

### **3.3 Department of Human Services**

#### **3.3.1 Departmental assumptions and performance measures**

##### **3.3.1.1 Question**

Please list the key assumptions (up to five) that have been used to develop the department's budget projections for 2008-09.

##### **Response**

The 2008-09 Budget Submission of the Department of Human Services is focussed on achieving Government goals as expressed in Growing Victoria Together, ie. providing high quality, accessible health and community services; building friendly, confident and safe communities; and advancing a fairer society that reduces disadvantage and respects diversity. In particular the department's budget submission has been developed with reference to the following:

- Implementing Government's 2008-09 Budget priorities and public policy, including implementing the balance of election commitments.
- Agreed outcomes for Australian Industrial Commission, Australian Fair Pay Commission and Enterprise Bargaining Agreements for the Human Services Sector
- Implementing whole-of-government initiatives promoting the health and wellbeing of all Victorians, and continuing Commonwealth agreement commitments.
- Managing service systems and administration over the forward estimates period within the provisions of Treasury's Departmental Funding Model, which provides forward year escalation funding on a no-policy-change basis to provide departments with funding certainty and future spending capacity in the forward estimates budgets.

##### **3.3.1.2 Question**

What have been the key budget themes/issues that have had to be taken into account in framing the department's budget?

##### **Response**

Strategically the challenges for human services involve the management of demand for services; the impact of disadvantage on the need for, and access to, services; the viability and productivity of services receiving public funds to deliver services; the need to use early opportunities to effectively influence health and wellbeing outcomes; and addressing emerging health and social issues. The department's submission to the 2008-09 Budget process sought funding to address these challenges.

##### **3.3.1.3 Question**

What impact have developments at the Commonwealth level had on preparing the department's component of the 2008-09 state budget?

## **Response**

On 20 December 2007, COAG agreed to a new model of cooperation underpinned by more effective working arrangements. COAG identified seven areas for its 2008 work agenda: health and ageing; the productivity agenda – including education, skills, training and early childhood; climate change and water; infrastructure; business regulation and competition; housing; and Indigenous reform.

Seven working groups were established, each overseen by a Commonwealth Minister, with senior departmental level deputies nominated by the States and Territories. The Secretary, Department of Human Services is a health and ageing workgroup representative and facilitates a constructive working relationship with the Commonwealth in health and ageing and across the breadth of human services. The Director of Housing is a Victorian representative on the Affordable Housing working group.

COAG has also agreed to begin changing the nature of Commonwealth-State funding arrangements by focusing more on outputs and outcomes, underpinned by a commitment from the Commonwealth Government to provide incentive payments to drive reforms. This will include reform of Specific Purpose Payments (SPP). The proposed SPP reforms are expected to require less onerous reporting and concentrate on outputs and outcomes, and new National Partnership Payments (NPPs) will include incentive reform type payments which may be subject to more detailed accountability and reporting.

Areas of COAG focus include:

- Tackling elective surgery waiting times
- Investing in public dental programs
- Nursing workforce
- Preventative health care
- GP superclinics.

The department's funding submission to the 2008-09 State Budget provided for existing Commonwealth/State agreement commitments and related activities including:

### **Elective Surgery**

The Commonwealth and States have signed the Commonwealth 2008 Elective Surgery Waiting List Reduction Plan funding agreement. Victoria will be funded \$34.2 million to perform an additional 5,908 elective surgery procedures by 31 December 2008.

### **Chronic Disease**

Recent COAG initiatives have sought to improve health outcomes associated with chronic disease. An explicit agenda to increase the focus on prevention and early intervention underscores the Australian Better Health Initiative (ABHI) and the human capital stream of the National Reform Agenda (NRA). Both initiatives have been key drivers for plans to develop a Victorian Integrated Chronic Disease Plan and roll out of associated activities in 2008-09.

The existing focus on an integrated approach to chronic disease in Victoria will contribute to meeting health outcomes of ABHI and the NRA along the care continuum from the well population to those with advanced chronic conditions.

## **Oral Health**

*Australia's National Oral Health Plan 2004-13*, endorsed by all health ministers, sets out an action area to extend water fluoridation around Australia.

## **HIV/AIDS and Hepatitis C**

Commonwealth funding provided to the State in relation to HIV/AIDS and Hepatitis C has had no growth component for a number of years.

## **Workforce**

The Commonwealth government's announcement of 1500 additional university nursing places across Australia from 2009 is welcomed but will require Victorian public health services to create additional clinical placements for the new nursing students. This will make it more important for public hospitals to be able to offer high quality teaching facilities, including teaching rooms, teaching equipment, and audiovisual and simulation tools.

## **Mental Health**

The development of the new Victorian mental health strategy builds on a new framework for joint Commonwealth-State responsibilities for mental health service provision. These shared and complementary responsibilities were progressed through the COAG *National Action Plan on Mental Health* and continue to be developed through the Victorian COAG Mental Health Group and a range of other intergovernmental structures.

In addition, Victoria has commenced working with the Commonwealth in the early stages of implementing the Commonwealth Government's commitment on peri-natal mental health.

## **Housing**

The Commonwealth Government's focus on increasing housing affordability and ameliorating homelessness aligns with the Victorian Government's objectives in this area.

The Commonwealth has announced a *National Rental Affordability Scheme* to grow the supply of affordable housing in Australia. This builds on the Victorian Government's commitments to grow affordable housing supply for low-income people, including the ongoing delivery of units associated with the \$500m boost for social housing announced in the 2007-08 State Budget.

