Annual Report 2015–16

Victorian Health Promotion Foundation

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VicHealth™

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VICTORIA
State Government

Contents

Report of Operations

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Victorian Health Promotion Foundation
2015–16

Declaration by Chair of the Responsible Body

In accordance with the *Financial Management Act 1994*, I am pleased to present the Victorian Health Promotion Foundation's Annual Report for the year ending 30 June 2016.

Emeritus Prof John Catford
Chair of the Board
Victorian Health Promotion Foundation

24 August 2016

Section 1: Year in review

Our origin

VicHealth (the Victorian Health Promotion Foundation) is the world's first health promotion foundation created in 1987 with a mandate to promote good health. We were established with all-Party support by the State Parliament of Victoria with the statutory objectives mandated by the *Tobacco Act 1987* (Vic) (the Act). The responsible minister is the Minister for Health, The Hon. Jill Hennessy MP.

The objects of VicHealth as set out in the Act are to:

- fund activity related to the promotion of good health, safety or the prevention and early detection of disease
- increase awareness of programs for promoting good health in the community through the sponsorship of sports, the arts and popular culture
- encourage healthy lifestyles in the community and support activities involving participation in healthy pursuits
- fund research and development activities in support of these objects.

Functions

The functions of VicHealth as set out in the Act are to:

- promote its objects
- make grants from the Health Promotion Fund for activities, facilities, projects or research programs in furtherance of the objects of VicHealth
- provide sponsorships for sporting or cultural activities
- keep statistics and other records relating to the achievement of the objects of VicHealth
- provide advice to the Minister on matters related to its objects referred by the Minister to VicHealth and generally in relation to the achievement of its objects
- make loans or otherwise provide financial accommodation for activities, facilities, projects or research programs in furtherance of the objects of VicHealth
- consult regularly with relevant Government Departments and agencies and to liaise with persons and organisations affected by the operation of this Act
- perform such other functions as are conferred on VicHealth by this or any other Act.

VicHealth performs and manages these functions by:

- developing a strategic plan, including concept, context and operations
- initiating, facilitating and organising the development of projects and programs to fulfil the strategic plan
- ensuring an excellent standard of project management for all project and program grants paid by VicHealth
- developing systems to evaluate the impacts and outcomes of grants
- ensuring that such knowledge is transferred to the wider community.

Our commitment

- Fairness – we promote fairness and opportunity for better health for all Victorians, by making health equity an aim of all our work.
- Evidence-based action – we create and use evidence to identify the issues that need action and to guide policy and practice by VicHealth and our partners.
- Working with community – we work with communities to set priorities, make decisions and create solutions.
- Partnerships across sectors – we collaborate with governments at all levels and form alliances with others in health, sports, research, education, the arts and community, as well as nurture strong relationships with health promotion practitioners and the media.

Our difference

VicHealth has played a unique role since its inception. We champion positive influences for health and seek to reduce negative influences. This means helping individuals and communities make better-informed decisions, and shaping environments that support healthier choices.

Our strategy incorporates a behavioural insights lens that considers the influences on people's behavior and choices. This complements existing approaches with new ways to realise the health for all Victorians. Our culture of innovation enables us to be a catalyst for, and early adopter of, new health promotion approaches.

We work in partnership with all sectors as a trusted, independent source of evidence-based practice and advice. We play a critical role in creating and strengthening this evidence base through our rigorous research and evaluation of our actions.

Chair's report

November 2016 marks the 30th anniversary of the first World Health Organization conference on health promotion held in Ottawa, Canada. The resulting Ottawa Charter for Health Promotion heralded the 'new public health' movement, emphasising that health promotion is the process of enabling people to increase control over and to improve their health. Health is seen as a resource for everyday life, not the objective of living; it is a positive concept emphasising social and personal resources, as well as physical capacities.

A year after the Ottawa Charter was born, on the other side of the globe, a watershed development took place with the creation of the first health promotion foundation in the world – VicHealth. Its impact was profound – freeing sports and arts from tobacco sponsorships and advertising, reducing the impact of smoking, and leading the charge on promoting good health in Victoria.

These two innovations would change health. Across the world there are now government health promotion strategies and reviews, statutory authorities and foundations, consumer interest groups, professional associations and journals. University departments and professors proudly bear the name, Masters and Bachelor degrees are in abundance and a new textbook seems to appear every few months. Billions of dollars are increasingly being invested in health promotion programmes by governments and international organisations, like the World Bank, as well as through voluntary contributions from people themselves. It is quite remarkable that this has all happened in just three decades.

Today, VicHealth continues to adopt the holistic view of health endorsed by the Ottawa Charter – 'health is a state of complete physical, mental and social wellbeing and not merely the absence of disease or infirmity'. This view has enabled it to operate with a firm focus on people and communities, not illnesses, and on the social determinants of good health.

Now completing its third year of the 10-year Action Agenda for Health Promotion, VicHealth has made significant strides in its five strategic imperatives. These comprise: promoting healthy eating, encouraging regular physical activity, preventing tobacco use, preventing harm from alcohol and improving mental wellbeing. VicHealth's programs continue to be underpinned by robust evidence, extensive partnering, and a commitment to fairness, with the vision of one million more Victorians with better health and wellbeing by 2023.

The environment in which VicHealth operates is no less challenging than three decades ago. While smoking rates have halved, pressures on health budgets have increased due to an ageing population, more chronic disease and mental illness, technological advances, and rising levels of obesity, physical inactivity and high-risk drinking.

Obesity is increasing at alarming rates, and it is predicted that three out of four Australian adults and one-third of children will be overweight or obese by 2025. The increase in prevalence is also skewed towards groups facing disadvantage.

Nearly one in three adults, and four out of five children are insufficiently active. More worrying is the finding that more than two-thirds of adult Australian females are classified as being sedentary or having low levels of exercise. Active recreation or sport declines rapidly as women get older.

Overall levels of alcohol consumption in Victoria are relatively stable, however alcohol-related harms including hospitalisations and ambulance attendances have increased significantly in recent years. Most Victorians drink responsibly but a large proportion still drink in a manner that puts them at risk of injury from a single occasion of drinking, or at risk of chronic disease in the longer term.

Smoking prevalence has reduced to 12.6 per cent of adults smoking daily and youth smoking rates have declined to the lowest ever recorded. However, this rate of decline is slowest in groups experiencing disadvantage. Smoking continues to cost the Victorian community $245 million a year in health costs alone – a staggering $6.8 billion when health and social costs are combined.

Mental wellbeing especially in young people is also a critical area to address. One in four young Victorians aged 16 to 25 years are at risk of depression. One in eight have reported a very high intensity of loneliness. Compounding this is their exposure to rapid changes such as globalisation and digital technology. There is an urgent need to strengthen the resilience of young people, and help reduce the burden of mental illness which costs the Victorian economy an estimated $5.4 billion each year.

As this Annual Report demonstrates, VicHealth remains engaged, energetic and totally committed to make a difference for all Victorians. It has partnered across health and non-health sectors to fund and implement innovative solutions, targeting the places where health is formed and experienced.

VicHealth has created and promoted the use of knowledge and evidence in program planning and management. It has 'pushed' issues such as preventing violence against women to prominence in public policy and action.

VicHealth has engendered trust among communities and stakeholder organisations. For example, its continuing strength in innovation has seen Australia's largest citizens' jury coming together online and face-to-face to develop 20 'asks' to tackle obesity in Victoria.

In late 2015, VicHealth responded to two State Government reviews – the Health Promotion and Prevention Investment Review, and the Tobacco Act Review. Both reviews were seeking to assess the effectiveness, efficiency and accountability for the various investments in health promotion and disease prevention made across Victoria. VicHealth met with the Department of Health and Human Services' teams of consultants for both reviews, and lodged a submission to the Health Promotion and Prevention Investment Review, and two responses to the Tobacco Act Review. We are waiting on the final outcomes of both reviews.

Another major piece of work has been to refresh VicHealth's Action Agenda for Health Promotion for the next three-year period 2016–19. The new plan will help current and future generations of Victorians travel to 'destination wellbeing' by creating healthier choices and healthier environments for families, workplaces, schools, sports, arts, and on-the-ground as well as online communities.

In going forward, VicHealth's deep involvement in gender equality will make it well-placed to address the recommendations from the Royal Commission into Family Violence. Its years of experience in helping to address social determinants of health at a community level will also enable it to respond to the Hazelwood Mine Fire Inquiry recommendations.

On behalf of the VicHealth Board, I thank the Victorian Minister for Health, The Hon. Jill Hennessy MP for her support and leadership. I also thank the Minister for Mental Health, The Hon. Martin Foley MP, the Minister for Sport, The Hon. John Eren MP, the Minister for Women and Prevention of Family Violence, The Hon. Fiona Richardson MP, other Ministers and their Advisers, Members of the Victorian Parliament, and other government agencies.

I am very grateful to the members of the VicHealth Board and Committees who have been strong advocates, wise counsellors and invaluable contributors during 2015–16. I am grateful to the Deputy Chair Nicole Livingstone OAM; Board members Susan Crow, Nick Green OAM and Stephen Walter; reappointed Board member Professor Margaret Hamilton AO; new Board members in 2015–16: Veronica Pardo, Sarah Ralph and Simon Ruth; and Parliamentarians Colleen Hartland, The Hon. Wendy Lovell and Natalie Suleyman.

I particularly wish to acknowledge the valuable contributions of outgoing Board members Margot Foster AM and Professor Michael Morgan who finished their tenures in June, and Sally Freeman, Chair of the Finance Audit and Risk Committee, who will leave later this year. I am extremely pleased to welcome new Board member Fiona McCormack who will take over from me as Chair of the Board in October 2016.

As Chair of the Board I am pleased that VicHealth continues strong corporate governance with balanced budgets, contemporary policies, progressive planning and effective resource management. This is a tribute to our Board, Finance Audit and Risk Committee, and our excellent staff. In particular Jerril Rechter, our CEO, has been a continuing source of energy, inspiration and integrity for us all. An indication of her standing was winning the Victorian Telstra Businesswoman of the Year Award in the Government and Academia category. Well done and thank you Jerril.

Productive relationships continue to be an essential ingredient for health promotion. I am deeply indebted to you, our partners, advocates and supporters, without whom the achievements of this year would not be possible. I am confident that with your support and with the skills and experience of the VicHealth team, we can achieve our 2023 vision of one million more Victorians with better health and wellbeing.

I have great pleasure, therefore, in presenting this Annual Report for 2015–16 on VicHealth's many achievements.

Emeritus Prof John Catford
Chair of the Board

Chief Executive Officer's report

The third year of our Action Agenda for Health Promotion has brought plenty of opportunities for VicHealth to continue building on a strong position and solid fundamentals as a leading health promotion organisation.

It also tested our capacity to adapt, react, and manage complexity and the unfamiliar. It provoked us to sharpen our focus because of the pace of change in the health and wellbeing environment.

Through it all, VicHealth has completed the financial year 2015–16 with positive achievements through the support of our partners, the dedication of our staff and the guidance of the VicHealth Board.

All of our work aligned to our five strategic imperatives and focused on high-impact health promotion, following the transition we made in the first two years to implement the Action Agenda.

Our programs aligned to the Victorian Government's health priorities, and we welcomed the release of the updated Public Health and Wellbeing Plan by the Minister for Health, The Hon. Jill Hennessy MP.

Long-standing partnerships continued to be a core value and process, and we are proud to have collaborated with both old and new partners across all levels of government, health promotion, research, sports, arts, workplaces and innovation.

This past year, we were proud to partner with Our Watch and ANROWS to launch the first integrated approach to primary prevention in Australia through *Change the Story: a shared framework for the primary prevention of violence against women and their children in Australia*. We gathered leading experts in preventing violence against women and gender equality in a two-day conference to share their expertise in tackling this health issue, ahead of the Royal Commission into Family Violence. We also released two key research papers; the report on the young persons' component of the *2013 National Community Attitudes Towards Violence Against Women Survey*, and *A high price to pay: the economic case for preventing violence against women*, a joint effort with Our Watch and PriceWaterhouseCoopers. Both reports reaffirm the need for continuing major actions.

We actively participated and contributed to policy, making submissions to the Royal Commission of Family Violence and the Hazelwood Mine Fire Inquiry, among others. We support their recommendations and look forward to contributing to the implementation of preventive health actions with our experience in health promotion and social determinants of health.

Our Leading Thinker initiative went into full drive, including trials to bring the concepts of behavioural insights to life. We have delivered seven trials, eleven workshops to 400 public sector and non-profit professionals, seven fully subscribed public lectures, and a continuing international partnership with What Works Centre for Wellbeing in the UK and the Victorian Department of Premier and Cabinet, focusing on mental wellbeing and resilience. These have allowed us to share new insights into how behaviour can inform policy and practice. We were delighted that the Department of Premier and Cabinet and Department of Health and Human Services were key partners in the inception of the Leading Thinker initiative.

We also convened Australia's largest citizens' jury, Victoria's Citizens' Jury on Obesity, which brought together over 100 every day Victorians to deliberate and then offer a range of suggestions to increase the availability of healthy food options, reduce the appeal of junk food and improve understanding of healthy eating. Their suggestions were the basis for their 20 asks which have been submitted to a steering committee of government leaders and health and industry experts. VicHealth committed to responding to eight of the asks, which include actions for community-level programs that encourage healthy eating and accessibility of free drinking water from fountains in public spaces.

We helped 'change the game' by investing in women's sport and active recreation, building momentum for gender equality in sport and raising the profile of women as sport leaders. As part of this major program, we worked with six sporting codes at state level to develop accessible and socially-based initiatives for women and girls who do not participate in traditional sports programs. VicHealth became one of the major partners in the January 2016 Women's Big Bash League, working with the Melbourne Renegades' and Melbourne Stars' cricket teams in their inaugural season, the popularity of which was instrumental in moving women's matches from digital to main broadcast television.

We continued to fund the Quit Program, and as an organisation, we are one of the biggest investors in tobacco control in Australia.

These are just some of our successes this year. Through our five strategic imperatives of promoting healthy eating, encouraging regular physical activity, preventing tobacco use, preventing harm from alcohol and improving mental wellbeing, we continue to deliver work that addresses the conditions and factors that impact health, and reach communities where they live, learn, work and play. We continue to support the creation and translation of knowledge to inform our decisions and to evaluate our work. We have adopted a robust framework to measure our impact, as well as how our work is making a difference to those whose social position places them at greater risk of illness and lack of wellbeing.

Capping off our financial year is the development of our new three-year priorities for 2016–19. Evidence is our backbone, so we reviewed current literature and research, and held conversations with community leaders and key stakeholders in regional Victoria and metropolitan Melbourne to inform these priorities. The updated Action Agenda, launched in July 2016, has an even clearer direction for each of our strategic imperatives which gives us greater confidence to approach health challenges and further build our distinctive capabilities as a leader in health promotion.

Operational and budgetary performance

We achieved our statutory expenditure target of making payments of not less than 30 per cent to sporting bodies (32 per cent expended) and not less than 30 per cent for health promotion activities (35 per cent expended).

The VicHealth Board set target ranges on investments according to our five strategic imperatives. Our largest investments were made towards encouraging regular physical activity (achieved at 33 per cent), followed by investments towards preventing tobacco use (achieved at 14 per cent). In addition, 14 per cent was invested in research and evaluation.

VicHealth continued to provide funding through grants to organisations to deliver projects and initiatives aligned to the Action Agenda. Quit Victoria received the largest payment of $4.6 million to continue the work towards getting more Victorians smoke-free through the Quit program. This was followed by our investments into state and regional sporting organisations through the State and Regional Sports Programs, respectively, with a total of $3.6 million. The Active Club Grants program had the highest number of organisations receiving payments – 624 community sport and active recreation clubs received $1.7 million of funding for core equipment to increase participation in sport.

Seventy per cent of our grant funding was allocated to whole-of-population approaches to health promotion. The balance was allocated to five other target populations: Indigenous, women, children, those in low socioeconomic status groups, and those facing geographic disadvantage.

Sports received 38 per cent of our investments. This was followed by grants that focused on the community (31 per cent), media (9 per cent) and the academic setting (8 per cent).

2015–16 was the third year of our Action Agenda and the final year of the first three-year priorities for our five strategic imperatives. Throughout the three years, we focused on achieving our organisational goals and applying our organisational model of Innovate-Inform-Integrate. We continued to strengthen our internal processes, particularly in planning and delivering our work through the VicHealth Project Management Framework, and evaluating it through the Action Agenda Scorecard (see page 20).

Highlights of the year

Promoting healthy eating: more people choosing healthy food and drink options

Water initiative / H30 Challenge

Increasing consumption of water, particularly in place of sugar-sweetened beverages, is a priority area for health. Sugar-sweetened beverages are the largest source of added sugar in the Australian diet, averaging 4.2 litres per week, so we have embarked on a multi-component initiative to encourage more Victorians to choose water. The VicHealth Water Initiative includes the H30 social marketing campaign encouraging Victorians to switch sugary drinks for water for 30 days, the best practice water provision research, and the roll-out of 60 new well-designed and well located water fountains in the City of Melbourne.

Partnership with Etihad stadium and sporting clubs

This financial year, we commissioned research to evaluate the access to and supply of water in a variety of settings, such as open spaces and sports and recreation centres and produced a guide for local governments based on the research findings and a review of drinking water fountains.

