions from commercial air travel and waste disposal (tonnes CO2-e)	N/A	N/A	N/A



Electricity production and consumption

Table 9: Electricity production and consumption

Indicator	2022-23	2021-22	2020-21
Total electricity consumption (MWh)	2284.1	2287.4	2352.5
Purchased electricity - consolidated	2186.6	2268.5	2352.5
Forensicare did not have a breakdown of electricity production and consumption data available in 2022-23 but intends to obtain this data for future reporting.			
Forensicare office	78.3	72.4	70.2
Self-generated (MWh)	97.5	18.8	0
On-site electricity generated (MWh)	97.5	18.8	0
Solar PV			
Consumption behind-the-meter	97.5	18.8	0
Exports	0	0	0
Other non-renewable (diesel backup generator)			
On-site installed generation capacity (MW)	0.3	0.3	0.2
Solar PV (c)	0.1	0.1	0
Diesel backup generator	0.2	0.2	0.2
Total electricity offsets (MWh)	2186.6	2268.5	2352.5
LGC's voluntarily retired by the Entity	2186.6	2268.5	2352.5
Greenpower	0	0	0

Stationary fuel use

Sources of emissions from stationary fuel include natural gas used in some buildings' heating systems and diesel back-up generators for critical facilities. We collected data primarily through billing information from fuel suppliers.

Stationary fuel use increased by 3.4 per cent from 2020-21 to 2021-22 and decreased by 2 per cent from 2021-22 to 2022-23.

Table 10: Stationary fuel use

Indicator	2022-23	2021-22	2020-21
Total fuels used in buildings and machinery (MJ)	8,078,306	8,241,467	7,970,765
Buildings	8,078,306	8,241,467	7,790,765
Natural gas	8,078,306	8,241,467	7,790,765
Greenhouse gas emissions from stationary fuel consumption (tonnes CO ₂ -e)	416	424	410

Transportation

Forensicare's fleet comprised 17 passenger vehicles at 30 June 2023 (down from 20 at 30 June 2022), three of which were executive lease vehicles and 14 were pool vehicles for patient transport and business-related staff travel. Six of these vehicles were diesel-driven, nine were petrol and two were hybrid (range-extended).

Energy used in transport fuels increased by 1.1 per cent from 2020-21 to 2022-23 while greenhouse gas emissions from transport increased by 1.8 per cent. Commercial air travel has not been documented to date, but we intend to collect related data in future.

Total energy use

Total energy used by Forensicare has decreased by 2.1 per cent from 2021-22 to 2022-23 driven by increases in the use of renewable energy sources.

Table 11: Total energy use

Indicator	2022-23	2021-22	2020-21
Total energy usage from fuels (stationary and transportation) (MJ)	8,290,133	8,473,300	8,180,150
Total energy used from electricity (MJ)	8,222,914	8,234,749	8,469,202
Total energy used segmented into renewable and non-renewable sources (MJ)	16,513,048	16,708,050	16,649,363
Renewable	1,831,059	1,586,140	1,603,220
Non-renewable	14,681,988	15,121,910	15,049,133
Units of energy used normalised by FTE	1,318	1,332	1,329

Sustainable buildings and infrastructure

In the management of buildings and in undertaking capital works Forensicare wherever possible follows the Victorian Health Building Authority guidelines for sustainability in capital works. These guidelines provide advice and guidance on how to build sustainable and resilient buildings. Forensicare also considers environmental concerns when conducting procurements, including environmental sustainability as an evaluation criteria.

Forensicare also has a Waste Management and Environmental Protection Procedure outlining the implementation of a range of environmental protection and waste management initiatives, to support our policy of protecting the environment, minimising waste, repairing broken items instead of replacing them and reusing products wherever possible.

Additionally, the impact of climate change is identified as a risk to on the organisation's enterprise risk register, ensuring Board oversight of environmental sustainability.

Solar capacity and use

In late 2021, Thomas Embling Forensic Hospital installed a 100kW solar photovoltaic (PV) system, leading to a reduction in annual electricity consumption of approximately 127MWh since 2022. This represents about 6 per cent of baseline site electricity consumption.

Environmentally Sustainable Design in new buildings and infrastructure

The redevelopment of the Thomas Embling Hospital is a major capital project being delivered by the Victorian Health Building Authority in partnership with Forensicare. This project is being delivered in accordance with the VHBA Guidelines for Sustainability in Capital Works, including a requirement that 2.5 per cent of the construction budget be directed to sustainability elements beyond business-as-usual operations. New environmentally sustainable development initiatives planned for the redeveloped hospital include:

- New buildings will be all electric, rather than gas powered.
- Use of sustainable materials.
- Provision of edible gardens.
- High performing facade treatments.

In 2022-23, Forensicare also commissioned an energy audit to identify opportunities for investment to improve sustainability in the hospital as we move towards net-zero. Decisions will be made on short, medium and long-term investments in 2023-24.

Sustainable procurement

Forensicare considers sustainable procurement objectives through its implementation of the Social Procurement Framework, which establishes requirements that apply to Victorian Government departments and agencies when they procure goods, services and construction.

Water consumption

Water use decreased by 3.6 per cent from 2021-22 to 2022-23. A potential reason for this decrease was closure of beds and closure of our Apsley section for a short duration.

Table 12: Water consumption

Indicator	2022-23	2021-22	2020-21
Total water consumption by an Entity (kilolitres)	14,568.5	15,107.9	15,410.5
Potable water consumption	14,568.5	15,107.9	15,410.5
Metered reused water consumption	-	-	-
Units of metered water consumed normalised by FTE	1.2	1.2	1.2

Waste and recycling

Waste management and recycling are key priorities for Forensicare. Focus areas include efforts to eliminate single-use plastics, as well as maximise recycling and minimise waste sent to landfill. The organisation collected waste data from invoices and reports from its waste management providers.

Table 13: Waste and recycling performance

Recycling	2022-23	2021-22
Paper recycling (kg)	6370	2110
Cardboard and paper recycling (tonnes)	30.9	52
General waste (tonnes)	138.1	136
Co-mingle waste (tonnes)	14.2	16
Organic waste (tonnes)	3.1	6
Clinical waste (tonnes)	1.5	4
E-waste (tonnes)	7.6	5

Statement of Priorities 2022-23

The Statement of Priorities (SOP) 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*. The content and preparation of the SOP is consistent with sections 40G, 65ZFA, 65ZFB and section 26 of the *Health Services Act 1988*.

The SOP aligned with the Department of Health Operational Plan 2022-23 and included Forensicare's contribution to the following priorities:

Objectives	Focus and actions
Care closer to home	<p>Supporting people to receive care where they live, Forensicare has undertaken significant work in the design and development of a regional community forensic mental health service, reducing the need for people to attend the metropolitan region for a range of community services. The service model also expands our current community service offerings by including transition support and shared care with Area Mental Health and Wellbeing Services across Victoria.</p> <p>This work has been guided and influenced by significant community-based consultations with consumers, families, supporters, workforce, Area Mental Health Services, Aboriginal Community Controlled Health Organisations and many other non-government social support agencies.</p>
Keep improving care	<p><u>Improved quality and safety of care</u></p> <p>Forensicare engaged two Safer Care Victoria (SCV) improvement initiatives in the sexual safety space and reducing restrictive interventions collaborative. The two fellows linked to this collaborative completed their improvement projects in May.</p> <p>With support from the Victorian Virtual Emergency Department Project, Forensicare partnered with Austin Health to establish a Virtual Emergency Department for Forensicare consumers at Thomas Embling Hospital to enable more timely responses to people with physical health deterioration.</p> <p><u>Plan update to nutrition and food quality standards</u></p> <p>Forensicare is on track to implement the Nutrition and Quality of Foods Standards in 2023. Initial audits are ongoing and have resulted in health education and promotion strategies for healthy food choices within Thomas Embling Hospital. Food and beverage options have been reviewed to find alternatives to unhealthy options, including a review on the vending machines available to consumers and staff. We continue to engage and seek feedback from consumers and staff on these changes.</p>