The Commonwealth's *A Place to Call Home* initiative, which aims to provide homeless people with immediate access to long-term housing, complements work being done in Victoria to provide better access to housing and homelessness services and prevent people becoming homeless in the first place.

### **3.3.1.4 Question**

Please provide the rationale for any change in performance measures presented in the budget papers for 2008-09 (including new and discontinued measures).

### **Response**

The rationale for developing departmental performance measures presented in the budget papers is to provide a public record of achievement and future goals in service delivery and operations supporting human services in Victoria. Performance measures also provide a basis to identify key service statistics and trends for use in management decision-making. The rationale for changes in annual

performance measures is to ensure that the measures accurately reflect achievement and target outcomes in key areas of service performance.

### **3.3.1.5 Question**

For any performance measures where there is a variance of over 10 per cent between the expected outcome for 2007-08 and the target for 2008-09, please provide the reasons for the variance.

### **Response**

The department is currently finalising its 2008-09 Budget Paper output statements, in accordance with Department of Treasury and Finance (DTF) requirements and timelines.

The department will respond to this question upon conclusion of the above authorisation processes.

## **3.3.2 Asset Funding**

### **3.3.2.1 Question**

Please provide a list of the asset investment projects for which capital expenditure is budgeted to occur in 2008-09.

### **Response**

The table below shows new and existing projects in the 2007-08 financial year for which expenditure will be incurred in 2008-09.

<b>Project Name</b>	<b>TEI (\$'000)</b>
<b>New Works announced in the 2007-08 State Budget (with expenditure budgeted to occur in 2008-09)</b>	
Medical Equipment Replacement Program	145,000
Statewide Infrastructure Renewal Program	80,000
Frankston Hospital Stage 2A (Op Theatre Expansion and Critical Care Redevelopment)	45,000
Caulfield General Medical Centre Redevelopment - Stage 2	28,000
Northern Hospital - Mental Health Expansion and Short Stay Unit	27,900
Western Hospital (Footscray) Redevelopment Stage 1	24,800
Stawell Health & Community Centre Redevelopment	20,000
Sunshine Hospital Expansion and Redevelopment - Stage 1	20,000
Nathalia District Hospital and Aged Care Redevelopment	18,000
Royal Melbourne Hospital Brickwork Rectification	31,075
Alfred Centre Development*	17,000
Warrnambool Hospital Redevelopment - Stage 1	16,000
Disability Shared Supported Accommodation SRRP Stage 2	15,000
Placement and Support Residential Facility Renewal Strategy	14,200
Peninsula Community Health Service (Hastings) Redevelopment	13,000

<b>Project Name</b>	<b>TEI (\$'000)</b>
Leongatha Hospital Campus - Stage 1 Residential Aged Care	10,000
Prevention and Recovery Care Services (PARCS) - Deer Park	9,640
Air Ambulance Victoria Fixed Wing Facility (Essendon Airport)	8,340
Maroondah Hospital Expansion	8,000
Metropolitan and Rural Ambulance Services - Station Upgrades	10,030
St Vincent's Elective Surgery Centre	7,000
Parkville Comprehensive Cancer Centre*	5,000
Microbiological Rapid Testing Equipment for Hospitals	5,000
Aged Care Land Bank - Stage 2	4,500
Ballarat Hospital Redevelopment	4,500
Short Stay Units, Day Treatment Centres and Medi-Hotels	4,000
Air Ambulance Victoria	3,700
Murtoa Community Health Centre Redevelopment	2,500
Barwon Health - Geelong Hospital Masterplan	2,000
Bendigo Health Care Group - Bendigo Hospital Planning and Development	2,000
Monash Medical Centre Children's Facility - Planning and Development	2,000
Heidelberg Repatriation Hospital Veterans Mental Health Facility - Prelim Works	1,500
Sunbury Day Hospital - Planning and Development	1,000
<i>* These projects were announced after the release of the 2007-08 State Budget</i>	
<b>Total New Works</b>	<b>605,685</b>
<b>Works in Progress announced prior to the 2007-08 State Budget (with expenditure budgeted to occur in 2008-09)</b>	
Health ICT Strategy	138,500
Kew Residential Services Redevelopment	86,500
2003-04 ERC Submission Royal Women's Hospital ( October 2003)	65,058
Royal Melbourne Hospital Emergency Department Redevelopment	56,300
Royal Children's Hospital Redevelopment (Revised 2008)	47,115
Super Clinics	42,000
Box Hill Hospital-Outpatients & Dialysis Centre and Associated Works	38,200
Casey Residential Aged Care	33,300
Eastern Health Mental Health Redevelopment Stage One	32,100
Barwon Health, Geelong Hospital Emergency Department Redevelopment	26,100
Kingston Centre Kitchen Upgrade and Associated Works	26,700
McKellar Centre Aged Care Facility - Grovedale	25,000
Caulfield General Medical Centre Logistics Building and Associated Works	23,500
Warracknabeal Redevelopment, Stage 1 Nursing Home	21,800
Rochester Theatre & Hospital Redevelopment	21,700

Project Name	TEI (\$'000)
Hospitals Electronic prescribing	21,000
Alfred Hospital Intensive Care Unit Redevelopment	20,240
North Richmond Community Health Centre	19,000
Northeast Health Wangaratta, Nursing Home Redevelopment	10,585
Heidelberg Repatriation Hospital Mental Health Stage 1	9,000
Eastern Health, Central East Community Care Unit	6,400
Brunswick Human Services Precinct - The Bouverie Centre	5,000
Community Facility Redevelopment Initiative	5,000
Koori Youth Alcohol and Drug Healing Service	3,700
Environmental Sustainability Action Statement - Public Hospitals & Aged Care	3,290
<b>Total Existing Projects</b>	<b>787,088</b>

### 3.3.2.2 Question

- (a) What are the future infrastructure challenges (immediate and long-term) facing Victoria that relate to the department's responsibilities?