In 2015, Etihad Stadium launched new policies to make sporting events more appealing and affordable, particularly to families, and approached us with a proposal to work together to provide accessible free drinking water in its 52,000 seat stadium. Free water refill is now available at events, benefitting the health of thousands of families and spectators.

We also worked closely with sporting clubs to offer resources and advice to support them in making changes to the display of drinks for sale during their events.

Supported trials to remove displays of sugar-sweetened beverages

Water and healthy drinks had a sale increase at The Alfred Hospital during a series of trials they conducted in their food outlet, illustrating that relatively small changes of altering display of drinks can encourage staff and patients to choose healthier drink options. This trial involved moving sugar-sweetened beverages to a less prominent position in the main cafeteria which resulted in a 12 per cent decrease in the sale of these products and an 8 per cent increase in sugar-free drinks. We are funding the full evaluation of this trial, along with similar trials in the YMCA and City of Melbourne.

Salt

Victorian adults are eating almost twice the daily recommended amount of salt and experiencing related – often preventable – health issues such as high-blood pressure, coronary heart disease and stroke. The Salt Reduction Partnership Group and the State of Salt report have increased public awareness about salt intake as a major public and policy issue in Victoria. As part of this partnership, we and the Heart Foundation Victoria are leading a campaign to raise risk awareness and engage the Victorian food industry in innovative approaches to salt reduction. These include working with food industry partners to find solutions to lowering salt (sodium) levels in foods and meals.

Encouraging regular physical activity: more people physically active, participating in sport and walking

Female participation in sport

In 2015, we released a survey showing that only 62 per cent of Victorians felt that women's sport received enough coverage in the media. It also showed that two-thirds of Australian women are classified as having no to low levels of exercise, and participation in physical activity generally declines as women get older. However, women are also seeking out social and non-organised sport and physical activities.

Recognising the need to champion the important role women play in sports' leadership and management, and reach women who aren't involved with sport, we launched Changing the Game: Increasing Female Participation in Sport program to fund AFL Victoria, Surfing Victoria, Tennis Victoria, Gymnastics Victoria, Netball Victoria and Cycling Victoria, to work with women and girls who do not normally participate in sport. We were also the first major partner for The Melbourne Stars and Melbourne Renegades' Women's Big Bash League (WBBL) cricket teams ahead of their inaugural season in early 2016.

Find Your Motivation

Our #FindYourMotivation campaign helped Victorian women get started and rediscover how good it feels to get active. We have also partnered with six sporting organisations to help spread the word and provide inspiration.

Walk to School

We continue to encourage physical activity from a young age, funding Walk to School for primary-school students. This year saw a record number of students and schools participate with 108,997 children taking part from 620 schools across Victoria. This represented an increase over 2014 of 38 per cent and 24 per cent of students' and schools' participation, respectively. Walk to School is particularly relevant at a time when childhood obesity is high and four in five Victorian students are not getting the physical activity they need daily.

Innovation Challenge: Physical Activity

For the second time, we invited sporting bodies from across the Victorian community sport and active recreation sector to rise to our Innovation Challenge: Physical Activity and share in a total funding pool of $500,000 to test clever ideas and make a big impact on increasing physical activity. Twelve successful sporting organisations were awarded funding, five of which will deliver pilot programs that offer new sporting and recreation experiences to inspire a wider range of people to be more active.

Parental fear

Just one in five Australian children is physically active for the recommended one hour each day. We conducted research into parental fear of safety, and whether children who are able to play and travel without an adult and those who walked or cycled to school were more likely to meet Australian physical activity guidelines. In October 2015, we published a practical guide to help parents support children to safely travel and play outside independently.

New community spaces to inspire people to get active

Outside public areas can often be under-used, so we funded five councils across Victoria to transform these spaces into temporary areas for physical activity, from circus skills and dance to tai chi and sport. One council is installing moveable objects for play and light exercise and artistic elements in the park which will be designed for use by everyone in the community.

Active Club Grants

This year we granted more than $1.7 million to 624 sport and recreation clubs across Victoria, thanks to two rounds of Active Club Grants. The grants are provided each year to community clubs who successfully offer opportunities for increased and maintained participation in sport through their club.

White Night Melbourne

For the third year, we participated in White Night Melbourne, which drew in around 146,000 people for 12 hours from 7pm. A great example of arts-based physical activity, the Active Arts stage Circus Circus had performances and demonstrations ranging from aerial stunts, acrobatics and trapeze artistry to hula hooping, and juggling with the likes of Circus Oz, Performing Older Women's Circus, Cirque Africa and more.

Preventing tobacco use: more people smoke-free

Quit Victoria

Australia has been a world-leader in preventative actions associated with tobacco use. Innovation led by VicHealth in partnership with Quit Victoria, the Department of Health and others has halved the rate of Victorians who smoke regularly to an all-time low.

We are looking at greatly increased numbers of people who are interested in quitting. Quit Victoria launched its first digital-led campaign 'Breaking Habits' in late May, featuring advice from real ex-smokers and a Quit specialist on how to break habits when stopping smoking. There were more than 28,000 views in the first three weeks of the campaign.

Now at 12 per cent, smoking is the lowest it has been since VicHealth was established. Over the last three decades, there has been a 66 per cent decrease in 16–17 year old smokers, and an 85 per cent decrease to only three in one hundred 12–15 year olds smoking. Even more impressively, 17 per cent more people now have never smoked, compared to 2001.

A key focus of our current investment in Quit Victoria is to increase the reach and impact of smoking cessation within high smoking rate populations, such as socially and economically disadvantaged groups. We also look forward to 2017 when Victoria's outdoor dining areas become smoke-free.

Preventing harm from alcohol: more people actively seeking the best ways to reduce harm

While the majority of Victorians drink responsibly, drinking costs approximately $4.3 billion every year to the health and justice systems, workplaces, families and individual Victorians. Through its links to injury, accidents, violence and over 200 physical and mental illnesses, alcohol is one of Victoria's top 10 avoidable causes of disease and death.

Alcohol Culture Framework

We partnered with the Centre for Alcohol Policy Research (a joint undertaking of La Trobe University and the Foundation for Alcohol Research and Education) and the Alcohol and Drug Foundation (formerly the Australian Drug Foundation) to develop this Framework, drawing on alcohol research literature and expert opinion. The Framework defines alcohol cultures and provides a lens for designing and implementing programs to shifting drinking cultures with the ultimate aim of reducing alcohol-related harm.

Innovation Challenge: Alcohol

Two of our winners of the Innovation Challenge: Alcohol created ways to increase conversation through media around alcohol consumption. We awarded cohealth Arts Generator $85,000 to launch a social marketing campaign supporting young African Australian men to drink less alcohol. Be a Brother has been a welcome, culturally appropriate innovation, using video and social media to successfully introduce new conversation around alcohol in the community and create a culture of support for change. The #SoberSelfie Challenge also contributed to Victorians' ability to say no to a drink, with participants reporting a reduction in alcohol consumption since the completion of the Challenge.

Trialling water in licensed premises

Increasing water consumption while having alcohol through better visibility and availability was the focus of this trial in three bars across Melbourne. Although providing free water is a requirement in licensed premises, we have begun testing three different interventions. The results of these trials will be available in late 2016.

Hello Sunday Morning

We used social media to successfully start conversation around drinking culture in our three-year partnership with Hello Sunday Morning, during which there was an increase in registrations (up by 933 per cent) and online interaction with over 100 per cent increase across blogs. Of those evaluated, nearly two-thirds reported reduced alcohol consumption following completion of the program and over half of the sample reporting improved physical health (53 per cent) and positivity (51 per cent).

Improving mental wellbeing: build stronger approaches to resilience focusing on young people

Preventing violence against women in Victoria

In July 2015, VicHealth hosted a two-day conference with leading experts from across Australia to share insights and expertise ahead of the recommendations of the Royal Commission into Family Violence in 2016.

We subsequently made a submission to the Royal Commission, drawing on years of partnerships and acquiring evidence, expertise and program best practice, in preventing violence against women and its link to gender inequality.

Change the story

Our Watch, VicHealth and Australia's National Research Organisation for Women's Safety (ANROWS) launched a framework for a consistent and integrated national approach to prevent violence against women and their children. *Change the story: A shared framework for the primary prevention of violence against women and their children in Australia* brings together the latest international evidence on what drives violence against women, and what works to prevent it. It shows that to change the story that ends in violence against women, we must begin with gender equality and respect in all areas of life.

A high price to pay

Violence against women and their children costs Australia $21.6 billion each year, with governments carrying more than a third of the cost burden; as shown in the report *A high price to pay: the economic case for preventing violence against women*. The report was prepared by PriceWaterhouse Coopers with support from Our Watch and VicHealth.

Generating Equality and Respect

The Generating Equality and Respect program was a model for saturating a local government area with gender equality and preventing violence against women projects. It aimed to build communities and cultures that promote gender equality and provide a number of transferable tools and resources that can be used by local governments, workplaces and organisations across Australia and internationally. The program reached over 1100 employees, 15,000 community members, 30 local schools and youth agencies, 50 male employees who became anti-violence ambassadors, and 58 first-time parents who were supported to maintain equal and respectful relationships in the transition to parenthood.

National survey on Australians' attitudes on violence against women

We surveyed 1923 Australians aged 16 to 24 about their views on violence against women and gender equality as part of the *2013 National Community Attitudes towards Violence against Women Survey*. The report released in 2015 provides a snapshot of young people's community attitudes to violence and the need for future prevention activity.

Mental Wellbeing Strategy

Our *VicHealth Mental Wellbeing Strategy 2015–19* builds on our extensive experience in promoting mental wellbeing and introduces a new focus to our work: building resilience. We have identified that focusing on young people aged 12–25 years is an important part of the mental wellbeing picture, and that building resilient communities fosters good health, prevents illness and benefits everyone. Our priority focus for the next three years is therefore building resilience and social connection with a particular focus on young people.

Young Victorians' resilience and mental wellbeing survey

A landmark survey of 1000 Victorians aged 16 to 25 has found one in four has lower than normal wellbeing, placing them at higher risk for depression, with females 50 per cent more likely to be affected than males. Although the majority of young people experience normal levels of wellbeing, many young Victorians are lonely and struggling to cope with daily life, according to VicHealth research.

Megatrends report – A VicHealth-CSIRO project

The Bright Futures: Megatrends report, commissioned by VicHealth and undertaken by CSIRO, paints a picture of the challenges facing young people into the future and provides a unique opportunity to build young people's resilience, social connection and mental wellbeing to withstand and bounce back from the stresses of these rapid changes. The report's findings underpin the *VicHealth Mental Wellbeing Strategy 2015–19*.

Workplaces

Victorian workers spend around one-third of their time in the workplace and the work environment can provide a positive sense of community and connection with others, as well as build self-esteem and provide recognition and rewards for individual workers and teams.

Creating healthy workplaces

A healthy workplace promotes the physical, mental, economic and social wellbeing of its employees, and in turn the health of their families, communities and society. Our four-year Creating Healthy Workplaces program highlights the important role workplaces have in promoting good health and wellbeing and preventing chronic disease. The program focused on the best ways to tackle alcohol-related harm, prolonged sitting, stress and violence against women.

Victorian Workplace Mental Wellbeing collaboration with Superfriend and WorkSafe

VicHealth, SuperFriend and WorkSafe Victoria have formed a collaboration to help workplaces create positive and supportive cultures and environments that enable workers to be more engaged, positive and effective at work. Approaches such as developing a positive leadership style, designing jobs for mental wellbeing, communicating effectively, recruitment and selection of employees, work-life demands, and supporting and developing employees are all important components of workplace mental wellbeing.

Innovation Challenge: Arts

In 2015, VicHealth announced the winners of the inaugural VicHealth Innovation Challenge: Arts. More than 40 submissions were received and two dynamic projects were chosen, using technology to promote physical and mental wellbeing. The successful projects were Dance Break – No Lights, No Lycra and The Cloud – Pop Up Playground.

Knowledge and research

In September 2015, we opened the VicHealth Innovation Research Grant round, a highly regarded grant which provides an opportunity for research teams to trial an innovative idea, research a new concept or methodology, or to develop better supporting evidence relevant to the theory, policy and practice in health promotion. This round resulted in funding for four projects for a total of $800,000 over two years until 2018.

We also opened an NHMRC Partnership Project Grant round in which we supported, in principle, three projects as an industry partner, for a total of $450,000. The full applications are awaiting the final funding decision from the NHMRC.

Healthy Living apps

Around two in five Australians trust health and wellbeing apps for information about being healthy. Our Healthy Living Apps Guide provides an independent rating of over 200 apps for healthy eating, physical activity, reducing harm from smoking and alcohol, and improving mental wellbeing.

VicHealth Indicators survey

The *2015 VicHealth Indicators Survey* (available late 2016) is the fourth of this survey, providing information at both state and local government area levels to assist with strategic planning and policy development, and help community leaders make informed decisions and plan more effectively for the future. Data will also be used to monitor VicHealth's progress, specifically the achievement of the three-year priorities and 10-year goals of the VicHealth Action Agenda.

Health equity

Fair Foundations

Fair Foundations: The VicHealth framework for health equity is a planning tool for health promotion policy and practice. It has been used by a variety of organisations state-wide to look at the social determinants of health inequities relevant to each issue, and what can be done to address them.

Elevate and the VicHealth Community Challenge

Elevate is a three-year initiative that seeks to promote health equity by enabling innovative thinking and the design of new solutions at community, inter-organisation, and population levels. Our approach draws on learnings from successful incubator, accelerator and innovation lab programs from across the world, with a firm focus on collaboration and networking as the method to transform individual ideas, elevating them into action.

Following our submission to the Hazelwood Mine Fire Inquiry, which report affirmed the importance of understanding the social determinants of health and remedying their unequal distribution across the Latrobe Valley, we launched the VicHealth Community Challenge. This financial year's Community Challenge focused on this region where we invited the community to deliver ideas on how to generate more jobs. Four ideas were shortlisted and Latrobe Valley community members were invited to participate in an intensive business planning support program.

Healthy communities

Selandra Rise

To learn how to incorporate this into all aspects of a community and look at how key design features could impact the health and wellbeing of residents, we conducted five-year study on housing development Selandra Rise.

Two in five residents reported an increase in physical activity after moving to the neighbourhood and 25 per cent were strongly satisfied with Selandra Rise as a convenient location compared to residents in previous neighbourhoods. However, the research also identified key recommendations to be considered for future development and planning of residential communities, such as increase in public transport, local employment opportunities and open spaces suitable for all weather.

Leading Thinker initiative

VicHealth developed the Leading Thinkers initiative to make international thought leadership in behavioural insights practical and accessible for Victoria. Our first Leading Thinker was Dr David Halpern of the UK Behavioural Insights Team. His residency brought new knowledge about 'what works' in getting people to change their health behaviour.

Seven behavioural trials were designed for delivery by VicHealth and our partners. Within 12–15 months, some trials have achieved significant results, and all have provided new insight into how we use human behaviour to inform policy and practice.

We convened Victoria's Citizens' Jury on Obesity which saw 100 'everyday Victorians' deliver a consensus view on the 20 recommendations, or 'asks,' that, if implemented by government, industry and community, would enable Victorians to eat better.

It has been an exceptional year and I would like to thank each staff member at VicHealth for their determination and commitment to our work, and their encouragement of each other as we sought to explore new approaches to achieve our vision of one million Victorians with better health and wellbeing by 2023.

I congratulate and thank all of VicHealth's partners including our colleagues across the Victorian Government who shared our vision and worked with us and others for common goals. I especially thank our partners and the community leaders in regional Victoria and metropolitan Melbourne who took part in our Action Agenda refresh consultations, and whose advice helped inform our updated plan for 2016–19.

I would like to thank our Board for their expertise and support in navigating old and new challenges. I thank the Chair, Emeritus Prof John Catford, for his leadership and guidance.

I particularly thank the Minister for Health, The Hon. Jill Hennessy MP for her support and tireless advocacy for health equity. I also thank the Minister for Mental Health, The Hon. Martin Foley MP, the Minister for Sport, The Hon. John Eren MP, the Minister for Women and Prevention of Family Violence, The Hon. Fiona Richardson MP, other Ministers, and their Advisers for their guidance and support.

On behalf of the VicHealth team, I look forward to next year, using the strong core achieved in VicHealth's first 30 years to enable current and future Victorians achieve better health and wellbeing.

Jerril Rechter
Chief Executive Officer

View our Action Agenda for Health Promotion
www.vichealth.vic.gov.au/actionagenda

VicHealth Action Agenda for Health Promotion 2013–2023

VicHealth Action Agenda Scorecard

We use our Action Agenda Scorecard as a system to track our progress towards achieving targets set in the VicHealth Action Agenda for Health Promotion, our 10-year vision for championing the health and wellbeing of all Victorians.