Objectives	Focus and actions
<i>Keep improving care cont.</i>	<p><u>Climate change commitments</u></p> <p>There has been significant focus on environmental sustainability design initiatives as part of the expansion of the Thomas Embling Hospital. Across the organisation we have undertaken an energy audit identifying a range of projects for prioritisation, subject to funding availability, for the coming year as part of our pathway to net zero. This includes replacement and/or optimisation of inefficient plant/equipment and possible deployment of additional solar panels.</p>
Improve Aboriginal health and wellbeing	<p>Our Aboriginal Social and Emotional Wellbeing Approach, which includes a commitment to building meaningful relationships with Aboriginal consumers, families, communities, and organisations, identified the need for the establishment of an Aboriginal Advisory and Self-Determination Unit. This unit will provide Forensicare with guidance as we continue to develop ways to build cultural safety and cultural capability for our Aboriginal consumers, their families and our workforce.</p> <p>The purpose of this unit is to support system and organisational policy change that proactively responds to reduce the compounding impact of colonisation experienced by Aboriginal men and women who are engaged with both the criminal justice and mental health systems. The unit has been many months in development as we sought guidance by Aboriginal leaders, ensuring the work we do is meaningful and purposeful.</p> <p>To better understand the needs of our Aboriginal consumers, Forensicare undertook an audit of a wide range of parameters to help identify areas for improved culturally safe care. This audit informed key areas of variance in health care, including accessibility, length of stay, diagnosis and intervention. This base-line audit will be used to develop quality improvement activities and actions to reduce barriers for access, particularly in early intervention and prevention, monitor areas of inequality of care, and support transition from Forensicare's services that support 'closing the gap'.</p> <p>As part of the development of an Aboriginal Advisory and Self-determination Unit, Forensicare has spent time over the past few months working with Aboriginal consultants and advisors in consideration of two identified roles – Senior Aboriginal Adviser, and Aboriginal Adviser. These roles are designed to support system-wide change, guide us in delivering self-determination across our services and working with us as we build key relationships with Aboriginal community and organisations. These roles, at senior levels, are critical before we employ Koori Mental Health Liaison Officers, as they will be able to provide cultural support to other Aboriginal workforce across the service.</p>

Objectives	Focus and actions
Moving from competition to collaboration	<p><u>Develop and implement forensic mental health recommendations of the Royal Commission into Victoria's Mental Health System</u></p> <p>As part of design processes undertaken this year, the redeveloped Thomas Embling Hospital will include more high care, step down and de-escalation spaces, intended to support reducing seclusion rates.</p> <p>In addition to the significant work in the design and development of a regional community forensic mental health service, Forensicare has enjoyed the benefits and influencing opportunity associated with being an active partner in the North East Metropolitan Health Service Partnership (HSP).</p> <p>While we are a statewide service, Forensicare being linked into and supporting local partnerships is associated with ensuring adequate connection to public health and pandemic responses led by the HSP, and pathways for physical health care (for Thomas Embling consumers in particular). Forensicare Executives (CEO, COO and ED SPP) are all engaged across Steering, Operations, Technical and Planning groups within the HSP.</p> <p>Forensicare has influenced the endorsed establishment of a Mental Health Reform Stream Committee, as a formal HSP group which Forensicare has been nominated to chair, enabling partnership across Mental Health Reforms in the North East area.</p> <p>Forensicare continues to prioritise the reduction in restrictive practices with a 48 per cent reduction in seclusion episodes per 1000 bed days in the past 12 months. This is being closely monitored alongside occupational violence (OV) rates.</p> <p>Work with the Department of Health to implement Forensicare's expansion (stages 1, 2 and 3) and the Model of Care, particularly in relation to reducing seclusion rates at Thomas Embling Hospital.</p> <p>Lead collaborative partnerships with Area Mental Health and Wellbeing Services, Mental Health and Wellbeing Locals, and other relevant stakeholders to improve access and transition pathways for forensic mental health consumers, and those at risk of coming into contact with the criminal justice system.</p>
A stronger workforce	<p><u>Improve workforce wellbeing</u></p> <p>Participated in the Occupational Violence and Aggression training implemented across the sector in 2022-23.</p> <p>Supported the implementation of the Strengthening Hospital Responses to Family Violence initiatives, including health service alignment to MARAM, the Family Violence Multi-Agency Risk Assessment and Management framework.</p> <p>Prioritised wellbeing of healthcare workers and implemented local strategies to address key issues. A new role of Employee Wellbeing Coordinator led several initiatives including delivering Psychological First Aid training for nursing staff, Recognising and Responding to Burnout, and various training and professional development initiatives to continue to grow and promote the Employee Support Network, which now has over 40 volunteers.</p> <p>A new employee wellbeing resource hub implemented various measures including a range of internal and external supports resources and programs. Mindfulness training and refreshers are now an ongoing offer to all staff. Work is ongoing to develop training and resources in anticipation of the new Psychosocial Health Regulations.</p>

We continued 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.

Health service performance priorities

Table 14: 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%	87%
Percentage of healthcare workers immunised for influenza	92%	97%
Patient experience		
Percentage of adult patients who reported positive experiences (Thomas Embling Hospital)	95%	79%
Percentage of adult patients who reported positive experiences (Community Forensic Mental Health Service)	95%	N/A
Percentage of consumers reporting a 'very good' or 'excellent' experience of care in the last 3 months or less	80%	73%
Percentage of mental health consumers reporting they 'usually' or 'always' felt safe using this service	90%	91%
Percentage of families/carers reporting a positive experience of the service	80%	N/A
Percentage of families/carers who report they 'always' or 'usually' felt their opinions as a carer were respected	90%	N/A
Mental health		
Percentage of consumers followed up within 7 days of separation	88%	100%
Rate of seclusion episodes per 1,000 occupied bed days	≤ 8	32

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 and culture	62%	57%

Timely access to care

Key Performance Measure	Target	Result
Emergency care		
Number of male security patients admitted to Thomas Embling Hospital Male Acute Units – Security	120	135
Percentage of male Security Patients admitted to Thomas Embling Hospital within 7 days of certification	80%	12%
Percentage of male security patients discharged from Thomas Embling Hospital to a correctional centre within 21 days	80%	30%
Percentage of male security patients discharged within 7 days of becoming a civil client	80%	56%

Effective financial reporting

Key Performance Measure	Target	Result
Operating result (\$m)	\$0.00	\$0.00
Average number of days to pay trade creditors	60 days	43.4 days
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.99
Actual number of days available cash, measured on the last day of each month	14 days	34.8 days
Variance between forecast and actual net result from transactions (NRFT) for the current financial year ending 30 June	Variance ≤ \$250,000	\$22.2 million

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 15: Victorian Institute of Forensic Mental Health's funding summary for 2022-23

Funding Type	Activity	Budget Target (\$'000)	Result (\$'000)
Mental health and drug services			
Mental health ambulatory	19,949	16,268	17,964
Mental health inpatient - available bed days	49,642	60,257	60,257
Mental health service system capacity		5,462	6,625
Other			
Health workforce		598	253
Other specified funding		3,435	9,897
Total funding		86,020	94,996

Disclosures

Disclosure index

The index prepared to help identify Forensicare's compliance with statutory disclosure requirements is provided on pages 138-139.

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.
- Using registered building practitioners, registered building consultants, qualified engineers, building surveyors and qualified trades personnel.
- Undertaking regular compliance inspections and promptly addressing non-compliances where identified.

During 2022-23, Forensicare was issued with two building permits for works undertaken on its sites. Additionally, three permits were issued to the Victorian Health Building Authority relating to the redevelopment of the Thomas Embling Hospital.

Freedom of Information Act 1982

The *Freedom of Information Act 1982* (the Act) gives members of the public a right to apply for access to documents held by Forensicare. This comprises documents 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.

Most 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.

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 2022–23. During the reporting period, 130 requests were received and processed. Of these requests 129 were from members of the public, and one from the media.

- Documents were released in full in response to 91 applications
- 2 applications were received for which no documents were found
- 3 applications were denied
- No applications were transferred
- 31 applications had some exemptions applied

No applications were carried over to be completed in 2022–23.

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

- 1 request had section 30(1) applied
- 27 had section 33(1) applied
- 1 had section 33(4) applied
- 15 had section 35(1)(b) applied

*Note: some applications had multiple exemptions.

In 2022–23, 130 decisions were made within the statutory 30-day period. The average time taken to finalise requests was 13.8 days. Of requests finalised, the average number of days (over or under the average statutory period to decide the request) was less than 16.2 days. No requests were subject to complaints/internal reviews by OVIC. No requests progressed to the Victorian Civil and Administrative Tribunal (VCAT).

Further information

All patients are provided with an FOI kit as part of their admission packs on admission to help them make 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 www.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. Two mandatory notifications were made by the Chief Executive Officer to IBAC under the *Independent Broad-based Anti-Corruption Commission Act 2011* (Vic.) in 2022–23.

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, procedures, guidelines and providing services.
- Implementing priority actions in Recognising and supporting Victoria's carers: Victorian carer strategy 2018–22.

