



Department of Health

Annual Report 2022–23



Department
of Health

The department acknowledges the strength of Aboriginal people across the Country and the power and resilience that is shared as members of the world’s oldest living culture.

We acknowledge Aboriginal people as Australia’s First Peoples and recognise the richness and diversity of all Traditional Owners across Victoria.

We recognise that Aboriginal people in Victoria practice their lore, customs and languages, and nurture Country through their deep spiritual and cultural connections and practices to land and water.

We are committed to a future based on equality, truth and justice, and acknowledge that the entrenched systemic injustices experienced by Aboriginal people endure.

We pay our deepest respect and gratitude to ancestors, Elders, and leaders—past and present. They have paved the way, with strength and fortitude, for our future generations.

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In this document, 'Aboriginal' refers to both Aboriginal and Torres Strait Islander people. 'Indigenous' or 'Koori/Koorie' is retained when part of the title of a report, program or quotation.

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Section 1: Year in review

Secretary's foreword



Crisis, resilience and response

It has been another challenging year for Victoria. Just after the official end to the COVID-19 pandemic – Victoria's formal declaration expired on 12 October 2022 – we were faced with another disaster as floodwaters inundated parts of the state.

Knowing how devastating floods can be for a community, the department responded quickly to this crisis. We supported water agencies to safeguard against contaminated drinking water, partnered with local councils to issue warnings, activated our local public health units to provide 36,000 free Japanese encephalitis vaccines, and worked with local providers to ensure people's health and mental health needs were met.

While not surprising, it was nevertheless impressive to witness the efforts, commitment, and dedication to others that people demonstrated during that time. I can only thank all those involved for the support they showed towards other Victorians.

Ministerial changes

Following the 2022 Victorian State Election, Mary-Anne Thomas MP was reappointed Minister for Health and also named Minister for Health Infrastructure and Minister for Medical Research. Gabrielle Williams MP was reappointed Minister for Mental Health and appointed Minister for Ambulance Services. And Lizzie Blandthorn MP was appointed Minister for Disability, Ageing and Carers, with the ageing component of the portfolio supported by the department.

Planned surgery

Surgery waiting lists had, necessarily, grown during the pandemic when our hospital beds were made available for the tens of thousands of Victorians hospitalised with COVID-19. To get more Victorians through their planned surgery faster, and on time, the Government announced the COVID Catch Up Plan.

The plan comprises several investments and has a target of 240,000 surgeries a year, but it was also an opportunity to re-think how planned surgery can best be provided for all Victorians, no matter where they live. For example, new partnerships across health services and between private and public providers, as well as the establishment of eight rapid access hubs, four of which are operational, have allowed for greater access to surgery and the streamlining of care. Another initiative involved transforming private hospitals in Frankston and Blackburn to dedicated public surgery facilities. The number of day surgeries has also increased so more patients can recover in the comfort of their own homes.

The state's first Chief Surgical Adviser, Professor Ben Thomson provides expert clinical leadership to the program. This is enduring health reform that will provide more Victorians with the care they need.

The health workforce

The healthcare system is nothing without its workforce, and the department has continued its efforts to attract, recruit and retain the best workforce possible from within Australia and overseas. More than 2,000 international health professionals joined Victorian public health services this year, thanks to the award-winning International Recruitment Program, which has strengthened and diversified our workforce.

In 2022–23, 358 additional paramedics were also recruited, while the department awarded 1,104 postgraduate nursing and midwifery scholarships, 22 Aboriginal cadetships and 10 Aboriginal postgraduate scholarships.

There are now more healthcare workers in the system, with more people caring for Victorians, and more employment opportunities in the sector than ever before. Almost one in ten Victorian workers are employed in healthcare – in medical, nursing, allied health, social services, administration, and corporate roles. The sector provides numerous opportunities and diverse career pathways for talented, skilled and dedicated people who are passionate about caring for the Victorian community.

Future challenges and collaborative solutions

Over many decades, Victoria has built a world-class acute health and hospital system. But there is growing recognition of the need to better connect primary and preventative healthcare with those acute services. Multidisciplinary teams and taking a ‘whole of person’ approach are increasingly becoming the norm, and the stewards of the health system must seek to build better relationships between the different practitioners and services within it to ensure better care and care outcomes. In that spirit, the first-ever Victorian Health Sector Summit was held in March 2023.