### Response

The department is facing infrastructure challenges arising from:

- the size and age of the existing asset base, as well as the annual asset investment requirements to sustain the base at appropriate standards for efficient health and other human services service delivery and associated risk levels;
- service demand pressures requiring additional assets to provide appropriate service capacity, as service demand has been increasing at approximately 4% per annum over the last 10 years;
- service reconfiguration requirements to cater for new technologies, models of care and redistribution of departmentally funded services to meet changing community needs;
- the need to invest in more efficient plant and equipment to achieve government environmental policy / climate change objectives.

- (b) Has the department undertaken (or plans to undertake) any forward looking assessment of infrastructure demand and future needs as they relate to the department's operations? If so, please provide details of the findings.

### Response

The Victorian health system utilises a large asset base for the delivery of health services, with a current replacement value estimated at \$16 billion. The department assesses asset condition using the Department of Treasury and Finance Asset Investment Allocation Modelling System (AIAMS) fabric assessment model. The AIAMS modelling indicates that the public hospital sector has a significantly

higher propensity for obsolescence compared to other Government assets. This process is also applied to non-health sector assets.

The economic / functional life is used to determine the optimal age at which an asset should be replaced. This is determined using a whole of life costing approach that can be carried out at varying levels of sophistication. For major assets, the asset is split into components reflecting the typical manner in which they are redeveloped over their life. These have been developed under the AIAMS project to allow comparison of assets in a comparable manner across government.

The overall functional life of the asset is calculated using the average life for each component and averaging these based on their percentage of the overall replacement cost of the asset. This represents an average life based on facilities being well maintained and can reasonably be used across a whole asset portfolio for strategic planning.

The department has undertaken a review of the economic / functional life parameters for various types of facilities. While the structures of many health assets have a long life (up to 60 years) many internal high cost components (such as clinical fit out) require more frequent replacement. Seventy-five per cent of the useful life of a hospital is fully consumed within 20-25 years, resulting in an average economic life of approximately 30 years.

Many existing Victorian health facilities were designed and built 40-60 years ago and despite investment over that time across the asset portfolio this ageing contributes to the pressures noted in (a) above.

The department undertakes regular condition assessments for all facilities. These are being updated over the next year for health related assets (representing a significant portion of the DHS asset portfolio), to reflect changes to the asset base resulting from funded capital projects, more recent or detailed assessments (where available) and condition decline over time.

The department is currently undertaking research to establish a new method of forecasting demand for Youth Justice custodial and non-custodial services to meet needs over the next ten years. The department is also developing a 15-year strategic asset management and a 5-year maintenance plan for Youth Justice establishments. Fabric audits of the custodial centres are also conducted to inform both capital development and maintenance plans.

This information will be incorporated in the department's longer term asset requirements as part of the DHS Asset Strategy, which informs State Budget deliberations and details the scope and composition of the DHS Asset portfolio across all DHS responsibilities.

The department has also undertaken an extensive assessment of future housing needs and development of social housing acquisition targets. In its 2007-08 State Budget, the Government committed \$500 million over four years to expand and improve the quality of social housing properties to align the supply of stock with the future needs of clients. This strategy focuses on acquiring new social housing stock in areas of high demand, based on public housing applications and numbers of private renters experiencing housing stress, as well as taking into account transit city and population growth area policies, regional planning policies, and the Melbourne 2030 visions.

- (c) Please outline any asset investment projects of the department to be undertaken in 2008-09 that are linked to whole of government infrastructure initiatives.

**Response**

Under the Government’s Asset Management Framework, the department identified the following two programs as part of a longer term asset management strategy. Both are four year programs, approved in 2007/08.

<b>Project Name</b>	<b>TEI (\$'000)</b>
<b>2007-08 Medical Equipment Replacement Program</b> This program is designed to replace medical equipment items across the acute public hospital system and in the non-acute areas, in order to improve service quality and availability.	145,000
<b>2007-08 Statewide Infrastructure Renewal Program</b> This program is designed to improve the quality and standard of health and community services assets by addressing immediate infrastructure risks and critical renewal programs across the state.	80,000

**3.3.2.3 Question**

In relation to the unapplied output and asset funding carried forward to 2008-09, please provide:

- (a) a breakdown of the carried forward funding for both output and asset initiatives;
- (b) the underlying reasons for the department’s funding carryover for each category; and
- (c) the intended revised timing for use of the carried forward funds.

**Response**

<b>Output Appropriations</b>	\$m
Commonwealth Programs	20.7
State Programs	19.8
	<b>40.5</b>
 <b>Asset Investment Appropriations</b>	
Commonwealth Programs	2.1
State Programs	19.7
	<b>21.8</b>

The estimated carryover of \$40.5 million for output initiatives represents approximately 0.3% of 2007-08 Output Appropriations. The underlying reasons for the estimated carryover relates to activity timing issues or funding provided ahead of need. For specific Commonwealth Programs (\$20.7 million) funds are specifically tied to designated Commonwealth programs and cannot be used for any other purpose. The remaining estimated carryover relates to specific State programs (\$19.8 million).

It is intended that all output carryover funds will be expended in 2008-09 to complete or continue specific output initiative programs.