Families and carers are important partners and 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 our governance framework and 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

Our Diversity, Equity and Inclusion Framework sets out how we commit to ensuring equity, accessibility, responsiveness and inclusion for everyone at Forensicare. 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 is implementing our Gender Equality Action Plan, which was developed in close consultation with staff.

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.

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 2022-23

Table 16: List of consultancies used in 2022-23

Consultant Name	Purpose	Total Project Approved (Excl. GST)	Expenditure 2022-23 (Excl. GST)	Future expenditure (Excl. GST)
KPMG	Security Management Review	\$190,856	\$190,856	\$0
NOUS GROUP PTY LTD	Workforce Strategy and Model	\$159,936	\$159,936	\$0
COMMITTO PTY LTD	IT Systems External Support	\$106,020	\$106,020	\$0
DELOITTE CONSULTING PTY LTD	Human Capital Management (HCM) Tender	\$93,000	\$93,000	\$0
FBG GROUP PTY LTD	Fatigue and Trauma Risk Management Review	\$46,650	\$46,650	\$0
NEXON ASIA PACIFIC PTY LTD	Privileged Access Management Review and Penetration Testing	\$43,920	\$43,920	\$0
SWINBURNE UNIVERSITY OF TECHNOLOGY	Cultural Reform Evaluation	\$41,748	\$41,748	\$0
NELSON SALA TRUST	Cultural Reform	\$36,000	\$36,000	\$0
ABSTARR CONSULTING PTY LTD	ABSTARR Training	\$32,130	\$32,130	\$0
UNIVERSITY OF MELBOURNE	Women's Care Pathway Project	\$28,500	\$28,500	\$0
PORTABLE AUSTRALIA PTY LTD	Internet Refresh Incorporating Identity Project	\$25,000	\$25,000	\$0
DELOITTE TOUCHE TOHMATSU	Prison Pricing Review	\$22,700	\$22,700	\$0
PIXEL PERFECT LIMITED-COURTHEATH	Human Capital Management (HCM) Tender	\$12,000	\$12,000	\$0
MAGIQ SOFTWARE LTD	WAP Performance Reporting	\$10,985	\$10,985	\$0
THE TRUSTEE FOR THE SCAFFIDI HUGH-JONES TRUST	Cultural Change of Communications	\$10,000	\$10,000	\$0

Throughout the financial year, Forensicare engaged 31 consultancies where the total fees payable to the consultants were less than \$10,000, with a total expenditure of \$220,720 (excl. GST).

Details of information and communication technology expenditure 2022-23

The total ICT expenditure incurred during 2022-23 was \$4.7 million (excluding GST), with the details shown below.

Table 17: Forensicare ICT expenditure 2022-23

(\$ million)

Business As Usual (BAU) ICT expenditure	Non-Business as Usual ICT Expenditure		
	Total = Operational expenditure and Capital Expenditure (excluding GST) (a) + (b)	Operational expenditure (excluding GST) (a)	Capital expenditure (excluding GST) (b)
Total (excluding GST)			
\$3.7 million	\$1 million	\$0.6 million	\$0.4 million

Attestations

Data integrity attestation

I, Jessica Lightfoot, 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.



Jessica Lightfoot
Interim Chief Executive Officer
Accountable Officer
Melbourne
6 September 2023

Conflict of interest attestation

I, Jessica Lightfoot, 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.



Jessica Lightfoot
Interim Chief Executive Officer
Accountable Officer
Melbourne
6 September 2023

Financial management compliance attestation

I, Sally Campbell, 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.



Sally Campbell
Audit and Risk Committee Chair
Melbourne
6 September 2023

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, Jessica Lightfoot, 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.



Jessica Lightfoot
Interim Chief Executive Officer
Accountable Officer
Melbourne
6 September 2023

Financial performance summary 2022-23

At the end of the reporting period, Forensicare recorded a net surplus for the year of \$38.1m (FY22: \$5.9m). The Statement of Priorities achieved a break-even operating result, aligning with a budget that also broke even.

Revenue

Total income from transactions grew during the year by 29.3 per cent to \$192.2m, up from \$148.6m in 2021-22.

Key increases in the year were due to:

- DH additional capital funding to support hospital expansion project.

Expenditure

Salary and wages

Employee Benefits increased to \$127.7m up from \$119.3m in 2021-22 (7.1%), primarily a result of the organisation's investment in the Early Careers program. Nursing and allied health graduates are being recruited to build up capability in the forensic mental health sector ahead of the opening of the new hospital wards, when a significant increase to clinical staff will be required. Other contributing factors include Enterprise Bargaining Agreement (EBA) increases on existing positions, new positions required to be recruited under the new EBA.

Non-salary expenditure

Non-salary expenditure increased during the year to \$20.4m from \$19m in 2021-22 (7%), including expenditure related to repair and maintenance (painting of the buildings) and new contracted security services.

Other comments to the financial statements

1. The cash and cash equivalents balance was \$28.5m, down from \$31.8m in 2021-22. This decrease was predominantly due to back payment of EBA increases for FY21 and FY22.
2. Purchase of non-financial assets increased during the year to \$8m from \$6.6m in 2021-22. This was for a range of capital works programs, including the Priority Works 1, Enabling and Priority Works 2, Canning DDA and Yarra House program.

Historical financial analysis and key financial statistics

Table 18: Historical financial analysis and key financial statistics

	2023	2022	2021	2020
	\$'000	\$'000	\$'000	\$'000
Financial performance				
Operating revenue	\$147,832	\$138,337	\$122,347	\$114,023
Operating expenditure	(\$147,832)	(\$138,295)	(\$122,321)	(\$114,377)
Operating result	-	\$42	\$26	(\$354)
Other gains/(losses) from other economic flows	(\$836)	\$379	\$1,772	(\$417)
Capital revenues	\$44,370	\$10,260	\$8,051	\$2,416
Depreciation and amortisation	(\$5,151)	(\$4,694)	(\$4,225)	(\$3,902)
Finance costs (other)	(\$166)	(\$42)	(\$51)	(\$54)
Expenditure for capital purpose	(\$103)	(\$19)	(\$21)	-
Net result	\$38,114	\$5,926	\$5,552	(\$2,311)
Financial position				
Current assets	\$35,454	\$40,024	\$26,393	\$21,503
Non-current assets	\$228,385	\$179,176	\$174,069	\$152,550
Total assets	\$263,839	\$219,200	\$200,462	\$174,053
Current liabilities	\$46,319	\$48,308	\$35,502	\$32,168
Non-current liabilities	\$8,465	\$5,557	\$5,990	\$7,956
Total liabilities	\$54,784	\$53,865	\$41,492	\$40,124
Net assets	\$209,055	\$165,335	\$158,970	\$133,929
Equity	\$209,055	\$165,335	\$158,970	\$133,929
Cash held				
Cash at the end of reporting period	\$28,465	\$31,750	\$18,830	\$14,470
Key statistics				
Current ratio – liquidity	0.99	1.01	0.87	0.67
Equity/assets – stability	0.79	0.75	0.79	0.83

Net result from transactions

Table 19: Reconciliation between the Net result from transactions reported in the model to the Operating result as agreed in the Statement of Priorities

	2023	2022	2021	2020
	\$'000	\$'000	\$'000	\$'000
Operating result	-	42	26	(354)
Capital purpose income	44,370	10,260	8,051	2,416
Specific income	-	-	-	-
Assets provided free of charge	-	-	-	-
Assets received free of charge	-	-	-	-
Expenditure for capital purpose	(103)	(19)	(21)	-
Depreciation and amortisation	(5,151)	(4,694)	(4,225)	(3,902)
Impairment of non-financial assets	-	-	-	-
Finance costs (other)	(166)	(42)	(51)	(54)
Net result from transactions	38,950	5,547	3,780	(1,894)



Financial Statements 2022–23

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 2023 in the following structure to provide users with the information about the Institute's stewardship of the resources entrusted to it.