The two-day summit brought together over 400 sector leaders, industry partners, consumers, medical colleges, Aboriginal leaders, acute and community service providers, and federal and state government representatives. Unsurprisingly, the rising cost of healthcare and its unsustainable trajectory was a priority topic of discussion, and it was unanimously agreed that ‘more of the same’ won’t be enough. The summit was an important step in our collective commitment to working in collaboration to develop a more sustainable health system and more patient-centred care over the next decade – to support our vision of Victorians being the healthiest people in the world.

Mental health reform

Two and a half years into the largest reform in mental health services in the state’s history, our mental health and alcohol and other drug services are providing better access to care where and when Victorians need it.

Victorians can now access mental health services closer to home through the mental health and wellbeing locals. The first six local services opened in late 2022 across regional Victoria and metropolitan Melbourne, with nine more to open by late 2023.

A number of other services and facilities are also being established. The Hamilton Centre and its network of services, run by Turning Point, is a statewide resource that seeks to deliver more integrated and effective care for Victorians with mental illness and addiction. Construction has also begun on a new aged care facility in Cheltenham that will provide 75 beds dedicated to older Victorians with mental health needs.

Eight new family and carer-led centres will provide better and more support for families, carers, kin and supporters of people with mental health needs. These groundbreaking services were announced this year and will be opened progressively in future years.

The mental health reform agenda has also reinforced the importance of existing services that support Victorians to reduce harm from drug use and ultimately overcome drug dependency. The Medically Supervised Injecting Room (MSIR) in Richmond opened in 2018 as a trial. Such has been its success – preventing thousands of overdoses and many deaths – that this year the service has been made permanent. More Victorians will be able to receive health and social support interventions including wound care, blood-borne virus treatment, alcohol and other drug treatment, mental health support, dental care, family violence support, social welfare, and material aid through the MSIR.

Finally, the *Mental Health and Wellbeing Act 2022* was passed in September 2022 and commenced operation in September 2023, providing a new legislative basis for more effective and patient-centred care. This was a key recommendation of the Royal Commission into Victoria’s Mental Health System.

Women’s health

For too long, a specific and dedicated approach to improving women’s health has been absent from our healthcare planning landscape. No longer.

To deliver long-lasting and sustainable improvements to the provision of women’s health and care in Victoria we have commenced targeted investment to meet women’s needs. A Victorian Women’s Health Advisory Council will shape and lead the rollout of this program. The Council, led by women and for women, will ensure women’s voices are heard so that current and future generations of women and girls in Victoria can have access to

better care and health outcomes, no matter their age or where they live.

Through 2022–23, we began work to change the health landscape for Victorian women, laying the foundations for our future plans which include 20 new women’s health clinics, nearly 11,000 more laparoscopies, more sexual and reproductive hubs, more funding to women’s health non-government organisations, research support, and an inquiry into women’s pain management.

Aboriginal health

The Victorian Government is deeply committed to Aboriginal truth-telling and a path to treaty. From a health perspective, with self-determination as the goal, we work collaboratively so that our policies and programs improve access to culturally safe health and wellbeing services.

The signing of the Victorian Aboriginal Health and Wellbeing Partnership Agreement Action Plan 2023–2025 in May 2023 was an important milestone towards closing the gap in health and wellbeing outcomes for Aboriginal people in Victoria. The Action Plan was signed at the Aboriginal Health and Wellbeing Partnership Forum, the peak voice and decision-making body for Aboriginal health and wellbeing priorities.

The Action Plan was signed by the then Minister for Mental Health and Minister for Treaty and First Peoples, the Hon Gabrielle Williams, the Minister for Health, the Hon Mary-Anne Thomas, Victorian Aboriginal Community Controlled Health Organisation (VACCHO) CEO, Jill Gallagher AO and Chair Michael Graham plus members of the Aboriginal Health and Wellbeing Partnership Forum as well as representatives from the department.

The Action Plan has been developed against the backdrop of the Yoorrook Justice Commission. As a government department, we are committed to working with the Commission in our shared goal of self-determination through listening to the voices of Victoria’s First Peoples.

Infrastructure

We are in the process of delivering a record number of health infrastructure projects across Victoria.

For older Victorians we are building modern dementia-friendly aged care facilities in various regional centres, and we have recently completed a new 120-bed residential facility in Wantirna.