The estimated carryover of \$21.8 million for the Asset Investment Program represents approximately 4% of the expected cash flow for 2007-08. The underlying reasons for the estimated carryover relates to the impacts of factors like prolonged planning and construction processes, town planning issue resolution, rectification of latent soil conditions and / or inclement weather.

It is intended that the carryover funds will be expended in 2008-09 to complete or continue the implementation of the specific asset investments.

### 3.3.3 **Efficiencies and savings**

#### 3.3.3.1 **Question**

In relation to the estimated efficiencies to be derived in 2008-09 (including from the various measures that fall under the umbrella of the *Efficient Government* policy and the other targeted initiatives, as initially presented in the 2007-08 State Budget), please provide:

- (a) a breakdown of the planned efficiency savings according to the various measures of efficiency that apply to the department's operations;
- (b) an explanation of:
  - (i) how decisions regarding applicable savings measures are to be made;
  - (ii) the nature of their expected impact on programs such programs accelerated or deferred; and
  - (iii) the basis for estimating the savings target to be achieved for each measure; and
- (c) particulars of any changes to the department's allocated savings for 2008-09 from the data shown in the 2007-08 Budget.

#### **Response**

<b>SAVINGS - DHS</b>	
	2008-09
	\$m
<b>Efficient Government Policy</b>	
Buying Smarter, Buying Less	10.7
Shared Services	4.4
Grant Administration	0.4
Fleet Management	0.9
Advertising and Consultancies	1.2
<b>Sub-total Efficient Government Policy</b>	<b>17.6</b>
<b>Other Efficiencies</b>	
Grant Duplication	0.6
Head Office Staffing	4.8
<b>Sub-total Other Efficiencies</b>	<b>5.4</b>
<b>Total Efficiency Savings</b>	<b>23.0</b>

Savings have been apportioned to programs and regions in accordance with specific criteria for each initiative and each area of the department has been tasked with identifying and implementing savings in the specified manner.

It is not expected that the nature and implementation of the savings will have a direct impact on delivery of programs; rather the savings relate to real efficiency measures in delivery of programs.

The basis of estimating the savings target was determined through the Government's Efficient Government policy as part of the 2007-08 Budget. The amounts apportioned to the Department of Human Services were based on a distribution of the savings for each initiative as determined by Government.

DHS budget savings were increased as follows:

<b>Buying Smarter, Buying Less</b>	<b>1.1</b>
<b>Advertising and Consultancy</b>	<b>0.1</b>
<b>Total</b>	<b>1.2</b>

### **3.3.4 Economic impacts, initiatives and improvements**

#### **3.3.4.1 Question**

Please explain how the following economic related factors and the impact on departmental initiatives have been addressed in framing the department's budget for 2008-09:

- (a) interest rates
- (b) inflation
- (c) productivity improvement
- (d) National Reform Agenda initiatives

#### **Response**

Rises in interest rates and inflation carry a high potential to create social stress and hardship in the community through increased prices in the basic staples of life, mortgage stress, unemployment and homelessness. In a climate of rising interest rates and inflation and uncertainty in economic forecasts and stability, DHS budget initiatives for 2008-09 have been developed with regard to the risks of such an environment, especially in areas such as homelessness and social housing, and the increasing costs of out of home childcare. DHS budget initiatives also reflect the need for a skilled and expanded health workforce and accessible tertiary and preventative services and support the human capital element of the National Reform Agenda (NRA), which is founded on the evidence that a healthy and skilled population secures a strong economy, through increased workforce participation and productivity. DHS budget initiatives seek to provide all Victorians with the opportunity to enjoy full and active participation in our economy and society.

### **3.3.5 Environmental challenges**

#### **3.3.5.1 Question**

- (a) What are the key environmental issues that are predicted to have an impact on services delivered by the department's portfolios in 2008-09?

**Response**

Key environmental issues for DHS are as follows:

- Initiating the planning of the rollout of the Environmental Management water consumption reporting program to 75% of non-office locations
- Achieving the 20% government energy reduction target by 2010
- Addressing potential climate change impacts, in particular reducing CO2 emissions and carbon trading scheme implications for our service delivery portfolio
- Improving the efficiency of water usage in DHS funded services
- Reducing waste generation in DHS funded services.

(b) How have these issues been addressed in the department's budget estimates for 2008-09?

**Response**

All DHS asset investment (capital works) project budgets include a 2.5% budget allowance for improving the environmental outcomes from DHS funded projects. The Department is also implementing energy efficiency and water saving projects in health facilities through the Environmental Improvement Fund (EIF) and the Environmental Sustainability Action Statement (ESAS).

Government has provided in-principle support to implementing the Environmental Management water reporting program to 75% of non office locations, the budget implications of this are currently being researched and estimates will be based on the research findings.

(c) Please list five projects or programs worth over \$1million (new and/or existing) where increased funding has been provided in the budget to address environmental issues (including responding to climate change) (please provide a comparison of funding levels for 2007-08 and 2008-09 for existing projects if applicable).

**Response**

The DHS Asset Investment Program has been funded for specific environmental projects as follows, please note 6(b) above:

- The EIF program was funded \$3.5 million to create a rolling loan fund in 2005
- The ESAS energy efficiency program was funded \$3.29 million in 2007
- The ESAS water saving program was funded \$3.9 million in 2007
- All DHS asset investment (capital works) project budgets include a 2.5% budget provision for ecologically sustainable development.

### **3.3.5.2 Question**

What initiatives are planned to be implemented by the department in 2008-09 in order to enhance energy reporting?