By 2023, one million more Victorians will experience better health and wellbeing.*

OUR 10-YEAR GOALS

BY 2023:

200,000 more Victorians adopt a healthier diet

300,000 more Victorians engage in physical activity

400,000 more Victorians tobacco-free

200,000 more Victorians drink less alcohol

200,000 more Victorians resilient and connected

OUR THREE-YEAR PRIORITIES

BY 2019, THERE WILL BE:

80,000 more people choosing water and healthy food options

180,000 more people physically active, playing sport and walking, with a focus on women and girls

280,000 more people smoke-free and quitting

80,000 more people and environments that support effective reduction in harmful alcohol use

80,000 more opportunities to build community resilience and positive social connections, with a focus on young people and women

RESULTS: We track our progress through the VicHealth Action Agenda for Health Promotion Scorecard

Our focus

Aligned with the World Health Organization's Ottawa Charter for Health Promotion, VicHealth takes action at multiple levels:

- Building healthy public policy in all sectors and at all levels of government
- Creating supportive environments for health where people live, work and play
- Strengthening community action for social and environmental change
- Developing personal skills that support people to exercise greater control over their own health
- Reorienting services to promote better health

Our model

INNOVATE
discovering how to accelerate outcomes for health promotion

INFORM
giving individuals and organisations the best information for healthier decisions

INTEGRATE
helping Victoria lead health promotion policy and practice

Our actions

- Introducing cutting-edge interventions
- Empowering through digital technologies
- Undertaking pioneering research
- Leveraging cross-sectoral knowledge
- Utilising social marketing
- Fostering public debate
- Providing tools and resources
- Developing strategic partnerships
- Advancing best practice
- Supporting policy development
- Strategic investments and co-funding
- Building capacity in individuals, communities and organisations

Our difference

We are proud of what sets us apart:

- A track record of delivering innovation
- An independent, trusted and credible voice
- Investment in research to drive change
- Connecting with people where they live, learn, work and play
- Focused on the positive state of health

Our origin

VicHealth is the world's first health promotion foundation, established in 1987 with funding from government-collected tobacco taxes and mandated to promote good health in the state of Victoria. VicHealth's very inception was a pioneering act that set the stage for our unique contribution to better health.

Our healthscape

Social, economic, environmental, technological and demographic trends are driving an epidemic of non-communicable, chronic disease globally.

The Victorian Government is committed to addressing the social determinants of health and their unequal distribution across the population as evidenced by:

- The Victorian Public Health and Wellbeing Plan 2015–2019
- The Royal Commission into Family Violence
- The Hazelwood Mine Fire Inquiry – Health Improvement Report

VicHealth will prioritise action that advances women and explores new ways of working with communities to address disadvantage. Our status as a World Health Organization Collaborating Centre for Leadership in Health Promotion enables us to share Victoria's world-class health promotion nationally and internationally.

OUR COMMITMENTS: Fairness | Evidence-based action | Working with community | Partnerships across sectors

* A technical paper describes the calculations underpinning the 10-year goals and three-year priorities. As some individuals may achieve goals across more than one imperative, the total number in each 10-year target exceeds one million to account for this.

Operational and budgetary objectives and performance against objectives

Budgetary performance

Under section 33 of the *Tobacco Act 1987*, the budget of VicHealth must include provision for payments to sporting bodies (not less than 30 per cent) and to bodies for the purpose of health promotion (not less than 30 per cent). The VicHealth Board also set the following parameters on grant expenditure for the financial year. These targets are used to guide the level of investment in each strategic imperative and in research and evaluation.

Our performance against these targets is summarised in Table 1.

Table 1: Performance against statutory and Board policy expenditure targets[(i)]

Performance measures	2015–16 minimum or target	2015–16 budget	2015–16 actual	2015–16 amount ($'000)
Statutory expenditure target[(ii)]				
Sporting bodies	30%	31%	32%	$12,074
Health promotion	30%	35%	35%	$13,129
Board policy expenditure target				
Promote healthy eating	5%	11 %	8%	$3,161
Encourage regular physical activity	21%	27%	33%	$12,299
Prevent tobacco use	13%	14%	14%	$5,199
Prevent harm from alcohol[(iii)]	5%	5%	3%	$1,218
Improve mental wellbeing[(iv)]	8%	9%	7%	$2,599
Research and evaluation[(v)]	12%	14%	13%	$4,745

Notes:

(i) Percentage figures are calculated as expenditure as a proportion of our budgeted government appropriation for the financial reporting period. For the 2015–16 financial year our appropriation was $37,589,000. Figures exclude payments sourced from special funds unless otherwise indicated.

(ii) Spend against statutory expenditure targets is not exclusive of spend against Board policy targets. Expenditure coded against the statutory targets is also coded against the Board expenditure targets. Expenditure on 'health promotion' in this instance is defined as total grant payments less grant monies issued to sporting bodies.

(iii) If special funded projects are included, expenditure becomes $1,279,000 or 3.4% of the appropriation.

(iv) If special funded projects are included, expenditure becomes $3,304,000 or 8.8% of the appropriation.

(v) The research and evaluation figure may include expenditure allocated to other statutory and Board expenditure categories.

Our operating performance against budget is summarised in Table 2.

Table 2: Operational performance against budget

Funding source	2015–16 actual ($'000)	2015–16 budget ($'000)
Total funds		
Total revenue	38,561	37,680
Total expenses	37,594	37,338
Total operating surplus/ (deficit)	967	342
Appropriation funds		
Revenue	37,839	37,657
Expenses	36,729	37,230
Operating surplus/(deficit) from appropriation	1,110	427
Special funding		
Revenue	723	23
Expenses	866	108
Operating surplus/(deficit) from special funding	(143)	(85)

VicHealth's operations can be viewed as having two distinct funding sources. VicHealth receives core funding via the Department of Health and Human Services (DHHS) to deliver its objectives as outlined in the *Tobacco Act 1987*.

Additionally, VicHealth periodically receives special funding from various government agencies to deliver specific programs. Often this funding is received as a lump sum, with expenditure subsequently incurred over multiple years to deliver the programs. This has the potential to create either a large operating surplus or deficit in particular financial years, as the revenue is recorded in the year of receipt and expenses recorded when the expenditure is incurred. This is the key reason for the $0.14 million operating deficit from special funding this year.

Overall, the operating surplus for the year was $0.97 million, being $0.63 million greater than the budget surplus of $0.34 million.

Total revenue was $0.9 million higher than budget due to the receipt of additional special funding ($0.7 million) mainly for National Community Attitudes towards Violence against Women Survey (NCAS), and a slightly higher appropriation from government ($0.1 million).

Total expenditure of $37.6 million was $0.3 million higher than the budget, due to the receipt and subsequent expenditure of the NCAS project. Operating costs and personnel costs underspend by a combined $0.5 million due to measures implemented to reduce these costs, with the resultant cost savings being used to invest more monies in various health promotion programs and campaigns.

Granting of funds

As part of its core business, VicHealth has continued to provide assistance to organisations to deliver program outputs against our strategic framework through the granting of funds for health promotion and prevention purposes.

Significant grant expenditure is defined as:

- any grant funding round where payments to successful organisations total $250,000 or more during the financial reporting period
- single projects where payments to the organisation total $250,000 or more during the financial reporting period.

Details of significant grant funding rounds are provided in Table 3.

Table 3: Grants[(i)] with payments totalling $250,000 or more during the reporting period

Funding round	No. of organisations receiving payments	Payments ($'000)
Active Club Grants	624	1,712
Deliberative Forums on Obesity	10	296
Female Participation in Physical Activity	7	1,068
Good Sports Program	1	300
Innovation Challenge – Alcohol	5	298
Innovation Challenge – Physical Activity	23	718
Innovation Research Grant	5	540
Leading Thinkers	10	337
Local Government – Arts	5	392
National Community Attitudes Towards Violence Against Women Survey (NCAS)	8	560
Quit Victoria	1	4,658
Regional Sports Program	14	1,500
Salt Reduction	1	477
State Sports Program	25	2,150
Sunsmart	1	500
TeamUp	11	853
The McCaughey Centre	1	250
VicHealth Indicators	2	626
Vicsport	1	306
Victoria Walks	1	673
Walk to School	59	599
Water Initiative	27	1,684

Note:

(i) Grants include health promotion expenditure such as programs, funding rounds, research grants, campaigns and directly associated activities. Payments include $19,937,000 from appropriation funds and $560,000 from special purpose funds.

Details of significant project payments to individual organisations are provided in Table 4.

Table 4: Organisations receiving grant payments[(i)] totalling $250,000 or more during the reporting period

Organisation name	Project name(s)	Payments ($'000)
AFL Victoria Ltd	Increasing Female Participation in Sport Initiative	258
Australian Drug Foundation	#SoberSelfie; Good Sports Program; Vicsport Partnership	343
Behavioural Insights Team	Leading Thinkers	493
Cancer Council Victoria	Alcohol Legal and Regulatory Policy Project; Nicotine products and implications for smoking cessation project; Obesity Prevention Policy Coalition; Quit Victoria; Sunsmart	5,402
Deakin University	Healthy eating policies in public settings: building the business case for increasing access to water, reduced salt and other healthy food options; Walk to School 2015 – research and evaluation; STICKE Healthy Eating – Systems Thinking In Community Knowledge Exchange; Creating supermarket food environments that encourage healthy eating; Arts About Us Evaluation; Healthy Living Apps project	316
Gymnastics Victoria	Female Participation in Sport Initiative – Move My Way; State Sport Program: Gymnastics Victoria – Focus Area # 1; TeamGym – Innovation Challenge	297
Latrobe University	Sport in Regional Australia conference; Sport programs evaluation; Alcohol cultures in middle and older age groups in Victoria research project; Pride Game evaluation	477
Melbourne Renegades	H30 Challenge Partnership; VicHealth Women's Big Bash League Major Sponsor Partnership	250
Melbourne Stars Ltd	H30 Challenge Partnership; VicHealth Women's Big Bash League Major Sponsor Partnership	300
National Heart Foundation of Australia (Vic)	Salt Reduction: scoping options to work with food industry; Smoking and heart disease: taking steps to reduce the risk; Innovative approaches to salt reduction: working with the food industry; VicHealth and Heart Foundation Salt Awareness campaign; Alcohol planning resources for local government on the Heart Foundation's Healthy Active by Design website	364
Netball Victoria	CardioNET – Innovation Challenge: Physical Activity; Rock Up Netball; State Sport Program; Physical Activity Sponsorship 2015–16: Find Your Motivation campaign	530
The Social Research Centre Pty Ltd	Survey Partnership – National Community Attitudes Towards Violence Against Women Survey and data management; VicHealth Indicators	610
The University of Melbourne	Promoting mental health of children living in low income families (fellowship); Onemda VicHealth Koori Health Unit; The Association of Local and Regional Accessibility with Active Travel and Physical Activity: Health and Economic Impacts; Kids as catalyst: evaluating a child-led social action program promoting child and youth resilience and mental wellbeing; NHMRC Partnership 2011–12: Does access to paid parental leave improve young mother's social and economic participation and mental health?; Aboriginal Young People in Victoria and Digital Storytelling; The role of new models of governance in improving the quality of health promotion programs; Violence against women – a media intervention; Building Resilience Teacher Training Project	681
Victoria Walks	Local Government Area Grant Program to create new park and walk options at primary schools; Victoria Walks	673

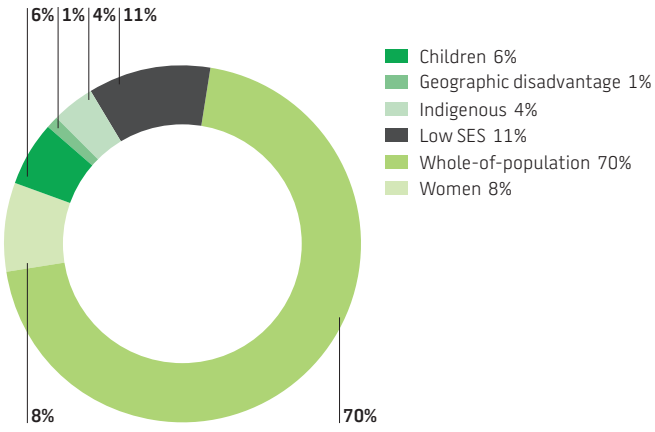
Note:

(i) Payments include $10,955,000 from appropriation funds and $38,500 from special purpose funds.

Target populations

Seventy per cent of our grant funding was targeted at whole-of-population approaches to health promotion. The remaining 30 per cent was targeted at one or more of our target populations as summarised in Graph 1.

Graph 1: Allocation of grant expenditure across target population groups[(i)]



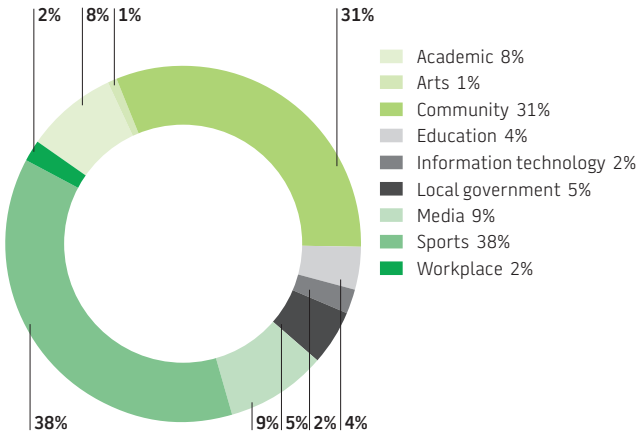
Note:

(i) Percentages are used to provide a relative indicator of investment across target populations. The percentages are a proportion of grant payments from appropriated revenue expended on each population group.

Settings

The proportion of grant funding allocated within each setting is provided in Graph 2. The largest setting is Sports which reflects VicHealth's statutory obligation to provide grants to sporting bodies, closely followed by grants which focus on the community.

Graph 2: Allocation of grant expenditure across settings[(ii)]



Note:

(ii) Percentages are used to provide a relative indicator of investment across settings. The percentages are a proportion of grant payments from appropriated revenue expended within each setting.

Five-year financial summary

Table 5: Five-year financial summary

	2016 ($'000)	2015 ($'000)	2014 ($'000)	2013 ($'000)	2012 ($'000)
Operating Statement					
Revenue from government	38,233	37,503	37,328	41,173	40,657
Other income	328	371	376	401	444
Total income	38,561	37,874	37,704	41,574	41,101
Grant and other expense transfers	26,451	29,915	28,055	30,500	29,122
Employee expenses and other costs	11,143	11,298	10,617	9,827	9,137
Total expenses	37,594	41,213	38,672	40,327	38,259
Net surplus/(deficit) for the period	967	(3,339)	(968)	1,247	2,842
Balance Sheet					
Total assets	5,493	5,825	9,415	10,488	11,871
Total liabilities	1,984	3,283	3,534	3,639	6,269
Total equity	3,509	2,542	5,881	6,849	5,602

Major changes affecting performance

Overall, VicHealth generated an operating surplus of $0.97 million. The fact that special funding is usually received in one financial year, and then expended in subsequent financial years, tends to cause fluctuations in VicHealth's revenue, expenditure and operating results which has occurred in recent years as is illustrated in Table 5.

The 2015–16 operating result from special purpose funding has accounted for a $0.14 million operating deficit, whereas an operating surplus of $1.12 million from appropriation funds was generated.

Revenue of $38.6 million was $0.69 million higher than last year. The core funding received from the DHHS under the *Tobacco Act 1987* was $37.6 million. This was higher than the previous year after an indexation increase of $0.74 million, but was partially offset by the less interest income reflecting the decline in interest rates. Special funding of $0.7 million was consistent with last year.

Total expenditure on program delivery and operating costs of $37.59 million decreased by $3.62 million from the prior year, with grants and direct implementation costs accounting for the majority of this reduction.

This decrease in expenditure from the prior year was in the main attributed to a $3.0 million decrease in special purpose funding expenditure, as most of the special funding projects were completed by June 2015, with NCAS being the major special funded project undertaken this financial year. Salaries and wages and other operating costs decreased slightly ($0.16 million) as a result of strategies implemented to mitigate cost escalations.

VicHealth's assets are valued at $5.5 million, comprising mostly bank balances ($4.4 million) and receivables ($0.5 million). VicHealth operates a fiscally responsible approach to cash management, so that cash reserves are maintained at levels consistent with parameters stipulated in our cash reserves policy.

Total liabilities have decreased from $3.0 million to $2.0 million this year, being primarily via a reduction in payables resulting from the timing of processing funding obligations at year end. Provision for employee benefits is VicHealth's largest liability which increased by $0.1 million to $1.3 million.

As at balance date total equity increased by $1.0m to $3.5 million as a result of the nearly $1.0 million operating surplus. Retained earnings of $3.1 million are, in part, earmarked for allocation for a potential future upgrade of our IT applications in addition to maintaining reserves to fund employee provisions and other liabilities.