We also opened the new Balit Durn Durn Centre, a multidisciplinary community-based service for Aboriginal and Torres Strait Islander people.

In regional Victoria, the Echuca community now has access to better chemotherapy and haemodialysis care at the new Echuca Cancer and Wellness Centre, while in cross-border collaboration, the Victorian and New South Wales Governments announced their joint investment to redevelop the Albury Hospital, bringing together shared health services with Wodonga. This will allow local families and border communities to access all the care they need in one location, making it easier to lead healthier lives and address their health concerns.

In an Australian first, the state-of-the-art Victorian Heart Hospital began welcoming patients in February 2023, providing world-best cardiac care deliberately designed to enhance patient experience. And the Victorian Government announced \$2.3 billion funding for the first stage of works to begin on the redevelopment of the Parkville and Arden precinct – the biggest hospital project in Australia’s history. This redevelopment will provide new and enhanced services for the Royal Melbourne Hospital and the Royal Women’s Hospital. Smaller in scale but no less impressive when completed will be the New Footscray Hospital, which has successfully reached the construction halfway mark, and the Frankston Hospital expansion, which is well underway.

Other major projects currently in construction are the Thomas Embling Hospital expansion, which is due to be completed in 2024, and the Ballarat Base Hospital redevelopment, which is due for completion in 2027.

All these projects demonstrate Victoria’s commitment to providing state-of-the-art facilities and services in areas where people need them most and meeting the challenges posed by the state’s growing population.

System pressures and solutions

Our health system is already one of the best in the world. But we must continue to evolve and improve, and ensure we meet the changing needs of our community.

One of the most pressing challenges we face is the number of Victorians presenting at emergency departments. Along with ambulance services, emergency departments continue to be the first port

of call for many Victorians – often because other options, such as out-of-hours general practitioners, are no longer available. Unfortunately, this means extended wait times for patients and increased pressure on hospitals.

To better meet the needs of Victorians seeking urgent health care, the government established 27 Priority Primary Care Centres (PPCCs) – walk-up services with no out-of-pocket costs for those who need urgent care but not an emergency department. With shorter waiting times, outstanding care and greater convenience almost 110,000 Victorians have used a PPCC since they first opened in late 2022.

Another initiative that helps meet the needs of Victorians seeking urgent healthcare is the Victorian Virtual Emergency Department (VVED). Operated by Northern Health in Epping, it continues to go from strength to strength since opening in late 2020. During 2022–23, 90,000 Victorians used it, and four out of five of those Victorians got the care they needed without ever having to enter a hospital emergency department. This is high-quality, timely, efficient care, delivered at home or in the workplace.

In the same way, our Better at Home Program continues to grow, allowing Victorians to have their care at home instead of in hospital. In 2022–23, 65,000 Victorians had ‘hospital’ care but in their own home.

The benefits of this program are clear. With treatment and recovery undertaken in the comfort of their homes and alongside their loved ones, Victorians avoid the physical and emotional challenges that can be associated with hospital stays.

Now in its fifth year, voluntary assisted dying (VAD) continues to provide a safe and compassionate end-of-life care option, for eligible people who are suffering and dying, to choose the manner and timing of their death. The number of department-approved permits to access VAD continues to increase each year with 485 in 2022–23, 12 per cent more than last year. The department will continue to ensure Victorians receive high-quality end-of-life care and will conduct a review of the operation of the *Voluntary Assisted Dying Act 2017*, as required in the legislation, in 2023–24.

A final word

This annual report presents programs and other services delivered by people at the heart of our healthcare system. But no report, no matter how detailed, can ever truly convey the deep care and kindness that is the hallmark of the people who get up every day to provide healthcare in Victoria. To them, again, there is only one thing I can say:

On behalf of the people of Victoria, thank you.

Responsible body's declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Department of Health annual report for the year ending 30 June 2023.



Professor Euan M Wallace AM
Secretary
Department of Health

Vision, mission and values

Vision

Victorians are the healthiest people in the world.

Mission

The department contributes to the government's commitment to a stronger, fairer, better Victoria by developing and delivering policies, programs and services that support, protect and enhance the health, wellbeing and safety of all Victorians.