#### **Response**

The Department of Human Services is actively engaged in improving our environmental profile and to further build on our achievements such as reducing office-based energy consumption by 55 percent since 2003-04.

In 2008-09 the department will be enhancing its reporting to accord with revision to Financial Reporting Directive No. 24 (FRD 24), which now requires provision of additional information on: energy consumption trends and targets, energy management actions undertaken, and greater contextual support to the energy data reported.

In the newly revised FRD 24 there is now a separate section that specifically deals with the greenhouse emissions associated with energy use, transport activities and waste production.

The department is also providing input to the development of a whole of government data management and reporting tool to provide greater consistency in energy reporting.

Other initiatives include:

- feasibility assessment of purchasing an electric car fuelled by renewable energy,
- behavioural change project on the staff uptake and ownership of environmental initiatives
- fleet remodelling program to reduce greenhouse gas emissions
- rollout of a waste recycling program to DHS offices.

### **3.3.6 Financial information**

#### **3.3.6.1 Question**

In relation to output costs, please explain any variations of more than 10 per cent between the expected outcome for 2007-08 and the target for 2008-09 for individual outputs.

#### **Response**

The department's target measures will be published in Budget Papers to be tabled in Parliament on 6 May 2008.

#### **3.3.6.2 Question**

In relation to expenses from transactions that relate to 'Employee Benefits', if a variation of more than 10 per cent arises between the Estimated Actual for 2007-08 and the budget for 2008-09, please provide an explanation.

#### **Response**

It is not expected that any variance between 2007-08 and 2008-09 Employee Benefits expenses will exceed 10 percent.

**3.3.6.3 Question**

Please provide a tabular dissection of the department's 2008-09 budget and expected expenditure for 2007-08 under the Government's key themes presented annually in the Victorian Budget Overview (see pp.5-7 of 2007-08 document) differentiating between new funding initiatives and ongoing funding.

**Response**

The department's 2008-09 budget will be published in Budget Papers to be tabled in Parliament on 6 May 2008.

**3.3.7 Regional and rural considerations****3.3.7.1 Question**

- (a) What are the critical issues facing regional and rural communities in 2008-09 that depend on services provided by the department (please provide comment relating to particular areas of the state where applicable)?

**Response**

Critical issues facing regional and rural communities in 2008-09 include:

- Drought and climate change and their impact across regional and rural communities including quantities and quality of drinking water available and fluoridation of water supplies to improve oral health.
- Rural workforce shortages, particularly in health, which impact on access to appropriate hospital, primary health, and community health services; chronic disease management; HIV education and prevention, and sexual health promotion services.
- Improving and expanding physical capacity and the fabric of rural hospitals/health services to address physical and mental health issues.
- Building capacity in access to dental services and reducing waiting lists.
- Providing for a growing older population and increased demand for community and residential aged care services including HACC services.
- Meeting social housing needs, and maintaining and strengthening social and economic inclusion.

The department is responding to these issues by continuing to invest in rural and regional communities and working with rural and regional communities, local government and other departments.

In the 2008-09, the department will work with the Department of Sustainability and Environment (DSE) and local water businesses to ensure that adequate supplies of drinking water are available to regional and rural communities where rainfall continues to be critically below average. The department will implement the Human Health and Climate Change component (Action 3.4) of the *Our Environment Our Future Sustainability Action Statement 2006* building on the Human Health and Climate Change conference and commencing heatwave planning through local governments in Victoria.

The department will continue to improve access to hospital services through investment to: maintain and reform health service performance and infrastructure, deliver community based health services across the state through a range of health service providers including allied health, nursing and counselling, and improve access to and delivery of public dental services.

On this front the Government has allocated \$500,000 to oral health scholarships to provide incentives and supports for graduates to enter the public dental workforce and dental health agencies in rural regions will secure oral health scholarship graduates. In 2008-09 agencies will implement a new planning framework to improve communication and coordination between community dental clinics within regions, focusing on management of waiting lists.

In 2008-09, departmental efforts will also focus on implementing a workforce recruitment and retention strategy to address workforce issues in rural and regional Victoria, and developing an oral health promotion plan that will target regions with the highest dental Ambulatory Care Sensitive Conditions admissions, of which the top 3 regions are rural.

The department is continuing to address the health needs of rural and regional Victorians with chronic disease by making early intervention and self-management services more accessible through implementation of the Early Intervention in Chronic Disease Program in 18 sites across the State including one in each rural region, and supporting the implementation of Diabetes self management programs in rural Primary Care Partnership areas.

The department will continue to invest HACC funding according to a method that seeks to match growth in the target population to growth in funds to sustain access to services across Victoria in 2008-09.

The Corio/Norlane Project - Regeneration and Urban Renewal has been initiated to address critical issues facing communities in the regional centre of Greater Geelong, which include inadequate appropriate housing to meet demand need, and lack of social and economic inclusion for residents.

Within this context, rural people with or developing a severe mental illness endeavour to learn to optimally manage their illness and its consequences. In order to do this they need to be assured of access to the full range of specialist mental health as well as other related services.

Equitable access to services and early intervention are key principles underpinning the 2008-09 mental health budget 'Seeding mental health reform'. A particular focus will be child and adolescent mental health services and 'front end services' that provide guidance for potential and existing mental health clients. Previous mental health budgets have directed resources to rural services in order to strengthen their core services and introduce new initiatives. The forthcoming budget builds on this foundation

(b) How does the department's 2008-09 budget address these issues?

**Response**

The department's 2008-09 budget will be published in Budget Papers to be tabled in Parliament on 6 May 2008.

