

# Forensicare

**Annual Report 2023-24**



Forensicare



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## 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 an equitable voice.

Forensicare use First Peoples as a collective name for the original people of Australia and their descendants and is used to emphasise that Aboriginal and Torres Strait Islander people have lived on and cared for the land and waterways, unbroken, for more than 60,000 years.



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# Board Chair and CEO report

Penny Armytage AM  
Board Chair



Adj Professor Colmán O'Driscoll  
CEO



Welcome to the 2023-24 Victorian Institute of Forensic Mental Health's (Forensicare) Annual Report. It is important to begin by recognising the First Peoples 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.

This year we farewelled Sally Campbell after six years on the Forensicare Board. We are grateful for Sally's significant contribution over that time, particularly her regulatory, health and social welfare policy expertise.

We were pleased to welcome Professor Suresh Sundram and Matthew Corbett who joined the Board over 2023-24. Our new Board members bring experience in research and asylum seeker mental health and lived experience in alcohol and other drugs (AOD) and mental health, respectively.

Distinguished Professor James Ogloff AM, Dean of Health Sciences at Swinburne University, has transitioned from his previous Executive leadership role, but remains with Forensicare as special advisor to the Board. Jim is internationally recognised for his expertise in forensic psychology and law, as a practitioner, academic and researcher.

Forensicare also experienced some CEO changes across 2023-24. The Board farewelled Dr Margaret Grigg in August 2023, appointed Jessica Lightfoot as Interim CEO from August – October 2023, and welcomed a new CEO, Adj. Professor Colmán O'Driscoll. We acknowledge Margaret and Jessica's contributions.



## Key highlights

This year, we prioritised four areas of work to focus and guide us as we deliver on recommendations from the Royal Commission into Victoria's Mental Health System and ensure our capacity to deliver and advance our key priority of safety for all (including workforce, consumers and the Victorian community).

*Our Toward 2025* approach includes: work to expand our service availability (through additional capacity for secure inpatient forensic mental health care, and the roll out of specialist regional forensic mental health services); the development and implementation of an operating model to support our expanded service; developing our workforce with a focus on safety; and being able to better measure the impact of what we do.

We introduced a new governance structure to organise ourselves and our workload in line with these four focus areas. Our governance structures and streamlined focus is ensuring we successfully implement our Royal Commission commitments. We also strengthened our approach to project delivery.

We continued to grow our service reach and capacity in an ever evolving and complex environment.

Growing our consumer and carer lived experience peer workforce is an ongoing priority. Our Lived Experience Team plays a critical role in ensuring treatments are lived experience informed and driven. The teams' work in promoting the human rights and dignity of people receiving care from Forensicare is driven by their unwavering belief that people are agents of change in their own lives – regardless of their circumstances.

We continued to grow our service reach and capacity in an ever evolving and complex environment. Work is well advanced in implementing the Thomas Embling Hospital Expansion Project, a landmark project which will allow us to provide care for many more consumers in a contemporary therapeutic environment.

The new regional community forensic mental health service has been progressively implemented. This service will provide much needed access to specialist forensic mental health care for people with complex mental health needs who are in contact, or at risk of coming into contact, with the justice system, close to where they live. The Barwon Southwest service is operational, with the Hume service established during 2023-24. Preparation for roll out across all Victorian Mental Health and Wellbeing regions is underway, and we look forward to more regional services commencing in 2024-25.

The 2023 Budget investment also supported the expansion of the Community Forensic Disability Mental Health Service, strengthening our capacity to manage service demand for people with a cognitive disability, forensic history, and problematic behaviours. We continue to work with the Department of Families, Fairness and Housing on this service expansion, and thank them for their support as an important partner.

To address key recommendations of the Royal Commission into Victoria's Mental Health System regarding effective and appropriate aged-based services, we commenced work to improve outcomes and experience of care for young people under 26 years of age in our community, prison and hospital services. Development of a youth forensic mental health service model will strengthen our capacity to work with other age-based services, in providing age and developmentally appropriate specialist forensic mental health care and contribute to breaking the cycle of offending by this highly vulnerable population group.

## Aboriginal and Torres Strait Islander cultural safety

This year we created a new dedicated First People's Advisory Unit in recognition of the disproportionate number of First Peoples with a mental illness who are engaged in the justice system. The work of this unit will be instrumental in ensuring our services are culturally appropriate, safe and responsive to the lived experience needs of First Peoples of all ages.

Building genuine partnerships and co-working with local Aboriginal communities and organisations to improve mental health and life outcomes of First Peoples who are at risk of or have offended is a priority focus. Our new regional community forensic mental health service will play a critical role in establishing community links and providing streamlined pathways to forensic mental health care for First Peoples in collaboration with local Aboriginal communities and organisations.

## Safety for all – community, staff and consumers

The specialist work we undertake in reducing offending behaviour, and its intersection with mental illness, helps to make the Victorian community safer. A key focus is supporting people to safely transition back into the community – from prison or Thomas Embling Hospital – in a way that manages risk, supports continuity of care and enables people to lead meaningful lives.

We continued to prioritise our focus on achieving safety for all (including, consumers, staff and the community) through positive consumer outcomes across our community, prison and hospital services.

Supporting staff to practice in a way that respects and promotes the right of consumers to dignity of risk within the constraints of their safety and the safety of others forms part of our commitment to promoting the human rights of our consumers.

Improving the safety and wellbeing of our workforce across community, prison and hospital settings has been an area of continued focus. We have worked with WorkSafe and our staff to better assess, monitor and reduce staff fatigue and implement safer manual handling processes.

The challenges around staff safety in a forensic mental health service are unique and maintaining safety for all people in our care, our workforce and the community continues to be a top priority. Reducing occupational violence and aggression experienced by our workforce remains paramount. In response to this issue, we have strengthened our focus on prevention, de-escalation and safely reducing restrictive practice. Experience has shown this approach reduces aggression and supports better relationships with consumers.

The continued implementation of SafeWards has helped us improve collaboration between staff and consumers. This combined with clinical care that emphasises recovery and knowing our consumers well, are helping us build a safer, more responsive environment.

We have continued to focus on protecting consumer rights and promoting choice by actively working with consumers to understand and develop Advanced Statements of Preference and identify Nominated Person support.

Our Lived Experience workforce has strengthened our processes and programs to better engage and support families, carers and supporters as an integral part of their loved one's therapeutic team and to support them to have their own care needs met.

## Growing, developing and supporting our workforce

Forensic mental health care is complex, with multiple intersections across the health and justice systems. It relies on a highly skilled workforce. Throughout the year the professionalism and dedication of our staff across all locations enabled us to continue to provide the best possible care for our consumers, their carers, families and supporters.

Our workforce rapidly grew over this year. This included new specialist alcohol and other drug positions (and six clinicians commenced sponsored graduate studies in addiction), and an expanded community workforce to support our new regional forensic mental health service.

Earn and Learn Traineeships provided staff with the highly valued flexibility to work while they study. We continued to support our rapidly growing workforce and the broader system with high quality evidence-based student placements, graduate roles, and education and training in forensic mental health across all disciplines.

We have invested in building leadership capability across the organisation through the establishment of the Elevate: Leading with Purpose Program, with a first cohort of 40 leaders participating. The Elevate program is working to support all our leaders to be both great professionals and great leaders. We were also excited to commence work on a Forensic Mental Health Workforce Capability Guide to help build the forensic mental health capability of the mainstream mental health and wellbeing workforce.

## Expectations for the future

The Victorian Government's investment in Forensicare's capital and operating profile, in response to the Royal Commission into Victoria's Mental Health System recommendations, demonstrates the importance of the work we do, and the contribution we make as part of the mental health and wellbeing and justice systems. As a result of this investment, we are able to significantly enhance the forensic mental health services available to the Victorian community, and therefore continue to improve community safety into the future.

Our considerations are turning to the future of Forensic Mental Health in Victoria. We are focusing on the development of a clearly articulated vision for forensic mental health care in Victoria to inform a new strategic plan and realise a sustainable and effective system.

Achieving a sustainable financial footing without reducing our activity levels or compromising service quality and safety is a significant priority.

The recently released Victorian Health Services Plan notes that, across all parts of the health system, for too long, price and budget allocation has not reflected the actual cost of running services. Developing an appropriate forensic mental health funding model is critical for sustainability, improving our capacity for innovation and providing greater levels of accountability for the efficient use of resources.



We are committed to working with the Department of Health on a new funding model that will ensure we are able to provide a sustainable, contemporary service into the future that meets our legislative obligations and the quality and safety expectations of our consumers, their families and carers, our workforce and the Victorian community.

To further our macro strategic thinking, our Board and Executive have met with a variety of key stakeholders to discuss the forensic mental health legislation framework in Victoria, its application and its impact, including discussions with Her Honour Elizabeth Gaynor, County Court Judge, His Honour John Cain, State Coroner Victoria, Dan Howard SC, former Chair of the New South Wales Mental Health Tribunal, and Timothy Marsh, a leading barrister in Victoria in mental impairment and disability law.

Our partnership with Swinburne University's Centre for Forensic Behavioural Science (CFBS) is critical to ensuring our clinical practice is underpinned by the best available evidence. Creating and translating knowledge into practice to improve outcomes for our consumers is strengthened through our partnership with CFBS. During 2023-24, we have worked to strengthen the partnership via planning for co-location to occur at Yarra House and the establishment and successful recruitment of a Professor of Forensic Mental Health, with this role pending commencement.

“Change is possible, you can make change if you want to”

*Impacts of services: Consumer feedback*

We are excited to commence working with the Victorian Collaborative Centre for Mental Health and Wellbeing to help drive academic and clinical excellence in forensic mental health across the mental health and wellbeing system. This important work will be supported and delivered through our research collaboration with CFBS.

Our work is only possible because of our professional and compassionate staff who strive every day to improve the lives of our consumers, their carers and families.

Forensicare is focused on continuing to deliver high quality, safe and effective care to the people who need us now, and in the years ahead. We look forward to supporting a more connected system for people with mental health and criminogenic needs.

## 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 2024.

Penny Armytage AM  
Board Chair

6 September 2024

Adj Professor Colmán O'Driscoll  
CEO

6 September 2024



## **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

### 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.

### 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.

### Human rights

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



# Our Organisation

## 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.

We operate under the *Mental Health and Wellbeing Act 2022* in terms of treatment of consumers and have obligations under the *Crimes (Mental Impairment and Unfitness to be Tried) Act 1997* in respect of consumers placed on supervision orders under that Act. We are also defined under the *Health Services Act 1988* as a health or related service, an agency, and have obligations in relation to information sharing for quality and safety purposes.

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

Forensicare's primary consumers are:

- individuals with a mental illness at risk of, or involved in, the justice system
- individuals who have carried out a criminal offence but who have been found not guilty, or unfit to be tried, under the *Crimes (Mental Impairment and Unfitness to be Tried) Act 1997*.



## Our services and delivering on our statutory obligations; including addressing principles of the *Mental Health and Wellbeing Act 2022*

Forensicare is a statutory body established in 1997 under the *Mental Health Act 1986*, continued under the *Mental Health Act 2014* and the *Mental Health and Wellbeing Act 2022*. Our statutory functions are to:

### **Provide inpatient and community forensic mental health services and specialist assessment and treatment services:**

Addresses *Mental Health and Wellbeing Act 2022* principles of access to a diverse mix of services and family, carer and supporter involvement in assessment, treatment and recovery decisions.

- Forensicare's Community Forensic Mental Health Service (CFMHS) 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 including:
  - Community Transition and Treatment Program – oversees the treatment, care and supervision for forensic and civil consumers transitioning from the Thomas Embling Hospital into the community to ensure they are well supported to safely reintegrate.
  - Non-Custodial Supervision Order Consultation and Liaison Program – supervises the monitoring and direct treatment of consumers 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 Assessment and Referral Service (MHARS) – 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 seven regional clinicians employed by Area Mental Health and Wellbeing Services (AMHWS) operating in regional courts.

- Problem Behaviour Program (PBP) – provides psychiatric and psychological consultation and treatment for people with a range of 'problem' behaviours associated with offending, and for whom other services are not available.
- Victorian Fixated Threat Assessment Centre (VFTAC) – provides a structured and coordinated approach to serious threats of violence posed by people with complex needs, which could result in terrorist acts or the perpetration of other forms of extreme violence. This service is provided in partnership with Victoria Police.
- Regional Community Forensic Mental Health Services – providing forensic mental health assessment, transition support for people leaving correctional mental health care, shared care, secondary consultations and forensic capability building within AMHWS, across regional Victoria.
- Community Forensic Disability Mental Health Service – provides psychiatric assessment, reviews and clinical support for people who have a cognitive impairment, co-morbid mental illness, or are subject to post-sentence conditions that require them to be prescribed anti-libidinal medication.

- 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 acute and longer-term recovery focused care for consumers, with a specific women's-only unit. Extended and transitional rehabilitation is provided within mixed gender units. Consumers are admitted to the hospital from the justice system under the *Crimes (Mental Impairment and Unfitness to be Tried) Act 1997*, the *Mental Health and Wellbeing Act 2022*) or the *Sentencing Act 1991*. Consumers may also be admitted from the general mental health system under the *Mental Health and Wellbeing Act 2022*. Consumers can access a range of biological, psychological and psychosocial interventions that focus on recovery and managing risk of harm to themselves and others. Forensicare staff work collaboratively with consumers, their families and carers and community organisations to support community transition and live a safe and meaningful life.
- Forensicare provides specialist forensic mental health services across 12 of Victoria's 14 prisons. Services include custodial units dedicated to supporting people experiencing mental illness, specialty outpatient services, and regional prison specialty outpatient services. Custodial units provide care for consumers experiencing mental illness and requiring assessment and recovery-oriented intervention. There is capacity within prison settings for 141 persons to receive care within custodial units. Specialist outpatient care includes initial mental health reception assessments, suicide and self-harm at-risk



prevention assessments, and assessment, treatment, and care for consumers who require ongoing mental health care, but do not require transfer to a custodial unit. Regional prisons specialty outpatient care includes visiting psychiatrist and nurse practitioner reviews. Forensicare's prison-based specialist mental health services are voluntary.

**Provide clinical assessment services to courts, the Adult Parole Board and other relevant government agencies.**

- Clinical mental health assessments are conducted by Forensicare staff through our MHARS program at eight Magistrates' Courts across Victoria. MHARS assessments include services to the Bail and Remand Court.
- Clinicians based at the VFTAC work in partnership with Victoria Police to assess people who pose a threat to others and to develop management plans which may involve engagement or re-engagement with mental health services.
- Forensicare also conduct psychological and psychiatric assessments on behalf of the courts, Adult Parole Board and the Office of Public Prosecutions. Assessments are conducted for the purpose of assisting with sentencing; determining a persons' fitness to stand trial, and/or; determining the level of a persons' mental health impairment.

**Provide, promote, and assist in the provision of forensic mental health and related services in Victoria.**

- The CFMHS 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 Initiative – 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 the needs of young people. Forensicare provides direct services to Parkville Youth Justice Precinct and coordinates the overall program.

- Forensicare's specialist prison-based mental health services locations include:

- Melbourne Assessment Prison: 16-person custodial unit dedicated to supporting people experiencing mental illness and specialty outpatient service
- Ravenhall Correctional Centre: 75-person custodial unit dedicated to supporting people experiencing mental illness and specialty outpatient service
- Dame Phyllis Frost Centre: 20-person custodial unit dedicated to supporting people experiencing mental illness and specialty outpatient service
- Metropolitan Remand Centre: specialty outpatient service (does not include at-risk assessments) which also provides some outpatient services to Barwon, Marngoneet and Kareenga prisons.
- Port Phillip Prison: 30-person custodial unit dedicated to supporting people experiencing mental illness
- Regional prisons specialty outpatient services – psychiatry and nurse practitioner: Hopkins, Langi Kal Kal, and Loddon prisons
- Regional prisons specialty outpatient services – psychiatry: Barwon, Dhurringile, Karreenga, Marngoneet, Middleton and Tarrengower prisons

- We deliver a range of information and education sessions to universities and other training providers promoting Forensic Mental Health and encouraging students to explore a career in the sector. We also attend and participate in a range of exhibition opportunities provided through sector related conferences and career days/expos.

**Provide community education in relation to the services provided by Forensicare and forensic mental health generally.**

- Forensicare offers and provides an array of community and staff education, from on-request training and information sessions to organisations such as Community Correctional Services, to tertiary consultation (capacity and capability building) with AMHWS. Through our partnership with the CFBS, Forensicare delivers a Forensic Mental Health Professional Development Program (FMHPDP) that provides workshops for individuals, teams and organisations looking to expand their knowledge and understanding of forensic behaviour and mental health issues.
- We deliver discipline and role specific training and professional development sessions with universities and other training providers and attend career expos/days.
- Forensicare staff present at discipline specific, mental health and forensic mental health related conferences and workshops on the role of the organisation and forensic mental health sharing research studies and evaluation outcomes.
- We partner with the CFBS, at Swinburne University to ensure discipline specific training incorporates forensic mental health modules and information.

**Provide, promote and assist in undergraduate and postgraduate education and training of professionals in the field of forensic mental health.**

- Forensicare provides a range of opportunities for undergraduate students to undertake learning placements throughout the organisation. We support people completing university qualifications in social work, psychology, occupational therapy and nursing, including placement of more than 200 nursing students per annum. In addition to workplace training, students can engage in quality improvement and research initiatives linked to organisational priorities.
- Post graduate programs are offered for all disciplines (social work, psychology registrars etc) including:
  - a 2-year program for nurses to complete forensic mental health qualifications with Swinburne University.
  - Psychological training in the administration and interpretation of risk assessments and the provision of offence-specific interventions.
- We utilise the PlaceRight system to promote student placement opportunities at Forensicare. The system is a mechanism for managing student placements with education provider partners.
- Everyone participating in our student and postgraduate programs participate in clinical supervision and have access to a range of supports including reflective practice sessions, and internal professional development.