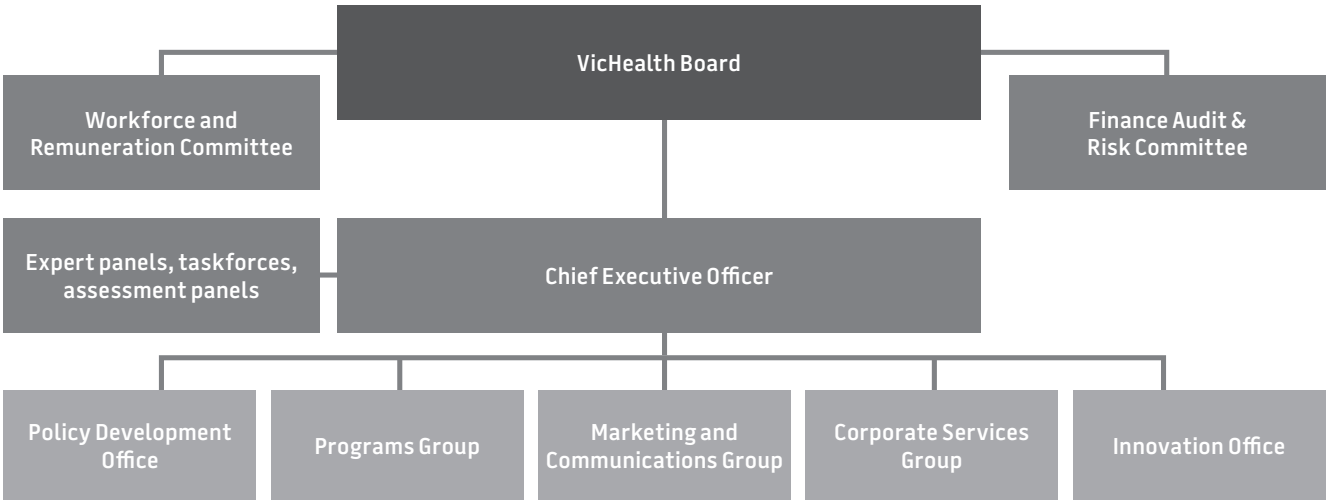
Subsequent events

The Minister for Health announced that Ms Fiona McCormack was appointed to the VicHealth Board, with effect from 1 July 2016. Additionally, the Minister announced Ms McCormack as the Board Chair designate, with effect from 1 October 2016, at which time the current Board Chair, Emeritus Prof John Catford's tenure would cease.

There were no subsequent events occurring after balance date which may significantly affect VicHealth's operations in subsequent reporting periods.

Section 2: VicHealth organisation structure

VicHealth organisation structure



The key function of each of the groups/offices is outlined as follows:

Policy Development Office

Drive VicHealth's strategic imperatives and model, and ensure the organisation's policy, position statements and programs achieve world-class outcomes.

Programs Group

Design and execute program investment, grants, funding rounds, research and partnership activities to maximise outcomes from the Action Agenda for Health Promotion.

Marketing and Communications Group

Develop and deliver the organisational marketing and communications strategies, including branding, social marketing, campaigns, communications, publications and events to enhance VicHealth's unique brand and reputation.

Corporate Services Group

Provide the finance, business planning, information technology and management, people and culture functions and manage the governance framework to support the work of VicHealth.

Innovation Office

Lead an organisation-wide innovation process for health promotion and internal business operations, and the VicHealth business model to inform, innovate and integrate.

Executive Management

These positions were held by the following people during the financial reporting period:

Chief Executive Officer
Ms Jerril Rechter

Executive Manager, Corporate Services Group; Chief Finance and Accounting Officer (CFAO)
Mr Dale Mitchell

Executive Manager, Marketing and Communications Group (Acting)
Ms Liz Sannen (1 July 2015 to 10 December 2015)

Executive Manager, Marketing and Communications Group
Ms Natasha Levy (1 December 2015 to 30 June 2016)

Executive Manager, Programs Group
Dr Bruce Bolam

Lead, Innovation Office (Acting)
Dr Lyn Roberts (1 July 2015 to 11 October 2015)

Executive Lead, Innovation Office
Ms Nithya Gopu Solomon (12 October 2015 to 30 June 2016)

Lead, Policy Development Office
Mr Darryl Kosch (1 July 2015 to 11 December 2015)

Executive Lead, Policy Development Office
Ms Kellie Horton (29 February 2016 to 30 June 2016)

Employee Committees

VicHealth has a number of cross-organisational employee committees or groups to assist management in operations:

- Diversity Committee
- Employee, Wellbeing and OHS Committee
- Enterprise Agreement Group
- Executive Team
- Incident Management Team
- Management Team
- Risk Management Committee.

VicHealth Board

The VicHealth Board members during the year were:

Emeritus Prof John Catford – Chair

Professor Catford is Executive Director, Academic and Medical, at Epworth HealthCare. He was previously Deputy Vice-Chancellor, Vice-President and Dean (Faculty of Health, Medicine, Nursing and Behavioural Sciences) at Deakin University.

Having trained as a pediatrician and public health physician, he was Chief Health Officer and Executive Director of Public Health for the Victorian Government from 1998 to 2002. In 1994 to 1995, he worked for the World Health Organization as Health Policy and Public Health Adviser to health ministers in Central and Eastern Europe. Professor Catford is Chair of the Editorial Board of the journal Health Promotion International published by Oxford University Press, which he helped establish in 1986 and was Editor-in-Chief until 2013. He has published widely with more than 300 publications, and was co-author of the WHO's Ottawa Charter for Health Promotion in 1986, the Bangkok Charter for Health Promotion in a Globalized World in 2005, and the Nairobi Call to Action for Closing the Implementation Gap in Health Promotion in 2009. He is currently one of three Commissioners on the reopened Hazelwood Mine Fire Inquiry with special responsibilities for considering ways to improve the health of the Latrobe Valley.

Ms Nicole Livingstone OAM – Deputy Chair

Ms Livingstone is currently a host and swimming broadcaster on Network Ten Australia and ONE HD. She is a former elite athlete who has a strong background in sport, community, communications and media. She chaired the Ministerial Community Advisory Committee on Body Image.

She is Vice-President of the Victorian Olympic Council, a member of the Executive of the Australian Olympic Committee and a Director of Swimming Australia.

Ms Livingstone has previously worked with VicHealth and VicHealth's funded projects including Quit Victoria and Victoria Walks where she has demonstrated a good knowledge of health promotion.

Ms Susan Crow

Ms Crow is currently employed as the Head of Community, Melbourne City Football Club where she is responsible for the development and delivery of Melbourne City's Social Responsibility program.

She has 20 years' experience in sports administration roles, as the Chief Executive Officer of Netball Victoria and Softball Australia and the Executive Director, Women's Cricket Australia.

Ms Margot Foster AM

Ms Foster has a wealth of experience on not-for-profit boards, both government and private, and currently serves as Chairman of Vicsport, President of the Melbourne University Sports Association, member of the committee of the Women of the MCC, among others, as well as mentoring and advising young women rising through the sports system. She has significant governance, management and leadership experience arising from her many board roles and professional life as a lawyer.

Ms Foster is a former elite athlete representing Australia in rowing at the Olympic and Commonwealth Games, winning medals at both events.

Ms Foster was awarded an AM in the 2015 Queen's Birthday Honours for her significant service in sports administration and governance, as an elite athlete and for support for women's sport.

Mr Nick Green OAM

Mr Green is an experienced leader who has worked in senior roles across numerous areas including elite high-performance sport, governance, finance and government relations. He is currently Chief Executive Officer of Cycling Australia. Before this, he spent six years at the Victorian Major Events Company, his last position being Group Manager of Acquisition and Development. He is President of the Victorian Olympic Council, an Executive Board Member of the Australian Olympic Committee, and a Fellow and Director of Leadership Victoria.

Nick has attended seven Olympic Games and was the Chef de Mission for the 2012 Australian Olympic Team. He was awarded the Order of Australia Medal and inducted into the Sport Australia Hall of Fame in recognition of his sporting achievements (dual Olympic Champion – rowing 1992 and 1996).

Professor Margaret Hamilton AO (10 November 2015 to 30 June 2016)

Professor Hamilton has over 45 years' experience in the public health field, specialising in alcohol and drugs including clinical work, education and research. She has a background in social work and public health and was the Founding Director of Turning Point Alcohol and Drug Centre in Victoria and Chair of the Multiple and Complex Needs Panel in Victoria.

She served as an Executive member of the Australian National Council on Drugs and on the Prime Minister's Council on Homelessness. She is a member of Cancer Council Victoria and recently retired as President.

Professor Hamilton contributes to many other advisory groups in the areas of children in out-of-home care, youth drug problems, alcohol policy and research. She has recently been appointed to the Civil Society Task Force planning for the Special Session of the United Nations' General Assembly meeting on drugs in 2016.

Professor Hamilton holds an honorary position at the University of Melbourne and is retired but remains active.

Professor Mike Morgan

Professor Morgan is Head of the Melbourne Dental School and Chair of Population Oral Health at the University of Melbourne. Mike is currently President of the Australian Dental Council Governing Board and chairs the Health Professions Accreditation Councils' Forum.

His principal teaching responsibility is in Community Dental Health, focusing on disease causation in relation to social factors, models of health behaviour and communication. He has a strong background and interest in the causes and prevention of oral disease.

Ms Andrea Tsalamandris (10 November 2015 to 16 February 2016)

Ms Tsalamandris resigned immediately upon notification of her appointment and did not attend any Board meetings, although the official resignation date is effective 16 February 2016.

Ms Veronica Pardo (10 November 2015 to 30 June 2016)

Ms Pardo is the Executive Director of Arts Access Victoria, the state's leading arts and disability organisation. In this role, she has led an ambitious agenda of social and artistic transformation for people with a disability and the communities in which they live. With a passion for social justice and equity, she has spearheaded campaigns relating to the inclusion of people with a disability in arts and culture, as audiences and cultural innovators.

Ms Pardo has a successful history of employment at senior levels in the not-for-profit sector, with a major focus on policy and advocacy. She has a long track record of leading research programs aimed at addressing barriers to participation. A linguist by training, she has specialised in Australia Sign Language (Auslan), where she holds two postgraduate qualifications.

Ms Sarah Ralph (3 May 2016 to 30 June 2016)

Ms Ralph is a workplace relations lawyer based in Melbourne. With more than 15 years' experience managing workplace relations issues for employers, Sarah's advice to employers is informed by her past experience working in the Victorian government, manufacturing and labour hire sectors.

Mr Simon Ruth (10 November 2015 to 30 June 2016)

Mr Ruth is CEO of the Victorian AIDS Council. He has more than 20 years of experience in the fields of AIDS and HIV awareness, advocacy and treatment, alcohol, drug treatment and Indigenous services, youth work and community development. He is also a Board Member of the Victorian Alcohol and Drug Association and Vice President of the Australian Federation of AIDS Organisations.

Mr Stephen Walter

Mr Walter is a senior corporate affairs professional with over 35 years' experience in corporate communications, stakeholder relations, marketing and business development gained through the public and private sectors. He is currently principal and owner of Persuade Consulting, specialising in sports management and public affairs advisory services. Previous to this, he was Group General Manager Corporate Public Affairs and Chief of Staff at Australia Post, where he also served on the Executive Committee for a decade.

Mr Walter formerly held board memberships at the Australian Association of National Advertisers and RMIT Alumni Association. His community contributions include pro bono work for Cottage by the Sea, a charity supporting disadvantaged children, and Opera Australia.

The Members of Parliament appointed to the Board are:

Ms Colleen Hartland, MLC (12 April 2016 to 30 June 2016)

Ms Hartland has been the Greens MP for the Western Suburbs of Melbourne and the Victorian Greens Spokesperson for Health since 2006.

Ms Hartland was raised in Morwell and has lived in Footscray for many years. She was a founding member of the Hazardous Materials Action Group (HAZMAG), campaigning for protection for residents from industrial hazards in the western suburbs, including the Coode Island explosion.

Amongst her varied job history, Ms Hartland worked at the Western Region Health Centre for five years, supporting older residents in the Williamstown high rise housing estate. She was a City of Maribyrnong Councillor between 2003 and 2005. She is passionate about addressing the social determinants of health.

The Hon. Wendy Lovell, MLC (12 April 2016 to 30 June 2016)

Ms Lovell has represented the Northern Victoria Region as a Liberal Party member in the Victorian Legislative Council since 2002 and served as Minister for Housing and Minister for Children and Early Childhood Development from 2010 until 2014.

Through her role as a regional Member of Parliament and her former Ministerial responsibilities Ms Lovell has developed a strong interest in maternal and child health and the health outcomes in rural and regional communities.

Prior to entering Parliament Ms Lovell enjoyed a career in small business as a newsagent and is well known for her commitment to community service and as a strong advocate for her region.

Ms Natalie Suleyman MP (12 April 2016 to 30 June 2016)

Ms Suleyman is the State Member for St Albans. In April 2015, she was appointed a member of the Parliamentary Committee for Law Reform, Road and Community Safety and also as a member of parliament's House Committee. Natalie is secretary of the Victorian Parliamentary Friendship Groups for Turkey, Lebanon and India.

Previously, Ms Suleyman served as a local councillor at the Brimbank City Council, including three terms as Mayor. She was awarded the Certificate of Outstanding Service – Mayor Emeritus by the MAV and received the Victorian Multicultural Award for Excellence – Local Government.

Ms Suleyman is pleased to be working with her community on the new $200 million Joan Kirner Women's and Children's Hospital project in Sunshine, a significant redevelopment of health services in Melbourne's West.

Finance, Audit and Risk Committee

The purpose of the Committee is to assist the Board in fulfilling its governance duties by ensuring that effective financial management, auditing, risk management and reporting processes (both financial and non-financial) are in place to monitor compliance with all relevant laws and regulations and best practice.

During the reporting period, the Committee members were:

Ms Sally Freeman (Independent) – Chair

Ms Margot Foster AM (Board Member)

Mr Nick Green OAM (Board Member)

Ms Kylie Maher (Independent)

Mr Peter Moloney (Independent)

Mr John Thomson (Independent)

Mr Adam Todhunter (Independent)

Workforce and Remuneration Committee

The purpose of the Committee is to review the CEO's performance and remuneration. Additionally, it provides strategic advice to the CEO on workforce strategy and planning, organisational structure, human resources policies and alignment of VicHealth's policies with relevant industrial relations and employment legislation and Victorian government policies.

During the reporting period, the following Board members were members of this committee:

Ms Nicole Livingstone OAM – Chair

Emeritus Prof John Catford

Ms Veronica Pardo

Mr Stephen Walter

Advisory Governance Framework

The VicHealth Advisory Governance Framework outlines VicHealth's decision-making processes with regard to the provision of programs, research and grants. The principles provide VicHealth, stakeholders and the community with confidence that the processes are efficient, financially responsible and are meeting the objectives, policies and strategic plans of VicHealth.

The Advisory Governance Framework comprises three distinct groups, which make recommendations to the VicHealth CEO. These groups are established as required to examine specific health promotion and prevention issues. These are:

- Expert panels: to examine key strategic matters that affect the pillars of the Action Agenda for Health Promotion
- Taskforces: to investigate and provide operational and implementation advice on key strategic priorities and high-profile community health issues
- Assessment panels: to determine funding recommendations and/or review major funding/grant, and/or procurement proposals.

During 2015–16 the following groups were formed:

Expert panels

- Female Participation In Sport

Taskforces

- Health Intelligence Taskforce
- Citizens Jury Steering Group
- Leading Thinkers Taskforce

Assessment panels

- Female Participation in Sport
- Regional Sport Program
- State Sport Program
- VicHealth Innovation Challenge – Physical Activity
- Active Club Grants
- VicHealth-National Health and Medical Research Partnership Projects
- VicHealth Innovation Research Grant Applications

Board and Committee attendance register

Board	No. of meetings attended in 2015–16	Eligible meetings in 2015–16
Emeritus Prof John Catford, Chair	5	5
Ms Nicole Livingstone OAM, Deputy Chair	3	5
Ms Susan Crow	5	5
Ms Margot Foster AM	5	5
Mr Nick Green OAM	3	5
Prof Margaret Hamilton AM[(i)]	3	3
Ms Colleen Hartland MP[(ii)]	1	1
The Hon. Wendy Lovell MP[(ii)]	1	1
Prof Michael Morgan	4	5
Ms Veroncia Pardo[(i)]	3	3
Ms Sarah Ralph[(iii)]	0	0
Mr Simon Ruth[(i)]	3	3
Ms Natalie Suleyman MP[(ii)]	1	1
Ms Andrea Tsalamandris[(iv)]	0	0
Mr Stephen Walter	5	5

Finance, Audit and Risk Committee	No. of meetings attended in 2015–16	Eligible meetings in 2015–16
Ms Sally Freeman, Chair	4	4
Ms Margot Foster AM	4	4
Mr Nick Green[(v)]	0	0
Ms Kylie Maher[(vi)]	2	3
Mr Peter Moloney	4	4
Mr John Thomson[(vii)]	1	1
Mr Adam Todhunter[(vi)]	3	3

Workforce and Remuneration Committee	No. of meetings attended in 2015–16	Eligible meetings in 2015–16
Ms Nicole Livingstone OAM, Chair	3	3
Emeritus Prof John Catford, Deputy Chair	3	3
Ms Veronica Pardo[(viii)]	0	0
Mr Stephen Walter	2	3

(i) Appointed 10 November 2015

(ii) Appointed 12 April 2016

(iii) Appointed 3 May 2016

(iv) Appointed 10 November 2015. Ms Tsalamandris resigned immediately upon notification of her appointment. The Governor in Council accepted her resignation effective 16 February 2016.

(v) Appointed 26 April 2016

(vi) Appointed 1 November 2015

(vii) Term expired 31 October 2015

(viii) Appointed 26 April 2016

Patron-in-Chief

VicHealth is pleased and honoured to have as its Patron-in-Chief, The Honourable Linda Dessau AM, Governor of Victoria.

Section 3: Workforce data

Occupational Health and Safety (OHS) management

VicHealth's Occupational Health and Safety (OHS) policy demonstrates our commitment to the provision of a safe and healthy workplace.