(c) Please provide a table showing for up to ten of the department's largest projects (in terms of expenditure) the:

- (i) budget allocation for 2008-09 dissected between new and existing projects
- (ii) the purpose of each project
- (iii) how the funding is to be spent
- (iv) the performance measures in place to assess performance

### **Response**

The DHS projects indicated below are amongst the largest currently funded in the Victorian rural health sector. The purpose of each is described in the section following the table.

Budgets will be spent on the design and development of each of the facilities, through procurement of consultancy and construction related services, building assets, and other ancillary expenditure such as specialist equipment and fittings.

The performance of each project is measured against agreed time and cost parameters, as reported to Government. The facilities will be designed in accordance with the DHS Design Guidelines, ensuring quality parameters are met, with the progress of each project overseen by a Project Control Group consisting of representatives from DHS capital, program and regional areas, together with representatives from the relevant health service/agency.

<b>Project Name</b>	<b>TEI (\$'000)</b>	<b>2008-09 budget</b>
<b>New Works announced in the 2007-08 State Budget (with expenditure budgeted to occur in 2008-09)</b>		
Stawell Health & Community Centre Redevelopment	20,000	12,000
Nathalia District Hospital and Aged Care Redevelopment	18,000	7,000
Warrnambool Hospital Redevelopment - Stage 1	16,000	10,000
Leongatha Hospital Campus - Stage 1 Residential Aged Care	10,000	8,500
<b>Works in Progress announced prior to the 2007-08 State Budget (with expenditure budgeted to occur in 2008-09)</b>		
Barwon Health, Geelong Hospital Emergency Department Redevelopment	26,100	4,940
McKellar Centre Aged Care Facility - Grovedale	25,000	5,129
Warracknabeal Redevelopment, Stage 1 Nursing Home	21,800	992
Rochester Theatre & Hospital Redevelopment	21,700	7,200
Northeast Health Wangaratta, Nursing Home Redevelopment	10,585	600

### **Stawell Health & Community Centre Redevelopment**

Funding was provided for the redevelopment of the former Stawell Technical College "Golf Reef Campus" for community and health services. The new building will include services delivered by Grampians Community Health Centre, allied health, specialist medical services (including a GP medical clinic), and primary care services delivered by Stawell Regional Health, and recreation facilities for older persons assisted by Northern Grampians Shire.

### **Nathalia District Hospital and Aged Care Redevelopment**

The project will provide a new integrated 26-bed health service, comprising aged residential and acute beds, primary care, GP clinic and ancillary needs such as a laundry and kitchen. This integrated service will meet the changing needs of the community, deliver improvements to service delivery and ensure that the building and infrastructure complies with current standards.

### **Warrnambool Hospital Redevelopment - Stage 1**

Stage 1 of the redevelopment at South West Healthcare's Warrnambool Hospital campus includes an ambulance station and construction of a new extended care unit providing 5 additional mental health beds. This funding will also provide a new kitchen for the hospital and essential engineering infrastructure relocations and upgrades, in preparation for the next stage of the redevelopment.

### **Leongatha Hospital Campus - Stage 1 Residential Aged Care**

Stage 1 of the redevelopment of Leongatha Hospital includes the construction of a new 36-bed aged residential facility, temporary relocation of pathology services, demolition of the existing nursing home and construction of a new associated car park. The initiative will allow essential site infrastructure to be developed and facilitate the next stage of the hospital redevelopment.

### **Barwon Health, Geelong Hospital Emergency Department Redevelopment**

This project provides a new and expanded emergency department at Barwon Health's Geelong Hospital. It provides a new street-front address and allows for future expansion of facilities to address increasing service complexity, demand and advances in technology.

### **McKellar Centre Aged Care Facility – Grovedale**

Funding was provided to develop a new 108-bed high care nursing home in Grovedale. The new facility will replace outmoded and inflexible facilities at Grovedale and Belmont, and one ward at the McKellar Centre in Geelong.

### **Warracknabeal Redevelopment, Stage 1 Nursing Home**

Stage 1 of the redevelopment of the Warracknabeal campus of Rural Northwest Health will deliver 60 new aged care beds, including 30 high and 30 low care beds, new site infrastructure including electrical, water and drainage services and construction of a new store, engineering works and food services.

### **Rochester Theatre & Hospital Redevelopment**

The redevelopment of the Rochester campus of the Rochester and Elmore District Health Services, includes a new acute services wing, new ambulatory care complex including a theatre and emergency department, 30 new residential aged care beds, new primary care, kitchen and support services and a range of ancillary facilities including administration.

### **Northeast Health Wangaratta, Nursing Home Redevelopment**

This project provides for the construction of a new 60 high care residential aged care facility to replace the existing nursing home in Wangaratta. The redevelopment of aged care beds will ensure that the facility meets 2008 Commonwealth Certification requirements and addresses current building and regulatory requirements and standards.

## Corio/Norlane Neighbourhood Renewal

In 2008-09 the department will be allocating part of \$40 million secured for the regeneration strategy in Norlane. This strategy will result in the building of 200 new social housing homes and upgrade of 100 existing homes over four years.

In addition to this, the department will be allocating funding of over \$2.2 million in 2008-09 for Corio/Norlane Neighbourhood Renewal. This funding will deliver further capital improvements to improve parks and playgrounds, support targeted employment programs, and implement a range of programs that will assist in improving social and economic inclusion.