“Self-assured – ‘I can do this’”

*Impacts of services: Consumer feedback*



**Provide, promote and assist in the teaching of, and training in, clinical forensic mental health within medical, legal, general health and other education programs.**

- We deliver a comprehensive psychiatric forensic mental health training program with 63 registrars and 4 medical officers participating in the 2023-24 year.
- We assist students training in nursing and allied health to complete and enhance their qualifications by offering student placements and opportunities such as graduate enrolled nurse and transition to mental health nursing programs.
- Forensicare provides access for our staff to scholarships and other opportunities to gain further experience in the field of forensic mental health. This year Forensicare supported psychological services staff to take up a scholarship with Swinburne University to complete their Graduate Diploma in Forensic Psychology.

**Conduct research in the fields of forensic mental health, forensic health, forensic behavioural science and associated fields.**

- Forensicare has six research priority areas that are aligned with the Forensicare vision: meaningful lives lived safely; hope in recovery; connected care. Priorities are founded in the nexus between science and practice – with each informing the other to ensure excellence and evidence-based practice in our service.
- Research aims are to:
  - (1) evaluate and improve Forensicare services,
  - (2) improve how we partner with our consumers and carers, and promote their journey towards improved wellbeing and more meaningful lives,
  - (3) strengthen the capability and wellbeing of our staff,
  - (4) address the causes of violence and complex problem behaviour, including mental illness and other factors,
  - (5) improve how we prevent inpatient aggression and violence and safely reduce restrictive intervention use, and
  - (6) help us address co-occurring disorders and other factors that delay recovery progress.

**Promote continuous improvements and innovations in the quality and safety of forensic mental health and related services in Victoria.**

- The FMHPDP is a training initiative jointly developed and delivered cooperatively by the CFBS and Forensicare to further the skill development of clinicians and service providers who interact with the forensic mental health and justice systems. This is a particularly important topic considering the Royal Commission into Victoria's Mental Health System, which recommended a substantial increase in the capacity of the forensic mental health system. Increasing capacity requires significant investment to educate and train clinicians and service providers.
- 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.

**Promote innovations in the provision of forensic mental health and related services in Victoria.**

- Promotion of innovation occurs through collaboration between the Swinburne University of Technology and the CFBS.
- High degree research candidates (i.e., PhD and DPsych) are supported to generate evidence that improves provision of clinical practice/therapeutic intervention across our operations.
- Forensicare also collaborates with national (e.g., University of Melbourne, Mindgardens Neuroscience Network) and international (e.g., Auckland University of Technology, Auckland Regional Forensic Psychiatric Service) services and tertiary institutions on projects to improve forensic mental health service provision.

**Perform any other functions conferred on it under the *Mental Health and Wellbeing Act 2022* or any other Act.**

“The time I spent with the psych’s and the nurses – that had the biggest impact”

*Impacts of services: Consumer feedback*



## CASE STUDY

# Services and delivering on our statutory obligations; including addressing principles of the *Mental Health and Wellbeing Act 2022*

## Safely Reducing Restrictive Practices

Towards Elimination of Restrictive Practices, is a key principle of both the recent Royal Commission into Victoria's Mental Health System and the *Mental Health and Wellbeing Act 2022*.

Consumers, clinicians, families and carers of Forensicare's Argyle Unit participated in a project to reduce instances of restrictive practices (seclusion, bodily restraint).

The Towards Elimination of Restrictive Practices Collaborative, supported by Safer Care Victoria and the Institute for Health Care Improvement, focused on identifying and implementing change ideas to reduce restrictive practices by 20%. Through a series of learning sessions, Forensicare identified change ideas in each of the following areas: Group programs; person-centred unit orientation; know each other; daily huddles; lived experience and peer worker utilisation, and early recognition and response to deterioration.

Actions implemented to support adoption of ideas included: An Argyle Unit "Know each other" wall that introduces consumers, families and carers to staff members; establishment of a "Healthy Me" nutrition and exercise educational group; introduction of a Peer worker 'concierge' service for consumers arriving to the unit; inclusion of a lived experience worker in consumer debrief sessions during review of restrictive practice, and; focus on encouraging consumers to complete an Advanced Statement of Preferences.

The Argyle Unit's participation in the project resulted in an 80% reduction (between March 2023 and April 2024) in the use of seclusion

Feedback about the experience and understanding of the impact of change was requested from consumers and staff. Consumers reported feeling more valued and listened to by staff and, with more programs available (especially in the evening), led to a decrease in boredom and increased their feeling of belonging and inclusion. Staff reported feeling safer and that an increased focus on de-escalation and maintaining safe boundaries would have an overall positive effect on staff consistency and morale.

"It was an eye opener – just how other people think. At the end of the day, we're all human"

*Impacts of services: Consumer feedback*

# Our Governance

## Responsible Minister

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

The Hon. Gabrielle Williams, Minister for Mental Health, from 1 July 2023 to 2 October 2023.

The Hon. Ingrid Stitt, Minister for Mental Health, from 2 October 2023 to 30 June 2024.

## 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 ten 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 eight. Of these members, at least one:

- is a person who identifies as experiencing, or has experienced, mental illness or psychological distress;
- is a person who identifies as caring for or supporting, or having cared for or supported, a person with mental illness or psychological distress; and,
- at least one has knowledge of, or experience in, accountancy or financial management.



## Board directors

As of 30 June 2024, Forensicare's Board comprised ten directors. Our Board members are:

### **Penny Armytage AM**

Bach. Social Work  
Chair

Appointed on 18 October 2022

Penny Armytage AM was the Chair of the Royal Commission into Victoria's Mental Health System. Before 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 Distinguished 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.

### **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 was appointed Chief Executive of Cabrini Australia in December 2019. She has more than 25 years' experience in the healthcare industry at senior management level in both the public and private sectors. She has held various roles including the Director of Nursing at the Royal Melbourne Hospital, Chief Operating Officer of 44 hospitals at Healthscope and Chief Executive Officer at Peninsula Health. Sue originally trained as a nurse and has postgraduate qualifications in business management and a Master of Business Administration from Monash University. She has completed an Advanced Management Program at Harvard University and the Australian Institute of Company Directors course.

**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. During the financial year Ian was a Board Director at Ambulance Victoria and continues to be a Board Director for the Australian Centre for the Moving Image, the Emergency Services Foundation, and is Independent Chair of the Audit & Risk Committee of Genitex.

**Frances Sanders**BA, MA, MPP, Grad Dip Bus (org psych),  
DipMngt (Psychiatric Services), MBA, GAICD

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. During the financial year Allison was 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 Williams**MBBS LLB GDLP M Forens Med 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 Executive Director of Medical Services for two regional health services. She chairs the Faculty of Clinical Forensic Medicine at the Royal College of Pathologists of Australasia. Angela holds Board appointments with Eastern Health and Football Victoria and serves as a sessional member of the Victorian Civil and Administrative 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 23 years, Shaun has been working in the corrections system, specifically with Koori men. For the past 17 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. The Wulgunggo Ngalu Learning Place was officially opened in September 2008 and, under Shaun's management, in 2011 won an International Prison and Correctional Award in the area of Community Corrections, for its innovative approach to working 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 2019 Queen's Birthday Honours.

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.

### **Professor Suresh Sundram**

MBBS MMed FRANZCP PhD

Appointed 30 May 2023

Professor Suresh Sundram is Chair and Head, Department of Psychiatry, School of Clinical Sciences, Monash University, Director of Research, Mental Health Program, Monash Health, and Clinical Director, Cabrini Outreach, Melbourne. At Monash University, Prof Sundram heads the Translational Molecular Psychiatry research group, which aims to develop novel, disease-modifying treatments for psychotic disorders, particularly schizophrenia, using a broad translational approach. He is currently President-elect of the Asian College of Neuropsychopharmacology and Council member of the International College of Neuropsychopharmacology.

He has been involved for two decades in asylum seeker mental health. Professor Sundram is Chair of the Refugee and Asylum Seeker Mental Health Network Committee of the Royal Australian and New Zealand College of Psychiatrists and immediate past co-Chair of the Victorian Refugee Health Network. Prof Sundram is an expert consultant on asylum seeker and refugee mental health to the United Nations (UN) High Commissioner for Refugees and has advised the: UN; UN Human Rights Council; Australian Human Rights Commission; national governments including Australia, the US, Canada, New Zealand, Nauru and Papua New Guinea; and numerous non-government organisations. He established the Cabrini Asylum Seeker and Refugee Health Hub providing pro bono health services for this vulnerable group.

He has been awarded the Cottrell Memorial Oration by the Royal Australasian College of Physicians (2019) and the Isaac Schweitzer Lecture by Biological Psychiatry Australia (2023). He has also served on the executive committee of the World Psychiatric Association Section on Developing Countries and is former deputy editor of the Asian Journal of Psychiatry.

### Matthew Corbett

Appointed 12 September 2023

Matthew has over 30 years of experience in executive, program and project leadership roles in the not-for-profit and private sectors, including AOD services, the arts, media, finance and telecommunications. He found his calling when he volunteered in a peer-support role and started working in a designated lived-experience role not long after. He has since combined these broader leadership skills and experience with his own lived experience of AOD and Mental Health in his current role as Manager – Lived Experience Workforce at the Self-Help Addiction Resource Centre (SHARC). He is passionate about engaging with and serving the lived and living experience community and developing lived experience as a fundamental component in all relevant areas in the AOD and Mental Health sectors. Matthew was previously an independent adviser on the Forensicare Board's Quality and Safety committee.

## Board committees

Four committees support the Board to fulfil its responsibilities. Each committee reports to the Board, and membership includes some non-Board members.

### Quality and Safety Committee

The Quality and Safety Committee plays a key role in ensuring effective clinical governance by providing leadership and advice to the Board in the assessment and evaluation of the safety and quality of Forensicare's clinical services.

### Audit and Risk Committee

The Audit and Risk Committee's role is to assist the Board to fulfil its corporate governance and oversight responsibilities in relation to Forensicare's financial reporting, internal control structure, legal and regulatory compliance, risk management systems, and the internal and external audit functions.

### Finance Committee

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



People and Remuneration Committee

The People and Remuneration 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, and helps the Board fulfil its responsibilities in relation to the performance, remuneration and success of the Chief Executive Officer and the Executive.

Table 1: Board committee membership and attendance as at 30 June 2024

	Board		Audit & Risk		Quality & Safety		Finance		People & Remuneration	
	H	A	H	A	H	A	H	A	H	A
Penny Armytage	12*	12	6x	3	4x	1	6x	4	4*	4
Sally Campbell	12	10	6*	5	0	0	6	5	0	0
Susan Williams	12	8	0	0	0	0	6	6	4	4
Ian Forsyth	12	12	0	0	0	0	6	5	4	3
Frances Sanders	12	12	1	1	4	2	0	0	4	3
Allison Smith	12	11	6	6	0	0	6	6	0	0
Angela Williams	12	12	6	5	4*	3	0	0	0	0
Shaun Braybrook	12	12	0	0	4	3	0	0	4	2
Suresh Sundram	12	8	0	0	4	3	0	0	0	0
Matthew Corbett Δ	9	8	0	0	4	3	0	0	0	0

- H number of meetings held/eligible to attend
- A number of meetings attended
- \* Chair/Committee Chair
- × ex officio (non-mandatory attendance)
- Δ Commenced position mid-financial year
- † Retired position mid-financial year



## Executive Leadership Team

### **Adj. Professor Colmán O'Driscoll**

Chief Executive Officer

Appointed in October 2023

Colmán commenced as CEO in October 2023, following unanimous Board endorsement in July. With over 25 years' experience across health and related systems, Colmán is a Forensic Mental Health Clinician, researcher and health systems executive, having held senior leadership roles within government, corporate, not-for-profit and private sectors, most recently serving as CEO of Burwood and Richmond hospitals, and Group Lead, Mental Health Strategy with St John of God Health Care. Previous senior roles have been held in the NSW Justice and Forensic Mental Health Network, including Service Director, Statewide Forensic Mental Health and as a Chief of Staff in the NSW Government. Colmán is active in forensic mental health research, publishing peer reviewed original research and book chapters. Colmán has a current post as an Adjunct Professor with Swinburne University of Technology.

### **Cayte Hoppner**

Chief Operating Officer

Appointed in July 2021

Cayte is a mental health nurse with more than 25 years' experience in operational, clinical and leadership roles in public mental health services across Australia. 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**

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 before transitioning to project management to lead the establishment of the National Coroners Information System. She then managed large-scale property development projects and leading financial performance management division at Monash University, 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 Tobias MacKinnon**

Executive Director, Forensic Mental Health

Appointed in January 2024

Dr Tobias MacKinnon has spent the past ten years in Sydney where he was the Co-Director Forensic Mental Health with Justice Health and Forensic Mental Health Network, NSW. Tobias has extensive experience in forensic mental health in the UK and NSW, having completed his medical training in Australia and his specialist training in the UK, where he obtained a Master of Sciences in forensic mental health research. He has also held numerous senior leadership positions over the years including as the founder and outgoing chair of the Australian Council of Forensic Mental Health Service Leaders. He is very excited about working in Victoria with Forensicare and is committed to contributing to ongoing clinical and service excellence.

### **Matthew Hercus**

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. With a clinical and systems background, Matthew (with the Strategy, Policy and Planning Team) 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 both 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.

**Nadia Baillie**

Chief Legal Officer

Appointed in July 2020

Nadia joined Forensicare in September 2017 as General Counsel and was appointed as Chief Legal Officer in July 2020. This role also oversees Forensicare's Governance and Risk portfolios. Nadia has over 20 years experience working 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 non-Executive Director on the Portland District Health Board.

**Liam Barry**

Executive Director Redevelopment &amp; 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**

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**

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 and consultation liaison. Prior to commencing with Forensicare, Terry was the Area Manager of Mid-West Area Mental Health. His key focus is bringing equivalency of mental health service for people within the complex systems of Victorian prisons, building partnerships, psychological safety, and supporting our staff to deliver best care.

**Dr Shelley Turner**

Executive Director Hospital Operations

Appointed in January 2024

Shelley commenced as Executive Director, Hospital Operations for Thomas Embling Hospital in January 2024, having joined Forensicare in February 2021 as Chief Social Worker. She brings to Forensicare extensive clinical leadership and operational management experience in forensic settings, enhanced by significant academic teaching and research experience, and an established national and emerging international reputation for scholarly work focused on ethical and effective forensic practice. Shelley has expertise in youth justice and alcohol and other drugs and was the clinical manager of Australia's first youth drug and alcohol court program. She has a strong commitment to interdisciplinary practice and working collaboratively with staff, consumers, families and carers.

**Distinguished Professor James Ogloff**

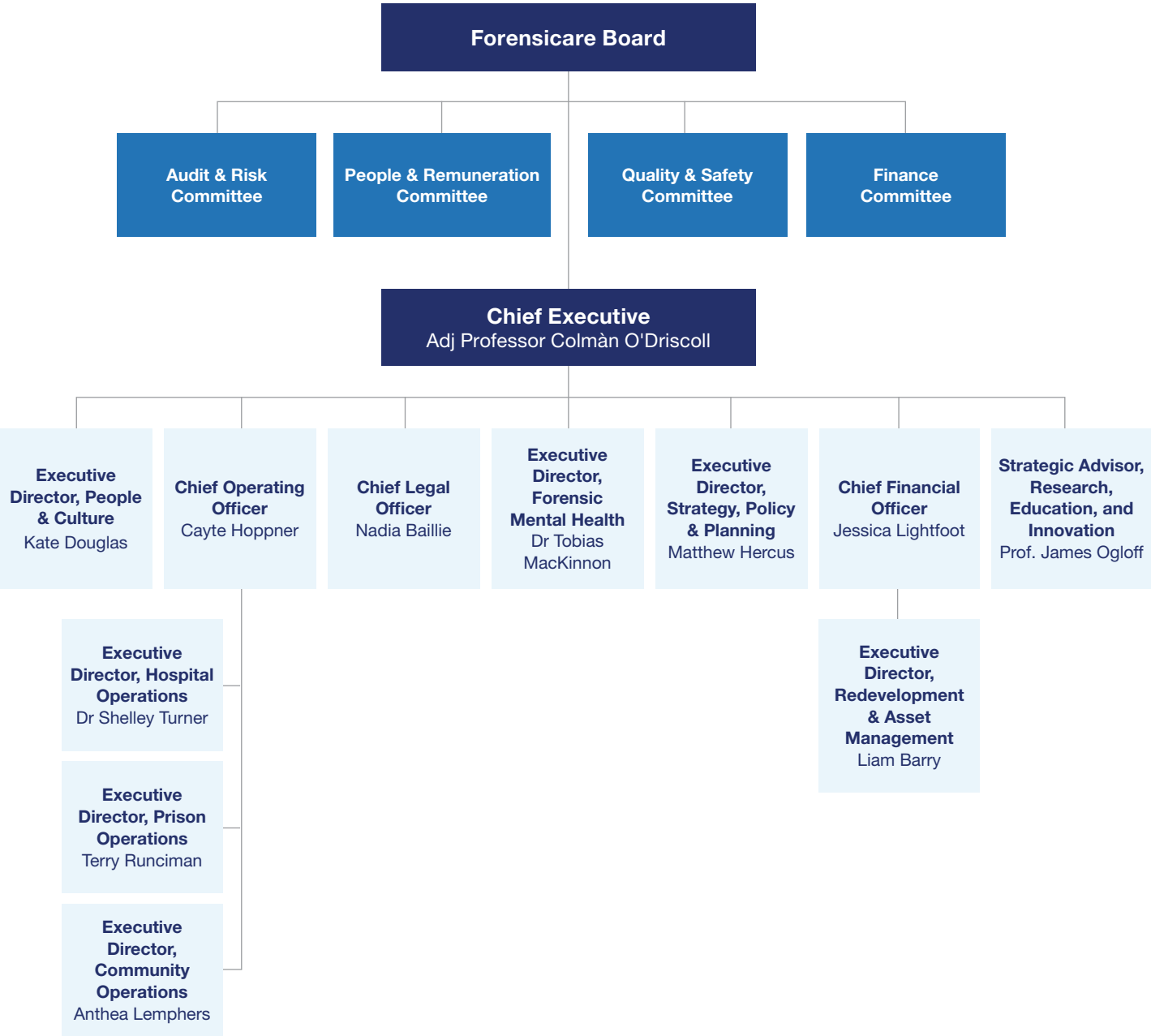
Strategic Advisor, Research, Education, and Innovation

Appointed in November 2001

Professor Ogloff provides strategic advice to Forensicare staff, executive and board in the areas of research and evaluation, education and training, and service development innovation. Jim trained as a lawyer and psychologist and 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. Jim was the Foundation Director of the Centre for Forensic Behavioural Science and holds the positions of Distinguished Foundation Professor of Forensic Behavioural Science and Dean, Health Services at Swinburne University of Technology. He is an accomplished academic, with more than 400 academic publications, books and industry reports.