Note	Contents	Page
	Understanding Our Financials	74
	Board Member's, Accountable Officer's and Chief Finance and Accounting Officer's Declaration	76
	Victorian Auditor-General's Office Report	77
	Comprehensive Operating Statement	79
	Balance Sheet	80
	Cash Flow Statement	81
	Statement of Changes in Equity	82
Note 1	Basis of Preparation	83
Note 1.1	Basis of Preparation of the Financial Statements	83
Note 1.2	Impact of COVID-19 Pandemic	84
Note 1.3	Abbreviations and Terminology Used in the Financial Statements	84
Note 1.4	Key Accounting Estimates and Judgements	84
Note 1.5	Accounting Standards Issued but not yet Effective	85
Note 1.6	Goods and Services Tax (GST)	85
Note 1.7	Reporting Entity	86
Note 2	Funding Delivery of Our Services	87
Note 2.1	Revenue and Income from Transactions	88
Note 3	The Cost of Delivering Our Services	91
Note 3.1	Expenses from Transactions	92
Note 3.2	Employee Benefits and Related On-Costs	94
Note 3.3	Superannuation	96
Note 3.4	Other Economic Flows	97
Note 4	Key Assets to Support Service Delivery	98
Note 4.1	Property, Plant and Equipment	99
Note 4.2	Right-of-use Assets	103
Note 4.3	Revaluation Surplus	105
Note 4.4	Intangible Assets	106
Note 4.5	Depreciation and Amortisation	107
Note 4.6	Impairment of Assets	108
Note 5	Other Assets and Liabilities	109
Note 5.1	Receivables	110
Note 5.2	Payables	111
Note 5.3	Contract Liabilities	112
Note 5.4	Other Liabilities	112
Note 6	How We Finance Our Operations	113
Note 6.1	Borrowings	114
Note 6.2	Cash and Cash Equivalents	116
Note 6.3	Commitments for Expenditure	117
Note 7	Risks, Contingencies and Valuation Uncertainties	118
Note 7.1	Financial Instruments	119
Note 7.2	Financial Risk Management Objectives and Policies	122
Note 7.3	Contingent Assets and Contingent Liabilities	124
Note 7.4	Fair Value Determination	125
Note 8	Other Disclosures	131
Note 8.1	Reconciliation of Net Result for the Year to Net Cash Flows from Operating Activities	131
Note 8.2	Responsible Persons Disclosures	132
Note 8.3	Remuneration of Executive Officers	133
Note 8.4	Related Parties	134
Note 8.5	Remuneration of Auditors	135
Note 8.6	Events Occurring after the Balance Sheet Date	136
Note 8.7	Equity	136
Note 8.8	Economic Dependency	136

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
- Cash Flow Statement
- Statement of Changes in Equity.

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.

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.

Victorian Institute of Forensic Mental Health

Understanding Our Financials (continued)

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 the accumulated surplus.

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, Cash Flow Statement, Statement of Changes in Equity and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2023 and the financial position of the Victorian Institute of Forensic Mental Health at 30 June 2023.

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 6th September 2023

Member of Responsible Body

Accountable Officer

Chief Finance and Accounting Officer



Ms Penny Armytage AM
Chair



Ms Jessica Lightfoot
Interim Chief Executive Officer



Ms Sarah Sheard
Acting Chief Financial Officer

FINANCIAL STATEMENTS 2022-23

6th September 2023
Melbourne, Victoria

Independent Auditor's Report

To the Board of Victorian Institute of Forensic Mental Health

Opinion	<p>I have audited the financial report of Victorian Institute of Forensic Mental Health (the Institute) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2023 • 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 2023 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 2023


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 2023

	Note	2023 \$'000	2022 \$'000
Revenue and Income from Transactions			
Operating activities	2.1	191,332	148,519
Non-operating activities	2.1	871	78
Total Revenue and Income from Transactions		192,203	148,597
Expenses from Transactions			
Employee expenses	3.1	(127,748)	(119,325)
Supplies and consumables	3.1	(6,769)	(6,544)
Finance costs	3.1	(166)	(42)
Other administrative expenses	3.1	(10,907)	(10,497)
Other operating expenses	3.1	(2,512)	(1,948)
Depreciation and amortisation	3.1, 4.5	(5,151)	(4,694)
Total Expenses from Transactions		(153,253)	(143,050)
Net Result from Transactions - Net Operating Balance		38,950	5,547
Other Economic Flows included in Net Result			
Net gain/(loss) on non-financial assets	3.4	60	(198)
Other gain/(loss) from other economic flows	3.4	(896)	577
Total Other Economic Flows included in Net Result		(836)	379
NET RESULT FOR THE YEAR		38,114	5,926
Other Comprehensive Income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus	4.3	5,606	512
Total Other Comprehensive Income		5,606	512
COMPREHENSIVE RESULT FOR THE YEAR		43,720	6,438

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

Victorian Institute of Forensic Mental Health
Balance Sheet
As at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Current Assets			
Cash and cash equivalents	6.2	28,465	31,750
Receivables	5.1	5,818	7,039
Other assets		1,171	1,235
Total Current Assets		35,454	40,024
Non-Current Assets			
Receivables	5.1	5,262	4,852
Property, plant and equipment	4.1a, 4.2a	222,679	173,814
Intangible assets	4.4a	444	510
Total Non-Current Assets		228,385	179,176
Total Assets		263,839	219,200
Current Liabilities			
Payables	5.2	17,136	20,245
Contract liabilities	5.3	4,314	6,886
Borrowings	6.1	917	416
Employee benefits	3.2	23,640	20,504
Other current liabilities	5.4	312	257
Total Current Liabilities		46,319	48,308
Non-Current Liabilities			
Borrowings	6.1	3,846	1,263
Employee benefits	3.2	4,619	4,294
Total Non-Current Liabilities		8,465	5,557
Total Liabilities		54,784	53,865
NET ASSETS		209,055	165,335
Equity			
Property, plant and equipment revaluation surplus	4.3	117,488	111,882
Contributed capital	SCE	34,139	34,139
Accumulated surplus	SCE	57,428	19,314
TOTAL EQUITY		209,055	165,335

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
Cash Flow Statement
For the Financial Year Ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Cash Flows From Operating Activities			
Operating grants from DH		96,336	95,923
Operating grants from Commonwealth		130	156
Operating grants from DJCS ⁽ⁱ⁾		24,135	20,587
Capital grants from DH		6,473	9,686
Service fees - commercial prison		29,765	29,374
Interest received		871	78
Donations and bequests received		41	-
Other receipts received ⁽ⁱⁱ⁾		595	576
Total Receipts		158,346	156,380
Payments to employees		(126,640)	(110,705)
Payments to contractors and consultants		(3,878)	(5,356)
Payments for supplies and consumables		(22,480)	(20,489)
Total Payments		(152,998)	(136,550)
Net Cash Flows from/(used in) Operating Activities	8.1	5,348	19,830
Cash Flows From Investing Activities			
Purchase of non-financial assets		(7,994)	(6,560)
Proceeds from sale of non-financial assets		69	46
Net Cash Flows from/(used in) Investing Activities		(7,925)	(6,514)
Cash Flows From Financing Activities			
Repayment of principal portion of lease liabilities		(708)	(396)
Net Cash Flows from/(used in) Financing Activities		(708)	(396)
Net Increase/(Decrease) in Cash and Cash Equivalents Held		(3,285)	12,920
Cash and Cash Equivalents at Beginning of Year		31,750	18,830
CASH AND CASH EQUIVALENTS AT END OF YEAR	6.2	28,465	31,750

(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
Statement of Changes in Equity
For the Financial Year Ended 30 June 2023

	Property, Plant & Equipment Revaluation Surplus	Contributed Capital	Accumulated Surplus/ (Deficit)	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 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
Net result for the year		-	38,114	38,114
Other comprehensive income for the year	5,606	-	-	5,606
Transfer to accumulated surplus	-	-	-	-
BALANCE AT 30 June 2023	117,488	34,139	57,428	209,055

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 2023

Note 1: Basis of Preparation

These financial statements represent the audited general purpose financial statements for the Institute for the year ended 30 June 2023. 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.

Structure

- 1.1 Basis of preparation of the financial statements
- 1.2 Impact of COVID-19 pandemic
- 1.3 Abbreviations and terminology used in the financial statements
- 1.4 Key accounting estimates and judgements
- 1.5 Accounting standards issued but not yet effective
- 1.6 Goods and Services Tax (GST)
- 1.7 Reporting entity

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 presented 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 6th September 2023.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

Note 1.2 Impact of COVID-19 Pandemic

The Pandemic (Public Safety) Order 2022 (No. 5) which commenced on 22 September 2022 ended on 12 October 2022 when it was allowed to lapse and was revoked. Long-term outcomes from COVID-19 infection are currently unknown and while the pandemic response continues, a transition plan towards recovery and reform in 2022/23 was implemented. Victoria's COVID-19 Catch-Up Plan is aimed at addressing Victoria's COVID-19 case load and restoring surgical activity.