Budget allocation (existing)	Purpose of the funding	How will the funding be spent	Performance Measures
\$40M over 4 years - commencing work in June 2008	To expand and improve social housing in the Norlane area to meet Housing client demand	Contracts for upgrade and construction will be tendered out	Contract management and reduction in the waiting list

### 3.3.8 Communication, advertising and promotion

#### 3.3.8.1 Question

- (a) What is the communication, advertising and promotion budget for 2008-09? Please also provide the expected actual expenditure for 2007-08.

#### Response

Advertising and promotions funding for the Department of Human Services (DHS) is included within overall policy and program budgets allocated via the annual government appropriations process. At this stage, funding for communication, advertising and promotion has not been allocated for 2008-09 and figures for expenditure are not able to be estimated.

Expenditure is allocated on a case by case basis, via Whole-of-Government approval processes. Spend is recommended and allocated based upon individual program stated objectives, target markets and recommended media.

There is no centralised budget for communication, advertising and promotions in DHS.

The year to date expenditure is \$9,309,379 as at 29th February 2008. Final expenditure for the period will not be available until end of financial year figures are released.

- (b) How does the 2008-09 budget compare with the estimated expenditure to be incurred on communications, advertising and promotion during 2007-08 (due to machinery of government changes relating to the structure of departments, if applicable please break down according to like agencies where possible for comparative purposes)?

#### Response

As funding for 2008-09 has not been allocated this comparison cannot be made.

### **3.3.9 Non government sector**

#### **3.3.9.1 Question**

- (a) Please provide a summary of the funding provided through the budget that will be disseminated by the department through to the non-government sector in 2008-09

#### **Response**

The department's 2008-09 budget will be published in Budget Papers to be tabled in Parliament on 6 May 2008.

- (b) Please provide a brief description of the performance monitoring framework that will be in place during 2008-09 to enable the department to monitor whether government funding is spent efficiently and effectively by non-government organisations for the intended purpose

#### **Response**

The Monitoring Framework (the Framework) for the health, housing and community service sectors was implemented during 2005-06, introducing a uniform overarching framework for use by Department of Human Services' (DHS) staff to monitor the funded non-government sector. The Framework will continue to be used in 2008-09.

The Framework applies risk management principles to monitor organisation service sustainability, to assist the department in early identification of risks, and to enable the department to ensure the ongoing provision of quality human services and avoid the costs associated with service failure.

The Framework was developed based on principles of partnership, and recognises the independence of funded organisations. It is focussed on ensuring the effective delivery of services, the safety and well-being of clients, and the sustainability of the sector, through the further development of a relationship of partnership and collaboration with the funded sector.

The Framework provides for DHS Program and Service Advisers (PASAs) to conduct an annual Desktop Review for each funded non-government organisation. The Desktop Review is a risk assessment tool that considers a series of risk factors, including the organisation's performance against service delivery targets set out in the service agreement. The financial sustainability of the organisation is also examined as part of the Desktop Review.

Where the Desktop Review identifies areas of concern, DHS staff will meet with key staff from the non-government organisation in a Service Review. The focus of the Service Review is on resolving any issues identified, and is conducted in the spirit of collaboration and partnership.

Where collaborative approaches to resolving issues fail, the Department can use its right, under the service agreement, to undertake further intervention, including independent audit and potentially termination of the agreement. However, in the vast majority of cases, the collaborative approach has been found to be most effective.

### **3.3.10 Revenue initiatives/departmental income**

#### **3.3.10.1 Question**

- (a) In relation to 2008-09, please outline any new revenue raising initiatives and/or major changes to existing revenue initiatives? If applicable, please provide details of these initiatives together with anticipated revenue collections.
- (b) Please outline the actual and expected financial impact in 2008-09 of any revenue foregone initiatives (such as tax relief measures) falling within the responsibility of the department.

#### **Response**

The department's 2008-09 revenue initiatives will be published in Budget Papers to be tabled in Parliament on 6 May 2008.

#### **3.3.10.2 Question**

For the department's income categories shown in its operating statement, please provide an explanation for any items that have a variance of greater than 10 per cent between the revised estimate for 2007-08 and the budget for 2008-09.

#### **Response**

The department's 2008-09 budget will be published in Budget Papers to be tabled in Parliament on 6 May 2008.

### 3.3.11 Fees, fines, concession and subsidies

#### 3.3.11.1 Question

Please provide a list of fees, fines, charges etc. administered by the department and the expected revenue from each of these in 2008/09. What is the expected increase for each of these (eg. in dollars and percentage terms), if any?

#### Response

##### DHS Fees, fines and charges

		2007-08	2008-09			
		Budget	Budget	Variation	Variation	
		\$'000	\$'000	\$'000	%	
Occupational Based License Fees - Radiation, Legionella, Pesticides	Public Health	-1,600	-1,100	500	-31	Reduction in 2008-09 reflects that the Health (Medical Radiation Technologists) (Fees) regulations were repealed and the department is no longer involved in this function. A new external independent board has been formed under provisions of the Health Practitioner Registration Act.
Safe Drinking Water Regulatory Fees	Public Health	-1,000	-1,100	-100	10	
Occupational Based License Fees - Poisons	Drug Services	-400	-400	0	0	
Sales of Goods and Services - Acute	Acute Health	-450	-461	-11	2	
Sales of Goods and Services - Aged and Home Care	Aged and Home Care	-65	-67	-2	3	
Sales of Goods and Services - Mental Health	Mental Health	-20	-21	-1	5	
Sales of Goods and Services - Disability (Institutions)	Disability Services	-2,300	-1,700	600	-26	Reduction in 2008-09 reflects the forecast transfer of the remaining Kew Residential Services clients to the on-site community based houses
Sales of Goods and Services - Adoption Fees	Child Protection and Placement	-500	-513	-13	3	
<b>Total</b>		<b>-6,335</b>	<b>-5,362</b>	<b>973</b>	<b>-15</b>	

### **3.3.11.2 Question**

Please provide a detailed list of subsidies and concessions (both direct and indirect) to be provided by the department in 2008/09 (including, for example, estimated number, average subsidy or concession, estimated cost).