# Organisational Chart

Forensicare’s organisational structure as at June 2024





## CASE STUDY

# Our care at a glance

Piers\* is a 51-year-old man who has a previous conviction for arson that endangered the lives of community members, for which he received a lengthy term of imprisonment. Piers served a period of parole in the community during which time he was case managed by AMHWS and engaged with Forensicare's Community Forensic Mental Health Service.

During the 2023-24 year, after a period of stability, Piers experienced increasing urges to start a large fire which culminated in admission to an inpatient unit where he was treated compulsorily. With his consent, Piers commenced a mental health treatment regime that included multiple antipsychotic and mood stabilising medications.

The local AMHWS referred Piers to Forensicare for the purpose: of primary consultation to clarify a mental health diagnosis; assess fire setting risk; develop risk management strategies to reduce Piers' risk of harm to himself and his risk of reoffending, and; assist with developing a discharge strategy.

Piers engaged with Forensicare's Problem Behaviour Program where he was able to explore the underlying motivation for fire-setting and develop strategies to address contributing factors.

With streamlined access to services, and a collaborative approach from service providers, Piers has been able to gain insight into his mental health condition and his presentation has stabilised. Piers has been discharged from inpatient care to the community and continues to engage with AMHWS and the Problem Behaviour Program for ongoing treatment and support.

AMHWS staff report being more confident in their capacity and capability to work with Piers in the management of his mental health through a collaborative approach to Piers' care. Forensicare and AMHWS remain committed to supporting Piers to quickly identify any future mental health issues and reducing the likelihood of engaging in offending behaviour which, in turn, keeps him and the community safe.

"None of us had a childhood, you've let us be vulnerable for the first time in our lives."

*Impacts of services: Consumer feedback*

\*Names changed to protect the identity of consumers

Marcus\* was a consumer of the Tambo unit at the Ravenhall Correctional Centre where he was able to access mental health focused rehabilitation programs, including resilience, self-management and daily living skills to prepare for his release from custody. Marcus was able to establish a collaborative working rapport with the clinical team and particularly with a nursing staff member and a Lived experience peer worker.

Marcus experienced a decline in his mental health during his stay in the Tambo unit resulting in a transfer to Forensicare's Erskine Unit where he was able to access early intervention mental health treatment. Marcus was supported during transition by the Tambo clinical team and peer worker enabling continuity of care and transfer of information.

Marcus' mental health did not improve on the Erskine Unit and his mental health further deteriorated. In order to access required treatment, Marcus was transferred to the Thomas Embling Hospital Apsley Unit under the *Mental Health Act 2022*. Both Tambo and Erskine Unit clinical staff and the Tambo Unit peer worker were able to help Marcus prepare for a move to the hospital, so that he was aware of what to expect of the environment, the routine of the unit, and to organise appropriate clothing. Marcus requested the peer worker being available to meet him on arrival at the Apsley Unit.

Marcus reported to the peer worker a few days after his arrival at the hospital that, although he did not want to be transferred to the Apsley Unit, knowing about the routine and what to expect, and having someone familiar to meet him, helped ease his anxiety and to quickly become familiar with the environment and clinical team.

“They don’t just abandon you,  
it’s big for people like us”

*Impacts of services: Consumer feedback*

## Our 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 and Wellbeing Act 2022 (MHWB)* 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 people 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.

“Radical acceptance... the one I've had to use the most”

*Impacts of services: Consumer feedback*





Mental health consumers on a supervision order under the CMIA

as at 30 June 2024

122	1	12	49
on a Custodial Supervision Order (at TEH)	international Forensic patient serving a sentence under the <i>International Transfer of Prisoners Act 1997</i> (Cth) at TEH	on a Custodial Supervision Order with a grant of extended leave	on Non-Custodial Supervision Order

Custodial supervision orders (CSO)

11	371	3
new CSOs during 2023-24	days average wait time for a bed at TEH for men waiting to be placed on a CSO during 2023-24	new grants of extended leave

Non-custodial supervision orders (NCSO)

11	1	1
new NCSO during 2023-24	person breached their NCSO and were placed in TEH	person had their NCSO varied to a CSO
10	7	3
people had their NCSO removed by the court and can live in the community unsupervised	consumers had their order varied from a CSO to a NCSO	people who were receiving treatment at TEH after breaching their NCSOs were discharged back into the community

# Our locations

Mildura

Swan Hill

Victoria

Forensic Mental Health Services		Service hours
1	Community Forensic Mental Health Services (CFMHS) – Clifton Hill	32,706.5
2	CFMH – Geelong	1,054.8
3	CFMHS – Warrnambool	
4	CFMHS – Shepparton	44.5
5	Victorian Fixated Threat Assessment Centre	3672.5

Echuca

Shepparton

Dhurringile Prison

Horsham

Bendigo

Tarrengower Prison  
Loddon Prison Precinct

Mansfield

Stawell

Ararat  
Hopkins Correctional Centre  
Langi Kal Kal Prison

Ballarat

Hamilton

Melbourne

Mangoneet Correctional Centre  
Barwon Prison

Geelong

Warrnambool

Colac

Warragul

Forensic Mental Health Services		Registrations/ Episodes Completed
6	Dame Phyllis Frost Centre	149/148
7	Melbourne Assessment Prison	117/135
8	Port Phillip Prison	39/36
9	Thomas Embling Hospital	179/165
10	Ravenhall Correctional Centre	402/409

Court Mental Health Advice & Response Service (MHARS)		Service hours
11	Broadmeadows Magistrates' Court	1047.6
12	Dandenong Magistrates' Court	1,627.7
13	Frankston Magistrates' Court	1,543.2
14	Heidelberg Magistrates' Court	1,458.4
15	Melbourne Magistrates' Court*	6,533.5
16	Moorabbin Justice Centre	602.3
17	Ringwood Magistrates' Court	1549.9
18	Sunshine Magistrates' Court	1825.4

\*incl. Bail and Remand Court – Melbourne, Melbourne County Court

#### Visiting sessions at the following custodial settings

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



## CASE STUDY

## Our locations

### Prison based service collaborations – working across locations for best outcomes in recovery.

#### Within prison settings:

- Forensicare specialist services successfully supported multiple consumers within the Dame Phyllis Frost Centre to transition from long term management into the Marmak program, and from the Marmak program into the mainstream prison setting, significantly impacting restrictions relating to custodial placement and management.
- Working in partnership with Corrections Victoria, consumers have been able to access employment on offer in mainstream settings, across horticulture and other industries.

#### External to prison settings:

- Collaboration with local Area Mental Health and Wellbeing services, and their Forensic Clinical Specialists, has resulted in consumer access (post custodial release) to a wide range of community-based supports, inclusive of AOD, mental health services and National Disability Insurance Scheme programs, including for example:
  - Successful transfer of consumers from the Marmak Program to Odyssey House (on release from custody) to undertake and continue long-term drug and alcohol rehabilitation
  - Consumers from the Marmak program with long term recovery support and rehabilitation needs directly accessing extended care bed-based services in the health system, enabling and promoting continuity in care on release from custody and rehabilitation towards independent living.

“This is what prison should be,  
this program needs to be in  
every prison,”

*Impacts of services: Consumer feedback*





# Our workforce

All Forensicare employees are correctly classified in accordance with the relevant enterprise agreement. All employees are aware of their requirement to abide by, at all times, the standards set out in the Victorian Public Sector Commission's Code of Conduct.

Forensicare has a diverse and varied workforce representing a range of clinical and other professions including nursing, psychiatry, psychology, lived experience, lawyers, project managers and administration officers.

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 2: Forensicare's workforce profile**

Employee Category	30 June 2024		30 June 2023		30 June 2022	
	Staff Number	Total EFT	Staff Number	Total EFT	Staff Number	Total EFT
Nursing	638	454.2	577	430.1	451	404.7
Medical - Consultants Medical Officers/ Registrars	88	76.6	77	64.0	80	66.0
Clinical Support	35	27.6	24	20.2	22	19.5
Psychology	78	64.2	74	52.3	75	54.4
Social Work	49	39.6	48	46.9	36	32.2
Occupational Therapy	53	48.3	42	38	33	27.9
Art Therapy	2	2.8	3	2.8	1	0.4
Lived Experience – Peer Workers	10	10.0	8	7.2	3	3
Consumer Consultant	2	1.6	1	1.0	1	0.32
Aboriginal Health Worker (Under allied health/ Social work)	1	1	2	2.0	1	1
Family & Carer Consultant	2	1.5	2	1.0	0	0
Welfare Worker	0	0	0	0	0	0
Other Clerical & Administration Staff*	52	47.9	56	44.7	61	52.3
Corporate Staff*	118	109.4	102	92.4	87	79.5
<b>Grand Total</b>	<b>1128</b>	<b>884.7</b>	<b>1016</b>	<b>803.6</b>	<b>851</b>	<b>741.2</b>

\*Note: A review of business rules, and re-application of classifications, has occurred in 2024 with a re-alignment across corporate staff and clinical support roles. Relevant adjustments have been made to data reported in 2022 and 2023.

## Workforce inclusion

Forensicare continues to implement strategies to create an inclusive working environment where equal opportunity and diversity are valued and reflect the communities we serve consistent with the *Gender Equality Act 2020*. Forensicare values staff of all 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 2023-24.

Table 3: Employees by Gender

Employee Gender	30 June 2024		30 June 2023		30 June 2022	
	Staff Number	Total EFT	Staff Number	Total EFT	Staff Number	Total EFT
Women	738 (65.4%)	573.6	670 (65.9%)	519.6	564 (66.3%)	484.3
Men	390 (34.6%)	311.1	346 (34.1%)	284	287 (33.7%)	256.9
Gender diverse	n/a	n/a	n/a	n/a	n/a	n/a
Grand Total	1128	884.7	1016	803.6	851	741.2

Table 4: Employees by Age

Employee Age (years of age)	30 June 2024		30 June 2023		30 June 2022	
	Staff Number	Total EFT	Staff Number	Total EFT	Staff Number	Total EFT
Under 25	40	33.7	36	30.2	41	37.1
25–34	296	239.0	274	230.5	215	192.5
35–44	370	293.9	343	271.4	287	249.4
45–54	259	196.7	222	168.9	186	158.2
55–64	121	92.8	102	75.8	91	80.7
Over 64	42	29.6	39	26.8	31	23.3
Grand Total	1128	884.7	1016	803.6	851	741.2

“There wasn’t one person in that unit who didn’t want you to do your best”

*Impacts of services: Consumer feedback*

## 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 2 for Total Remuneration Package purposes.

**Table5: Forensicare’s senior executive service 2023-24**

	30 June 2024	30 June 2023	30 June 2022
Number of executives	11	13	13
Vacancies	0	0	0
Ongoing/special projects	0	0	0
Gender	6 females 5 males 0 self-described	7 females 6 males 0 self-described	7 females 6 males 0 self-described

## Length of service

**Table 6: Service recognition awards, 2023–24**

Years of service	Number of recipients
35 Year Service Award	1
30 Year Service Award	3
25 Year Service Award	2
20 Year Service Award	4
15 Year Service Award	9
10 Year Service Award	19
CAG – 5 Year Service	1

## Our Occupational Health, Safety & Wellbeing

Forensicare prioritised safety by identifying and implementing five key OHS Priorities that aim to:

- enhance governance,
- build safety leadership capability,
- ensure accountability,
- actively manage health, safety and wellbeing risks, including psychosocial hazards, and
- increase the Health, Safety and Wellbeing team's capacity and capability.





## Occupation health and safety (OHS)

In November 2023, Forensicare retired our *Health Safety & Wellbeing Plan (2022-2024)* and established the *Top 5 OHS Priorities* to support a mature, fit-for-purpose OHS management system.

### Top Five OHS Priorities

- 1. Integrated Governance, Data & Reporting**

Enhance governance structures and data reporting systems to improve safety metrics, identify trends, and integrate health, safety, and wellbeing (HSW) into clinical governance.
- 2. Building Safety Leadership Capability**

Develop a core capability framework that includes health, safety, and wellbeing as essential competencies across all leadership levels, supporting skill development and performance management.
- 3. Enabling Accountability for OHS**

Clearly define and support accountability for health and safety at all leadership levels, ensuring staff have the necessary information, training, and supervision to meet their obligations.
- 4. Active Management of HSW Risks (including Psychosocial Hazards)**

Implement a structured risk assessment program and robust incident investigation process to manage HSW risks, with a strategic focus on reducing psychosocial hazards and occupational violence.
- 5. Resourcing Health Safety & Wellbeing (HSW) Capability and Capacity**

Increase HSW team capacity by employing specialists for each directorate and OVA to support risk assessment, advisory services, and the development of effective work systems.

Table 7: OHS Statistics

OHS statistics	2023-24	2022-23	2021-22
The number of reported hazards/incidents for the year per 100 FTE	55.74	55.69	65.03
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	4.24	3.72	1.96
The average cost per WorkCover claim for the year ('000)	\$67'	\$61'	\$108'

## Staff support services

Employee wellbeing remains a priority for Forensicare. We developed an Employee Wellbeing Framework supported by a dedicated Coordinator. Key programs include the Critical Incident Support Framework, Employee Wellbeing Program, Employee (Peer) Support Network, and a Wellbeing Portal that provides staff with access to a range of guidance and support materials. Additionally, we publish a monthly newsletter highlighting various wellbeing initiatives. The 'Safe Place' initiative, established last year, has been extended to provide employees with confidential, independent support for concerns and complaints. While the number of staff accessing the service remains limited (33 referrals in year one of operation), responses to outbound survey questions report high levels of satisfaction with the service. Impacts of this initiative will continue to be tracked and reviewed in the 2024-25 year.

## Respectful Workplace Behaviour

In recent years, Forensicare has continued its zero tolerance approach to disrespectful behaviour after an independent review revealed concerning levels of bullying, discrimination, and harassment. In response, we developed resources and campaigns through our Culture Plan to create a supportive and safe environment. Despite progress, some negative behaviours persist. To address these, we implemented the Just One Thing campaign in late 2023, providing teams with resources and guidance to improve targeted areas. Our next step is to develop a scenario-based anti-bullying, harassment, and discrimination campaign, for which we are seeking creative agencies' support. Additionally, the Cultural Reform Board transitioned into the Staff Advisory Council in 2023-24, continuing to engage staff in shaping our workplace culture.

## Occupational violence

Ensuring the best care and safety for all remains a top priority. Forensicare continuously reviews and enhances our approaches to managing Occupational Violence & Aggression (OVA)- verbal and physical- risks for consumers, staff, and visitors. We have reformed the OVA Committee, establishing new governance and oversight structures to monitor incidents, identify causal factors, and implement corrective actions. All managers responding to OVA incidents now complete Safer Care Victoria Investigation training, which includes understanding human factors and preventing incident recurrence. A specialist OVA Advisor has been appointed to focus on preventative actions in high-risk areas. Additionally, we have reviewed our Occupational Violence and Aggression Framework, Prevention of Aggression and Behaviour Framework.

## "I moved yards... settled down"

*Impacts of services: Consumer feedback*

**Table 8: Overview of occupational violence statistics at Forensicare**

Occupational violence statistics	2023-2024	2022-2023	2021-2022
WorkCover-accepted claims with an occupational violence cause per 100 EFT	1.9	1.47	1.1
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	14.57	8.18	5
Number of occupational violence incidents reported	332	355	296
Number of occupational violence incidents reported per 100 EFT	37.01	40.02	38
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	5.12%	3.66%	2.36%

### Definitions

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

- Occupational violence—any incident where an employee is abused, threatened, assaulted or injured in circumstances arising out of or in the course of their employment.
- Incident – an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included.
- Accepted WorkCover claims – accepted WorkCover claims that were lodged in 2023-2024.
- Lost time- is defined as greater than one day
- Injury, illness or condition- this includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

# Our Environment

## Environmental achievements in 2023–24

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 lower emissions and increase environmental sustainability including in the design of the expanded Thomas Embling Hospital and in other capital programs.

## Climate-related risk disclosure statement

Climate change has the potential to directly and indirectly impact the services and programs that the Forensicare delivers on behalf of the Victorian Government. This requires ongoing effort to understand and respond to risks, develop opportunities, and build resilience to climate impacts.

Forensicare seeks opportunities to adopt new technology to deliver services to the community in ways that support Victoria's transition to net zero emissions and a climate resilient state, including through delivery of major capital works in partnership with the Department of Health and Victorian Health Building Authority.