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 relate to the following disclosures:

- Note 2.1: Revenue and income from transactions
- Note 3.2: Employee benefits and related on-costs
- Note 4.1: Property, plant and equipment
- Note 4.2: Right-of-use assets
- Note 4.4: Intangible assets
- Note 4.5: Depreciation and amortisation
- Note 4.6: Impairment of assets
- Note 5.1: Receivables
- Note 5.2: Payables
- Note 5.3: Contract liabilities
- Note 6.1(a): Lease liabilities
- Note 7.4: Fair value determination

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

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 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-5: Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback	Reporting periods beginning on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.
AASB 2022-6: Amendments to Australian Accounting Standards – Non-Current Liabilities with Covenants	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-8: Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-9: Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector	Reporting periods beginning on or after 1 January 2026.	Adoption of this standard is not expected to have a material impact.
AASB 2022-10: Amendments to Australian Accounting standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities	Reporting periods beginning on or after 1 January 2024.	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, assets and liabilities 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. These GST components 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 2023

Note 1.7 Reporting Entity

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

The Institute's 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 2023

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 during the financial year was not materially impacted by the COVID-19 Coronavirus pandemic and scaling down the COVID-19 public health response during the year ended 30 June 2023.

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 judgement 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>
Assets and services received free of charge or for nominal consideration	<p>The Institute applies significant judgement to determine the fair value of assets and services provided free of charge or for nominal value.</p>

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

Note 2.1: Revenue and Income from Transactions

	Note	2023 \$'000	2022 \$'000
Operating Activities			
Revenue from Contracts with Customers			
Government grants (DJCS) - Operating		19,814	18,618
Service fees - commercial prisons		28,024	26,681
Total Revenue from Contracts with Customers	2.1a	47,838	45,299
Other Resource of Income			
Government grants (DH) - Operating ⁽ⁱ⁾		98,408	92,327
Government grants (DH) - Capital		44,370	10,260
Government grants (Commonwealth) - Operating		130	156
Assets received free of charge or for nominal consideration		41	-
Other income from operating activities		545	477
Total Other Resource of Income		143,494	103,220
Total Revenue and Income from Operating Activities		191,332	148,519
Non-Operating Activities			
Other Resource of Income			
Interest revenue		871	78
Total Other Resource of Income		871	78
Total Income from Non-Operating Activities		871	78
Total Revenue and Income from Transactions		192,203	148,597

Note 2.1a: Timing of Revenue from Contracts with Customers

	2023 \$'000	2022 \$'000
The Institute disaggregates revenue by the timing of revenue recognition.		
Goods and services transferred to customers:		
At a point in time	-	-
Over time	47,838	45,299
Total Revenue from Contracts with Customers	47,838	45,299

How we recognise revenue and income from operating activities
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 a point in time or over time as and 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.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

Note 2.1: Revenue and Income from Transactions (continued)

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.

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 services within Victoria's publicly operated prisons. A 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.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

Note 2.1: Revenue and Income from Transactions (continued)
Note 2.1b Fair value of assets and services received free of charge or for nominal consideration

	2023 \$'000	2022 \$'000
Cash donations and gifts	41	-
Total fair value of assets and services received free of charge or for nominal consideration	41	-

How we recognise the fair value of assets and services received free of charge or for nominal consideration
Donations and Bequests

Donations and bequests are generally recognised as income upon receipt (which is when the Institute usually obtained control of the asset) as they do not contain sufficiently specific and enforceable performance obligations. Where sufficiently specific and enforceable performance obligations exist, revenue is recorded as and when the performance obligation is satisfied.

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 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 2023

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 decreased during the financial year which was attributable to reduced activity due to the COVID-19 Coronavirus pandemic and scaling down of the COVID-19 public health response during the year ended 30 June 2023.

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 judgement when 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 judgement 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:</p> <ul style="list-style-type: none"> • anticipated future wage and salary levels, • durations of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. The estimated rates are between 37% and 85% • discounting at the rate of 3.6%, as determined with reference to market yields on government bonds at the end of the reporting period. <p>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 2023

Note 3.1: Expenses from Transactions

	Note	2023 \$'000	2022 \$'000
Salaries and wages		98,682	92,264
On-costs		24,703	22,767
Agency expenses		2,838	2,837
Workcover premium		1,525	1,457
Total Employee Expenses		127,748	119,325
Drug supplies		1,021	1,020
Medical and surgical supplies		129	76
Diagnostic and radiology supplies		296	215
Other supplies and consumables		5,323	5,233
Total Supplies and Consumables		6,769	6,544
Finance costs		166	42
Total Finance Costs		166	42
Other administrative expenses		10,907	10,497
Total Other Administrative Expenses		10,907	10,497
Fuel, light, power and water		565	600
Repairs and maintenance		1,381	954
Maintenance contracts		462	377
Expenditure for capital purpose		104	17
Total Other Operating Expenses		2,512	1,948
Total Operating Expenses		148,102	138,356
Depreciation and amortisation	4.5	5,151	4,694
Total Non-Operating Expenses		5,151	4,694
Total Expenses from Transactions		153,253	143,050

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

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)

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 2023

Note 3.2: Employee Benefits and Related On-Costs

	2023 \$'000	2022 \$'000
Current Employee Benefits and Related On-Costs		
Annual leave		
- Unconditional and expected to be settled wholly within 12 months (i)	7,316	6,593
- Unconditional and expected to be settled wholly after 12 months (ii)	3,088	2,761
	10,404	9,354
Long service leave		
- Unconditional and expected to be settled wholly within 12 months (i)	1,647	1,326
- Unconditional and expected to be settled wholly after 12 months (ii)	9,049	7,490
	10,696	8,816
Provisions related to employee benefit on-costs		
- Unconditional and expected to be settled within 12 months (i)	991	965
- Unconditional and expected to be settled after 12 months (ii)	1,549	1,369
	2,540	2,334
Total Current Employee Benefits and Related On-Costs	23,640	20,504
Non-Current Employee Benefits and Related On-Costs		
Conditional long service leave	4,069	3,767
Provisions related to employee benefit on-costs	550	527
Total Non-Current Employee Benefits and Related On-Costs	4,619	4,294
Total Employee Benefits and Related On-Costs	28,259	24,798

(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

	2023 \$'000	2022 \$'000
Current Employee Benefits and Related On-costs		
Unconditional annual leave entitlements	11,554	10,526
Unconditional long service leave entitlements	12,086	9,978
Total Current Employee Benefits and Related On-costs	23,640	20,504
Non-Current Employee Benefits and Related On-costs		
Conditional long service leave entitlements	4,619	4,294
Total Non-Current Employee Benefits and Related On-costs	4,619	4,294
Total Employee Benefits and Related On-Costs	28,259	24,798
Attributable to:		
Employee benefits	25,169	21,937
Provision for related on-costs	3,090	2,861
Total Employee Benefits and Related On-Costs	28,259	24,798

Note 3.2b Provision for Related On-costs Movement Schedule

	2023 \$'000	2022 \$'000
Carrying Amount at Start of Year	2,861	2,375
Additional provisions recognised	1,607	1,425
Amounts incurred during the year	(1,300)	(1,180)
Net gain/(loss) arising from revaluation of long service liability	(78)	241
Carrying Amount at End of Year	3,090	2,861

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

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.

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 2023

Note 3.3: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Defined Benefit Plans ⁽ⁱ⁾				
State Superannuation Fund	91	107	-	-
Defined Contribution Plans				
Hesta	5,377	4,462	-	-
Aware Super	3,049	2,621	-	-
Other	2,071	2,314	-	-
TOTAL	10,588	9,504	-	-

(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

Defined contribution (i.e., accumulation) superannuation plan expenditure 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 2023

Note 3.4: Other Economic Flows

	2023	2022
	\$'000	\$'000
Net Gain/(Loss) on Non-financial Assets		
Net gain/(loss) on disposal of property, plant and equipment	60	(198)
Total Net Gain/(Loss) on Non-financial Assets	60	(198)
Other Gain/(Loss) from Other Economic Flows		
Net gain/(loss) arising from revaluation of long service liability	(896)	577
Total Other Gain/(Loss) from Other Economic Flows	(896)	577
Total Gains/(Losses) from Other Economic Flows	(836)	379

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 2023

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	<p>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.</p> <p>The Institute applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.</p>
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	<p>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.</p> <p>The health service considers a range of information when performing its assessment, including considering:</p> <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. <p>Where an impairment trigger exists, the Institute applies significant judgement and estimate to determine the recoverable amount of the asset.</p>