Values

The department adopts the seven core public sector values established under the *Public Administration Act 2004*. These values define what is important to the department and how the department operates, as well as guide employees' interactions with government, community, suppliers and other employees.



Responsiveness

- > providing frank, impartial and timely advice to the government
- > providing high-quality services to the Victorian community
- > identifying and promoting best practice



Integrity

- > being honest, open and transparent in dealings
- > using powers responsibly
- > reporting improper conduct
- > avoiding any real or apparent conflicts of interest
- > striving to earn and sustain public trust of a high level



Impartiality

- > making decisions and providing advice on merit and without bias, caprice, favouritism or self interest
- > acting fairly by objectively considering all relevant facts and fair criteria
- > implementing government policies and programs equitably



Accountability

- > working to clear objectives in a transparent manner
- > accepting responsibility for decisions and actions
- > seeking to achieve best use of resources
- > submitting to appropriate scrutiny



Respect

- > treating people fairly and objectively
- > ensuring freedom from discrimination, harassment and bullying
- > using people's views to improve outcomes on an ongoing basis



Leadership

- > actively implementing, promoting and supporting the department's values



Human rights

- > making decisions and providing advice consistent with human rights
- > actively implementing, promoting and supporting human rights

Purpose and functions

The purpose of the Department of Health is to deliver a world-class health system that focuses on improving patient outcomes and experience for all Victorians.

Acute health services

The public health system provides all Victorians with access to high-quality public hospitals and services to address their acute health needs. The department contributes to the management of the public health system through leadership, governance responsibility, policy development and the advancement of quality and safety.

These contributions include responsibility for funding, performance monitoring and accountability, strategic asset management and system planning.

Ageing, aged and home care

Older Victorians should be able to access high-quality and safe services that respond to and are appropriate to their needs.

The department is the system manager for the health services through which most of the Victorian public sector residential aged care sector is delivered, the largest public provider in Australia.

Ambulance services

Victorians expect timely responses to emergencies. Emergency and non-emergency ambulance services contribute to integrated and accessible health and community services for all Victorians.

Drug services

Drug and alcohol problems affect not just individuals, but their families, their friends and their communities. The department works with Victoria's alcohol and drug services to provide the right drug treatment, support and harm-reduction services across Victoria.

Medical research

Medical research is critical for improving health outcomes through the development of better treatments and interventions and by improving models of care. The department is responsible for policy, strategy and managing targeted investments

that boost the quality and impact of health and medical research across Victoria.

Mental health

Mental health services support Victorians experiencing or affected by poor mental health, as well as their families and carers. The department is responsible for mental health policy, planning, strategy and programs that deliver prevention, early intervention, treatment and support. The department is leading implementation of the recommendations made by the Royal Commission into Victoria's Mental Health System.

Primary, community and dental health

Primary care is often someone's first point of contact with the health system. Victoria's community health services play an important role in the delivery of state-funded, population-focused, and community-based health services. The department is responsible for funding, monitoring and planning the provision of primary and community healthcare services (including counselling, allied health and nursing), dental services, maternal and child health, and early parenting services.

Public health

The department seeks to keep the community safe from harm caused by communicable diseases, contaminated food or water, or contamination in the environment. The department works in partnership with local government and service providers to reduce and respond to preventable disease and public health hazards. It also provides health education and promotion for the community and leads or supports health and non-health emergency responses.

Small rural services

Where someone lives should not affect their access to high-quality healthcare. The department is responsible for planning, funding and monitoring a suite of services (acute health, aged care, home and community care, and primary health) which are delivered by small rural service providers. The funding and service delivery approach focuses on achieving a sustainable, flexible service mix that is responsive to local needs.

Health regulation

The department regulates thousands of professionals, organisations and businesses across the state with the objective of preventing serious harm to the health and wellbeing of Victorians.

There are 12 health regulators within the health portfolio that are subject to the Department of Treasury and Finance's Statement of Expectations Framework for Regulators. Of these, the following 10 regulators are internal to the department:

- > Child Safe Standards Regulator
- > Communicable Disease Section
- > Medicines and Poisons Regulation
- > Environmental Health Regulation and Compliance – Legionella Team
- > Environmental Health Regulation and Compliance – Pesticide Safety Team
- > Environmental Health Regulation and Compliance – Radiation Team
- > Food Safety Unit
- > Health Service Facilities Regulation Unit
- > Tobacco and E-Cigarettes Team
- > Water Unit.