Through this statement, Forensicare aims to:

- communicate its actions to understand the impact of climate change on its assets, operations and services
- demonstrate that its environmental impacts are responsibly managed and mitigated
- support the efficient allocation of resources to aspire towards net zero emissions and improve environmental performance over time.





## 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.

Table 9: Greenhouse gas emissions

Indicator	2023-24	2022-23	2021-22
Total Scope 1 greenhouse gas emissions (Tonnes CO <sub>2</sub> -e)	385.7	430.9	440.5
Total Scope 2 greenhouse gas emissions (Tonnes CO <sub>2</sub> e)	1506.5	1502.1	1656.6
Total Scope 3 greenhouse gas emissions from commercial air travel and waste disposal (Tonnes CO <sub>2</sub> -e)	66.42	N/A	N/A

Our Scope 1 greenhouse gas emissions decreased by 2.18 per cent from 2021-22 to 2022-23 and decreased by 10.5 per cent from 2022-23 to 2023-24. Forensicare’s Scope 2 greenhouse gas emissions decreased by 9.33 per cent from 2021-22 to 2022-23 and increased by 0.29 per cent from 2022-23 to 2023-24. 2023-24 was the first year that Forensicare collected data from commercial air travel.

## Electricity production and consumption

**Table10: Electricity production and consumption**

Indicator	2023-24	2022-23	2021-22
Total electricity consumption (MWh)	2395.6	2284.1	2287.4
Purchased Electricity – Consolidated	2289.8	2186.6	2268.5
Forensicare did not have a breakdown of electricity production an consumption data in 2022-23 but intends to obtain this data for future reporting.			
Forensicare office	N/A	78.3	72.4
Self-generated (MWh)	137.1	97.5	18.8
On-site electricity generated (MWh)	105.8	97.5	18.8
Solar PV <sup>(c)</sup>			
Consumption behind-the-meter	105.8	97.5	18.8
Exports	0	0	0
Other non-renewable (Diesel backup generator) <sup>(d)</sup>	0.3		
On-site installed generation capacity (MW)	0.4	0.3	0.3
Solar PV <sup>(c)</sup>	0.1	0.1	0.1
Diesel backup generator	0.3	0.2	0.2
Total electricity offsets (MWh)	430.5	2186.6	2268.5
LGC's voluntarily retired by the Entity	N/A	2186.6	2268.5
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 decreased by 2.0 per cent from 2021-22 to 2022-23 and increased by 1.2 per cent from 2022-23 to 2023-24.

Table 11: Stationary fuel use

Indicator	2023-24	2022-23	2021-22
Total Fuels used in buildings and machinery (MJ)	7,239,234	8,078,306	8,241,467
Buildings <sup>(a)</sup>	7,239,234	8,078,306	8,241,467
Natural gas	7,239,234	8,078,306	8,241,467
Machinery <sup>(b)</sup>			
Diesel (litres)	2,000	N/A	N/A
Greenhouse gas emissions from stationary fuel consumption (Tonnes CO <sub>2</sub> -e)	373	416	424

## Transportation

Forensicare's fleet comprised twenty-three (23) passenger vehicles as of 30 June 2024 (up from seventeen (17) on 30 June, 2023), one (1) of which was an executive lease vehicle and twenty-two (22) were pool vehicles for consumer transport and business-related staff travel. Three (3) of these vehicles were diesel-driven, seventeen (17) were petrol and three (3) were hybrid (range-extended).

Energy used in transport fuels decreased by 8.6 per cent from 2021-22 to 2022-23 and decreased by 13.4 from 2022-23 to 2023-24. Greenhouse gas emissions from transport decreased by 7.6 per cent from 2021-22 to 2022-23 and decreased by 13.5 per cent from 2022-23 to 2023-24.

**Table 12: Transport energy use**

Indicator	Jul-23 to Jun-24	Jul-22 to Jun-23	Jul-21 to Jun-22
T1 Total energy used in transportation (vehicle fleet) within the Entity, segmented by fuel type [MJ]			
Non-executive fleet - Gasoline	92,586.60	99,022.80	172,659.10
<b>Petrol</b>	92,586.60	99,022.80	172,659.10
Non-executive fleet - Diesel	90,922.50	112,804.40	59,173.70
<b>Diesel</b>	90,922.50	112,804.40	59,173.70
Total energy used in transportation (vehicle fleet) [MJ]	183,509.10	211,827.20	231,832.80
T2 Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category			
<b>Petrol</b>	17	11	11
Sedan	11	11	8
SUV	6	0	3
<b>Diesel</b>	3	6	9
Sedan	0	4	4
People Mover	3	2	5
<b>Hybrid</b>	3	2	0
Sedan	3	2	0
T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type [tonnes CO <sub>2</sub> -e]			
Non-executive fleet - Gasoline	6.26	6.70	11.67
Petrol	6.26	6.70	11.67
Non-executive fleet - Diesel	6.40	7.94	4.17
Diesel	6.40	7.94	4.17
Total Greenhouse gas emissions from transportation (vehicle fleet) [tonnes CO <sub>2</sub> -e]	12.66	14.64	15.84
T4 Total distance travelled by commercial air travel (passenger km travelled for business purposes by entity staff on commercial or charter aircraft)			
Total distance travelled by commercial air travel	331,393.00	N/A	N/A



## Total energy use

**Table 13: Total energy use**

Indicator	2023-24	2022-23	2021-22
Total energy usage from fuels (stationary and transportation) (MJ)	7,422,743	8,290,133	8,473,300
Total energy used from electricity (MJ)	8,624,295	8,222,914	8,234,749
Total energy used segmented into renewable and non-renewable sources (MJ)	16,428,014	16,513,048	16,708,050
Renewable	1,930,720	1,831,059	1,586,140
Non-renewable	14,497,294	14,681,988	15,121,910
Units of energy used normalised by FTE	1,283	1,318	1,332

## 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.

Construction is progressing on the redevelopment of the Thomas Embling Hospital which will significantly expand and modernise the organisations footprint. These buildings will come online during 2024/25 and include significant sustainability initiatives including solar panels, full electric setup and modern sustainable building and design techniques. Forensicare is progressing development of a refurbishment program for existing buildings at the Thomas Embling Hospital which will also support improved sustainability.

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. The new buildings under construction at the Thomas Embling Hospital include additional on-roof solar panels.

### 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 (VHBA) 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.

Following the results of a sustainability audit undertaken in 2023/24, Forensicare is now planning to upgrade its building management system sensors and replace outdated gas-powered hot water systems with electric heat pump systems. These initiatives will be progressively installed over coming years.

## 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. All Forensicare tenders include 5% for social procurement which includes sustainability, suppliers are asked to provide information on their sustainability practices and these are scored accordingly against the weighted criteria.

## Water consumption

Table 14: Water consumption

Indicator	2023-24	2022-23	2021-22
Total water consumption by an Entity (kilolitres)	20,168.7	14,568.5	15,107.9
Potable water consumption	20168.7	14,568.5	15,107.9
Metered reused water consumption		-	-
Units of metered water consumed normalised by FTE	1.6	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 15: Waste and recycling performance

Indicator	2023-24	2022-23	2021-22
Paper recycling (kg)	4490	6370	2110
Cardboard and paper recycling (tonnes)	30.4	30.9	52
General waste (tonnes)	149.5	138.1	136
Co-mingle waste (tonnes)	11.0	14.2	16
Organic waste (tonnes)	4.2	3.1	6
Clinical waste (tonnes)	1.5	1.5	4
E-waste (tonnes)	6.0	7.6	5

# Our Statement of Priorities (SoP)

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 and Wellbeing 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 2023-24 and included Forensicare’s contribution to the following priorities:

## Delivering on Forensicare’s SoP

### Toward 2025 – Forensicare is ready and able to safely and effectively deliver its expanded services

Objectives	Actions
Work to achieve long term financial sustainability	<p>Forensicare has undertaken focused actions with the Department of Health (and the Department of Justice and Community Safety) to improve understanding around financial settings and move to long term financial security.</p> <p>Actions have included:</p> <ul style="list-style-type: none"><li>- clarifying funding lines, including understanding the historical basis for funding and investigations of variance.</li><li>- confirming the requirement for a dedicated forensic mental health funding model that appropriately recognises volume, quality outcomes and responsiveness to new approaches.</li><li>- changes to data and information governance, systems, processes and people capacity.</li></ul> <p>Improvements in these areas, and engagement with the Department of Health on options around client management systems are setting us up for accurate reporting of outcomes against a new funding approach.</p>
Moving from competition to collaboration	<p>Forensicare has a continued commitment to the development and maintenance of partnerships that advance the operating settings of specialist Forensic Mental Health Services.</p> <p>In relation to Thomas Embling Hospital's location in North East Melbourne, across 2023-24, we have engaged with the North East Metropolitan Health Service Partnership, including participating in the regional outcomes review project, contributing to the shared approach to Royal Commission implementation and partnering with health service transformation leads in planning and system design. The Board also hosted a discussion with the North East Melbourne Interim Regional Body Chair.</p> <p>Across settings and services, the roll out of specialist forensic mental health teams delivering locally accessible services in partnership with AMHWS, ongoing collaborations with ERMHA (psychosocial services), the Australian Clinical Support Organisation (on AOD), court services (on assessment and referral functions), Corrections Victoria and Victoria Police (around fixated threat responses) have been productive.</p> <p>New partnerships have also emerged in 2023-24, including the establishment of the Community Disability Forensic Mental Health Service with the Department of Families, Fairness and Housing, and the commencement of collaboration with Forensic Mental Health services in New South Wales and New Zealand.</p> <p>Forensicare was actively engaged in discussions around the Victorian Health Services Plan and design components, noting our work as a statewide provider of Specialist Forensic Mental Health services sits across both the justice and health systems.</p>

## Provide a safe environment for all – Community, staff and consumers

Objectives	Actions
Excellence in clinical governance	<p>Our Clinical Governance Framework provides Forensicare staff with comprehensive safety and quality management systems and processes to achieve the delivery of safe, effective, person-centred and connected care. Clinical governance functions as an integral part of Forensicare's overarching Governance Framework, providing the link between our objectives, strategic priorities and service quality and outcomes for people with a lived experience of justice involvement and mental illness. We have the systems in place to deliver high quality and safe forensic mental health care in a framework of continuous improvement.</p> <p>We participated in Safer Care Victoria's Mental Health Improvement Unit's <i>Breakthrough Series Collaborative</i> on safely reducing restrictive practices. The Argyle unit worked with other services, shared approaches and tools to support revisions to approaches, with significant reductions in the rate of seclusion in 2023-2024.</p> <p>Forensicare's First People's Advisory Unit established in 2023-24 has enabled invitations to Community leaders to contribute to our revised First People's Advisory Committee. Engaging and listening to the First People's Advisory Committee members will be critical in delivering culturally safe and appropriate services.</p> <p>2023-24 has focused on the definition and development of defining and developing a new operating model, appropriate for expanded services and commenced reviewing our approach to consumers under the age of 26 years, across all service settings. A committed group of clinical and lived experience workforce has formed an advisory group to establish principles around service design and changes we should consider in relation to youth populations.</p> <p>Forensicare's commitment to research to inform improvement is evident in the ongoing partnership with Swinburne University's CFBS, via support of professional development and the establishment of the Victorian Collaborative Centre for Forensic Mental Health and Wellbeing.</p>
Improving equitable access to healthcare and wellbeing	<p>Implementation of Regional Forensic Mental Health Teams during 2023-24 enables access to more accessible and timely forensic mental health services. This aspect of our service will become a critical component of our model and approach around flow and access, increasing our overall effectiveness and efficiency, enabling consumers to transition from hospital and prison settings to local areas, and receive dedicated supports.</p> <p>There has been focused action to ensure our commitment to access by First People's Community Members via the Regional Forensic Mental Health Teams is recognized. There has been multiple engagements between Forensicare and respective Regional Aboriginal Justice Advisory Committees and Local Aboriginal Justice Advisory Committees. Access to regional services by First People's Community members and partnership with Aboriginal Community Controlled Organisations will be monitored to assess effectiveness in prioritizing access.</p> <p>We have prioritised and elevated the focus on rates of identification of First People's accessing all services. Consistently more than 90% of all consumers, across all settings, were asked about identification status, and based on identification the establishment of appropriate care and discharge planning can become routine.</p>



## Beyond 2025 – development of a world leading forensic mental health system in Victoria

Objectives	Actions
A stronger workforce	<p>Forensicare has focused on the design and implementation of multiple strategies and actions from our Diversity Equity and Inclusion plan to boost workforce attraction and retention.</p> <p>A Forensicare Staff Reference Group model was developed and established for those recently migrated staff.</p> <p>2023-24 saw us completely review and overhaul our orientation and onboarding process, with the intention to establish ourselves as an employer of choice from first contact, during recruitment and on commencement.</p> <p>Our commitment to a stronger workforce has been established via commitments and work on our general workforce capability, and 2023-24 leadership programs, with LEDA and Elevate being a dedicated resource for staff, ensuring that we have a dedicated and capable clinical workforce and the appropriate leadership skills to deliver on reforms and new directions.</p> <p>During 2023-24, engagement with the workforce on safety occurred. With staff leadership and support we achieved the outcome of acquitting multiple recommendations for improvements.</p>
Empowering people to keep healthy and safe in the community	<p>Forensicare's Regional Forensic Mental Health Teams are enabling direct care, shared care and capacity building of local partner services, enabling local services to be part of healthy, safe local communities. Building on Forensicare's statewide specialty role in coordination of Youth Justice Mental Health Clinicians, Mental Health Advice and Response Clinicians in our courts and Forensic Clinical Specialists, work in partnership is enabling awareness of and access to workforce development options, via the Centre for Forensic Behavioural Science (post-graduate) and the short course options via the FMH PDP.</p> <p>Across 2023-24, in response to the Department of Health's <i>Our Workforce, Our Future</i> Guide active engagement with the Department of Health resulted in agreement that Forensicare would lead the development of two forensic mental health companion guides, to set out forensic mental health capability and competency for both local and area mental health and wellbeing services, and specialist forensic mental health services. Development, release and implementation of these guidance documents will empower local and area services towards community safety.</p>

# Health service performance priorities

**Table 16 – Health service performance priorities**

## High quality and safe care

Key Performance Measures	Target	Result
<b>Infection prevention and control</b>		
Compliance with the Hand Hygiene Australia program	85%	85%
Percentage of healthcare workers immunised for influenza	94%	98%
<b>Mental Health Patient Experience<sup>1</sup></b>		
Percentage of consumers who rated their overall experience of care in the last 3 months as positive	80%	34%
Percentage of consumers reporting they 'usually' or 'always' felt safe using this service	90%	59%
Percentage of families/carers reporting a 'very good' or 'excellent' overall experience of the service	80%	Not Available due to low participation
Percentage of families/carers who report they 'always' or 'usually' felt their opinions as a carer were respected	90%	Not Available due to low participation
<b>Mental Health Post-discharge follow-up</b>		
Percentage of consumers followed up within 7 days of separation - Inpatient	88%	80%
<b>Mental health seclusion</b>		
Rate of seclusion episodes per 1,000 occupied bed days - Inpatient	≤ 8	24

## Strong governance, leadership and culture

Key Performance Measure	Target	Result
<b>Organisational culture</b>		
People matter survey – percentage of staff with an overall positive response to safety culture survey questions	62%	59%

<sup>1</sup> Mental Health Patient Experience: Forensicare's YES and CES survey results reflect, in part, impacts of survey methodology, which involves annual snapshot sampling. This leads to a risk of variable results, occurring because of the method, or no results, given insufficient numbers. Forensicare notes the data has a role in informing on experience, and in light of limitations with the survey, has in place multiple strategic engagement actions to enable understanding of, and set improvements in, consumer and carer experience.

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	≥80	130
Percentage of male Security Patients admitted to Thomas Embling Hospital within 7 days of certification	80%	13%
Percentage of male security patients discharged from Thomas Embling Hospital to a correctional centre within 21 days	80%	31% <sup>2</sup>
Percentage of male security patients discharged within 7 days of becoming a civil client	80%	75% <sup>2</sup>

2 Forensicare sourced data. The data included is accurate at the time of publication and is subject to validation by official sources from the Department of Health.



## Effective financial reporting

Key Performance Measure	Target	Result
Operating result (\$m)	(\$14.4 <sup>3</sup> )	(\$15.84)
Average number of days to pay trade creditors	60 days	62.85 <sup>4</sup>
Adjusted current asset ratio	0.7	0.73
Actual number of days available cash, measured on the last day of each month.	14 days	11.47
Variance between forecast and actual net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ \$250,000	Not achieved

- 3 The 2023-24 SoP issued included an operating result target deficit of (\$11.43m). The issued 2023-24 SoP target was intended to be based on health services' forecasts at end December 2023. At this point in time, Forensicare's forecast was (\$14.4m), which assumed nonpayment of outstanding EBA funding and prison revenue. Forensicare pointed out the variance in the forecast figure with the Department of Health who have acknowledged the variance.
- 4 The calculation of creditor days also includes accruals. The higher than target result is primarily due to delays by a third party vendor in submitting accurate final invoices for payment. This has since been rectified.

## 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.

## Activity and funding

**Table 17: Victorian Institute of Forensic Mental Health's funding summary for 1 July 2023- 30 June 2024**

Funding type	Activity	Budget (\$'000)	Result (\$'000)
Subacute & non-acute other			
Other specified funding		661	676
Mental health and drug services			
Mental health ambulatory	20,056	27,167	27,495
Mental Health Inpatient - Available bed days	49,642	61,698	61,698
Mental Health Service System Capacity		9,114	9,925
Mental Health Other		280	280
Other			
Health Workforce		343	393
<b>TOTAL Funding</b>		<b>99,264</b>	<b>100,468</b>



# Disclosures

## Disclosure index

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

Legislation	Requirements	Page
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## 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 are directed to Justice Health.