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

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

	2023	2022
	\$'000	\$'000
Land at fair value	104,000	104,000
Total Land at Fair Value	104,000	104,000
Buildings at fair value	68,012	59,368
Less accumulated depreciation	(11,156)	(8,465)
Total Buildings at Fair Value	56,856	50,903
Leasehold improvements at fair value	2,257	2,257
Less accumulated depreciation	(2,164)	(2,147)
Total Leasehold Improvements at Fair Value	93	110
Building work in progress at cost	49,463	8,894
Total Land and Buildings	210,412	163,907
Plant and equipment at fair value	12,854	11,611
Less accumulated depreciation	(6,361)	(5,294)
Total Plant and Equipment at Fair Value	6,493	6,317
Medical equipment at fair value	293	265
Less accumulated depreciation	(180)	(160)
Total Medical Equipment	113	105
Computer and communications equipment at fair value	3,831	3,421
Less accumulated depreciation	(3,096)	(2,579)
Total Computer and Communication	735	842
Motor vehicles at fair value	304	334
Less accumulated depreciation	(289)	(314)
Total Motor Vehicles	15	20
Plant and equipment work in progress at fair value	269	996
Total Plant, Equipment, and Vehicles at Fair Value	7,625	8,280
TOTAL PROPERTY, PLANT AND EQUIPMENT	218,037	172,187

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

Note 4.1: Property, Plant and Equipment (continued)

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

	Note	Land	Buildings	Leasehold Improvements	Plant and Equipment	Medical Equipment	Computer & Comm Equipment	Motor Vehicles	Assets under Construction	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
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	4.5	-	(2,888)	(17)	(764)	(14)	(517)	(17)	-	(4,217)
Balance at 30 June 2022	4.1a	104,000	50,903	110	6,317	105	842	20	9,890	172,187
Additions		-	15	-	221	27	136	-	44,162	44,561
Transfers from WIP		-	3,043	-	1,003	-	274	-	(4,320)	-
Disposals		-	-	-	-	-	-	-	-	-
Revaluation Increments/(Decrements)		-	5,606	-	-	-	-	-	-	5,606
Net Transfers between Classes		-	(20)	-	20	-	-	-	-	-
Depreciation	4.5	-	(2,691)	(17)	(1,068)	(19)	(517)	(5)	-	(4,317)
Balance at 30 June 2023	4.1a	104,000	56,856	93	6,493	113	735	15	49,732	218,037

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 or managerial assessments. The effective date of the valuation was 30 June 2023 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 2023

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. As an independent valuation was not undertaken on 30 June 2023, a managerial assessment was performed at 30 June 2023, which indicated an overall:

- decrease in fair value of land of 3% (\$3m)
- increase in fair value of buildings of 12% (\$6m).

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

Note 4.1: Property, Plant and Equipment (continued)

As the cumulative movement was less than 10% for land since the last revaluation, a managerial revaluation adjustment was not required as at 30 June 2023.

As the cumulative movement was greater than 10% but less than 40% for buildings since the last revaluation, a managerial revaluation adjustment was required as at 30 June 2023, 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 2023

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

	2023	2022
	\$'000	\$'000
Right of use buildings at fair value	6,136	2,380
Less accumulated depreciation	(1,678)	(966)
Total Right-of-use Buildings at Fair Value	4,458	1,414
Right-of-use plant and equipment	-	43
Less accumulated depreciation	-	(43)
Total Right-of-use Plant and Equipment at Fair Value	-	-
Right-of-use motor vehicles	323	362
Less accumulated depreciation	(139)	(149)
Total Right-of-use Motor Vehicles at Fair Value	184	213
TOTAL RIGHT-OF-USE ASSETS	4,642	1,627

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 2021		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
Additions		3,756	-	60	3,816
Disposals		-	-	(33)	(33)
Revaluation Increments/(Decrements)		-	-	-	-
Net Transfers between Classes		-	-	-	-
Depreciation	4.5	(712)	-	(56)	(768)
Balance at 30 June 2023	4.2a	4,458	-	184	4,642

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

Note 4.2: Right-of-use Assets (continued)
How we recognise right-of-use assets

Where the Institute enters into 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 2023

Note 4.3: Revaluation Surplus

	Note	2023 \$'000	2022 \$'000
Balance at the beginning of the reporting period		111,882	111,370
Revaluation increment			
- Land	4.1b	-	512
- Buildings	4.1b	5,606	-
Balance at the End of the Reporting Period*		117,488	111,882
* Represented by:			
- Land		100,818	100,818
- Buildings		16,670	11,064
		117,488	111,882

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

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

	2023	2022
	\$'000	\$'000
Intangible produced assets - software	875	875
Less accumulated amortisation	(431)	(365)
Total Intangible Assets	444	510

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

	Note	Software	Total
		\$'000	\$'000
Balance at 1 July 2021		520	520
Additions		60	60
Disposals		-	-
Amortisation	4.5	(70)	(70)
Balance at 30 June 2022	4.4a	510	510
Additions		-	-
Disposals		-	-
Amortisation	4.5	(66)	(66)
Balance at 30 June 2023	4.4a	444	444

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 2023

Note 4.5: Depreciation and Amortisation

	2023	2022
	\$'000	\$'000
Depreciation		
Buildings	2,691	2,888
Leasehold improvements	17	17
Plant and equipment	1,068	764
Motor vehicles	5	17
Computer and communications	517	517
Medical equipment	19	14
Total Depreciation - Property, Plant and Equipment	4,317	4,217
Right-of-use buildings	712	343
Right-of-use plant and equipment	-	13
Right-of-use vehicles	56	51
Total Depreciation - Right-of-use Assets	768	407
Total Depreciation	5,085	4,624
Amortisation		
Software	66	70
Total Amortisation	66	70
Total Depreciation and Amortisation	5,151	4,694

How we recognise depreciation

All infrastructure assets, 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.

	2023	2022
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 2023

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 2023

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

Note 5: Other Assets and Liabilities

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

Structure

- 5.1 Receivables
- 5.2 Payables
- 5.3 Contract Liabilities
- 5.4 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 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 2023

Note 5.1: Receivables

	Note	2023 \$'000	2022 \$'000
Current Receivables			
Contractual			
Trade receivables		3,780	2,855
Accrued revenue		53	131
Amounts receivable from governments and agencies		1,985	4,053
Total Contractual Receivables		5,818	7,039
Total Current Receivables		5,818	7,039
Non-Current Receivables			
Contractual			
Long service leave - Department of Health		5,262	4,852
Total Contractual Receivables		5,262	4,852
Total Non-Current Receivables		5,262	4,852
Total Receivables		11,080	11,891
<i>(i) Financial assets classified as receivables (Note 7.1a)</i>			
Total receivables		11,080	11,891
Total financial assets classified as receivables	7.1a	11,080	11,891

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 2023

Note 5.2: Payables

	Note	2023 \$'000	2022 \$'000
Current Payables			
Contractual			
Trade creditors		3,027	1,710
Accrued salaries and wages		3,815	7,287
Accrued expenses		2,401	2,051
Deferred capital grant income	5.2a	7,662	8,992
Total Contractual Payables		16,905	20,040
Statutory			
GST payable		231	205
Total Statutory Payables		231	205
Total Payables		17,136	20,245
<i>(i) Financial liabilities classified as payables (Note 7.1a)</i>			
Total payables		17,136	20,245
Deferred grant income		(7,662)	(8,992)
GST payable		(231)	(205)
Total Financial Liabilities	7.1a	9,243	11,048

How we recognise payables

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. However, payments are made within 10 days for smaller suppliers, in alignment with the DH payment policy.

Note 5.2a: Deferred Capital Grant Income

	2023 \$'000	2022 \$'000
Opening balance of deferred grant income	8,992	7,308
Grant consideration for capital works received during the year	6,513	11,944
Deferred grant revenue recognised as revenue due to completion of capital works	(7,843)	(10,260)
Closing balance of deferred grant income	7,662	8,992

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, CCTV Installation and Refurbishment, Demolition of MacFarlane Burnett Building and Car Park Works, Canning Unit DDA Works, and Yarra House Fitout Construction 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 2024.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

Note 5.3: Contract Liabilities

	2023	2022
	\$'000	\$'000
Opening balance of contract liabilities	6,886	1,353
Payments received for performance obligations not yet fulfilled	1,280	6,747
Revenue recognised for the completion of a performance obligation	(3,852)	(1,214)
Total Contract Liabilities	4,314	6,886
Represented by:		
Current contract liabilities	4,314	6,886
Non-current contract liabilities	-	-
	4,314	6,886

How we recognise contract liabilities

Contract liabilities include consideration received in advance from the DH in respect of Early Career Mental Health Program, Early Intervention Psychosocial Response Program, Lived Experience Workforce Leadership Program, Aboriginal Traineeship Program, Psychiatry Training Pipeline Program, ICT infrastructure Human Capital Management Program and Bed Expansion Project Management.