The following two external regulators are supported by the department:

- > Victorian Assisted Reproductive Treatment Authority
- > Victorian Pharmacy Authority.

The department also has a large number of other functions that are regulatory in nature, such as those relating to mental health, community health centres, and cemeteries and crematoria.

Changes to the department

Several changes were made to the department in 2022–23:

- > On 1 January 2023, the staff and functions of the Medical Research portfolio were transferred from the former Department of Jobs, Precincts and Regions. The former Reform and Planning division was renamed the Reform and Medical Research division.
- > On 1 January 2023, the Alcohol and Other Drugs responsibilities of the Health portfolio shifted to the Mental Health portfolio.

[Section 2: Governance and organisational structure](#) contains information on the department's organisational structure as at 30 June 2023.

Subsequent events

The following departmental events occurred after the end of the reporting period:

- > On 7 August 2023, the Secretary announced to staff high-level plans for an organisational restructure of the department to best deliver its priorities and meet savings targets allocated in the 2023–24 State Budget.
- > On 31 August 2023, the department published its *Strategic Plan 2023–27*. This document outlines the department's priorities for the next four years, and includes a new outcomes framework.
- > On 2 October 2023, Mary-Anne Thomas MP was appointed Minister for Ambulance Services (and remained Minister for Health and Minister for Health Infrastructure); Ingrid Stitt MP was appointed Minister for Mental Health and Minister for Ageing; Lizzie Blandthorn MP was appointed Minister for Children; and Ben Carroll MP was appointed Minister for Medical Research.
- > On 4 October, the Secretary advised staff that the Minister for Children will receive the department's support in relation to maternal and child health and early parenting centres; and that the Secretary of the Department of Premier and Cabinet had announced that the Medical Research portfolio will move to the Department of Jobs, Skills, Industry and Regions.
- > On 12 October 2023, the Acting Secretary formally proposed the details of the organisational restructure announced on 7 August 2023. Consultations began with relevant employees and the relevant union in accordance with the clause 11 (implementation of change) provisions of the *Victorian Public Service Enterprise Agreement 2020*.

Portfolio performance reporting – non-financial

The department is required to report against its performance statement, as set out in *2022–23 Budget Paper No. 3 – Service Delivery*, and its priorities, as published in *Operational Plan 2022–23*.

This section of the annual report is structured according to the following seven objectives:

- > [Objective 1: Keep people healthy and safe in the community](#)
- > [Objective 2: Care closer to home](#)
- > [Objective 3: Keep improving care](#)
- > [Objective 4: Improve Aboriginal health and wellbeing](#)
- > [Objective 5: Move from competition to collaboration](#)
- > [Objective 6: A stronger workforce](#)
- > [Objective 7: A health system you can count on](#)

This section also includes data tables reporting on key health indicators and performance measures:

- > [Objective indicators](#)
- > [Performance measures](#)

Objective 1: Keep people healthy and safe in the community

This objective is about making it easier for Victorians to get the health services they need in their communities, keeping our hospitals free for emergencies, and catching up on care that might have been put off during the pandemic.

Keep Victorians safe by staying alert on health hazards and taking protective action when needed

This work involves identifying, preventing and mitigating the impacts of infectious diseases and other hazards in the environment, such as chemical and radiological threats. The department works in partnership with agencies at all levels of government in Australia on broader health issues, including:

- > safe food and drinking water
- > water fluoridation to reduce tooth decay
- > regulation of aquatic facilities to protect people from microbiological hazards
- > vaccination programs
- > promotion of education about safe behaviours, including hygiene and safe sex
- > infection prevention and control guidelines for hair, beauty, tattooing and skin penetration industries
- > radiation regulation
- > infectious disease monitoring.

Safeguarding drinking water supplies

The *Safe Drinking Water Act 2003* and *Safe Drinking Water Regulations 2015* provide Victorian water agencies and the department with a framework that ensures safe drinking water supplies.

In 2022–23, the department supported water agencies in response to 68 reports of known or suspected water contamination, compared to 43 in 2021–22 and 63 in 2020–21. Of the 68 reports in 2022–23, 11 incidents resulted in drinking water advisories compared with three in 2021–22 and nine in 2020–21. The majority of known or suspected contamination reports were attributed to *E. coli* detections, widespread public complaints, and ingress of contaminants in the distribution system.