### Freedom of information applications

No fees were charged for accessing information in 2023-24. During the reporting period, 127 requests were received and processed. Of these requests, all 127 were from members of the public.

- Documents were released in full in response to 89 applications
- No applications were received for which no documents were found
- One (1) application was denied
- No applications were transferred
- 37 applications had some exemptions applied

No applications were carried over to be completed in 2024-25.

Of the 37 applications not released in full, the following exemptions\* were applied to some of the documents:

- 1 request had section 29(b) applied
- 3 had section 30(1) applied
- 2 had section 31(1) applied
- 25 had section 33(1) applied
- 3 had section 33(2A) applied
- 0 had section 33(4) applied
- 14 had section 35(1)(b) applied

\*Note: some applications had multiple exemptions.

In 2023-24, 118 decisions were made within the statutory 30-day period. The average time taken to finalise requests was 13.6 days. Of requests finalised, the average number of days (over or under the average statutory period to decide the request) was less than 16.4 days. One request was subject to complaints/internal reviews by OVIC. One request progressed to the Victorian Civil and Administrative Tribunal (VCAT).

## 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 2023-2024 Forensicare, was issued with 1 building permit and one heritage permit for works undertaken on its sites. Additionally, thirteen permits and one heritage permit were issued to the VHBA relating to the redevelopment of the Thomas Embling Hospital.

## Public Interest Disclosures Act 2012

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.

## National Competition Policy

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

## Carers Recognition Act 2012

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.
- Working closely with Carer and Family specific services to provide direct connections to further supports for families and carers, and to educate about the experience of families and carers of people accessing forensic mental health services.
- Ensuring carers are provided with information about their healthcare rights, including access to the Australian Charter of Healthcare Rights.
- Providing families and carers a variety of avenues to provide feedback and make a complaint.
- Ensuring consumers are provided with information regarding the role of carers and Nominated Support persons in how they can be engaged in supporting a consumer.

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.

## Local Jobs First Act 2023

### 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.

## 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.

## 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 our Diversity, Equity and Inclusion (DEI) action plan. The plan outlines how we build our capability to be responsive to the needs of people living with disability, including those with intersectional needs, and reduce barriers to accessing services, facilities, employment and promote community inclusion and participation.

### Reducing barriers to accessing goods, services and facilities

Regular surveys and engagement with our Consumer Advisory Group and peer workers provide avenues for consumers to raise issues with access to services and facilities. These are then addressed directly or incorporated into organisation-wide action plans.

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. The Thomas Embling Hospital Expansion Project, and other re-development activities, are ensuring all DDA requirements are included and addressed.



**Reducing barriers to persons with a disability obtaining and maintaining employment**

Pre-employment screening and prompts empower prospective staff to identify how we can best support their individual needs including all reasonable adjustments.

Additional health, safety and wellbeing roles have been created to provide all staff with additional supports as they commence employment with us or return to work following an injury or illness. Through our occupational therapist positions and partnership with Kangan TAFE, consumers are encouraged and supported to engage in vocational training to enhance their employment opportunities.

**Promoting inclusion and participation in the community**

Our DEI framework and action plan guides our understanding of collective issues through targeted tasks and activities, along a continuous improvement cycle. We promote inclusion, the breaking down of barriers, and stimulate personal knowledge and growth, both within our workforce and as we support our consumers transition into the community.

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

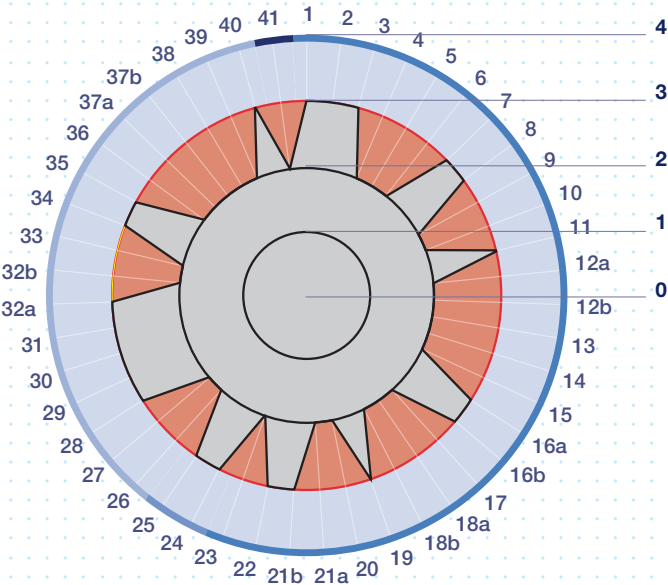
Forensicare’s Diversity, Equity and Inclusion Framework outlines our commitment to ensuring equity, accessibility, responsiveness and inclusion for everyone.

Online training and information, including modules that challenge ingrained cultural and attitudinal barriers that perpetuate discrimination, are available for staff to access. Modules also include an overview of legislative frameworks that support the inclusion of people with disability at Forensicare.

**Asset Management Accountability Framework**

Forensicare applies the mandatory requirements of the Asset Management Accountability Framework (AMAF) in its operations. As required under the AMAF a maturity assessment has been undertaken for the year ending 30 June 2024.

This result represents a significant improvement and an achievement of our goals set in 2021 to achieve at least a rating of 2 ‘developing’ across all domains and an increased number of domains rated as 3 ‘Competence’. Forensicare has set a goal of achieving a rating of 3 ‘Competence’ for all domains in our next assessment in 2027.



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

Target  
Overall

## Consultancies used in 2023-24

**Table 18: Consultancies used in 2023-24.**

Consultant Name	Purpose of Consultancy	Total Approved Project Fee (Excl. GST)	Expenditure 2023-24 (Excl GST)	Future Expenditure (Excl GST)
THE INTERCHANGE GROUP PTY LTD	Management and Leadership Development Program	\$860,000	\$544,726	\$315,274
EMPLOYEE MANAGED SERVICES PTY LTD	Human Capital Management (HCM) Implementation	\$644,347	\$336,486	\$307,861
CIRCLE T INDUSTRIES	SharePoint Enhancement Program	\$165,000	\$165,000	\$0
THOMAS DURYEA LOGICALIS PTY LTD	WAN Upgrade Project	\$155,000	\$155,000	\$0
NEU21 PTY LTD	Shaping workforce and preparing for future operating model	\$117,700	\$117,700	\$0
GROSVENOR PERFORMANCE GROUP PTY LTD	BI Capability Assessment and Uplift Roadmap	\$98,121	\$98,121	\$0
THOMAS DURYEA LOGICALIS PTY LTD	Network setup in New Entry Complex	\$96,600	\$96,600	\$0
RUSS WOOD	Regional Expansion Project Support	\$74,566	\$74,566	\$0
ENABLE WORKPLACE CONSULTING (i)	Safe Place Consultancy	\$53,934	\$53,934	\$0
DELOITTE CONSULTING PTY LTD	Human Capital Management (HCM) Specification and Tender support	\$42,400	\$42,400	\$0
GROSVENOR PERFORMANCE GROUP PTY LTD	Asset Management Accountability Framework Maturity Assessment	\$42,287	\$42,287	\$0
NEXON ASIA PACIFIC PTY LTD	Cybersecurity Measures	\$33,288	\$33,288	\$0
BRIDGEFORD GROUP PTY LTD	Energy Efficiency Audit	\$24,980	\$24,980	\$0
GRAYLIN PTY LTD	NSQHS Standards	\$24,000	\$24,000	\$0
AABIZ PTY LTD	High Level Network Design	\$13,640	\$13,640	\$0
DEPARTMENT OF TRANSPORT AND PLANNING	Valuation of Land and Building Assets	\$13,000	\$13,000	\$0
SW ACCOUNTANTS & ADVISORS PTY LTD	Superannuation Advisory	\$10,000	\$10,000	\$0

(i) The Enable workplace consultancy includes support tailored to employee wellbeing, with services rendered as per the demand and necessity of the staff.

Throughout the financial year, Forensicare engaged 5 consultancies where the total fees payable to the consultants were less than \$10,000, with a total expenditure of \$33,725 (excl. GST).

## Details of information and communication technology expenditure 2023-24

The total ICT expenditure incurred during 2023-24 was \$6.5 million (excluding GST), with the details shown below.

**Table 19: Forensicare ICT expenditure 2023-24**

Business as usual (BAU) ICT expenditure	Non business as usual (nonBAU) ICT expenditure		
	Total = operational expenditure and capital expenditure (excl. GST)	Operational expenditure (OPEX)	Capital expenditure (CAPEX)
\$5.0 million	\$ 1.5 million	\$1.1 million	\$0.4 million

## 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
- j) of employees
- k) general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes
- l) list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved
  - i. details of all consultancies and contractors including:
  - ii. consultants/contractors engaged
  - iii. services provided
  - iv. expenditure committed to for each engagement

# Attestations

## Victorian Institute of Forensic Mental Health Financial management compliance attestation

I, Ian Forsyth, on behalf of the Responsible Body, hereby certify that the Victorian Institute of Forensic Mental Health has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Ian Forsyth  
Audit and Risk Committee Chair  
Melbourne  
4 September 2024

## Data integrity declaration

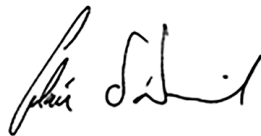
I, Colmán O'Driscoll, certify that the Victorian Institute of Forensic Mental Health has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Forensicare has critically reviewed these controls and processes during the year.



Colmán O'Driscoll  
CEO  
Melbourne  
4 September 2024

## Conflict of Interest declaration

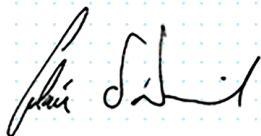
I, Colmán O'Driscoll, certify that the Victorian Institute of Forensic Mental Health has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and has implemented a 'Conflict of Interest' policy 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.



Colmán O'Driscoll  
CEO  
Melbourne  
4 September 2024

### **Integrity, fraud and corruption declaration**

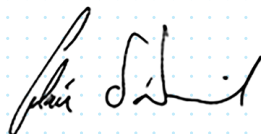
I, Colmán O'Driscoll, certify that the **Victorian Institute of Forensic Mental Health** has put in place appropriate internal controls and processes to ensure that integrity, fraud and corruption risks have been reviewed and addressed at Forensicare during the year.



Colmán O'Driscoll  
CEO  
Melbourne  
4 September 2024

### **Compliance with Health Share Victoria (HSV) Purchasing Policies**

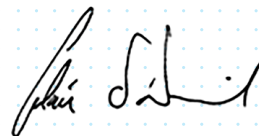
I, Colmán O'Driscoll, certify that the **Victorian Institute of Forensic Mental Health** has put in place appropriate internal controls and processes to ensure that it has materially complied with all requirements set out in the HSV Purchasing Policies including mandatory HSV collective agreements as required by the *Health Services Act 1988* (Vic) and has critically reviewed these controls and processes during the year.



Colmán O'Driscoll  
CEO  
Melbourne  
4 September 2024

### **Safe patient care**

The **Victorian Institute of Forensic Mental Health** has no matters to report in relation to its obligations under section 40 of the *Safe Patient Care Act 2015*.



Colmán O'Driscoll  
CEO  
Melbourne  
4 September 2024



# Financial performance summary 2023-24

At the end of the reporting period, Forensicare recorded a net surplus for the year of \$103k (2022-23: \$38.1k). The Statement of Priorities operating result was a deficit of \$15.8m against a budgeted deficit of \$16.6m.

## Revenue

Total income from transactions grew during the year by 46.6% to \$281.7m, up from \$192.2m in 2022-23. 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 \$149.8m up from \$127.7m in 2022-23 (17.3%), primarily a result of the organisation's continual implementation in building up capacity across multiple disciplines, including Nursing, Allied Health, Medical and Corporate and Clinical Support, to meet the growth and support required in forensic mental health sector. Other contributing factors include Enterprise Bargaining Agreement increases on existing positions and new positions required to be recruited under Community Regional Expansion.

## Non-salary expenditure

Non-salary expenditure increased during the year to \$24.3m from \$20.4m in 2022-23 (19.1%), including expenditure related consultancy for Human Capital Management implementation, Management and Leadership Development, and rental outgoings.

## Other comments to the financial statements

1. The cash and cash equivalents balance were \$17.0m, down from \$28.5m in 2022-23. This decrease was predominantly due to a change in government approach to not make a sustainability grant payment before year end to enable Forensicare to deliver a break-even operating result.
2. Purchase of non-financial assets decreased during the year to \$3.1m from \$8.0m in 2022-23. This was for a range of capital works programs, including the Priority Works 1, Enabling and Priority Works 2, Canning DDA, Hospital Expansion project and Yarra House Capital project.

## Historical financial analysis and key financial statistics

**Table 20: Historical financial analysis and key financial statistics**

	2024	2023	2022	2021
	\$'000	\$'000	\$'000	\$'000
<b>Financial performance</b>				
Operating revenue	\$157,975	\$147,832	\$138,337	\$122,347
Operating expenditure	(\$173,811)	(\$147,832)	(\$138,295)	(\$122,321)
	(\$15,836)	-	\$42	\$26
Other gains/(losses) from other economic flows	\$1,388	(\$836)	\$379	\$1,772
Capital revenues	\$123,754	\$44,370	\$10,260	\$8,051
Depreciation and amortisation	(\$6,029)	(\$5,151)	(\$4,694)	(\$4,225)
Finance costs (other)	(\$181)	(\$166)	(\$42)	(\$51)
Expenditure for capital purpose	(\$42)	(\$103)	(\$19)	(\$21)
Net result	\$103,054	\$38,114	\$5,926	\$5,552
<b>Financial position</b>				
Current assets	\$31,564	\$35,454	\$40,024	\$26,393
Non-current assets	\$352,863	\$228,385	\$179,176	\$174,069
Total assets	\$384,427	\$263,839	\$219,200	\$200,462
<b>Current liabilities</b>	\$58,712	\$46,319	\$48,308	\$35,502
Non-current liabilities	\$8,191	\$8,465	\$5,557	\$5,990
Total liabilities	\$66,903	\$54,784	\$53,865	\$41,492
Net assets	\$317,524	\$209,055	\$165,335	\$158,970
Equity	\$317,524	\$209,055	\$165,335	\$158,970
<b>Cash held</b>				
Cash at the end of reporting period	\$16,952	\$28,465	\$31,750	\$18,830
<b>Key statistics</b>				
Current ratio – liquidity	0.71	0.99	1.01	0.87
Equity/assets – stability	0.83	0.79	0.75	0.79

## Net result from transactions

**Table 21: Reconciliation between the Net result from transactions reported in the model to the Operating result as agreed in the Statement of Priorities**

	2024	2023	2022	2021
	\$'000	\$'000	\$'000	\$'000
Operating result	(15,836)	-	42	26
Capital purpose income	123,754	44,370	10,260	8,051
Specific income	-	-	-	-
Assets provided free of charge	-	-	-	-
Assets received free of charge	-	-	-	-
Expenditure for capital purpose	(42)	(103)	(19)	(21)
Depreciation and amortization	(6,029)	(5,151)	(4,694)	(4,225)
Impairment of non-financial assets	-	-	-	-
Finance costs (other)	(181)	(166)	(42)	(51)
Net result from transactions	101,666	38,950	5,547	3,780

# Financial Statements 2023–24

## 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 2024 in the following structure to provide users with the information about Forensicare's stewardship of the resources entrusted to it.

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## Victorian Institute of Forensic Mental Health

### Understanding Our Financials

#### What do Financial Statements show?

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

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

#### What is in the Financial Statements?

The Financial Statements of Forensicare consist of four financial reports, explanatory notes supporting the financial statements and the endorsement statement by Forensicare 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 Forensicare 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.

Forensicare'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 Forensicare.

#### Balance Sheet

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

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.

Forensicare'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 Forensicare's delivery of services.
- The "Cash Flows from Investing Activities" refers to Forensicare'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 Forensicare's net worth.

Forensicare'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 Forensicare, 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 an independent written undertaking of the fairness of the accounts, in material respects, in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards. Refer to the audit opinion for details.

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 2024 and the financial position of the Victorian Institute of Forensic Mental Health at 30 June 2024.

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 4th September 2024.

Member of Responsible Body

Accountable Officer

Chief Finance and Accounting Officer



Ms Penny Armytage AM  
Chair



Adj Professor Colmán O’Driscoll  
Chief Executive Officer



Mr Stewart Waters  
Interim Chief Financial Officer

4th September 2024  
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"><li>balance sheet as at 30 June 2024</li><li>comprehensive operating statement for the year then ended</li><li>statement of changes in equity for the year then ended</li><li>cash flow statement for the year then ended</li><li>notes to the financial statements, including material accounting policy information</li><li>board member's, accountable officer's and chief finance and accounting officer's declaration.</li></ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the institute as at 30 June 2024 and its 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.