VicHealth is committed to fostering and enshrining a culture within the organisation that values the importance of a healthy and safe work environment.

To further these aims, VicHealth has an established Employee Wellbeing and OH&S Committee. This comprises staff from across the organisation to act as an employee consultation group by undertaking the following tasks and functions:

- provide an avenue for employee consultation relating to wellbeing and OH&S
- promote employee wellbeing and OH&S
- deliver employee health and wellbeing activities/topics.

Our performance against key OHS indicators during the 2015–16 financial year is summarised in Table 6.

Table 6: Performance against OHS management measures

Measure	Indicator	2015–16	2014–15
Incidents	No. of incidents	1	4
Claims	No. of standard claims	0	0
	No. of lost time claims	0	0
	No. of claims exceeding 13 weeks	0	0
Claim costs	Average cost per standard claim(i)	$50	$50

Note:

(i) Average cost per claim includes medical expenses only and does not include salary or wages.

Equity and diversity principles

Our equity and diversity policy demonstrates our commitment to creating and maintaining a positive working environment free of discrimination and harassment, which provides equal opportunities for all and values diversity.

In further support of this, VicHealth has established a Diversity Committee comprising employee representatives from all groups of the organisation. The primary objectives of this Committee are to:

- be responsible for the development and oversight of action plans (including the Reconciliation Action Plan and Disability Action Plan) to meet legal and moral obligations
- provide input into current organisational practices to ensure positive diversity outcomes and to promote best practice
- examples externally
- promote and celebrate diversity across the organisation.

Public administration values and employment principles

VicHealth continues to implement the previous directions of the Commissioner for Public Employment with respect to upholding public sector conduct, managing and valuing diversity, managing underperformance, reviewing personal grievances and selecting on merit.

VicHealth annually reviews its suite of detailed employment policies, including policies with respect to grievance resolution, recruitment, performance management and managing diversity.

In support of the above, VicHealth has engaged in a consultative process driven by staff and developed an Employee Culture Charter. The Charter outlines four principles that set the cultural and professional standards to which we all commit and expect other employees to demonstrate. The four principles are Trust, Challenge, Accountability and Results. At the end of the year, a peer-based recognition is awarded to staff members who best demonstrate these principles.

Workforce data

Table 7: Employee headcount (HC) and full-time equivalent (FTE)

	June 2016			June 2015		
	Ongoing	*Fixed-term & casual*	**Total**	*Ongoing*	*Fixed-term & casual*	**Total**
Employee headcount (HC)	66	13	**79**	68	9	**77**
Full-time (HC)	53	7	**60**	56	6	**62**
Part-time (HC)	13	6	**19**	12	3	**15**
Full-time equivalent (FTE)	62.5	10.7	**73.2**	65	7.4	**72.4**

Table 8: Breakdown of headcount by gender

	June 2016						June 2015					
Gender	*Ongoing*		*Fixed-term & casual*		**Total**		*Ongoing*		*Fixed-term & casual*		**Total**	
	HC	FTE	HC	FTE	HC	FTE	HC	FTE	HC	FTE	HC	FTE
Male	19	18.4	1	1	**20**	**19.4**	23	22.8	1	1	**24**	**23.8**
Female	47	44.1	12	9.7	**59**	**53.8**	45	42.2	8	6.4	**53**	**48.6**
Total	**66**	**62.5**	**13**	**10.7**	**79**	**73.2**	**68**	**65**	**9**	**7.4**	**77**	**72.4**

Table 9: Breakdown of headcount by age

	June 2016						June 2015					
Age	*Ongoing*		*Fixed-term & casual*		**Total**		*Ongoing*		*Fixed-term & casual*		**Total**	
	HC	FTE	HC	FTE	HC	FTE	HC	FTE	HC	FTE	HC	FTE
Up to 19	0	0	0	0	**0**	**0**	0	0	0	0	**0**	**0**
20–24	0	0	1	1	**1**	**1**	0	0	1	1	**1**	**1**
25–29	7	7	1	1	**8**	**8**	9	9	0	0	**9**	**9**
30–34	15	14.8	2	2	**17**	**16.8**	20	19.8	5	4.6	**25**	**24.4**
35–39	15	13.7	3	3	**18**	**16.7**	12	11	1	1	**13**	**12**
40–44	13	12.2	2	1.2	**15**	**13.4**	9	8.4	0	0	**9**	**8.4**
45–49	6	5.6	2	1.6	**8**	**7.2**	8	7.6	1	0.6	**9**	**8.2**
50–54	4	3.8	2	0.9	**6**	**4.7**	4	3.8	1	0.2	**5**	**4**
55–59	5	4.6	0	0	**5**	**4.6**	5	4.6	0	0	**5**	**4.6**
60–64	1	0.8	0	0	**1**	**0.8**	1	0.8	0	0	**1**	**0.8**
65+	0	0	0	0	**0**	**0**	0	0	0	0	**0**	**0**
Total	**66**	**62.5**	**13**	**10.7**	**79**	**73.2**	**68**	**65**	**9**	**7.4**	**77**	**72.4**

Table 10: Breakdown of headcount by classification

	June 2016						June 2015					
Classification	*Ongoing*		*Fixed-term & casual*		**Total**		*Ongoing*		*Fixed-term & casual*		**Total**	
	HC	FTE	HC	FTE	HC	FTE	HC	FTE	HC	FTE	HC	FTE
Grade A	3	2.8	1	0.8	**4**	**3.6**	2	1.8	1	1	**3**	**2.8**
Grade B	0	0	1	1	**1**	**1**	1	1	0	0	**1**	**1**
Grade C	14	13	1	1	**15**	**14**	14	13.4	0	0	**14**	**13.4**
Grade D	27	25.6	8	6.3	**35**	**31.9**	29	27.8	7	5.4	**36**	**33.2**
Grade E	16	15.1	2	1.6	**18**	**16.7**	18	17	1	1	**19**	**18**
Grade F	0	0	0	0	**0**	**0**	0	0	0	0	**0**	**0**
Executives	6	6	0	0	**6**	**6**	4	4	0	0	**4**	**4**
Total	**66**	**62.5**	**13**	**10.7**	**79**	**73.2**	**68**	**65**	**9**	**7.4**	**77**	**72.4**

Notes:

All workforce data figures reflect active employees in the last full pay period of June of each year.

'Ongoing employees' means people engaged in an open-ended contract of employment and executives engaged on a standard executive contract who were active in the last full pay period of June.

'FTE' means full-time staff equivalent.

The headcounts exclude those persons on leave without pay or absent on secondment, external contractors/consultants, temporary staff employed by employment agencies, and a small number of people who are not employees but appointees to a statutory office, as defined in the *Public Administration Act 2004* (e.g. persons appointed to a non-executive Board member role, to an office of Commissioner, or to a judicial office).

Executive Officer data

An executive officer is defined as a person employed as a public service body head or other executive under Part 3, Division 5 of the *Public Administration Act 2004*. All figures reflect employment levels at the last full pay period in June of the current and corresponding previous reporting year.

Table 11: Breakdown of Executive Officers

	Headcount		
	Male	*Female*	*Vacancies*
CEO	0	1	0
Executives Managers	2	1	0
Executive Leads	0	2	0
Total	**2**	**4**	**0**

The number of executives in the Report of Operations is based on the number of executive positions that are occupied at the end of the financial year.

Table 12: Reconciliation of executive numbers

		2015–16
	Executives with remuneration over $100,000	5
Add	Vacancies (Table 11)	0
	Executives employed with total remuneration below $100,000	0
	Accountable Officer (CEO)	1
Less	Separations	0
Total executive numbers at 30 June		**6**

Section 4: Other disclosures

Consultancies

Table 13: Details of consultancies over $10,000 (excluding GST)

Consultant	Purpose of consultancy [(i)]	2015–16 total approved project fee ($'000)	2015–16 actual expenditure ($'000)	Future expenditure ($'000) [(ii)]
Blue Connections	Systems consulting services	12	12	0
Data#3 Limited	Systems consulting services	72	72	0
Enabling Better Business	Systems consulting services	14	14	0
Enterprise Knowledge	Business consulting services	19	19	0
Ernst & Young	Business consulting services	28	28	0
Horton International Pty Ltd	Recruitment services	14	14	0
Jo Fisher Executive Pty Ltd	Recruitment Services	16	16	0
Kinship Digital Pty Ltd	Systems consulting services	42	42	0
LR Associates	Business consulting services	133	133	0
Mercer (Australia) Pty Ltd	Human resources consulting services	20	20	0
Practicus Australia Pty Ltd	Record management and business consulting	21	21	0
Victorian Government Solicitors Office	Legal services	35	35	0
Xala Pty Ltd	Business Consulting Services	24	24	0

Note:

(i) Consultancy agreements cover the period 1 July 2015 to 30 June 2016.

(ii) Unless otherwise indicated there is no ongoing contractual commitment to these consultants. These consultants may be engaged beyond June 2016 as required.

Details of consultancies under $10,000

In 2015–16, there were 28 consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during the financial year in relation to these consultancies is $143,000 (excl. GST).

Information, communication and technology (ICT) expenditure

Details of ICT expenditure during the financial year were:

Table 14: ICT expenditure

Business as Usual ICT expenditure Total ($'000)	Non-Business as Usual ICT expenditure Total = A + B ($'000)	Non-Business Operational expenditure A ($'000)	Non-Business as Usual Capital expenditure B ($'000)
1,012	614	581	33

Advertising expenditure

VicHealth delivered the following campaigns in the last financial year, for which the media expenditure was greater than $100,000:

Table 15: Advertising expenditure during 2015–16 (excluding GST)

Name of campaign	Campaign summary	Start/end date	Advertising (media) ($'000)	Creative and campaign development ($'000)	Research and evaluation expenditure ($'000)	Print and collateral expenditure ($'000)	Other campaign expenditure ($'000)
Find Your Motivation	This project aims to motivate women aged 25–44 who are inactive or somewhat active to seek physical activity information, and to increase participation	01/03/16–30/06/16	$90	$24	$89	$0	$608

VicHealth also ran the following campaigns for which the paid media expenditure was less than $100,000:

- Walk to School – a month-long activity in October 2015 encouraging primary-school children to walk to and from school more often.
- General health promotion posts (e.g. Facebook, Twitter) raising awareness for and encouraging action on various VicHealth initiatives across the five strategic imperatives – promoting healthy eating, encouraging physical activity, preventing tobacco use, reducing alcohol harm, improving mental wellbeing.

Disclosure of major contracts

VicHealth entered into one funding agreement for greater than $10 million during the financial reporting period. The Cancer Council Victoria were awarded a four-year grant for the Quit Victoria program as part of our commitment to resolving harm from tobacco. The total value of the contract is $18.9 million and the contract period is for four years, ending in December 2020.

Compliance with the *Building Act 1993*

VicHealth does not own or control any government buildings and consequently is exempt from notifying its compliance with the building and maintenance provisions of the *Building Act 1993*.

Freedom of Information

The *Freedom of Information Act 1982* allows the public a right of access to documents held by VicHealth. Information is available under the *Freedom of Information Act 1982* by contacting the following person:

Chief Finance and Accounting Officer
Victorian Health Promotion Foundation
15–31 Pelham Street
Carlton VIC 3053
Phone: (03) 9667 1333
Fax: (03) 9667 1375

For the 12 months ending 30 June 2016, VicHealth received one application which was a non-personal request from a government agency. VicHealth agreed to the release of the relevant document. No other applications were received.

Compliance with the *Protected Disclosure Act 2012*

The *Protected Disclosure Act 2012* (replacing the repealed *Whistleblowers Protection Act 2001*) encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

VicHealth has structures in place to take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

No disclosures were made within the financial reporting period.

Compliance with DataVic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government, the information included in this Annual Report will be available at http://www.data.vic.gov.au/au in machine-readable format. VicHealth will progressively release other data in the future as it becomes available.

VicHealth Disability Action Plan

VicHealth is committed to improving the health of all Victorians, including those with a disability. Many of the barriers to better health experienced by Victorians with a disability are not due to physical or intellectual limitations, but are instead due to the attitudes, practices and structures in society that are, in fact, disabling. Changes to these societal factors will prevent the disadvantage that results in unequal health outcomes.

For VicHealth, this starts with our own practice. As a public body, we are also required under the *Victorian Disability Act 2006* to develop a Disability Action Plan (DAP) and report our progress.

In 2013, VicHealth released its first Disability Action Plan 2013–15. The DAP outlines a range of actions to be progressively implemented over this period. These actions include improving accessibility and removing barriers for people with disabilities so that they are treated equally. Initiatives include office modifications, website accessibility audit, improved employment policies and opportunities as well as staff awareness training.

VicHealth is pleased to report that it has implemented most of these initiatives. Following the completion of this DAP reporting cycle VicHealth will be updating our DAP for the next triennium.

VicHealth Reconciliation Action Plan

VicHealth has a strong history of working collaboratively with Aboriginal and Torres Strait Islander communities to meet locally identified needs in culturally appropriate ways. VicHealth's first Reconciliation Action Plan (RAP) is one of a number of mechanisms that VicHealth will implement over the period of our new Action Agenda to ensure that we are supporting best practice in Aboriginal health promotion, both with our partner organisations and within our own organisation.

VicHealth released its RAP in 2013. The RAP outlines practical actions VicHealth will undertake to build a stronger relationship and enhance respect with Aboriginal and Torres Strait Islander peoples, including culture awareness sessions for employees, developing Indigenous language protocols and an Indigenous governance framework, and encouraging staff to participate in National Reconciliation and NAIDOC weeks. VicHealth will commence updating our RAP for the next three years.

Victorian Industry Participation Policy

VicHealth abides by the requirements of the Victorian Industry Participation Policy (VIPP) within its procurement practices. VIPP requirements must be applied to tenders of $3 million or more in metropolitan Victoria and $1 million or more in rural Victoria.

During the financial reporting period, no tenders or contracts fell within the scope of application of the VIPP.

National Competition Policy

VicHealth's activities did not require reporting against the National Competition Policy during the financial reporting period.

Office-based environmental impacts

VicHealth has implemented actions to reduce its electricity consumption by 10 per cent over the past three years, from 150,000 to 135,000 kilo watt hours. Additionally, internal printing has been reduced by 18 percent in the last 12 months. VicHealth will continue to investigate other initiatives to operate in an environmentally sustainable manner.

Additional information available on request

In compliance with the requirements of the Standing Directions of the Minister for Finance, additional information has been retained by VicHealth and is available to the relevant Ministers, Members of Parliament and the public on request (subject to the Freedom of Information requirements).

For further information please contact:

Chief Finance and Accounting Officer
Victorian Health Promotion Foundation
15–31 Pelham Street
Carlton VIC 3053
Phone: (03) 9667 1333
Fax: (03) 9667 1375

Attestation of compliance with Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes

I, John Catford, certify that VicHealth has complied with Ministerial Direction 4.5.5 – Risk Management Framework and Processes. The VicHealth Finance, Audit and Risk Committee verifies compliance with this Direction.

Emeritus Prof John Catford
Chair of the Board
24 August 2016

Attestation on data integrity

I, Jerril Rechter, certify that VicHealth has put in place appropriate internal controls and processes to ensure that reported data reasonably reflects actual performance. VicHealth has critically reviewed these controls and processes during the year.

Ms Jerril Rechter
Accountable Officer and Chief Executive Officer
24 August 2016

Financial Statements
Victorian Health Promotion Foundation
2015–16

Board member's, accountable officer's and chief finance and accounting officer's declaration

We certify that the attached financial statements for the Victorian Health Promotion Foundation (VicHealth) have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards, including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and notes forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2016 and financial position of VicHealth at 30 June 2016.

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 this day.

Emeritus Prof John Catford
Chair of the Board

Melbourne
24 August 2016

Ms Jerril Rechter
Accountable Officer

Melbourne
24 August 2016

Mr Dale Mitchell
Chief Finance and Accounting Officer

Melbourne
24 August 2016

VAGO
Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000

Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010

Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Victorian Health Promotion Foundation

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of the Victorian Health Promotion Foundation which comprises comprehensive operating statement, balance sheet, statements of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the Board member's, accountable officer's and chief finance and accounting officer's declaration.

The Board Members' Responsibility for the Financial Report

The Board Members of the Victorian Health Promotion Foundation are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board Members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

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

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, I and my staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Victorian Health Promotion Foundation as at 30 June 2016 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
25 August 2016

Dr Peter Frost
Acting Auditor-General

Comprehensive operating statement
for the financial year ended 30 June 2016

	Notes	2016 ($'000)	2015 ($'000)
Income from transactions			
General appropriations		37,589	36,852
Special appropriations		694	656
Grants and other income transfers	2(b)	-	45
Interest income	2(a)	136	196
Other income		142	125
Total income		**38,561**	**37,874**
Expenses from transactions			
Employee expenses	3(a)	8,119	8,184
Depreciation and amortisation	3(b)	165	100
Grants and other expense transfers	3(c)	26,451	29,915
Other operating expenses	3(d)	2,859	3,014
Total expenses		**37,594**	**41,213**
Net result for the year		**967**	**(3,339)**
Comprehensive result for the year		**967**	**(3,339)**

The comprehensive operating statement should be read in conjunction with the accompanying notes.