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 maturity analysis of payables.

Note 5.4: Other Liabilities

	2023	2022
	\$'000	\$'000
Current monies held in trust		
Patient monies	312	257
Other monies	-	-
Total Current Monies Held in Trust	312	257
Non-current monies held in trust		
Patient monies	-	-
Other monies	-	-
Total Non-Current Monies Held in Trust	-	-
Total Other Liabilities	312	257
Represented by:		
Cash assets	312	257
Other financial assets	-	-
Total Monies Held in Trust	312	257

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

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 and scaling down of the COVID-19 public health response during the year ended 30 June 2023.

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 Institute 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 Institute 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> <p>For leased buildings, the Institute estimates the incremental borrowing rate to be between 1.9% and 4.8%.</p> <p>For leased vehicles, the implicit interest rate is 2.81%.</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 2023

Note 6.1: Borrowings

		2023	2022
		\$'000	\$'000
Current Borrowings			
Lease liability ⁽ⁱ⁾	6.1a	917	416
Total Current Borrowings		917	416
Non-Current Borrowings			
Lease liability ⁽ⁱ⁾	6.1a	3,846	1,263
Total Non-Current Borrowings		3,846	1,263
Total Borrowings	7.1a	4,763	1,679

(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'.

Maturity analysis

Please refer to Note 7.2b for the maturity analysis of borrowings.

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:

	2023	2022
	\$'000	\$'000
Total undiscounted lease liabilities	5,292	1,800
Less unexpired finance expenses	(529)	(121)
Net lease liabilities	4,763	1,679

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

	2023	2022
	\$'000	\$'000
Not longer than one year	1,082	453
Longer than one year but not longer than five years	3,621	1,075
Longer than five years	589	272
Minimum future lease liability	5,292	1,800
Less unexpired finance expenses	(529)	(121)
Present value of lease liability	4,763	1,679
* Represented by:		
Current borrowings - lease liability	917	416
Non-current borrowings - lease liability	3,846	1,263
Total	4,763	1,679

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

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 1.9% to 4.8%.

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 2023

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 \$857K 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.

During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of \$362K.

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 in the substance of 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

	Note	2023 \$'000	2022 \$'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)		28,145	31,485
Total cash held for operations		28,153	31,493
Cash on hand (monies held in trust)		16	16
Cash at bank (monies held in trust)		-	-
Cash at bank - CBS (monies held in trust)		296	241
Total cash held as monies in trust		312	257
Total Cash and Cash Equivalents	7.1a	28,465	31,750

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 2023

Note 6.3: Commitments for Expenditure

	2023	2022
	\$'000	\$'000
Capital Expenditure Commitments		
Less than one year	1,166	6,254
Longer than one year but not longer than five years	-	-
Total Capital Expenditure Commitments	1,166	6,254
Operating Expenditure Commitments		
Less than one year	9,582	7,511
Longer than one year but not longer than five years	9,245	10,200
Longer than five years	46	-
Total Operating Expenditure Commitments	18,873	17,711
Non-cancellable Short Term and Low Value Lease Commitments		
Less than one year	59	-
Longer than one year but not longer than five years	118	-
Total Non-cancellable Short Term and Low Value Lease Commitments	177	-
Total Commitments for Expenditure (inclusive of GST)	20,216	23,965
Less GST Recoverable from the Australian Tax Office	(1,838)	(2,179)
Total Commitments for Expenditure (exclusive of GST)	18,378	21,786

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.

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	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.
	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.
	The Institute uses a range of valuation techniques to estimate fair value, which include the following:
	<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.
	<ul style="list-style-type: none">• 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.
	<ul style="list-style-type: none">• 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.
	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.
	Subsequently, the health service applies significant judgement to categorise and disclose such assets within a fair value hierarchy, which includes:
	<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.
	<ul style="list-style-type: none">• 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.
	<ul style="list-style-type: none">• 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 2023

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	Financial Liabilities at Amortised Cost	Total
		\$'000	\$'000	\$'000
2023				
Financial Assets				
Cash and cash equivalents	6.2	28,465	-	28,465
Receivables and contract assets	5.1	11,080	-	11,080
Total Financial Assets⁽ⁱ⁾		39,545	-	39,545
Financial Liabilities				
Payables	5.2	-	9,243	9,243
Borrowings	6.1	-	4,763	4,763
Other financial liabilities - patient monies held in trust	5.4	-	312	312
Total Financial Liabilities⁽ⁱ⁾		-	14,318	14,318
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	5.4	-	257	257
Total Financial Liabilities⁽ⁱ⁾		-	12,984	12,984

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

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

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 2023

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 2023

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 Institute 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 2022-23.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

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

The 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.

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

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

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

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
2023		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Liabilities at Amortised Cost								
Payables	5.2	9,243	9,243	4,523	4,720	-	-	-
Borrowings	6.1	4,763	4,763	77	154	685	3,269	578
Other financial liabilities ⁽ⁱ⁾	5.4	312	312	-	-	312	-	-
Total Financial Liabilities⁽ⁱ⁾		14,318	14,318	4,600	4,874	997	3,269	578

	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⁾	5.4	257	257	-	-	257	-	-
Total Financial Liabilities⁽ⁱ⁾		12,984	12,984	6,363	4,789	569	994	269

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

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 2023

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 2023

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 2023		\$'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	56,856	-	-	56,856
Total Building at Fair Value		56,856	-	-	56,856
Leasehold improvements	4.1a	93	-	-	93
Total Leasehold Improvements at Fair Value		93	-	-	93
Plant and equipment at fair value	4.1a	6,493	-	-	6,493
Medical equipment at fair value	4.1a	113	-	-	113
Computer and communications at fair value	4.1a	735	-	-	735
Motor vehicles at fair value	4.1a	15	-	-	15
Total Other Plant and Equipment at Fair Value		7,356	-	-	7,356
Right-of-use buildings	4.2a	4,458	-	-	4,458
Right-of-use plant, equipment and vehicles	4.2a	184	-	-	184
Total Right-of-use Assets at Fair Value		4,642	-	-	4,642
Total Non-financial Physical Assets at Fair Value		172,947	-	-	172,947

(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 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.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

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.

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 current 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 2023

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 2023.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

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. Equipment	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 2021		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	4.5	-	(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
Additions/(disposals)		-	15	-	221	27	136	-	3,756	27
Net transfers between classes		-	3,023	-	1,023	-	274	-	-	-
Gains/(losses) recognised in net result:										
- Depreciation and amortisation	4.5	-	(2,691)	(17)	(1,068)	(19)	(517)	(5)	(712)	(56)
Items recognised in other comprehensive income:										
- Revaluation		-	5,606	-	-	-	-	-	-	-
Balance at 30 June 2023	7.4a	104,000	56,856	93	6,493	113	735	15	4,458	184

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 2023

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 2023

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

Note 8.1: Reconciliation of Net Result for the Year to Net Cash Flows from Operating Activities

	Note	2023 \$'000	2022 \$'000
Net Result for the Year		38,114	5,926
Non-cash Movements:			
Net (gain)/loss from disposal of non-financial physical assets		(60)	198
Depreciation and amortisation	4.5	5,151	4,694
(Gain)/Loss on revaluation of long service leave liability		896	(577)
Non-cash grant - long service leave		(410)	66
Grant revenue paid by DH directly to third parties for building works		(36,567)	(4,512)
Other non-cash movements		-	1,489
Movements in Assets and Liabilities:			
Decrease/(Increase) in receivables and contract assets		1,221	(390)
Decrease/(Increase) in other receivables		64	(321)
Increase/(Decrease) in payables and contract liabilities		(5,681)	11,273
Increase/(Decrease) in provisions		2,565	1,972
Increase/(Decrease) in other liabilities		55	12
Net Cash Inflow/(Outflow) from Operating Activities		5,348	19,830

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

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.

A caretaker period was enacted during the year ended 30 June 2023 which spanned the time the Legislative Assembly expired, until the Victorian election results were clear or a new government was commissioned. The caretaker period for the 2022 Victorian election commenced at 6pm on Tuesday the 1st of November and new ministers were sworn in on the 5th of December.