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 2024**

	Note	2024 \$'000	2023 \$'000
<b>Revenue and Income from Transactions</b>			
Operating activities	2.1	280,617	191,332
Non-operating activities	2.1	1,113	871
<b>Total Revenue and Income from Transactions</b>		<b>281,730</b>	<b>192,203</b>
<b>Expenses from Transactions</b>			
Employee expenses	3.1	(149,772)	(127,748)
Supplies and consumables	3.1	(7,377)	(6,769)
Finance costs	3.1	(181)	(166)
Other administrative expenses	3.1	(14,157)	(10,907)
Other operating expenses	3.1	(2,548)	(2,512)
Depreciation and amortisation	3.1, 4.4	(6,029)	(5,151)
<b>Total Expenses from Transactions</b>		<b>(180,064)</b>	<b>(153,253)</b>
<b>Net Result from Transactions - Net Operating Balance</b>		<b>101,666</b>	<b>38,950</b>
<b>Other Economic Flows included in Net Result</b>			
Net gain/(loss) on non-financial assets	3.4	141	60
Other gain/(loss) from other economic flows	3.4	1,247	(896)
<b>Total Other Economic Flows included in Net Result</b>		<b>1,388</b>	<b>(836)</b>
<b>NET RESULT FOR THE YEAR</b>		<b>103,054</b>	<b>38,114</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to net result</b>			
Changes in property, plant and equipment revaluation surplus		5,415	5,606
<b>Total Other Comprehensive Income</b>		<b>5,415</b>	<b>5,606</b>
<b>COMPREHENSIVE RESULT FOR THE YEAR</b>		<b>108,469</b>	<b>43,720</b>

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

**Victorian Institute of Forensic Mental Health**  
**Balance Sheet**  
**As at 30 June 2024**

	Note	2024 \$'000	2023 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	6.2	16,952	28,465
Receivables	5.1	13,012	5,818
Other assets		1,600	1,171
<b>Total Current Assets</b>		<b>31,564</b>	<b>35,454</b>
<b>Non-Current Assets</b>			
Receivables	5.1	6,890	5,262
Property, plant and equipment	4.1a	341,084	218,037
Right of use assets	4.2a	4,514	4,642
Intangible assets	4.3a	375	444
<b>Total Non-Current Assets</b>		<b>352,863</b>	<b>228,385</b>
<b>Total Assets</b>		<b>384,427</b>	<b>263,839</b>
<b>Current Liabilities</b>			
Payables	5.2	25,069	17,136
Contract liabilities	5.3	3,085	4,314
Borrowings	6.1	998	917
Employee benefits	3.2	26,579	23,640
Other current liabilities	5.4	281	312
<b>Total Current Liabilities</b>		<b>56,012</b>	<b>46,319</b>
<b>Non-Current Liabilities</b>			
Contract liabilities	5.3	2,700	-
Borrowings	6.1	3,762	3,846
Employee benefits	3.2	4,429	4,619
<b>Total Non-Current Liabilities</b>		<b>10,891</b>	<b>8,465</b>
<b>Total Liabilities</b>		<b>66,903</b>	<b>54,784</b>
<b>NET ASSETS</b>		<b>317,524</b>	<b>209,055</b>
<b>Equity</b>			
Property, plant and equipment revaluation surplus		122,903	117,488
Contributed capital	SCE	34,139	34,139
Accumulated surplus	SCE	160,482	57,428
<b>TOTAL EQUITY</b>		<b>317,524</b>	<b>209,055</b>

*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 2024**

	Note	2024 \$'000	2023 \$'000
<b>Cash Flows From Operating Activities</b>			
Operating grants from DH		100,172	96,336
Operating grants from Commonwealth Government		143	130
Operating grants from DJCS		21,332	24,135
Capital grants from DH		4,737	6,473
Service fees - commercial prison		31,220	29,765
Interest received		1,113	871
Donations and bequests received		-	41
Other receipts received <sup>(i)</sup>		612	595
<b>Total Receipts</b>		<b>159,329</b>	<b>158,346</b>
Payments to employees		(137,622)	(126,640)
Payments to contractors and consultants		(5,156)	(3,878)
Payments for supplies and consumables		(24,211)	(22,480)
<b>Total Payments</b>		<b>(166,989)</b>	<b>(152,998)</b>
<b>Net Cash Flows from/(used in) Operating Activities</b>	8.1	<b>(7,660)</b>	<b>5,348</b>
<b>Cash Flows From Investing Activities</b>			
Purchase of non-financial assets		(3,110)	(7,994)
Proceeds from sale of non-financial assets		223	69
<b>Net Cash Flows from/(used in) Investing Activities</b>		<b>(2,887)</b>	<b>(7,925)</b>
<b>Cash Flows From Financing Activities</b>			
Repayment of principal portion of lease liabilities		(966)	(708)
<b>Net Cash Flows from/(used in) Financing Activities</b>		<b>(966)</b>	<b>(708)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents Held</b>		<b>(11,513)</b>	<b>(3,285)</b>
Cash and Cash Equivalents at Beginning of Year		28,465	31,750
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	6.2	<b>16,952</b>	<b>28,465</b>

(i) 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 2024**

	Property, Plant & Equipment Revaluation Surplus \$'000	Contributed Capital \$'000	Accumulated Surplus/ (Deficit) \$'000	Total \$'000
<b>Balance at 1 July 2022</b>	<b>111,882</b>	<b>34,139</b>	<b>19,314</b>	<b>165,335</b>
Net result for the year		-	38,114	38,114
Other comprehensive income for the year	5,606	-	-	5,606
Transfer to accumulated surplus	-	-	-	-
<b>Balance at 30 June 2023</b>	<b>117,488</b>	<b>34,139</b>	<b>57,428</b>	<b>209,055</b>
Net result for the year		-	103,054	103,054
Other comprehensive income for the year	5,415	-	-	5,415
Transfer to accumulated surplus	-	-	-	-
<b>BALANCE AT 30 June 2024</b>	<b>122,903</b>	<b>34,139</b>	<b>160,482</b>	<b>317,524</b>

*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 2024

### Note 1: Basis of Preparation

These financial statements represent the audited general purpose financial statements for Forensicare for the year ended 30 June 2024. The report provides users with information about Forensicare'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 Abbreviations and terminology used in the financial statements
- 1.3 Material accounting estimates and judgements
- 1.4 Accounting standards issued but not yet effective
- 1.5 Goods and Services Tax (GST)
- 1.6 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.

Forensicare 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 Forensicare on 4th September 2024.



## Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

### Note 1.2 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
Forensicare	Victorian Institute of Forensic Mental Health

### Note 1.3 Material 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 material accounting 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 4.3: Intangible assets
- Note 4.4: Depreciation and amortisation
- Note 4.5: 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

### Note 1.4 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 Forensicare and their potential impact when adopted in future periods is outlined below:

Standard	Adoption Date	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 2022-9: 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 Forensicare in future periods.

**Victorian Institute of Forensic Mental Health**

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

**Note 1.5 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 contingent liabilities are presented on a gross basis.

**Note 1.6 Reporting Entity**

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

Forensicare's principal address is:

Thomas Embling Hospital  
Yarra Bend Road  
Fairfield  
Victoria 3078

A description of the nature of Forensicare'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 2024

**Note 2: Funding Delivery of Our Services**

Forensicare'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. Forensicare is predominantly funded by grant funding for the provision of outputs. Forensicare also receives income from the supply of services.

**Structure**

2.1 Revenue and Income from Transactions

**Material judgements and estimates**

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Identifying performance obligations	<p>Forensicare applies material 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 criterion is met, the contract/funding agreement is treated as a contract with a customer, requiring Forensicare to recognise revenue as or when the health service transfers promised goods or services to customers.</p> <p>If this criterion is not met, funding is recognised immediately in the net result from operations.</p>
Determining timing of revenue recognition	<p>Forensicare applies material 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>Forensicare applies material 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>Forensicare applies material 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 2024

**Note 2.1: Revenue and Income from Transactions**

	Note	2024 \$'000	2023 \$'000
<b>Operating Activities</b>			
<b>Revenue from Contracts with Customers</b>			
Government grants (DJCS) - Operating		21,425	19,814
Service fees - commercial prisons		29,168	28,024
<b>Total Revenue from Contracts with Customers</b>	2.1a	<b>50,593</b>	<b>47,838</b>
<b>Other Resource of Income</b>			
Government grants (DH) - Operating		105,361	98,408
Government grants (DH) - Capital		123,754	44,370
Government grants (Commonwealth) - Operating		143	130
Assets received free of charge or for nominal consideration	2.1b	-	41
Other income from operating activities		765	545
<b>Total Other Resource of Income</b>		<b>230,023</b>	<b>143,494</b>
<b>Total Revenue and Income from Operating Activities</b>		<b>280,617</b>	<b>191,332</b>
<b>Non-Operating Activities</b>			
<b>Other Resource of Income</b>			
Interest income		1,113	871
<b>Total Other Resource of Income</b>		<b>1,113</b>	<b>871</b>
<b>Total Income from Non-Operating Activities</b>		<b>1,113</b>	<b>871</b>
<b>Total Revenue and Income from Transactions</b>		<b>281,730</b>	<b>192,203</b>

**Note 2.1a: Timing of Revenue from Contracts with Customers**

	2024 \$'000	2023 \$'000
Forensicare disaggregates revenue by the timing of revenue recognition.		
<b>Goods and services transferred to customers:</b>		
At a point in time	-	-
Over time	50,593	47,838
<b>Total Revenue from Contracts with Customers</b>	<b>50,593</b>	<b>47,838</b>

**How we recognise revenue and income from operating activities**
**Government Operating Grants**

To recognise revenue, Forensicare 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, Forensicare 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 2024

### 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, Forensicare:

- 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 Forensicare's revenue streams, with information detailed below relating to Forensicare's significant revenue streams:

Contracts	Performance obligation
Service Fees - Commercial Prisons	Forensicare 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	Forensicare 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 Forensicare 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 Forensicare'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 considers the effective yield of the financial asset, which allocates interest over the relevant period.



**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**

	2024 \$'000	2023 \$'000
Cash donations and gifts	-	41
<b>Total fair value of assets and services received free of charge or for nominal consideration</b>	<b>-</b>	<b>41</b>

**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 Forensicare 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 Forensicare as follows:

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases insurance for Forensicare 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.
Victorian Health Building Authority	The Department of Health made payments to the Victorian Health Building Authority to fund capital works projects during the year ended 30 June 2024, on behalf of Forensicare.
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.

Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

Note 3: The Cost of Delivering Our Services

This section provides an account of the expenses incurred by Forensicare 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 disclosed.

Structure

- 3.1 Expenses from Transactions
- 3.2 Employee Benefits and Related On-Costs
- 3.3 Superannuation
- 3.4 Other Economic Flows

Material judgements and estimates

This section contains the following material judgements and estimates:

Key judgements and estimates	Description
Classifying employee benefit liabilities	Forensicare applies material judgement when classifying its employee benefit liabilities.
	Employee benefit liabilities are classified as a current liability if Forensicare does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category.
	Employee benefit liabilities are classified as a non-current liability if Forensicare 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.
Measuring employee benefit liabilities	Forensicare applies material judgement when measuring its employee benefit liabilities.
	Forensicare applies judgement to determine when it expects its employee entitlements to be paid.
	With reference to historical data, if Forensicare 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.
	Expected future payments incorporate:
	<ul style="list-style-type: none"><li>• anticipated future wage and salary levels ranging from 1.5% to 2.5%,</li><li>• 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 33% and 83%,</li><li>• discounting at the rate of 4.34%, as determined with reference to market yields on government bonds at the end of the reporting period.</li></ul> All other entitlements are measured at their nominal value.

**Victorian Institute of Forensic Mental Health**

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

**Note 3.1: Expenses from Transactions**

	Note	2024 \$'000	2023 \$'000
Salaries and wages		114,952	98,682
On-costs		29,415	24,703
Agency expenses		2,730	2,838
Workcover premium		2,675	1,525
<b>Total Employee Expenses</b>		<b>149,772</b>	<b>127,748</b>
Drug supplies		988	1,021
Medical and surgical supplies		126	129
Diagnostic and radiology supplies		211	296
Other supplies and consumables		6,052	5,323
<b>Total Supplies and Consumables</b>		<b>7,377</b>	<b>6,769</b>
Finance costs		181	166
<b>Total Finance Costs</b>		<b>181</b>	<b>166</b>
Other administrative expenses		14,157	10,907
<b>Total Other Administrative Expenses</b>		<b>14,157</b>	<b>10,907</b>
Fuel, light, power and water		714	565
Repairs and maintenance		1,241	1,381
Maintenance contracts		457	462
Expenses related to leases of low value assets		94	-
Expenditure for capital purpose		42	104
<b>Total Other Operating Expenses</b>		<b>2,548</b>	<b>2,512</b>
<b>Total Operating Expenses</b>		<b>174,035</b>	<b>148,102</b>
Depreciation and amortisation	4.4	6,029	5,151
<b>Total Non-Operating Expenses</b>		<b>6,029</b>	<b>5,151</b>
<b>Total Expenses from Transactions</b>		<b>180,064</b>	<b>153,253</b>

**Victorian Institute of Forensic Mental Health**

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

**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 \$2,500)

DH also makes certain payments on behalf of Forensicare. 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 2024

**Note 3.2: Employee Benefits and Related On-Costs**

	2024 \$'000	2023 \$'000
<b>Current Employee Benefits and Related On-Costs</b>		
Annual leave		
- Unconditional and expected to be settled wholly within 12 months <sup>(i)</sup>	8,375	7,316
- Unconditional and expected to be settled wholly after 12 months <sup>(ii)</sup>	3,305	3,088
	<b>11,680</b>	<b>10,404</b>
Long service leave		
- Unconditional and expected to be settled wholly within 12 months <sup>(i)</sup>	1,794	1,647
- Unconditional and expected to be settled wholly after 12 months <sup>(ii)</sup>	10,131	9,049
	<b>11,925</b>	<b>10,696</b>
Provisions related to employee benefit on-costs		
- Unconditional and expected to be settled within 12 months <sup>(i)</sup>	1,139	991
- Unconditional and expected to be settled after 12 months <sup>(ii)</sup>	1,835	1,549
	<b>2,974</b>	<b>2,540</b>
<b>Total Current Employee Benefits and Related On-Costs</b>	<b>26,579</b>	<b>23,640</b>
<b>Non-Current Employee Benefits and Related On-Costs</b>		
Conditional long service leave	3,873	4,069
Provisions related to employee benefit on-costs	556	550
<b>Total Non-Current Employee Benefits and Related On-Costs</b>	<b>4,429</b>	<b>4,619</b>
<b>Total Employee Benefits and Related On-Costs</b>	<b>31,008</b>	<b>28,259</b>

*(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**

	2024 \$'000	2023 \$'000
<b>Current Employee Benefits and Related On-costs</b>		
Unconditional annual leave entitlements	12,979	11,554
Unconditional long service leave entitlements	13,600	12,086
<b>Total Current Employee Benefits and Related On-costs</b>	<b>26,579</b>	<b>23,640</b>
<b>Non-Current Employee Benefits and Related On-costs</b>		
Conditional long service leave entitlements	4,429	4,619
<b>Total Non-Current Employee Benefits and Related On-costs</b>	<b>4,429</b>	<b>4,619</b>
<b>Total Employee Benefits and Related On-Costs</b>	<b>31,008</b>	<b>28,259</b>
<b>Attributable to:</b>		
Employee benefits	27,478	25,169
Provision for related on-costs	3,530	3,090
<b>Total Employee Benefits and Related On-Costs</b>	<b>31,008</b>	<b>28,259</b>

**Victorian Institute of Forensic Mental Health**

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

**Note 3.2: Employee Benefits in the Balance Sheet (continued)****Note 3.2b Provision for Related On-costs Movement Schedule**

	2024 \$'000	2023 \$'000
<b>Carrying Amount at Start of Year</b>	<b>3,090</b>	<b>2,861</b>
Additional provisions recognised	2,212	1,607
Amounts incurred during the year	(1,702)	(1,300)
Net gain/(loss) arising from revaluation of long service liability	(70)	(78)
<b>Carrying Amount at End of Year</b>	<b>3,530</b>	<b>3,090</b>

**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 sick leave is taken.

**Annual Leave**

Liabilities for annual leave are recognised in the provision for employee benefits as current liabilities because Forensicare 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 Forensicare expects to wholly settle within 12 months; or
- Present value – if Forensicare 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 Forensicare 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 Forensicare expects to wholly settle within 12 months; or
- Present value – if Forensicare 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 2024

**Note 3.3: Superannuation**

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Defined Benefit Plans <sup>(i)</sup></b>				
State Superannuation Fund	67	91	-	-
<b>Defined Contribution Plans</b>				
Hesta	6,302	5,377	-	-
Aware Super	3,683	3,049	-	-
Other	2,433	2,071	-	-
<b>TOTAL</b>	<b>12,485</b>	<b>10,588</b>	<b>-</b>	<b>-</b>

(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 Forensicare are entitled to receive superannuation benefits and Forensicare contributes to both defined benefit and defined contribution plans.

**Defined Benefit Superannuation Plans**

A 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 Forensicare to the superannuation plans in respect of the services of Forensicare'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.

Forensicare does not recognise any unfunded defined benefit liability in respect of the superannuation plans because Forensicare 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 Forensicare.

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

**Victorian Institute of Forensic Mental Health**

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

**Note 3.4: Other Economic Flows**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Net Gain/(Loss) on Non-financial Assets</b>		
Net gain/(loss) on disposal of property, plant and equipment	141	60
<b>Total Net Gain/(Loss) on Non-financial Assets</b>	<b>141</b>	<b>60</b>
<b>Other Gain/(Loss) from Other Economic Flows</b>		
Net gain/(loss) arising from revaluation of long service liability	1,247	(896)
<b>Total Other Gain/(Loss) from Other Economic Flows</b>	<b>1,247</b>	<b>(896)</b>
<b>Total Gains/(Losses) from Other Economic Flows</b>	<b>1,388</b>	<b>(836)</b>

**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.

Note 4: Key Assets to Support Service Delivery

Forensicare 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 Forensicare to be utilised for delivery of those outputs.