### **Response**

A detailed listing of concessions available in Victoria is contained in the DHS publication 'A guide to concessions in Victoria: A resource for assisting people on low incomes'. This can be accessed online at

[www.office-for-children.vic.gov.au/\\_data/assets/pdf\\_file/0011/85484/a\\_guide\\_to\\_concessions\\_in\\_victoria.pdf](http://www.office-for-children.vic.gov.au/_data/assets/pdf_file/0011/85484/a_guide_to_concessions_in_victoria.pdf)

The principle concessions administered by the department include:

- Mains Electricity Concessions
- Mains Gas Concessions
- Non-mains Energy Concessions
- Water and Sewerage Concessions
- Pensioner Concessions for Municipal Rates and Charges

An annual report is also released each year on State Concession and Hardship Programs and this report, along with the DHS annual report, provides detailed information on individual concessions. The department's 2008-09 budget, including 2008-09 targets and output costs for the Concessions to Pensioners and Beneficiaries output group, will be published in Budget Papers to be tabled in Parliament on 6 May 2008. Note that the concessions program is an entitlement program and 2008-09 actual costs will not be known until providers supply details of the value of the bills paid for eligible recipients.

**3.3.12 Staffing matters**

**3.3.12.1 Question**

Using the format below, please provide actual EFT staff numbers at 30 June 2007 and estimates of EFT staff numbers (non-executive officers, executive officers and departmental secretary classifications) at 30 June 2008 and 30 June 2009 for the department and its major budget funded agencies.

**Response**

**Employment — Equivalent full-time staff**

Classification	30 June 2007 (Actual) (EFT)					30 June 2008 (Estimate) (EFT)					30 June 2009 (Estimate) (EFT)				
	On-going	Fixed term	Casual	Funded vacancy	Total	On-going	Fixed term	Casual	Funded vacancy	Total	On-going	Fixed term	Casual	Funded vacancy	Total
	xx.x	xx.x	xx.x	xx.x	xx.x										

### Department of Human Services staffing

Table 1 indicates actual Departmental EFT staff numbers at June 2007 and March 2008.

It should be noted that the March numbers exclude some 535 FTE staff involved in machinery-of-government transfer of Early Childhood Services to the Department of Education and Early Childhood Development (DEECD), including 190 EFT Nurses, 123 EFT Allied Health workers, and 212 EFT Victorian Public Service officers.

In line with Government policy, the Department will adjust staffing levels to meet service delivery and associated support requirements as the need arises, however March numbers are not expected to change significantly and have been used as an estimate for June 2008. Based on staffing statistics for the past 5 years, it is estimated that the June 2009 FTE will be 11,314.

**TABLE 1**

Classification Group	period								% change
	(1).Jun 2007				(2).Mar 2008				
	Type				Type				
	1.Ongoing	2.Fixed Term	3.Casual	total	1.Ongoing	2.Fixed Term	3.Casual	total	
<b>1.Disability development &amp; support officers</b>	3259	496	498	4253	3295	511	462	4267	0.3%
<b>2.Child Protection and Juvenile Justice officers</b>	1467	193	78	1739	1493	216	96	1805	3.8%
<b>3.Housing services officers</b>	372	63	.	435	405	52	.	457	5.1%
<b>4.Allied health workers</b>	346	85	1	432	246	65	.	311	-28.0%
<b>5.Nurses</b>	170	18	2	190	3	.	.	3	-98.4%
<b>6.Victorian Public Service officers</b>	3661	499	29	4189	3556	493	23	4071	-2.8%
<b>7.Executives</b>	.	110	.	110	.	111	.	111	0.9%
<b>8.Other/various</b>	86	51	0	137	77	47	.	124	-9.5%
<b>9.Facility Services Officers</b>	29	1	0	31	27	4	.	30	-3.2%
<b>DHS total</b>	9391	1515	609	11515	9100	1498	581	11180	-2.9%

\*Note: rounding of actual FTE numbers for presentation reflected in totals.

### Public Hospitals and Aged Care Centres staffing

Table 2 shows June 2007 FTE staffing for hospital and aged care agencies that has been collected either electronically from payroll providers or by survey from hospitals. Estimates of EFT staff numbers for 30 June 2008 and 30 June 2009 are 68,014 (+2.3%) and 69,274 (+1.9%) respectively.

The Department has been working with the major payroll providers that supply payroll services to public hospitals and has implemented a new minimum workforce database (MDS) that provides for the collection of a wider range of staffing profiles and payroll data on a regular basis. At present 43 agencies (~50%), are reporting through the MDS. All payroll providers have completed necessary IT specification work and the software is currently being tested at lead agencies by payroll providers yet to come online. The Department is working closely with these providers to complete the rollout of MDS to all agencies.

**TABLE 2**

Human Services Portfolio	30.6.07 FTE Actual
<b>Major External Agencies</b>	
Public Hospitals and Aged Care Centres	
Doctors, etc	6,081
Nursing	29,215
Medical Support	12,565
Other	18,607
<b>Sub Total - Public Hospitals and Aged Care Centres</b>	<b>66,468</b>