	Period
Responsible Minister: The Honourable Gabrielle Williams MP, Minister for Mental Health	01/07/2022 - 30 /06/2023
Governing Board: Ken Lay AO APM (Chair of the Board) Penny Armytage AM (Chair of the Board) Allison Smith Associate Professor Ruth Vine Frances Sanders Sally Campbell Sue Williams Ian Forsyth Dr Angela Williams Shaun Braybrook	01/07/2022 - 25/08/2022 18/10/2022 - 30/06/2023 01/07/2022 - 30/06/2023 01/07/2022 - 30/06/2023 01/07/2022 - 30/06/2023 01/07/2022 - 30/06/2023 01/07/2022 - 30/06/2023 01/07/2022 - 30/06/2023 05/07/2022 - 30/06/2023 05/07/2022 - 30/06/2023
Accountable Officer Dr Margaret Grigg (Chief Executive Officer)	01/07/2022 - 30/06/2023

Remuneration of Responsible Persons

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

Income Band	2023 No.	2022 No.
\$0 - \$9,999	1	-
\$10,000 - \$19,999	1	1
\$20,000 - \$29,999	6	7
\$30,000 - \$39,999	1	-
\$40,000 - \$49,999	1	-
\$60,000 - \$69,999	-	1
\$410,000 - \$419,999	-	1
\$460,000 - \$469,999	1	-
Total numbers	11	10
	\$'000	\$'000
Total remuneration received, or due and receivable by Responsible Persons from the Institute amounted to:	\$713	\$684

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 2023

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	
	2023	2022
	\$'000	\$'000
Short-term Employee Benefits	2,949	2,703
Post-employment Benefits	303	251
Other Long-term Benefits	200	160
Termination Benefits	-	-
Total Remuneration	3,452	3,114
Total Number of Executives ⁽ⁱ⁾	14	15
Total Annualised Employee Equivalent (AEE) ⁽ⁱⁱ⁾	11.9	12.0

(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.

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 2023

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
Penny Armytage AM	Chair of the Board
Allison Smith	Board Member
Assoc Professor Ruth Vine	Board Member
Frances Sanders	Board Member
Sally Campbell	Board Member
Sue Williams	Board Member
Ian Forsyth	Board Member
Dr Angela Williams	Board Member
Shaun Braybrook	Board Member
Dr Margaret Grigg	Chief Executive Officer
Cathryn Hoppner	Chief Operating Officer
Jessica Lightfoot	Chief Financial Officer
Dr Danny Sullivan	Executive Director, Clinical Services
Jacques Claassen	Executive Director, Clinical Services
Professor James Ogloff AM	Executive Director, Psychological Services and Research
Matthew Hercus	Executive Director, Strategy, Policy and Performance
Les Potter	Executive Director, Operational Readiness
Lucia Giagnorio	Executive Director, People and Culture
Kathryn Douglas	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

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.

	2023 \$'000	2022 \$'000
Compensation - KMPs		
Short-term Employee Benefits ⁽ⁱ⁾	3,579	3,325
Post-employment Benefits	365	300
Other Long-term Benefits	221	173
Termination Benefits	-	-
Total⁽ⁱⁱ⁾	4,165	3,798

(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 2023

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

The Institute received funding from the DH of \$105 million (2022: \$98 million) and indirect contributions of \$37 million (2022: \$5 million). Balances outstanding as at 30 June 2023 are \$12 million (2022: \$16 million).

The Institute received funding from the DJCS of \$20 million (2022: \$19 million) and service fees from the Commercial Prisons of \$28 million (2022: \$27 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 2023 (2022: none).

There were no related party transactions required to be disclosed for the Institute Board of Directors, Chief Executive Officer and Executive Directors in 2023 (2022: none).

Note 8.5: Remuneration of Auditors

	2023	2022
	\$'000	\$'000
Victorian Auditor-General's Office		
Audit of the Financial Statements	48	43
Total Remuneration of Auditors	48	43

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

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 believes the DH will continue to support the Institute.



Disclosure index

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

Legislation	Requirement	Page reference
Ministerial Directions		
Report of operations		12
<i>Charter and purpose</i>		
FRD 22	Manner of establishment and the relevant ministers	20
FRD 22	Purpose, functions, powers and duties	8
FRD 22	Initiatives and key achievements	30
FRD 22	Nature and range of services provided	12
<i>Management and structure</i>		
FRD 22	Organisational structure	28
<i>Financial and other information</i>		
FRD 10	Disclosure index	138
FRD 21	Responsible person and executive officer disclosures	76
FRD 22	Application and operation of <i>Public Interest Disclosures 2012</i>	61
FRD 22	Application and operation of <i>Carers Recognition Act 2012</i>	61
FRD 22	Application and operation of <i>Freedom of Information Act 1982</i>	60
FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	60
FRD 22	Details of consultancies over \$10,000	64
FRD 22	Details of consultancies under \$10,000	64
FRD 22	Employment and conduct principles	44
FRD 22	Information and communication technology expenditure	65
FRD 22	Major changes or factors affecting performance	84
FRD 22	Occupational violence	43

FRD 22	Operational and budgetary objectives and performance against objectives	58
FRD 22	Summary of the entity's environmental performance	48
FRD 22	Significant changes in financial position during the year	68
FRD 22	Statement on the <i>National Competition Policy</i>	63
FRD 22	Subsequent events	136
FRD 22	Summary of the financial results for the year	69
FRD 22	Additional information available on request	63
FRD 22	Workforce data disclosures including a statement on the application of employment and conduct principles	44
FRD 25	<i>Victorian Industry Participation Policy</i> disclosures	63
FRD 29	Workforce data disclosures	44
FRD 103	Non-financial physical assets	99
FRD 110	Cash flow statements	82
FRD 112	Defined benefit superannuation obligations	96
SD 5.2.3	Declaration in report of operations	6
SD 5.1.2.2	Financial management compliance attestation	67
<i>Other requirements under Standing Directions 5.2</i>		
SD 5.2.2	Declaration in financial statements	76
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	77
SD 5.2.1(a)	Compliance with Ministerial Directions	83
<i>Legislation</i>		
<i>Building Act 1993</i>		60
<i>Disability Act 2006</i>		62
<i>Financial Management Act 1994</i>		6
<i>Gender Equality Act 2020</i>		62
<i>National Competition Policy</i>		63
<i>Public Interest Disclosures 2012</i>		61
<i>Victorian Industry Participation Policy Act 2003</i>		63

Glossary

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 area 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 area at Ballerit 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 <i>psychiatrist for a designated mental health service under section 150 of the Mental Health Act 2014</i> . At Forensicare the Authorised Psychiatrist is the Executive Director Forensic Mental Health.
Ballerit Yerram-boo-ee Forensic Mental Health Unit	A 75 bed prison based mental health area, 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	A 12 bed female acute/subacute unit at Thomas Embling Hospital.
Bass Unit	A 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.

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.
Treatment Patient	The term 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 Thomas Embling Hospital 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	A 20 bed mixed gender rehabilitation unit at Thomas Embling Hospital.
Dame Phyllis Frost Centre (DPFC)	The main prison for women in Victoria, managed by Corrections Victoria. Forensicare provides the Marrmak service via a space where 20 women receive specialist mental health support, 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> .
Forensic Disability Service (FDS)	A statewide disability forensic service (located next to Thomas Embling Hospital) 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 area 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	A 16 bed mixed gender rehabilitation unit at Thomas Embling Hospital, 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.
Marrmak Unit, Dame Phyllis Frost Centre (DPFC)	A 20-bed residential area 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 Division	Business unit of DH and 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, Marnong Correctional Centre and Karreenga Prison.

Moroka Unit	A 10-bed area that provides a specialist service for people with complex and challenging behaviours at Ballarat Yerram-Boo-ee at Ravenhall Correction Centre.
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 Beds	Rate of occupied bed hours (excluding leave) per funded bed hours within an inpatient unit.
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 prisoners with specialist mental health care 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 nine recommendations made by their interim report). It was tabled in Parliament by the Victorian Government on 2 March 2021. While the work of the Commission has now concluded, implementation of actions within recommendations is underway.
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 area that provides mental health care, treatment and therapeutic programs including psycho-social rehabilitation.
Tambo Unit	A 10 person program with purpose built cottage style accommodation for prisoners transitioning from prison to the community, at Ballerdt Yerram-Boo-ee, Ravenhall Correctional Centre.
Thomas Embling Hospital (TEH)	Forensicare's 136 bed secure hospital.
Thomas Embling Hospital Bed Expansion Project	<p>A funded Victorian Government project to expand the capacity of Thomas Embling Hospital. Stage 1 and 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

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