Structure

- 4.1 Property, Plant and Equipment
- 4.2 Right-of-use Assets
- 4.3 Intangible Assets
- 4.4 Depreciation and Amortisation
- 4.5 Impairment of Assets

Material judgements and estimates

This section contains the following material judgements and estimates:

Key judgements and estimates	Description
Estimating useful life and residual value of property, plant and equipment	Forensicare 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>Forensicare applies material 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 Forensicare 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	Forensicare 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, Forensicare 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"><li>• if an asset’s value has declined more than expected based on normal use</li><li>• if a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset</li><li>• if an asset is obsolete or damaged</li><li>• 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</li><li>• if the performance of the asset is or will be worse than initially expected.</li></ul> <p>Where an impairment trigger exists, Forensicare applies material 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 2024

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

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Land at fair value	104,000	104,000
<b>Total Land at Fair Value</b>	<b>104,000</b>	<b>104,000</b>
Buildings at fair value	67,703	68,012
Less accumulated depreciation	-	(11,156)
<b>Total Buildings at Fair Value</b>	<b>67,703</b>	<b>56,856</b>
Leasehold improvements at fair value	2,262	2,257
Less accumulated depreciation	(2,181)	(2,164)
<b>Total Leasehold Improvements at Fair Value</b>	<b>81</b>	<b>93</b>
Building work in progress at cost	162,780	49,463
<b>Total Land and Buildings</b>	<b>334,564</b>	<b>210,412</b>
Plant and equipment at fair value	13,109	12,854
Less accumulated depreciation	(7,523)	(6,361)
<b>Total Plant and Equipment at Fair Value</b>	<b>5,586</b>	<b>6,493</b>
Medical equipment at fair value	309	293
Less accumulated depreciation	(202)	(180)
<b>Total Medical Equipment</b>	<b>107</b>	<b>113</b>
Computer and communications equipment at fair value	3,755	3,831
Less accumulated depreciation	(3,173)	(3,096)
<b>Total Computer and Communication</b>	<b>582</b>	<b>735</b>
Motor vehicles at fair value	160	304
Less accumulated depreciation	(147)	(289)
<b>Total Motor Vehicles</b>	<b>13</b>	<b>15</b>
Plant and equipment work in progress at fair value	232	269
<b>Total Plant, Equipment, and Vehicles at Fair Value</b>	<b>6,520</b>	<b>7,625</b>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>341,084</b>	<b>218,037</b>

## Victorian Institute of Forensic Mental Health

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

### 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
<b>Balance at 1 July 2022</b>		<b>104,000</b>	<b>50,903</b>	<b>110</b>	<b>6,317</b>	<b>105</b>	<b>842</b>	<b>20</b>	<b>9,890</b>	<b>172,187</b>
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	4.4	-	(2,691)	(17)	(1,068)	(19)	(517)	(5)	-	(4,317)
<b>Balance at 30 June 2023</b>	4.1a	<b>104,000</b>	<b>56,856</b>	<b>93</b>	<b>6,493</b>	<b>113</b>	<b>735</b>	<b>15</b>	<b>49,732</b>	<b>218,037</b>
Additions		-	-	-	120	16	68	-	122,378	122,582
Transfers from WIP		-	8,838	5	135	-	120	-	(9,098)	-
Disposals		-	-	-	-	-	(1)	-	-	(1)
Revaluation Increments/(Decrements)		-	5,415	-	-	-	-	-	-	5,415
Net Transfers between Classes		-	-	-	-	-	-	-	-	-
Depreciation	4.4	-	(3,406)	(17)	(1,162)	(22)	(340)	(2)	-	(4,949)
<b>Balance at 30 June 2024</b>	4.1a	<b>104,000</b>	<b>67,703</b>	<b>81</b>	<b>5,586</b>	<b>107</b>	<b>582</b>	<b>13</b>	<b>163,012</b>	<b>341,084</b>

#### Land and Buildings Carried at Valuation

The Valuer-General Victoria undertook to re-value all of Forensicare's land and buildings to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined with reference to the amount at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date, under current conditions. The valuation was based on independent assessments. The effective date of the valuation was 30 June 2024.

**Victorian Institute of Forensic Mental Health**

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

**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 Forensicare 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 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).

**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, Forensicare 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%, Forensicare would obtain an interim independent valuation prior to the next scheduled independent valuation.

An independent valuation of Forensicare's property, plant and equipment was performed by the VGV on 30 June 2024. The valuation, which complies with Australian Valuation Standards, was determined with reference to the amount for which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date, under current market conditions.

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.



**Victorian Institute of Forensic Mental Health**

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

***Note 4.1: Property, Plant and Equipment (continued)***

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 2024

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

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Right of use buildings at fair value	6,618	6,136
Less accumulated depreciation	(2,608)	(1,678)
<b>Total Right-of-use Buildings at Fair Value</b>	<b>4,010</b>	<b>4,458</b>
Right-of-use motor vehicles	594	323
Less accumulated depreciation	(90)	(139)
<b>Total Right-of-use Motor Vehicles at Fair Value</b>	<b>504</b>	<b>184</b>
<b>TOTAL RIGHT-OF-USE ASSETS</b>	<b>4,514</b>	<b>4,642</b>

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

	<b>Note</b>	<b>Right-of-use Buildings</b>	<b>Right-of-use Motor Vehicles</b>	<b>Total</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 July 2022</b>		<b>1,414</b>	<b>213</b>	<b>1,627</b>
Additions		3,756	60	3,816
Disposals		-	(33)	(33)
Depreciation	4.4	(712)	(56)	(768)
<b>Balance at 30 June 2023</b>	4.2a	<b>4,458</b>	<b>184</b>	<b>4,642</b>
Additions		483	481	964
Disposals		-	(81)	(81)
Depreciation	4.4	(931)	(80)	(1,011)
<b>Balance at 30 June 2024</b>	4.2a	<b>4,010</b>	<b>504</b>	<b>4,514</b>

**Victorian Institute of Forensic Mental Health**

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

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

When a contract is entered into, Forensicare assesses if the contract contains lease or is 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 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.

Forensicare presents its right-of-use assets as part of property, plant and equipment as if the asset was owned by the health service.

**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 2024

**Note 4.3: Intangible Assets****Note 4.3a: Gross Carrying Amount and Accumulated Amortisation**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Intangible produced assets - software	875	875
Less accumulated amortisation	(500)	(431)
<b>Total Intangible Assets</b>	<b>375</b>	<b>444</b>

**Note 4.3b: Reconciliation of the Carrying Amount by Class of Asset**

	<b>Note</b>	<b>Software</b>	<b>Total</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 July 2022</b>		<b>510</b>	<b>510</b>
Amortisation	4.4	(66)	(66)
<b>Balance at 30 June 2023</b>	4.3a	<b>444</b>	<b>444</b>
Amortisation	4.4	(69)	(69)
<b>Balance at 30 June 2024</b>	4.3a	<b>375</b>	<b>375</b>

**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 2024

**Note 4.4: Depreciation and Amortisation**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Depreciation</b>		
Buildings	3,406	2,691
Leasehold improvements	17	17
Plant and equipment	1,162	1,068
Motor vehicles	2	5
Computer and communications	340	517
Medical equipment	22	19
<b>Total Depreciation - Property, Plant and Equipment</b>	<b>4,949</b>	<b>4,317</b>
Right-of-use buildings	931	712
Right-of-use plant and equipment	-	-
Right-of-use vehicles	80	56
<b>Total Depreciation - Right-of-use Assets</b>	<b>1,011</b>	<b>768</b>
<b>Total Depreciation</b>	<b>5,960</b>	<b>5,085</b>
<b>Amortisation</b>		
Software	69	66
<b>Total Amortisation</b>	<b>69</b>	<b>66</b>
<b>Total Depreciation and Amortisation</b>	<b>6,029</b>	<b>5,151</b>

**How we recognise depreciation**

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

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

**How we recognise amortisation**

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

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

	<b>2024</b>	<b>2023</b>
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

**Victorian Institute of Forensic Mental Health**

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

**Note 4.5: Impairment of Assets****How we recognise impairment**

At the end of each reporting period, Forensicare 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 Forensicare 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, Forensicare 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, Forensicare estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Forensicare did not record any impairment losses for the year ended 30 June 2024 (30 June 2023: Nil).



Note 5: Other Assets and Liabilities

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

Structure

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

Material judgements and estimates

This section contains the following material judgements and estimates:

Key judgements and estimates	Description
Estimating the provision for expected credit losses	Forensicare uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.
Classifying a sub-lease arrangement as either an operating lease or finance lease	<p>Forensicare applies material judgement to determine if a sub-lease arrangement, where the health service is a lessor, meets the definition of an operating lease or finance lease.</p> <p>The health service considers a range of scenarios when classifying a sub-lease. A sub-lease typically meets the definition of a finance lease if:</p> <ul style="list-style-type: none"><li>• the lease transfers ownership of the asset to the lessee at the end of the term</li><li>• the lessee has an option to purchase the asset for a price that is significantly below fair value at the end of the lease term</li><li>• the lease term is for the majority of the asset's useful life</li><li>• the present value of lease payments amount to the approximate fair value of the leased asset and</li><li>• the leased asset is of a specialised nature that only the lessee can use without significant modification.</li></ul> <p>All other sub-lease arrangements are classified as an operating lease.</p>
Measuring deferred capital grant income	<p>Where Forensicare 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.</p> <p>Forensicare applies material judgement when measuring the deferred capital grant income balance, which references the estimated stage of completion at the end of each financial year.</p>
Measuring contract liabilities	Forensicare applies material 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 2024

**Note 5.1: Receivables**

	<b>Note</b>	<b>2024 \$'000</b>	<b>2023 \$'000</b>
<b>Current Receivables</b>			
<b>Contractual</b>			
Trade receivables		7,984	3,780
Accrued revenue		53	53
Amounts receivable from governments and agencies		4,975	1,985
<b>Total Contractual Receivables</b>		<b>13,012</b>	<b>5,818</b>
<b>Total Current Receivables</b>		<b>13,012</b>	<b>5,818</b>
<b>Non-Current Receivables</b>			
<b>Contractual</b>			
Long service leave - Department of Health		6,890	5,262
<b>Total Contractual Receivables</b>		<b>6,890</b>	<b>5,262</b>
<b>Total Non-Current Receivables</b>		<b>6,890</b>	<b>5,262</b>
<b>Total Receivables</b>		<b>19,902</b>	<b>11,080</b>
<i>(i) Financial assets classified as receivables (Note 7.1a)</i>			
Total receivables		19,902	11,080
<b>Total Financial Assets Classified as Receivables</b>	7.1a	<b>19,902</b>	<b>11,080</b>

**How we recognise receivables**

Receivables consist of:

- Contractual receivables, including debtors that relate to goods and services. These receivables are classified as financial instruments and are categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. Forensicare 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 the nominal amounts 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*.

Forensicare 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 2024

**Note 5.2: Payables**

	Note	2024 \$'000	2023 \$'000
<b>Current Payables</b>			
<b>Contractual</b>			
Trade creditors		3,589	3,027
Accrued salaries and wages		9,447	3,815
Accrued expenses		3,591	2,401
Deferred capital grant income	5.2a	8,118	7,662
<b>Total Contractual Payables</b>		<b>24,745</b>	<b>16,905</b>
<b>Statutory</b>			
GST payable		324	231
<b>Total Statutory Payables</b>		<b>324</b>	<b>231</b>
<b>Total Payables</b>		<b>25,069</b>	<b>17,136</b>
<i>(i) Financial liabilities classified as payables (Note 7.1a)</i>			
Total payables		25,069	17,136
Deferred grant income		(8,118)	(7,662)
GST payable		(324)	(231)
<b>Total Financial Liabilities Classified as Payables</b>	7.1a	<b>16,627</b>	<b>9,243</b>

**How we recognise payables**

Payables consist of:

- Contractual payables, including payables that relate to the purchase of goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to Forensicare prior to the end of the financial year that are unpaid.
- Statutory payables, including 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 business days for smaller suppliers, in alignment with the DH payment policy.

**Note 5.2a: Movement in Deferred Capital Grant Income**

	2024 \$'000	2023 \$'000
<b>Opening balance of deferred grant income</b>	7,662	8,992
Grant consideration for capital works received during the year	4,737	6,513
Deferred grant income recognised as income due to completion of capital works	(4,281)	(7,843)
<b>Closing balance of deferred grant income</b>	<b>8,118</b>	<b>7,662</b>

**How we recognise deferred capital grant income**

Grant consideration was received from the State Government to support the Patient Unit Upgrades, Canning Unit DDA, Water Main and Sewer Upgrades, Fire Detectors Upgrades and Yarra House Fitout Construction Works.

Capital grant income is recognised progressively as the asset is constructed, since this is the time when Forensicare 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, Forensicare has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Forensicare expects to recognise all of the remaining deferred capital grant revenue for capital works by June 2025.

**Victorian Institute of Forensic Mental Health**

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

**Note 5.3: Contract Liabilities**

	2024 \$'000	2023 \$'000
<b>Current</b>		
Contract liabilities	3,085	4,314
<b>Total Current Contract Liabilities</b>	<b>3,085</b>	<b>4,314</b>
<b>Non-current</b>		
Contract liabilities	2,700	-
<b>Total Non-Current Contract Liabilities</b>	<b>2,700</b>	<b>-</b>
<b>Total Contract Liabilities</b>	<b>5,785</b>	<b>4,314</b>

**Note 5.3a: Movement in Contract Liabilities**

	2024 \$'000	2023 \$'000
<b>Opening balance of contract liabilities</b>	4,314	6,886
Add: payments received for performance obligations yet to be completed during the period	3,955	1,280
Less: revenue recognised in the reporting period for the completion of a performance obligation included in the opening balance	(2,483)	(3,852)
<b>Total Contract Liabilities</b>	<b>5,785</b>	<b>4,314</b>

**How we recognise contract liabilities**

Contract liabilities include consideration received in advance from the DH in respect of ICT infrastructure Human Capital Management Program and from subleasee in respect of sublease rentals.

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**

	2024 \$'000	2023 \$'000
<b>Current monies held in trust</b>		
Patient monies	281	312
Other monies	-	-
<b>Total Current Monies Held in Trust</b>	<b>281</b>	<b>312</b>
<b>Non-current monies held in trust</b>		
Patient monies	-	-
Other monies	-	-
<b>Total Non-Current Monies Held in Trust</b>	<b>-</b>	<b>-</b>
<b>Total Other Liabilities</b>	<b>281</b>	<b>312</b>
<b>Represented by:</b>		
Cash assets	281	312
Other financial assets	-	-
<b>Total Monies Held in Trust</b>	<b>281</b>	<b>312</b>

Note 6: How We Finance Our Operations

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

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

Material judgements and estimates

This section contains the following material judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	Forensicare applies material judgement to determine if a contract is or contains a lease by considering if the health service: <ul style="list-style-type: none"><li>• has the right-to-use an identified asset</li><li>• has the right to obtain substantially all economic benefits from the use of the leased asset and</li><li>• can decide how and for what purpose the asset is used throughout the lease.</li></ul>
Determining if a lease meets the short-term or low value asset lease exemption	Forensicare applies material judgement when determining if a lease meets the short-term or low value lease exemption criteria. Forensicare 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. Forensicare also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.
Discount rate applied to future lease payments	Forensicare 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, Forensicare 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. For leased buildings, Forensicare estimates the incremental borrowing rate to be between 1.9% and 4.8%. For leased vehicles, the implicit interest rate is 2.31%.
Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Forensicare is reasonably certain to exercise such options. Forensicare determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: <ul style="list-style-type: none"><li>• If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease.</li><li>• 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.</li><li>• The health service considers historical lease durations and the costs and business disruption to replace such leased assets.</li></ul>

**Victorian Institute of Forensic Mental Health**

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

**Note 6.1: Borrowings**

		<b>2024</b>	<b>2023</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Current Borrowings</b>			
Lease liability <sup>(i)</sup>	6.1a	998	917
<b>Total Current Borrowings</b>		<b>998</b>	<b>917</b>
<b>Non-Current Borrowings</b>			
Lease liability <sup>(i)</sup>	6.1a	3,762	3,846
<b>Total Non-Current Borrowings</b>		<b>3,762</b>	<b>3,846</b>
<b>Total Borrowings</b>	7.1a	<b>4,760</b>	<b>4,763</b>

*(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.

**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.

**Victorian Institute of Forensic Mental Health**

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

**Note 6.1: Borrowings (continued)****Note 6.1a: Lease Liabilities**

Forensicare's lease liabilities are summarised below:

	2024	2023
	\$'000	\$'000
Total undiscounted lease liabilities	5,213	5,292
Less unexpired finance expenses	(453)	(529)
<b>Net lease liabilities</b>	<b>4,760</b>	<b>4,763</b>

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

	2024	2023
	\$'000	\$'000
Not longer than one year	1,163	1,082
Longer than one year but not longer than five years	4,050	3,621
Longer than five years	-	589
<b>Minimum future lease liability</b>	<b>5,213</b>	<b>5,292</b>
Less unexpired finance expenses	(453)	(529)
<b>Present value of lease liability</b>	<b>4,760</b>	<b>4,763</b>
<b>* Represented by:</b>		
Current borrowings - lease liability	998	917
Non-current borrowings - lease liability	3,762	3,846
<b>Total</b>	<b>4,760</b>	<b>4,763</b>

**How we recognise lease liabilities**

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

To apply this definition, Forensicare 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 Forensicare and for which the supplier does not have substantive substitution rights;
- Forensicare 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 Forensicare has the right to direct the use of the identified asset throughout the period of use; and
- Forensicare has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

Forensicare's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased buildings	3 to 10 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



**Victorian Institute of Forensic Mental Health**

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

**Note 6.1: Borrowings (continued)****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 Forensicare'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 10 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.

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 \$11.9 million 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 zero.

**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	2024 \$'000	2023 \$'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)		16,663	28,145
<b>Total cash held for operations</b>		<b>16,671</b>	<b>28,153</b>
Cash on hand (monies held in trust)		16	16
Cash at bank (monies held in trust)		-	-
Cash at bank - CBS (monies held in trust)		265	296
<b>Total cash held as monies in trust</b>		<b>281</b>	<b>312</b>
<b>Total Cash and Cash Equivalents</b>	7.1a	<b>16,952</b>	<b>28,465</b>

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).