The department received 16 notifications of water that did not meet a drinking water quality standard, compared to eight in 2021–22 and 13 in 2020–21. These notifications related predominantly to the

detection of *E. coli* and exceedances in disinfection by-product concentrations.

In the spring of 2022, significant flooding impacted parts of Victoria. Floodwaters posed a risk of asset damage, inundation, and ingress to some drinking water treatment plants. For some communities, poor raw water quality affected the appearance of the drinking water supplied, resulting in customer complaints. Advisories to boil water were issued where the safety of drinking water was potentially compromised.

In the aftermath of the floods, poor quality of the raw water in rivers and streams continued to pose a challenge to drinking water supplies. With warmer temperatures, elevated levels of organic content and other contaminants in the raw water some water treatment plants were pushed to their limits. The water agencies made commendable efforts to continue to supply drinking water in flood-affected areas, and their work to ensure climate resilience is also ongoing.

In 2022–23, the department introduced improvements to its risk management plan audit process. All water agencies had their risk management plans audited and nine of the 23 water agencies were found to not comply with the obligations imposed by the relevant section of the *Safe Drinking Water Act 2003* compared with four water agencies during the last audit period. It is likely that this increase in part reflects these new improvements in the department's risk management plan audit process.

Each year the department publishes a [Drinking water quality annual report](https://www.health.vic.gov.au/water/drinking-water-quality-annual-reports) <<https://www.health.vic.gov.au/water/drinking-water-quality-annual-reports>>. The 2022–23 report will be published in March 2024.

Keeping food safe

The department works to protect the community from food-related harm through:

- > contributing to the Australia & New Zealand food regulation system (including the laws, policies, standards and processes that ensure food is safe)

- > partnering with local government, food businesses and the community to reduce food-borne illness, particularly in relation to campylobacter, salmonella and listeria
- > responding to anaphylaxis and pathogens in food notifications, food recalls and food safety incident investigations
- > providing guidance, tools, policy advice and educational materials.

Infectious diseases

The department works with local public health units to prevent and control communicable diseases in Victoria.

Eighty-four medical conditions were prescribed as notifiable to the department by pathology services and medical practitioners under the *Public Health and Wellbeing Act 2008* in 2022–23. These notifications serve as the trigger for a range of public health actions, including:

- > following-up cases and contact tracing to identify those at risk
- > performing risk assessments
- > monitoring and reporting on disease trends through surveillance
- > providing both public health advice and treatment or vaccination
- > detecting outbreaks and responding to acute incidents and emerging threats.

In 2022–23, the department and local public health units responded to 160,378 notifications across 80 of the 84 conditions notifiable in Victoria. Since the reopening of international borders in November 2021, notification rates for many conditions have returned to pre-pandemic levels. The department monitors and responds to these changing trends, which in 2022–23 included:

- > eight cases of measles in returned travellers
- > 73 cases of hepatitis A
- > 14 cases of invasive meningococcal disease
- > 134 cases of typhoid/paratyphoid
- > 150 cases of legionellosis, resulting in the identification and management of 14 clusters/outbreaks

- > 854 outbreaks of gastrointestinal illness across a variety of settings, including residential aged care, childcare and hospitals.

The department also responded to seven episodes of local transmission of antimicrobial resistant organisms in Victorian healthcare settings. Available treatments are less effective against infection caused by these resistant bacteria, which results in poorer health outcomes.

Communicable disease incidents and emergencies

In 2022–23, the department responded to two Communicable Disease Incidents of National Significance^(a) due to emergent zoonotic pathogens: Japanese encephalitis and mpox.

Japanese encephalitis

Japanese encephalitis (JE) is a rare but potentially serious infection of the brain caused by the JE virus. It can be spread to humans through mosquito bites.

Heavy rainfall and significant flooding across parts of Victoria in late 2022 heightened the risk of mosquito-borne diseases during the 2022–23 mosquito breeding season. Building on the response to the unexpected JE outbreak in south-east Australia in early 2022, the department worked with local councils, local public health units, Agriculture Victoria and other government departments to deliver an integrated ‘One-Health’ public health response. Activities included human, mosquito and animal surveillance, case investigation, vector control, providing information for clinicians and the public, and expansion of the JE vaccination program across high-risk local government areas in northern Victoria.