Balance sheet
as at 30 June 2016

	Notes	2016 ($'000)	2015 ($'000)
Assets			
Current assets			
Cash and cash equivalents	4	4,435	4,415
Receivables	5	545	679
Prepayments		127	224
Total current assets		**5,107**	**5,318**
Non-current assets			
Property, plant and equipment	6	221	274
Intangible assets	7	166	233
Total non-current assets		**387**	**507**
Total assets		**5,494**	**5,825**
Current liabilities			
Payables	8	687	2,156
Provisions: employee benefits	9	1,056	890
Total current liabilities		**1,743**	**3,046**
Non-current liabilities			
Provisions: employee benefits	9	242	237
Total non-current liabilities		**242**	**237**
Total liabilities		**1,985**	**3,283**
Net assets		**3,509**	**2,542**
Equity			
Accumulated surplus/(deficit)		3,129	1,816
Reserves	10	380	726
Total equity		**3,509**	**2,542**

The balance sheet should be read in conjunction with the accompanying notes.

Statement of changes in equity
for the financial year ended 30 June 2016

2016	Equity at 1 July 2015 ($'000)	Transfer of reserves ($'000)	Total comprehensive result ($'000)	Equity at 30 June 2016 ($'000)
Accumulated surplus/(deficit)	1,816	-	967	2,783
Transfer from/(to) reserves	-	346	-	346
Total accumulated surplus/(deficit)	**1,816**	**346**	**967**	**3,129**
Reserves	726	-	-	726
Transfer (from)/to reserves	-	(346)	-	(346)
Total reserves	**726**	**(346)**	**-**	**380**
Total equity	**2,542**	**-**	**967**	**3,509**

2015	Equity at 1 July 2014 ($'000)	Transfer of reserves ($'000)	Total comprehensive result ($'000)	Equity at 30 June 2015 ($'000)
Accumulated surplus/(deficit)	1,822	-	(3,339)	(1,517)
Transfer from/(to) reserves	-	3,333	-	3,333
Total accumulated surplus/(deficit)	**1,822**	**3,333**	**(3,339)**	**1,816**
Reserves	4,059	-	-	4,059
Transfer (from)/to reserves	-	(3,333)	-	(3,333)
Total reserves	**4,059**	**(3,333)**	**-**	**726**
Total equity	**5,881**	**-**	**(3,339)**	**2,542**

The statement of changes in equity should be read in conjunction with the accompanying notes.

Cash flow statement
for the financial year ended 30 June 2016

	Notes	2016 ($'000)	2015 ($'000)
Cash flows from operating activities			
Receipts from Government		38,189	37,438
Receipts from other entities		180	194
Interest received		143	228
Goods and Services Tax (paid to)/refund from the ATO		2,761	3,290
Total receipts		**41,273**	**41,150**
Payments			
Payment of grants and other transfers		(29,667)	(32,665)
Payments to suppliers and employees		(11,544)	(11,839)
Total payments		**(41,211)**	**(44,504)**
Net cash flow provided by/(used in) operating activities	**15**	**62**	**(3,354)**
Cash flows from investing activities			
Payments for non-financial assets		(42)	(287)
Net cash flows provided by/(used in) investing activities		**(42)**	**(287)**
Net increase/(decrease) in cash and cash equivalents		**20**	**(3,641)**
Cash and cash equivalents at the beginning of the year		4,415	8,056
Cash and cash equivalents at the end of the year	**4**	**4,435**	**4,415**

The cash flow statement should be read in conjunction with the accompanying notes.

Notes to the financial statements
for the year ended 30 June 2016

Table of contents

Notes to the financial statements
for the year ended 30 June 2016

Note 1. Summary of significant accounting policies

The annual financial statements represent the audited general purpose financial statements for the Victorian Health Promotion Foundation (VicHealth) for the period ended 30 June 2016. The purpose of the report is to provide users with information about VicHealth's stewardship of resources entrusted to it.

(a) Statement of compliance

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 (AASs) 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, and relevant Standing Directions (SDs) authorised by the Minister for Finance.

The Victorian Health Promotion Foundation (VicHealth) is a not-for-profit entity and therefore applies the additional Aus paragraphs applicable to not-for-profit entities under the AASs.

The annual financial statements were authorised for issue by the Board of VicHealth on 24 August 2016.

(b) Basis of accounting preparation and measurement

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, and consequently that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2016, and the comparative information presented in these financial statements for the year ended 30 June 2015.

The going concern basis was used to prepare the financial statements.

These financial statements are presented in Australian dollars, the functional and presentation currency of VicHealth.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items; that is, they are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The financial statements are prepared in accordance with the historical cost convention, except:

- non-current physical assets which, subsequent to acquisition, are measured at valuation and are re-assessed with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair values
- the fair value of assets, which is generally based on their depreciated replacement value.

Historical cost is based on the fair values of the consideration given in exchange for assets.

In the application of AASs, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision, and future periods if the revision affects both current and future periods. Judgements made by management in the application of AASs that have significant effects on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, relate to:

- the fair value of plant and equipment (refer to Note 1(i))
- assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 1(j)).

Notes to the financial statements
for the year ended 30 June 2016

Note 1. Summary of significant accounting policies (cont'd)

Consistent with *AASB 13 Fair Value Measurement*, VicHealth determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment and financial instruments, and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant FRDs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, VicHealth has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Where applicable, VicHealth determines whether transfers have occurred between levels in the hierarchy by re-assessing 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.

(c) Reporting entity

The financial statements relate to VicHealth as an individual reporting entity. Its principal address is:

VicHealth
15–31 Pelham Street
Carlton VIC 3053

VicHealth was established under the *Tobacco Act 1987*.

The Act stipulates that VicHealth's objectives are to:

(a) fund activity related to the promotion of good health, safety or the prevention and early detection of disease

(b) increase awareness of programs for promoting good health in the community through the sponsorship of sports, the arts and popular culture

(c) encourage healthy lifestyles in the community, and support activities involving participation in healthy pursuits

(d) fund research and development activities in support of these objects.

VicHealth is predominantly funded by accrual-based parliamentary appropriations for the provision of outputs.

(d) Scope and presentation of financial statements

Comprehensive operating statement

Income and expenses in the comprehensive operating statement are classified according to whether or not they arise from transactions or other economic flows. The net result is equivalent to profit or loss derived in accordance with AASs.

Balance sheet

Assets and liabilities are categorised as current and non-current assets and liabilities. Non-current being those expected to be recovered or settled more than 12 months after the reporting period.

Statement of changes in equity

The statement of changes in equity presents reconciliations of each non-owner and owner changes in equity from opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also separately shows changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income.

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 under *AASB 107 Statement of Cash Flows*.

For the cash flow statement presentation purposes, cash and cash equivalents includes short-term cash deposits and investments.

(e) Change in accounting policies

Subsequent to the 2014–15 reporting period there have been no new or revised Accounting Standards adopted by VicHealth for the first time.

Notes to the financial statements
for the year ended 30 June 2016

Note 1. Summary of significant accounting policies (cont'd)

(f) Income from transactions

Income is recognised in accordance with *AASB 118 Revenue* and to the extent that it is probable that the economic benefits will flow to VicHealth and the income can be reliably measured. Unearned income at reporting date is reported as income received in advance.

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes.

Income is recognised for each of VicHealth's major activities as follows:

Appropriation income

Appropriated income becomes controlled, and is recognised by VicHealth when it is appropriated from the consolidated fund by the Victorian Parliament, and applied to the purposes defined under the relevant Appropriations Act and working agreement with the Department of Health and Human Services.

General appropriations relates to monies paid to VicHealth under section 32 of the *Tobacco Act 1987*.

Special appropriations relates to funding to deliver specific programs.

Government grants and other transfers of income

In accordance with *AASB 1004 Contributions*, government grants and other transfers of income (other than contributions by owners) are recognised as income when VicHealth gains control of the underlying assets irrespective of whether conditions are imposed on VicHealth's use of the contributions.

Contributions are deferred as income in advance when VicHealth has a present obligation to repay them and the present obligation can be reliably measured.

VicHealth's administered grants mainly comprise funds provided by the Commonwealth to assist the State Government in meeting general or specific service delivery obligations, primarily for the purpose of aiding in the financing of the operations of the recipient, capital purposes and/or for passing on to other recipients. Grants also include grants from other jurisdictions.

Interest income

Interest income includes interest received on bank term deposits. Interest income is recognised on a time-proportionate basis that takes into account the effective yield on the financial asset.

(g) Expenses from transactions

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

Employee expenses

Employee expenses include:

- wages and salaries
- annual leave
- sick leave
- long service leave
- work-cover premiums
- salary continuance insurance
- superannuation expenses.

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

The name and details of the major employee superannuation funds and contributions made by VicHealth are outlined in Note 11.

Defined contribution superannuation plans

In relation to defined contribution (i.e. accumulation) superannuation plans, the associated expense is simply the employer contributions that are paid or payable in respect of employees who are members of these plans during the reporting period. Contributions to defined contribution superannuation plans are expensed when incurred. VicHealth pays superannuation contributions in accordance with the superannuation guarantee legislation.

Defined benefit superannuation plans

The amount charged to the comprehensive operating statement in respect of defined benefit superannuation plans represents the contributions made by VicHealth to the superannuation plans in respect of the services of current VicHealth staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan and are based upon actuarial advice. The defined benefit plans provide benefits based on years of service and final average salary.

Notes to the financial statements
for the year ended 30 June 2016

Note 1. Summary of significant accounting policies (cont'd)

Depreciation

Depreciation is calculated on a straight-line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and depreciation method for all assets are reviewed at least annually, and adjustments made where appropriate.

Depreciation is provided on property, plant and equipment. Depreciation begins when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in a manner intended by management.

Assets with a cost in excess of $2,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives.

The following are estimated useful lives for non-current assets on which the depreciation charges are based for both current and prior years:

- office equipment: 3–5 years
- office furniture: 10 years
- fixtures and fittings: 10 years
- motor vehicles: 6 years.

Amortisation

Intangible assets with a cost in excess of $2,000 are capitalised. Amortisation is allocated to intangible assets with finite useful lives on a straight-line basis over the asset's useful life. Amortisation begins when the asset is available for use; when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the asset concerned is tested as to whether its carrying value exceeds its recoverable amount.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually or whenever there is an indication that the asset may be impaired. The useful lives of intangible assets that are not being amortised are reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset.

In addition, VicHealth tests all intangible assets with indefinite useful lives for impairment by comparing the recoverable amount for each asset with its carrying amount:

- annually
- whenever there is an indication that the intangible asset may be impaired.

Any excess of the carrying amount over the recoverable amount is recognised as an impairment loss.

Intangible assets with finite useful lives are amortised over five years in both the current and prior years.

Interest expense

Interest expenses are recognised as expenses in the period in which they are incurred.

Grants and other expense transfers

Grants and other transfers to third parties (other than contributions to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions made to state-owned agencies, local government, non-government schools and community groups.

Other operating expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

Occupancy costs

Costs associated with the lease of the office building and the associated outgoings.

General administration

Costs incurred due to the administration of VicHealth such as legal, marketing and advertising, consultants, printing and stationery.

Information systems

Rental costs for IT equipment, non-capitalised IT hardware and software purchases, and services/support.

Bad and doubtful debts

Bad and doubtful debts are assessed on a regular basis. Those bad debts considered as written off are classified as a transaction expense.

Note 1. Summary of significant accounting policies (cont'd)

Disposal of non-financial assets

Any gain or loss on the sale of non-financial assets is recognised at the date that control of the asset is passed to the buyer, and is determined after deducting from the proceeds the carrying value of the asset at that time.

Project specific expenses

Non-grant and wage expenses directly attributable to the delivery of programs.

Personnel costs

Agency staff, staff training, professional development and payroll processing costs.

Impairment of non-financial assets

Intangible assets are tested annually for impairment (i.e. whether their carrying value exceeds their recoverable amount, and so require write-downs) and whenever there is an indication that the asset may be impaired. All other assets are assessed annually for indications of impairment, except for financial assets.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as another economic flow, except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that class of asset.

It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

(h) Financial assets

Cash and deposits

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash, and are subject to an insignificant risk of changes in value.

Receivables

Receivables consist of:

- contractual receivables, which includes debtors for services provided and accrued interest income
- statutory receivables, which are predominantly GST input tax credits recoverable.

Receivables that are contractual are classified as financial instruments. Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less an allowance for impairment.

Debtors are carried at nominal amounts due, and due for settlement generally within 30 days from date of recognition. Collectability of debts is reviewed on an ongoing basis, and debts which are known to be uncollectable are written off. A provision for doubtful receivables is made when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

Investments

Investments are classified in the following categories:

- financial assets at fair value through profit or loss
- loans and receivables
- available for sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition. VicHealth classifies investments as loans and receivables.

VicHealth assesses at each end of the reporting period whether a financial asset or group of financial assets is impaired.

Impairment of financial assets

VicHealth assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Note 1. Summary of significant accounting policies (cont'd)

Bad and doubtful debts for financial assets are assessed on a regular basis. Those bad debts considered as written off are classified as a transaction expense.

In assessing impairment of statutory (non-contractual) financial assets which are not financial instruments, VicHealth applies professional judgement in assessing materiality and using estimates, averages and computational shortcuts in accordance with *AASB 136 Impairment of Assets*.

(i) Non-financial assets

Property, plant and equipment

All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 6.

Depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

Revaluations of non-current physical assets

Non-current physical assets are measured at fair value in accordance with *FRD 103F Non-current physical assets*.

This revaluation process normally occurs at least every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

Revaluation increments are credited directly to the asset revaluation surplus, 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, the increment is recognised as income in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of assets, they are debited directly to the asset revaluation surplus.

Revaluation increases and revaluation decreases relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes. Revaluation surplus is not transferred to accumulated funds on derecognition of the relevant asset.

In accordance with *FRD 103F*, VicHealth's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required.

Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance such as computer software and development costs (where applicable).

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost, less accumulated amortisation and accumulated impairment losses.

Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to VicHealth.

Prepayments

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services, or that part of expenditure made in one accounting period covering a term extending beyond that period.

Disposal of non-financial assets

Any gain or loss on the sale of non-financial assets is recognised in the comprehensive operating statement at the date that control of the asset is passed to the buyer, and is determined after deducting from the proceeds the carrying value of the asset at that time.

Note 1. Summary of significant accounting policies (cont'd)

Impairment of non-financial assets

Apart from intangible assets with indefinite useful lives, all other non-financial assets are assessed annually for indications of impairment.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an expense except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that same class of asset.

If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell

(j) Liabilities

Payables

Payables consist of:

- contractual payables which consist predominantly of accounts payable representing liabilities for grants, goods and services provided to VicHealth prior to the end of the financial year that are unpaid, and arise when VicHealth becomes obliged to make future payments in respect of the purchase of those goods and services or provision of grant conditions
- statutory payables, such as goods and services tax and fringe benefits tax payables.

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

Contractual payables are initially recognised at fair value, and then subsequently carried at amortised cost. 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 a contract.

Provisions

Provisions are recognised when VicHealth has a present obligation, the sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows using a discount rate that reflects the time value of money and risks specific to the provision.

Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, time in lieu and long service leave for services rendered to the reporting date.

(i) Wages and salaries, annual leave, time in lieu

Liabilities for wages and salaries, including non-monetary benefits, annual leave and time in lieu are recognised in the provision for employee benefits as current liabilities as VicHealth does not have an unconditional right to defer settlement of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, annual leave and time in lieu are measured at:

- present value – component that VicHealth does not expect to wholly settle within 12 months
- undiscounted value – component that VicHealth expects to wholly settle within 12 months.

(ii) Long service leave

The liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current liability – unconditional LSL (representing seven or more years of continuous service) is disclosed in the notes to the financial statements as a current liability even where VicHealth 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.

Note 1. Summary of significant accounting policies (cont'd)

The components of this current LSL liability are measured at:

- present value – component that VicHealth does not expect to wholly settle within 12 months
- undiscounted value – component that VicHealth expects to wholly settle within 12 months.

Non-current liability – conditional LSL (representing less than seven years of continuous service) is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. Conditional LSL is required to be measured at present value.

Consideration is given to the expected future wage and salary levels, experience of employee departure and periods of service. Expected future payments are discounted using interest rates of Commonwealth Government guaranteed securities in Australia.

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. VicHealth recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(iv) On-costs

Employee benefit on-costs, such as worker's compensation, salary continuance insurance and superannuation are recognised together with provisions for employee benefits.

(k) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership.

Leases of property, plant and equipment are classified as finance leases whenever the terms of the lease substantially transfer all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

Operating leases

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

Lease incentives

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature, form or the timing of payments.

In the event that lease incentives are received to enter into operating leases, the aggregate cost of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Leasehold Improvements

The cost of leasehold improvements is capitalised as an asset and depreciated over the remaining term of the lease or the estimated useful life of the improvements, whichever is the shorter.

Notes to the financial statements
for the year ended 30 June 2016

Note 1. Summary of significant accounting policies (cont'd)

(l) Equity

Contributions by owners

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners. Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners.

Reserves

VicHealth periodically receives special appropriations or other grants to deliver specific programs. This funding is often received upfront and is recognised as revenue in accordance with Note 1(f) with the delivery of the program occurring over multiple financial years. As at balance date unspent funds are allocated to a reserve to ensure these funds are quarantined for their intended purpose (as disclosed in Note 10).