Cash and cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment purposes and 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 2024

**Note 6.3: Commitments for Expenditure**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Capital Expenditure Commitments</b>		
Less than one year	855	1,166
<b>Total Capital Expenditure Commitments</b>	<b>855</b>	<b>1,166</b>
<b>Operating Expenditure Commitments</b>		
Less than one year	11,800	9,582
Longer than one year but not longer than five years	12,657	9,245
Longer than five years	-	46
<b>Total Operating Expenditure Commitments</b>	<b>24,457</b>	<b>18,873</b>
<b>Non-cancellable Short Term and Low Value Lease Commitments</b>		
Less than one year	177	59
Longer than one year but not longer than five years	218	118
<b>Total Non-cancellable Short Term and Low Value Lease Commitments</b>	<b>395</b>	<b>177</b>
<b>Total Commitments for Expenditure (inclusive of GST)</b>	<b>25,707</b>	<b>20,216</b>
Less GST Recoverable from the Australian Tax Office	(2,337)	(1,838)
<b>Total Commitments for Expenditure (exclusive of GST)</b>	<b>23,370</b>	<b>18,378</b>

**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**

Forensicare 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

Forensicare 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 Forensicare 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

Material judgements and estimates

This section contains the following material judgements and estimates:

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

**Victorian Institute of Forensic Mental Health**

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

**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 Forensicare'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
<b>2024</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	6.2	16,952	-	16,952
Receivables and contract assets	5.1	19,902	-	19,902
<b>Total Financial Assets<sup>(i)</sup></b>		<b>36,854</b>	<b>-</b>	<b>36,854</b>
<b>Financial Liabilities</b>				
Payables	5.2	-	16,627	16,627
Borrowings	6.1	-	4,760	4,760
Other financial liabilities - patient monies held in trust	5.4	-	281	281
<b>Total Financial Liabilities<sup>(i)</sup></b>		<b>-</b>	<b>21,668</b>	<b>21,668</b>
<b>2023</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	6.2	28,465	-	28,465
Receivables and contract assets	5.1	11,080	-	11,080
<b>Total Financial Assets<sup>(i)</sup></b>		<b>39,545</b>	<b>-</b>	<b>39,545</b>
<b>Financial Liabilities</b>				
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
<b>Total Financial Liabilities<sup>(i)</sup></b>		<b>-</b>	<b>14,318</b>	<b>14,318</b>

(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 2024

### **Note 7.1: Financial Instruments (continued)**

#### **How we categorise financial instruments**

##### **Categories of Financial Assets**

Financial assets are recognised when Forensicare becomes party to the contractual provisions to the instrument. For financial assets, this is at the date Forensicare 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 Forensicare 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.

Forensicare recognises the following assets in this category:

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

##### **Categories of Financial Liabilities**

Financial liabilities are recognised when Forensicare 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.

Forensicare 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 2024

**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, Forensicare 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 Forensicare 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
- Forensicare 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
- Forensicare 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 Forensicare has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Forensicare'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 2024

### **Note 7.2: Financial Risk Management Objectives and Policies**

As a whole, Forensicare'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.

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

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. Forensicare's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to Forensicare. Credit risk is measured at fair value and is monitored on a regular basis.

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

In addition, Forensicare 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, Forensicare'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 Forensicare 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 Forensicare's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to Forensicare's credit risk profile in 2023-24.

**Victorian Institute of Forensic Mental Health**

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

**Note 7.2: Financial Risk Management Objectives and Policies (continued)****Impairment of Financial Assets under AASB 9**

Forensicare records the allowance for expected credit losses for the relevant financial instruments by applying AASB 9's Expected Credit Loss approach. Subject to AASB 9, the 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 an 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**

Forensicare 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. Forensicare has grouped contractual receivables on shared credit risk characteristics and days past due and selects the expected credit loss rate based on Forensicare's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

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

**Statutory Receivables at Amortised Cost**

Forensicare'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, considering 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.

Forensicare 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.

Forensicare'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 2024

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

The following table discloses the contractual maturity analysis for Forensicare'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
2024		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Liabilities at Amortised Cost</b>								
Payables	5.2	16,627	16,627	12,197	2,415	2,015	-	-
Borrowings	6.1	4,760	4,760	83	167	747	3,762	1
Other financial liabilities <sup>(i)</sup>	5.4	281	281	-	-	281	-	-
<b>Total Financial Liabilities <sup>(i)</sup></b>		<b>21,668</b>	<b>21,668</b>	<b>12,280</b>	<b>2,582</b>	<b>3,043</b>	<b>3,762</b>	<b>1</b>

	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
<b>Financial Liabilities at Amortised Cost</b>								
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 <sup>(i)</sup>	5.4	312	312	-	-	312	-	-
<b>Total Financial Liabilities <sup>(i)</sup></b>		<b>14,318</b>	<b>14,318</b>	<b>4,600</b>	<b>4,874</b>	<b>997</b>	<b>3,269</b>	<b>578</b>

(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.

**Victorian Institute of Forensic Mental Health**

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

**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.

Forensicare 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.

Forensicare 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 Forensicare'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 2024

**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:		
		\$'000	Level 1 <sup>(i)</sup>	Level 2 <sup>(i)</sup>	Level 3 <sup>(i)</sup>
Balance At 30 June 2024		\$'000	\$'000	\$'000	\$'000
Specialised land	4.1a	104,000	-	-	104,000
<b>Total Land at Fair Value</b>		<b>104,000</b>	<b>-</b>	<b>-</b>	<b>104,000</b>
Specialised buildings	4.1a	67,703	-	-	67,703
<b>Total Building at Fair Value</b>		<b>67,703</b>	<b>-</b>	<b>-</b>	<b>67,703</b>
Leasehold improvements	4.1a	81	-	-	81
<b>Total Leasehold Improvements at Fair Value</b>		<b>81</b>	<b>-</b>	<b>-</b>	<b>81</b>
Plant and equipment at fair value	4.1a	5,586	-	-	5,586
Medical equipment at fair value	4.1a	107	-	-	107
Computer and communications at fair value	4.1a	582	-	-	582
Motor vehicles at fair value	4.1a	13	-	-	13
<b>Total Other Plant and Equipment at Fair Value</b>		<b>6,288</b>	<b>-</b>	<b>-</b>	<b>6,288</b>
Right-of-use buildings	4.2a	4,010	-	-	4,010
Right-of-use plant, equipment and vehicles	4.2a	504	-	-	504
<b>Total Right-of-use Assets at Fair Value</b>		<b>4,514</b>	<b>-</b>	<b>-</b>	<b>4,514</b>
<b>Total Non-financial Physical Assets at Fair Value</b>		<b>182,586</b>	<b>-</b>	<b>-</b>	<b>182,586</b>

(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:		
		\$'000	Level 1 <sup>(i)</sup>	Level 2 <sup>(i)</sup>	Level 3 <sup>(i)</sup>
Balance At 30 June 2023		\$'000	\$'000	\$'000	\$'000
Specialised land	4.1a	104,000	-	-	104,000
<b>Total Land at Fair Value</b>		<b>104,000</b>	<b>-</b>	<b>-</b>	<b>104,000</b>
Specialised buildings	4.1a	56,856	-	-	56,856
<b>Total Building at Fair Value</b>		<b>56,856</b>	<b>-</b>	<b>-</b>	<b>56,856</b>
Leasehold improvements	4.1a	93	-	-	93
<b>Total Leasehold Improvements at Fair Value</b>		<b>93</b>	<b>-</b>	<b>-</b>	<b>93</b>
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
<b>Total Other Plant and Equipment at Fair Value</b>		<b>7,356</b>	<b>-</b>	<b>-</b>	<b>7,356</b>
Right-of-use buildings	4.2a	4,458	-	-	4,458
Right-of-use plant, equipment and vehicles	4.2a	184	-	-	184
<b>Total Right-of-use Assets at Fair Value</b>		<b>4,642</b>	<b>-</b>	<b>-</b>	<b>4,642</b>
<b>Total Non-financial Physical Assets at Fair Value</b>		<b>172,947</b>	<b>-</b>	<b>-</b>	<b>172,947</b>

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

**Victorian Institute of Forensic Mental Health**

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

**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 considers 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 consider 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.

Forensicare 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 considered 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.

**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, Forensicare 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 reflects 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 considers 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 Forensicare, 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 Forensicare's specialised land and specialised buildings was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2024.

**Vehicles**

Forensicare 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 Forensicare, 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 2024

**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 current 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 current replacement cost will be materially different from the existing carrying amount.

There were no changes in valuation techniques throughout the period to 30 June 2024.



**Victorian Institute of Forensic Mental Health**

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

**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
<b>Balance at 1 July 2022</b>		<b>104,000</b>	<b>50,903</b>	<b>110</b>	<b>6,317</b>	<b>105</b>	<b>842</b>	<b>20</b>	<b>1,414</b>	<b>213</b>
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	4.4	-	(2,691)	(17)	(1,068)	(19)	(517)	(5)	(712)	(56)
Items recognised in other comprehensive income:										
- Revaluation		-	5,606	-	-	-	-	-	-	-
<b>Balance at 30 June 2023</b>	7.4a	<b>104,000</b>	<b>56,856</b>	<b>93</b>	<b>6,493</b>	<b>113</b>	<b>735</b>	<b>15</b>	<b>4,458</b>	<b>184</b>
Additions/(disposals)		-	-	-	120	16	67	-	483	400
Net transfers between classes		-	8,838	5	135	-	120	-	-	-
Gains/(losses) recognised in net result:										
- Depreciation and amortisation	4.4	-	(3,406)	(17)	(1,162)	(22)	(340)	(2)	(931)	(80)
Items recognised in other comprehensive income:										
- Revaluation		-	5,415	-	-	-	-	-	-	-
<b>Balance at 30 June 2024</b>	7.4a	<b>104,000</b>	<b>67,703</b>	<b>81</b>	<b>5,586</b>	<b>107</b>	<b>582</b>	<b>13</b>	<b>4,010</b>	<b>504</b>

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

**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 <sup>(i)</sup>
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 Forensicare specialised land.

**Victorian Institute of Forensic Mental Health**

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

**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 Executives
- 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	2024 \$'000	2023 \$'000
<b>Net Result for the Year</b>		<b>103,054</b>	<b>38,114</b>
<b>Non-cash Movements:</b>			
Net (gain)/loss from disposal of non-financial physical assets		(141)	(60)
Depreciation and amortisation	4.4	6,029	5,151
(Gain)/Loss on revaluation of long service leave liability		(1,247)	896
Non-cash grant - long service leave		(1,628)	(410)
Grant revenue paid by DH directly to third parties for building works		(119,472)	(36,567)
<b>Movements in Assets and Liabilities:</b>			
Decrease/(Increase) in receivables		(7,194)	1,221
Decrease/(Increase) in other assets		(429)	64
Increase/(Decrease) in payables and contract liabilities		9,407	(5,681)
Increase/(Decrease) in employee benefits		3,994	2,565
Increase/(Decrease) in other liabilities		(33)	55
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>		<b>(7,660)</b>	<b>5,348</b>

**Victorian Institute of Forensic Mental Health**

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

**Note 8.2: Responsible Persons Disclosures**

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

	Period
<b>Responsible Minister:</b>	
The Honourable Gabrielle Williams MP, Minister for Mental Health	01/07/2023 - 02/10/2023
The Honourable Ingrid Stitt MP, Minister for Mental Health	02/10/2023 - 30/06/2024
<b>Governing Board:</b>	
Penny Armytage AM (Chair of the Board)	01/07/2023 - 30/06/2024
Allison Smith	01/07/2023 - 30/06/2024
Frances Sanders	01/07/2023 - 30/06/2024
Sally Campbell	01/07/2023 - 30/06/2024
Sue Williams	01/07/2023 - 30/06/2024
Ian Forsyth	01/07/2023 - 30/06/2024
Dr Angela Williams	01/07/2023 - 30/06/2024
Shaun Braybrook	01/07/2023 - 30/06/2024
Prof Suresh Sundram	01/07/2023 - 30/06/2024
Matthew Corbett	12/09/2023 - 30/06/2024
<b>Accountable Officer</b>	
Dr Margaret Grigg (Chief Executive Officer)	01/07/2023 - 11/08/2023
Jessica Lightfoot (Interim Chief Executive Officer)	12/08/2023 - 03/10/2023
Adj Professor Colmán O'Driscoll (Chief Executive Officer)	04/10/2023 - 30/06/2024

**Remuneration of Responsible Persons**

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

Income Band	2024 No.	2023 No.
\$0 - \$9,999	1	1
\$10,000 - \$19,999	-	1
\$20,000 - \$29,999	8	6
\$30,000 - \$39,999	-	1
\$40,000 - \$49,999	-	1
\$60,000 - \$69,999	1	-
\$100,000 - \$109,999	1	-
\$320,000 - \$329,999	1	-
\$460,000 - \$469,999	-	1
<b>Total Numbers <sup>(i)</sup></b>	<b>12</b>	<b>11</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Total remuneration received, or due and receivable by Responsible Persons from Forensicare amounted to:</b>	<b>\$705</b>	<b>\$713</b>

(i) Shaun Braybrook is ineligible to receive remuneration and has therefore been excluded from the income band table.

Amounts relating to the Governing Board Members and Accountable Officer of Forensicare's controlled entities are disclosed in their own financial statements. Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report.

**Victorian Institute of Forensic Mental Health**

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

**Note 8.3 Remuneration of executives**

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)**

	<b>Total Remuneration</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Short-term Employee Benefits	2,778	2,949
Post-employment Benefits	290	303
Other Long-term Benefits	213	200
Termination Benefits	65	-
<b>Total Remuneration</b>	<b>3,346</b>	<b>3,452</b>
<b>Total Number of Executives <sup>(i)</sup></b>	<b>14</b>	<b>14</b>
<b>Total Annualised Employee Equivalent (AEE) <sup>(ii)</sup></b>	<b>10.1</b>	<b>11.9</b>

(i) The total number of executive officers include persons who meet the definition of Key Management Personnel (KMP) of Forensicare 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 2024

### 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 Forensicare 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 Forensicare, directly or indirectly.

#### Key Management Personnel

The Board of Directors and the Executive Directors of Forensicare are deemed to be KMPs. This includes the following:

KMPs	Position Title
Penny Armytage AM	Chair of the Board
Allison Smith	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
Prof Suresh Sundram	Board Member
Matthew Corbett	Board Member
Dr Margaret Grigg	Chief Executive Officer
Adj Professor Colmán O'Driscoll	Chief Executive Officer
Cathryn Hoppner	Chief Operating Officer
Jessica Lightfoot	Chief Financial Officer
Nadia Baillie	Chief Legal Officer
Jacques Claassen	Executive Director, Forensic Mental Health
Tobias Mackinnon	Executive Director, Forensic Mental Health
Matthew Hercus	Executive Director, Strategy, Policy and Performance
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
Shelley Turner	Executive Director, Hospital Operations
Liam Barry	Executive Director, Redevelopment and 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.

	2024 \$'000	2023 \$'000
<b>Compensation - KMPs</b>		
Short-term Employee Benefits <sup>(i)</sup>	3,429	3,579
Post-employment Benefits	334	365
Other Long-term Benefits	223	221
Termination Benefits	65	-
<b>Total <sup>(ii)</sup></b>	<b>4,051</b>	<b>4,165</b>

(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 2024

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

Forensicare received funding from the DH of \$108 million (2023: \$105 million) and indirect contributions of \$119 million (2023: \$37 million). Balances outstanding as at 30 June 2024 are \$11 million (2023: \$12 million).

Forensicare received funding from the DJCS of \$22 million (2023: \$20 million) and service fees from the Commercial Prisons of \$29 million (2023: \$28 million).

Expenses incurred by Forensicare 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 Forensicare 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 Forensicare, 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 2024 (2023: none).

There were no related party transactions required to be disclosed for Forensicare Board of Directors, Chief Executive Officer and Executive Directors in 2024 (2023: none).

**Note 8.5: Remuneration of Auditors**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Victorian Auditor-General's Office</b>		
Audit of the Financial Statements	50	48
<b>Total Remuneration of Auditors</b>	<b>50</b>	<b>48</b>



## **Victorian Institute of Forensic Mental Health**

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

### **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 Forensicare.

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.

#### **General purpose surplus**

The general purpose reserve represents funds set aside by Forensicare for specific purpose, where the funds have been internally generated.

#### **Property, plant and equipment revaluation surplus**

The property, plant and equipment revaluation surplus arises on the revaluation of infrastructure, land and buildings. The revaluation surplus is not normally transferred to the accumulated surpluses/(deficits) on derecognition of the relevant asset.

#### **Restricted specific purpose reserve**

Restricted specific purpose reserves are funds where Forensicare have possession or title to the funds, but have no discretion to amend or vary the restriction and/or condition underlying the funds.

### **Note 8.8: Economic Dependency**

Forensicare is primarily dependent on the continued financial support of the State Government and in particular, the DH. At the time of preparing the financial statements for the year ended 30 June 2024, there was uncertainty on the level of funding available to Forensicare for the 2024-25 financial year. Notwithstanding this uncertainty, on the basis that Forensicare is considered to be a necessary function of the Victorian Health system, it is considered highly likely that the DH will continue to provide financial support to Forensicare for at least the 12-month period from the date of signing the 30 June 2024 financial statements. On that basis, the financial statements have been prepared on a going concern basis.

# 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 publicly 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 Marmak 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 Ballerit 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.
Marmmak 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, Marngoneet Correctional Centre and Karreenga Prison.
Moroka Unit	A 10-bed area that provides a specialist service for people with complex and challenging behaviours at Ballerat 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 Ballert Yerram-Boo-ee, Ravenhall Correctional Centre.
Thomas Embling Hospital (TEH)	Forensicare's 136 bed secure hospital.
Thomas Embling Hospital Bed Expansion Project	<p>A 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.







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