(m) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to Notes 12 and 13) at their nominal value and are inclusive of the goods and services tax (GST) payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

(n) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer to Note 18) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

(o) Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

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.

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

(p) Events after the reporting period

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between VicHealth and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting period and before the date the financial statements are authorised for issue, where those events provide information about conditions which existed in the reporting period. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue, where the events relate to conditions which arose after the end of the reporting period, and which may have a material impact on the results of subsequent reporting periods.

(q) Rounding of amounts

Amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated. Figures in the financial statements may not equate due to rounding.

(r) Comparative information

There has been no change in comparative figures in the financial statements.

(s) 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 VicHealth's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in *AASB 132 Financial Instruments: Presentation*. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract.

Notes to the financial statements
for the year ended 30 June 2016

Note 1. Summary of significant accounting policies (cont'd)

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

Loans and receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

The loans and receivables category includes cash and deposits (refer to Note 1(g)), term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

The effective interest method is a method of calculating the amortised cost of a financial asset and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method.

Financial instrument liabilities measured at amortised cost include all of VicHealth's contractual payables, deposits held and advances received, and interest-bearing arrangements other than those designated at fair value through profit or loss.

Notes to the financial statements
for the year ended 30 June 2016

Note 1. Summary of significant accounting policies (cont'd)

(t) Issued but not yet effective Australian accounting and reporting pronouncements

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2016 reporting period.

The Department of Treasury and Finance assesses the impact of all these new standards and advises VicHealth of their applicability and early adoption where applicable.

As at 30 June 2016, the following standards and interpretations have been issued by the AASB but are not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. VicHealth has not early adopted these standards.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 9 *Financial Instruments*	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* (December 2010)	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: • the change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI) • other fair value changes are presented in profit and loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.	1 Jan 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. Changes in own credit risk in respect of liabilities designated at fair value through profit and loss will now be presented within other comprehensive income (OCI). Hedge accounting will be more closely aligned with common risk management practices making it easier to have an effective hedge. For entities with significant lending activities, an overhaul of related systems and processes may be needed.
AASB 2014-1 *Amendments to Australian Accounting Standards [Part E Financial Instruments*	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1 Jan 2018	This amending standard will defer the application period of AASB 9 to the 2018–19 reporting period in accordance with the transition requirements.

Notes to the financial statements
for the year ended 30 June 2016

Note 1. Summary of significant accounting policies (cont'd)

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9*	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.
AASB 15 *Revenue from Contracts with Customers*	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2018	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.
AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*	Amends the measurement of trade receivables and the recognition of dividends. Trade receivables that do not have a significant financing component are to be measured at their transaction price, at initial recognition.	1 Jan 2017, except amendments to AASB 9 (Dec 2009) and AASB 9 (Dec 2010) apply from 1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.
AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15*	This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 Jan 2018	This amending standard will defer the application period of AASB 15 to the 2018–19 reporting period in accordance with the transition requirements.
AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15*	This Standard amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence.	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector, other than the impact identified in AASB 15.

Notes to the financial statements
for the year ended 30 June 2016

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 16 *Leases*	The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.	1 Jan 2019	The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase. Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus. The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement. No change for lessors.
AASB 2014-4 *Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation* [AASB 116 & AASB 138]	Amends AASB 116 *Property, Plant and Equipment* and AASB 138 *Intangible Assets* to: • establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset • prohibit the use of revenue-based methods to calculate the depreciation or amortisation of an asset, tangible or intangible.	1 Jan 2016	The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation.
AASB 2015-6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* [AASB 10, AASB 124 & AASB 1049]	The Amendments extend the scope of AASB 124 *Related Party Disclosures* to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities.	1 Jan 2016	The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions.
AASB 2016-4 *Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities*	The standard amends AASB 136 *Impairment of Assets* to remove references to using depreciated replacement cost (DRC) as a measure of value in use for not-for-profit entities.	1 Jan 2017	The assessment has indicated that there is minimal impact. Given the specialised nature and restrictions of public sector assets, the existing use is presumed to be the highest and best use (HBU), hence current replacement cost under AASB 13 *Fair Value Measurement* is the same as the depreciated replacement cost concept under AASB 136.

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2015–16 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

- AASB 1056 *Superannuation Entities*
- AASB 1057 *Application of Australian Accounting Standards*
- AASB 2014-1 *Amendments to Australian Accounting Standards [PART D – Consequential Amendments arising from AASB 14 Regulatory Deferral Accounts only]*
- AASB 2014-3 *Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations* [AASB 1 & AASB 11]
- AASB 2014-6 *Amendments to Australian Accounting Standards – Agriculture: Bearer Plants* [AASB 101, AASB 116, AASB 117, AASB 123, AASB 136, AASB 140 & AASB 141]
- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101* [AASB 7, AASB 101, AASB 134 & AASB 1049]
- AASB 2015-5 *Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception* [AASB 10, AASB 12, AASB 128]
- AASB 2015-9 *Amendments to Australian Accounting Standards – Scope and Application Paragraphs* [AASB 8, AASB 133 & AASB 1057]
- AASB 2015-10 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*
- AASB 2016-1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses* [AASB 112]
- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*

Notes to the financial statements
for the year ended 30 June 2016

Note 2. Income from transactions

	2016 ($'000)	2015 ($'000)
(a) Interest		
Interest on treasury deposits	-	40
Interest on bank deposits	136	156
Total interest	**136**	**196**
(b) Grants and other income transfers		
Other grants	-	45
Total grants and other income transfer	**-**	**45**

Notes to the financial statements
for the year ended 30 June 2016

Note 3. Expenses from transactions

	2016 ($'000)	2015 ($'000)
(a) Employee expenses		
Salaries, wages, and leave payments	7,353	7,369
Defined contribution superannuation expense	669	657
Defined benefits superannuation expense	11	12
Termination benefits	7	27
Other on-costs	79	119
Total employee expenses	**8,119**	**8,184**
(b) Depreciation and amortisation		
Depreciation		
Office equipment	66	37
Fixtures and fittings	2	2
Motor vehicles	9	9
Total depreciation	**77**	**48**
Amortisation – IT software	88	52
Total depreciation and amortisation	**165**	**100**
(c) Grants and other expense transfers		
General purpose grants	25,285	28,370
Project specific expenses	1,166	1,545
Total grants and other expense transfers	**26,451**	**29,915**
(d) Other operating expenses		
Personnel costs	538	680
Occupancy costs	673	723
Board and committee members fees	168	146
External audit fees (Victorian Auditor General's Office)	22	21
Internal audit fees	96	71
General administration	841	785
Information systems	521	588
Total	**2,859**	**3,014**

Notes to the financial statements
for the year ended 30 June 2016

Note 4. Cash and cash equivalents

	2016 ($'000)	2015 ($'000)
Cash on hand	1	1
Cash at bank	358	2,030
Bank deposits at call	4,076	384
Term deposit	-	2,000
Total cash and cash equivalents	**4,435**	**4,415**

Note 5. Receivables

	2016 ($'000)	2015 ($'000)
Contractual		
Trade debtors	21	88
Accrued income	8	15
Other debtors	2	-
Total contractual receivables	**31**	**103**
Statutory		
GST credits receivable	514	576
Total statutory receivables	**514**	**576**
Total receivables	**545**	**679**

Notes to the financial statements
for the year ended 30 June 2016

Note 6. Property, plant and equipment

(a) Property, plant and equipment schedule

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2016 ($'000)	2015 ($'000)	2016 ($'000)	2015 ($'000)	2016 ($'000)	2015 ($'000)
Office equipment	467	444	268	203	199	241
Office furniture	19	19	18	18	1	1
Fixtures and fittings	815	815	811	809	4	6
Motor vehicles	52	52	35	26	17	26
Total	**1,353**	**1,330**	**1,132**	**1,056**	**221**	**274**

(b) Property, plant and equipment reconciliation

2016	Office equipment ($'000)	Office furniture ($'000)	Fixtures and fittings ($'000)	Motor vehicles ($'000)	Capital works in progress ($'000)	Total ($'000)
Fair value						
Opening balance	444	19	815	52	-	**1,330**
Additions	26	-	-	-	-	**26**
Disposals	(3)	-	-	-	-	**(3)**
Fair value closing balance	**467**	**19**	**815**	**52**	**-**	**1,353**
Accumulated depreciation						
Opening balance	203	18	809	26	-	**1,056**
Depreciation	66	-	2	9	-	**77**
Accumulated depreciation closing balance	**268**	**18**	**811**	**35**	**-**	**1,132**
Written-down value	**199**	**1**	**4**	**17**	**-**	**221**

Note 6. Property, plant and equipment (cont'd)

(b) Property, plant and equipment reconciliation (cont.)

2015	Office equipment ($'000)	Office furniture ($'000)	Fixtures and fittings ($'000)	Motor vehicles ($'000)	Capital works in progress ($'000)	Total ($'000)
Fair value						
Opening balance	197	19	815	52	150	**1,233**
Additions	97	-	-	-	-	**97**
Transfers	150	-	-	-	(150)	**-**
Fair value closing balance	**444**	**19**	**815**	**52**	**-**	**1,330**
Accumulated depreciation						
Opening balance	167	18	806	17	-	**1,008**
Depreciation	37	-	2	9	-	**48**
Accumulated depreciation closing balance	**203**	**18**	**809**	**26**	**-**	**1,056**
Written-down value	**241**	**1**	**6**	**26**	**-**	**274**

(c) Fair value measurement hierarchy for assets

		Fair value measurement[(i)] at end of reporting period using:		
2016	Carrying amount as at 30 June 2016 ($'000)	Level 1 ($'000)	Level 2 ($'000)	Level 3 ($'000)
Office equipment	199	-	-	199
Office furniture	1	-	-	1
Fixtures and fittings	4	-	-	4
Motor vehicles	17	-	-	17
Written-down value	**221**	**-**	**-**	**221**

(c) Fair value measurement hierarchy for assets (cont.)

		Fair value measurement[(i)] at end of reporting period using:		
2015	**Carrying amount as at 30 June 2015 ($'000)**	**Level 1 ($'000)**	**Level 2 ($'000)**	**Level 3 ($'000)**
Office equipment	241	-	-	241
Office furniture	1	-	-	1
Fixtures and fittings	6	-	-	6
Motor vehicles	26	-	-	26
Written-down value	**274**	**-**	**-**	**274**

Note:
(i) Classified in accordance with the fair value hierarchy, see Note 1 (b).

There were no changes in valuation techniques throughout the period to 30 June 2016.

For all assets measured at fair value, the current use is considered the highest and best use. There have been no transfers between levels during the period.

Vehicles

VicHealth 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 VicHealth who set 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 value (depreciated cost).

Office equipment, furniture and fixtures and fittings

Office equipment, furniture and fixtures and fittings is held at carrying value (depreciated cost). When office equipment, furniture and fixtures and fittings is specialised in use, such that it is rarely sold other than as part of a going concern, the depreciated replacement cost is used to estimate the fair value. Unless there is market evidence that current replacement costs are significantly different from the original acquisition cost, it is considered unlikely that depreciated replacement cost will be materially different from the existing carrying value.

Note 6. Property, plant and equipment (cont'd)

(d) Reconciliation of level 3 fair value

2016	Office equipment ($'000)	Office furniture ($'000)	Fixtures and fittings ($'000)	Motor vehicles ($'000)
Opening balance	**241**	**1**	**6**	**26**
Purchases/(sales)	26	-	-	-
Transfers in/(out) of Level 3	(3)	-	-	-
Gains or losses recognised in net result				
Depreciation	(66)	-	(2)	(9)
Closing balance	**199**	**1**	**4**	**17**

2015	Office equipment ($'000)	Office furniture ($'000)	Fixtures and fittings ($'000)	Motor vehicles ($'000)
Opening balance	**30**	**1**	**9**	**35**
Purchases/(sales)	248	-	-	-
Transfers in/(out) of Level 3	-	-	-	-
Gains or losses recognised in net result				
Depreciation	(37)	-	(3)	(9)
Closing balance	**241**	**1**	**6**	**26**

Notes to the financial statements
for the year ended 30 June 2016

Note 7. Intangible assets

	2016 ($'000)	2015 ($'000)
Cost		
Opening balance	1,298	1,108
Additions	20	190
Cost closing balance	**1,318**	**1,298**
Accumulated amortisation		
Opening balance	1,065	1,012
Amortisation expense	87	53
Accumulated amortisation closing balance	**1,152**	**1,065**
Written-down value	**166**	**233**

Note 8. Payables

	2016 ($'000)	2015 ($'000)
Contractual payables		
Accrued wages and salaries	119	51
Accrued grants payable	113	1,277
Accrued expenses	75	48
Trade creditors	359	774
Other	17	-
Total contractual payables	**683**	**2,150**
Statutory payables		
GST/PAYG payable	4	6
Total statutory payables	**4**	**6**
Total payables	**687**	**2,156**

Notes to the financial statements
for the year ended 30 June 2016

Note 9. Provisions: Employee benefits

	2016 ($'000)	2015 ($'000)
Current provisions		
Annual leave	490	453
Long service leave	468	339
On-costs Annual leave	50	51
Long service leave	48	47
Total current provisions	**1,056**	**890**
Current employee benefits		
Expected to be utilised within 12 months	660	597
Expected to be utilised after 12 months	396	293
Total current employee benefits	**1,056**	**890**
Non-current provisions		
Long service leave	219	208
On-costs	23	29
Total non-current provisions	**242**	**237**
Total provisions	**1,298**	**1,127**
Movement in employee benefits		
Opening balance	1,127	1,014
Settlement made during the year	(719)	(802)
Provision made during the year	890	915
Balance at end of year	**1,298**	**1,127**

Notes to the financial statements
for the year ended 30 June 2016

Note 10. Reserves

	2016 ($'000)	2015 ($'000)
Externally funded programs reserve		
Alcohol Cultural Change	-	38
National Community Attitudes Towards Violence Against Women Survey	60	183
Office of Women's Affairs	-	157
Sports Recreation Victoria	50	50
Victorian Law Enforcement Drug Fund	270	270
Other	-	28
Total externally funded programs reserve	**380**	**726**

Reserves relate to special purpose funding, unspent as at balance date. These funds have been quarantined for use on these projects. Refer to the Statement of Changes in Equity and Note 1(l) for additional information.

Note 11. Superannuation

	Paid contribution for the year	
	2016 ($'000)	2015 ($'000)
Defined benefit plan		
ESS Super New Scheme	11	12
Total defined benefit plan	**11**	**12**
Defined contribution plan		
VicSuper	286	272
Hesta	70	53
Australian Super	20	41
Vision Super	31	33
Other	262	258
Total defined contribution plan	**669**	**657**
Total superannuation contributions	**680**	**669**

Notes to the financial statements
for the year ended 30 June 2016

Note 12. Lease commitments

Leasing arrangements

Lease commitments consist of information technology equipment leases and an office tenancy lease.

	2016 ($'000)	2015 ($'000)
Non-cancellable operating lease commitments		
No longer than one year	631	631
Longer than one year and not longer than five years	2,450	2,570
Longer than five years	-	511
Total	**3,081**	**3,712**

Note 13. Expenditure commitments

The following commitments have not been recognised as liabilities in the financial statements.

VicHealth has entered into certain agreements for funding of grants for multiple years. The payment of future years' instalments of these grants is dependent on the funded organisation meeting specified accountability requirements and the continued availability of funds from the Government. Instalments of grants to be paid in future years are subject to the funded organisations meeting accountability requirements. Additionally VicHealth enters into multi-year contracts for the purchase of various goods and/or services.

	2016 ($'000)	2015 ($'000)
Expenditure commitments		
No longer than one year	14,361	10,411
Longer than one year and not longer than five years	18,150	5,121
Total	**32,511**	**15,532**

Note 14. Financial instruments

(a) Financial risk management objectives and policies

VicHealth's principal financial instruments comprise of:

- cash and cash equivalents
- receivables (excluding statutory receivables)
- payables (excluding statutory payables).

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, are disclosed in Note 1 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage VicHealth's financial risks within the organisation's policy parameters.

Table 14.1 Categorisation of financial instruments and holding gain/(loss)

The carrying amounts of VicHealth's contractual financial assets and financial liabilities by category are set out as follows:

	Contractual financial assets and liabilities			
	2016 Financial assets/ liabilities ($'000)	**2016 Holding gain/(loss) ($'000)**	**2015 Financial assets/ liabilities ($'000)**	**2015 Holding gain/(loss) ($'000)**
Financial assets				
Cash and deposits	4,435	136	4,415	196
Loans and receivables[(i)]	31	-	103	-
Total financial assets	**4,466**	**136**	**4,518**	**196**
Financial liabilities				
Contractual payables[(i)]	682	-	2,150	-
Total financial liabilities	**682**	**-**	**2,150**	**-**

Note:

(i) The total amounts disclosed exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable, and taxes payable).

Note 14. Financial instruments (cont'd)

(b) Credit risk

Credit risk arises from the contractual financial assets of VicHealth, which comprise cash and deposits and non-statutory receivables. VicHealth's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to VicHealth. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with VicHealth's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than Government, VicHealth has limited credit risk due to limited dealings with entities external to the Victorian or Commonwealth Government.

In addition, VicHealth does not engage in high risk hedging for its financial assets and mainly obtains financial assets with variable interest rates. VicHealth policy is to deal with financial institutions with high credit ratings.

Provision of impairment for financial assets is calculated based on past experience, and current and expected changes in client credit ratings. Objective evidence includes financial difficulties of the debtor, default payments and debts which are more than 90 days overdue.

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 VicHealth's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Table 14.2 Credit quality of contractual financial assets that are neither past due nor impaired

2016	Financial institutions (AAA credit rating) ($'000)	Government agencies (AAA credit rating) ($'000)	Other (AA credit rating) ($'000)	Other (AA- credit rating) ($'000)	Other (no credit rating) ($'000)	Total ($'000)
Cash and cash equivalents	-	-	-	4,435	-	**4,435**
Contractual receivables	-	-	-	-	31	**31**
Total	**-**	**-**	**-**	**4,435**	**31**	**4,466**
2015						
Cash and cash equivalents	-	-	-	4,414	1	**4,415**
Contractual receivables	-	-	-	-	103	**103**
Total	**-**	**-**	**-**	**4,414**	**104**	**4,518**

Note 14. Financial instruments (cont'd)

Table 14.3 Ageing analysis of contractual financial assets

			Past due but not impaired				
2016	**Carrying amount ($'000)**	**Not past due and not impaired ($'000)**	**Less than 1 month ($'000)**	**1–3 months ($'000)**	**3 months to 1 year ($'000)**	**1–5 years ($'000)**	**Impaired financial assets ($'000)**
Cash and cash equivalents	4,435	4,435	-	-	-	-	-
Contractual receivables	31	23	-	-	8	-	-
Total	**4,466**	**4,458**	**-**	**-**	**8**	**-**	**-**
2015							
Cash and cash equivalents	4,415	4,415	-	-	-	-	-
Contractual receivables	103	99	-	-	4	-	-
Total	**4,518**	**4,514**	**-**	**-**	**4**	**-**	**-**

(c) Liquidity risk

Liquidity risk is the risk that VicHealth would be unable to meet its financial obligations as and when they fall due. VicHealth's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet. VicHealth manages its liquidity risk as follows:

- careful maturity planning of its financial obligations based on forecasts of future cash flows maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short term obligations
- holding investments and other contractual financial assets that are readily tradeable in the financial markets.

It operates under the Government's fair payment policy of settling financial obligations generally within 30 days.

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

Note 14. Financial instruments (cont'd)

The following table discloses the contractual maturity analysis for VicHealth's contractual financial liabilities.

Table 14.4 Maturity analysis of contractual financial liabilities

			Maturity dates			
2016	**Carrying amount ($'000)**	**Nominal amount ($'000)**	**Less than 1 month ($'000)**	**1–3 months ($'000)**	**3 months to 1 year ($'000)**	**1–5 years ($'000)**
Contractual payables	682	682	672	5	5	-
Total	**682**	**682**	**672**	**5**	**5**	**-**
2015						
Contractual payables	2,150	2,150	2,065	76	9	-
Total	**2,150**	**2,150**	**2,065**	**76**	**9**	**-**

(d) Market risk

VicHealth's exposure to market risk is primarily through interest rate risk. VicHealth has an insignificant exposure to currency risk and other market risks.

VicHealth does not hold any interest-bearing financial liabilities, therefore has nil exposure to interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

VicHealth has minimal exposure to cash flow interest rate risks through its cash and deposits, term deposits as these assets are held in variable interest rate accounts. Receivables are non-interest bearing.

Notes to the financial statements
for the year ended 30 June 2016

Note 14. Financial instruments (cont'd)

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates are outlined in the following table.

Table 14.5 Interest rate exposure of financial assets and liabilities

			Interest rate exposure		
2016	**Weighted average interest rate (%)**	**Carrying amount ($'000)**	**Fixed interest rate ($'000)**	**Variable interest rate ($'000)**	**Non-interest bearing ($'000)**
Financial assets					
Cash and deposits	1.6%	4,435	-	4,076	359
Contractual receivables	-	31	-	-	31
Total financial assets	**-**	**4,466**	**-**	**4,076**	**390**
Financial liabilities					
Contractual payables	-	682	-	-	682
Total financial liabilities	**-**	**682**	**-**	**-**	**682**

			Interest rate exposure		
2015	**Weighted average interest rate (%)**	**Carrying amount ($'000)**	**Fixed interest rate ($'000)**	**Variable interest rate ($'000)**	**Non-interest bearing ($'000)**
Financial assets					
Cash and deposits	1.4%	4,415	2,000	384	2,031
Contractual receivables	-	103	-	-	103
Total financial assets	**-**	**4,518**	**2,000**	**384**	**2,134**
Financial liabilities					
Contractual payables	-	2,150	-	-	2,150
Total financial liabilities	**-**	**2,150**	**-**	**-**	**2,150**

Notes to the financial statements
for the year ended 30 June 2016

Note 14. Financial instruments (cont'd)

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, VicHealth believes the following movement is 'reasonably possible' over the next 12 months:

- a parallel shift of +1% and -1% in market interest rates (AUD).

The table below discloses the impact on net operating result and equity for each category of financial instrument held by VicHealth at year-end as presented to key management personnel, if the below movements were to occur.

VicHealth's sensitivity to interest rate risk is outlined in the following table.

Table 14.6 Interest risk exposure – sensitivity analysis

		-100 basis points	+100 basis points	-100 basis points	+100 basis points
2016	**Carrying amount ($'000)**	**Net result ($'000)**	**Net result ($'000)**	**Equity ($'000)**	**Equity ($'000)**
Financial assets					
Cash and cash deposits	4,435	(41)	41	(41)	41
Receivables	31	-	-	-	-
Total financial assets	**4,466**	**(41)**	**41**	**(41)**	**41**
Financial liabilities					
Payables	682	-	-	-	-
Total financial liabilities	**682**	**–**	**–**	**–**	**–**
2015					
Financial assets					
Cash and cash deposits	4,415	(24)	24	(24)	24
Receivables	103	-	-	-	-
Total financial assets	**4,518**	**(24)**	**24**	**(24)**	**24**
Financial liabilities					
Payables	2,150	-	-	-	-
Total financial liabilities	**2,150**	**–**	**–**	**–**	**–**

Note 14. Financial instruments (cont'd)

(f) Fair value

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- Level 1 – the fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets is determined with reference to quoted market prices
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly
- Level 3 – the fair value of financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

VicHealth considers that the carrying amount of financial assets and financial liabilities recorded in the financial report to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

Note 15. Reconciliation of net result for the period to net cash flows from operating activities

	2016 ($'000)	2015 ($'000)
Net result for the period	**967**	**(3,339)**
Non-cash movements		
Depreciation and amortisation	165	100
Movements in assets and liabilities		
(Increase)/decrease in receivables	134	311
(Increase)/decrease in prepayments	97	(176)
Increase/(decrease) in payables	(1,472)	(364)
Increase/(decrease) in provisions	171	114
Net cash flows from/(used in) operating activities	**62**	**(3,354)**

Notes to the financial statements
for the year ended 30 June 2016

Note 16. Responsible persons disclosures

(a) Responsible persons appointments and remuneration

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

Responsible Minister

The Hon. Jill Hennessy, MLA, Minister for Health
1/07/2015 – 30/06/2016

Governing Board

Emeritus Prof John Catford – Chair	1/07/2015 – 30/06/2016
Ms Nicole Livingstone OAM – Deputy Chair	1/07/2015 – 30/06/2016
Ms Susan Crow	1/07/2015 – 30/06/2016
Ms Margot Foster AM	1/07/2015 – 30/06/2016
Mr Nick Green OAM	1/07/2015 – 30/06/2016
Professor Michael Morgan	1/07/2015 – 30/06/2016
Mr Stephen Walter	1/07/2015 – 30/06/2016
Professor Margaret Hamilton AO	10/11/2015 – 30/06/2016
Mr Simon Ruth	10/11/2015 – 30/06/2016
Ms Andrea Tsalamandris *	10/11/2015 – 16/02/2016
Ms Veronica Pardo	10/11/2015 – 30/06/2016
Ms Colleen Hartland MLC	12/04/2016 – 30/06/2016
Ms Natalie Suleyman MLA	12/04/2016 – 30/06/2016
Ms Wendy Lovell MLC	12/04/2016 – 30/06/2016
Ms Sarah Ralph	03/05/2016 – 30/06/2016

* Ms Tsalamandris resigned immediately upon notification of her appointment. The Governor in Counsel accepted her resignation effective 16 Feb 2016.

Accountable Officer

Ms Jerril Rechter	1/07/2015 – 30/06/2016

Notes to the financial statements
for the year ended 30 June 2016

Note 16. Responsible persons disclosures (cont'd)

Remuneration of responsible persons

Income band	2016 No.	2015 No.
$ 0 – 9,999	7	5
$ 10,000 – 19,999	7	8
$ 20,000 – 29,999	1	-
$ 280,000 – 289,999	-	1
$ 290,000 – 299,999	1	-
Total numbers	**16**	**14**
Total amount	**$431,094**	**$420,138**

Amounts relating to responsible Ministers are reported in the statements of the Department of Premier and Cabinet. The parliamentary members of the Board received no remuneration for their services on the VicHealth Board.

Notes to the financial statements
for the year ended 30 June 2016

Note 16. Responsible persons disclosures
(cont'd)

(b) Related party transactions

Expenditure transactions (including grant payments) of responsible persons and their related parties

	2016 ($'000)	2015 ($'000)
Australian Drug Foundation of which Professor Margaret Hamilton has declared a pecuniary interest	240	350
Cancer Council Victoria of which Professor Margaret Hamilton served as a Board member within the period	4,459	6,736
Cricket Victoria of which Ms Susan Crow served as a Board member within the period	227	156
Cycling Australia of which Mr Nick Green served as a Board member within the period	236	192
Deakin University of which Professor Ruth Rentschler [(i)] served as an employee within the period	-	464
Leadership Victoria of which Mr Nick Green served as a Board member within the period	1	3
Melbourne City Football Club of which Ms Susan Crow served as an employee within the period	108	252
Tennis Australia of which Mr Stephen Walker served as a consultant within the period	111	275
University of Melbourne of which Professor Michael Morgan served as an employee within the period	782	1,509
VicSport of which Ms Margot Foster served as a Board member within the period	336	242

Note:

(i) Professor Ruth Rentschler's tenure as a Board member of VicHealth expired on 30 June 2015.

Revenue transactions of responsible persons and their related parties

	2016 ($'000)	2015 ($'000)
Hazelwood Mine Fire Enquiry of which Emeritus Prof John Catford served as a Board member within the period	74	-

Notes to the financial statements
for the year ended 30 June 2016

Note 17. Remuneration of executives

(a) Executive employees

The number of executive officers (including acting executive officers) and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits.

Income Band	Total remuneration		Base remuneration	
	2016 No.	2015 No.	2016 No.	2015 No.
$ 20,000 – 29,999	1	-	-	-
$ 50,000 – 59,999	1	-	1	-
$ 60,000 – 69,999	-	1	-	1
$ 70,000 – 79,999	1	-	1	-
$ 80,000 – 89,999	-	-	-	-
$ 90,000 – 99,999	1	-	1	-
$ 100,000 – 109,999	1	-	1	1
$ 130,000 – 139,999	-	1	-	-
$ 170,000 – 179,999	-	-	-	1
$ 180,000 – 189,999	-	-	1	2
$ 190,000 – 199,999	1	2	1	-
$ 200,000 – 209,999	1	-	-	-
$ 220,000 – 229,999	-	1	-	-
Total numbers	**7**	**5**	**6**	**5**
Total annualised employee equivalent[(i)]	**5**	**4**	**5**	**4**
Total amount	**$749,800**	**$814,649**	**$705,056**	**$715,563**

Note:

(i) Annualised employee equivalent is based on 38 ordinary hours per week over the reporting period.

During the year a number of employees acted in executive management positions following employee resignations. The annualised remuneration of the executive management positions exceeded $100,000, however only the pro-rata amount earned whilst undertaking that role has been disclosed in the table. The variance between total remuneration relates to employee entitlements upon resignation and performance incentives.

Notes to the financial statements
for the year ended 30 June 2016

(b) Other personnel

Expense Band	2016 No.	2015 No.
$ 10,000 – 19,999	-	1
$ 30,000 – 39,999	1	-
$ 90,000 – 99,999	1	1
Total numbers	**2**	**2**
Total amount	**$131,999**	**$111,752**

The number of contractors charged with significant management responsibilities is disclosed within the $10,000 expense band. These contractors are responsible for planning, directing or controlling, directly or indirectly, the entity's activities.

Note 18. Contingencies

The contingent assets and liabilities as balance date are listed in the following table.

	2016 ($'000)	2015 ($'000)
Contingent assets	–	–
Contingent liabilities	–	–

Note 19. Ex-gratia payments

VicHealth made no ex-gratia payments during the years ended 30 June 2016 or 30 June 2015.

Note 20. Economic support

VicHealth is wholly dependent on the continued financial support of the State Government and in particular, the Department of Health and Human Services. VicHealth has a three-year service agreement with the Department of Health and Human Services, which commenced in July 2015. VicHealth's budget is required to be submitted to the Minister for Health for approval annually, as per the requirements of the *Tobacco Act 1987*.

Notes to the financial statements
for the year ended 30 June 2016

Note 21. Events subsequent to balance date

There have been no events that have occurred subsequent to 30 June 2016 which would, in the absences of disclosure, cause the financial statements to become misleading.

Section 6: Disclosure index

The Annual Report of the Victorian Health Promotion Foundation is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of VicHealth's compliance with statutory disclosure requirements.

Legislation	Requirement	Page reference
Ministerial Directions		
Report of operations – FRD Guidance		
Charter and purpose		
FRD 22G	Manner of establishment and the relevant Ministers	Page 8
FRD 22G	Objectives, functions, powers and duties	Page 8
FRD 22G	Nature and range of services provided	Page 8
Management and structure		
FRD 22G	Organisational structure	Page 27
Financial and other information		
FRD 10A	Disclosure index	Page 87
FRD 12B	Disclosure of major contracts	Page 37
FRD 15C	Executive officer disclosures	Page 35 & 84
FRD 22G, SD 4.2(k)	Operational and budgetary objectives and performance against objectives	Page 20
FRD 22G	Employment and conduct principles	Page 32
FRD 22G	Occupational health and safety policy	Page 32
FRD 22G	Summary of the financial results for the year	Page 25
FRD 22G	Significant changes in financial position during the year	Page 26
FRD 22G	Major changes or factors affecting performance	Page 26
FRD 22G	Subsequent events	Page 26
FRD 22G	Application and operation of *Freedom of Information Act 1982*	Page 38
FRD 22G	Compliance with building and maintenance provisions of *Building Act 1993*	Page 38
FRD 22G	Statement on National Competition Policy	Page 39
FRD 22G	Application and operation of the *Protected Disclosure Act 2012*	Page 38
FRD 22G	Details of consultancies over $10,000	Page 36
FRD 22G	Details of consultancies under $10,000	Page 36
FRD 22G	Statement of availability of other information	Page 39
FRD 24G	Reporting of office-based environmental impacts	Page 39
FRD 25B	Victorian Industry Participation Policy disclosures	Page 39
FRD 29A	Workforce Data disclosures	Page 33
SD 4.5.5	Ministerial Standing Direction – Risk Management Attestation	Page 39
SD 4.2(g)	General information requirements	Page 39
SD 4.2(j)	Sign-off requirements	Page 7
SD 3.4.13	Attestation on data integrity	Page 39

Legislation	Requirement	Page reference
Ministerial Directions		
Financial statements		
Financial statements required under Part 7 of the FMA		
SD 4.2(a)	Statement of changes in equity	Page 46
SD 4.2(b)	Operating statement	Page 44
SD 4.2(b)	Balance sheet	Page 45
SD 4.2(b)	Cash flow statement	Page 47
Other requirements under Standing Direction 4.2		
SD 4.2(a)	Compliance with Australian accounting standards and other authoritative pronouncements	Page 49
SD 4.2(d)	Rounding of amounts	Page 57
SD 4.2(c)	Accountable Officer's declaration	Page 41
Other disclosures as required by FRDs in notes to the financial statements		
FRD 9A	Departmental disclosure of administered assets and liabilities	N/A
FRD 11	Disclosure of ex-gratia payments	Page 85
FRD 13	Disclosure of parliamentary appropriations	N/A
FRD 21A	Responsible person and executive officer disclosures	Page 35 & 84
FRD 102	Inventories	N/A
FRD 103E	Non-current physical assets	Page 66
FRD 104	Foreign currency	N/A
FRD 106	Impairment of assets	Page 53
FRD 109	Intangible assets	Page 70
FRD 107	Investment properties	N/A
FRD 110	Cash flow statements	Page 47
FRD 112A	Defined benefit superannuation obligations	Page 51
FRD 113	Investments in subsidiaries, jointly controlled entities and associates	N/A
FRD 114A	Financial instruments	Page 74
FRD 119	Contributions by owners	Page 57
Legislation		
Building Act 1993		Page 38
Disability Action Plan		Page 38
Financial Management Act 1994		Page 41 & 49
Freedom of Information Act 1982		Page 38
Protected Disclosure Act 2012		Page 38
Victorian Industry Participation Policy Act 2003		Page 39

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VICTORIA
State Government