Similarly, the department also responded to an outbreak of Murray Valley encephalitis (MVE) detected in Victoria and other south-eastern Australian states in early 2023 – the first human outbreak of this virus in Victoria since 1974. There is no effective treatment or vaccine for MVE, so prevention through protection from mosquitos, and surveillance and control measures are paramount.

(a) A Communicable Disease Incident of National Significance (CDINS) is defined as a communicable disease incident that requires implementation of national policy, interventions and public messaging, or deployment of Commonwealth or inter-jurisdictional resources to assist affected jurisdictions.

Mpox

Mpox (monkeypox) is a disease caused by infection with the mpox virus. Since May 2022, there has been a multi-country mpox outbreak that has predominantly impacted men who have sex with men. In Victoria, a total of 74 cases of mpox have been reported since the outbreak commenced (up to September 2023), with 65 cases notified from 1 July 2022 to 30 June 2023.

The department has successfully coordinated a comprehensive public health response to mpox involving the networked public health system, laboratories, health services and community health organisations. Following a surge in case numbers and local transmission in July and August 2022, the outbreak was controlled through a combination of public health measures such as case and contact follow-up, tailored prevention messaging, communication and engagement with at-risk groups and community organisations, and the successful rollout of an mpox vaccination program despite global vaccine supply challenges.

Syphilis response

Syphilis notifications have steadily increased over the last decade due to multiple factors, including changes in sexual behaviours. In this context, congenital syphilis cases have re-emerged in Victoria for the first time since 2017. In 2022–23, the department continued its comprehensive statewide syphilis response, including prioritised follow-up of people diagnosed with syphilis, workforce development, and stakeholder and community education to promote awareness, testing and treatment.

Targeted responses continue in priority areas such as Mildura, which had the highest rate of infectious syphilis in Victoria, with 51 cases per 100,000 population in 2019, reducing to 11 cases per 100,000 population in 2022 following a targeted campaign with local partners. In the first half of 2023, infectious syphilis rates have increased again in Mildura, with 23 cases per 100,000 population as of June 2023. The department continues to monitor syphilis rates in Mildura to better understand the factors contributing to this recent increase and to implement targeted control measures.

Syndromic surveillance

SynSurv is the department's syndromic surveillance system. SynSurv provides a cutting-edge near real-time system to evaluate data from hospital

emergency departments and Nurse-on-call to provide early warnings of possible public health events occurring across the state. Using information collected during routine patient care, syndromic surveillance can be based on signs, symptoms or preliminary diagnoses. This approach makes syndromic surveillance much timelier than surveillance that requires laboratory-confirmed diagnoses. For example, SynSurv detected a small thunderstorm asthma event on 8 November 2022 within an hour of the first cases appearing. In response, the department issued public information and warnings to protect community health and reduce impacts on the health system during this event. SynSurv will continue to be used in emergencies and other seasonal events, such as heatwaves, when health emergency risks are elevated.

Improving Childhood Asthma Management in Melbourne's inner west

The department funded and co-ordinated the Improving Childhood Asthma Management (ICAM) Program over 2021–22 and 2022–23. Five partner organisations delivered six projects supporting the local asthma care system to improve the health and wellbeing of children with asthma in the inner west. The funding was part of the [Victorian Government's investment](https://dtp.vic.gov.au/about/planning/transport-strategies-and-plans/inner-west-initiatives) <<https://dtp.vic.gov.au/about/planning/transport-strategies-and-plans/inner-west-initiatives>> in improving air quality and liveability in Melbourne's inner west. It also aligned with the strategic objective of [Victoria's Air Quality Strategy](https://www.environment.vic.gov.au/sustainability/clean-air-for-all-victorians) <<https://www.environment.vic.gov.au/sustainability/clean-air-for-all-victorians>> to help vulnerable Victorians and support the broader community.

The project was well received and widely promoted by key community and health sector partners. Specific outcomes include widely promoted new resources for patients, families and healthcare practitioners, such as new clinical practice guidelines, online training, digital and printed materials, and community information sessions. The project also established a community of practice and simplified Asthma Action Plan options for schools. The next phase of the project, ICAM Sustained, led by Safer Care Victoria from 1 July 2023, is working with network partners to facilitate ongoing improvements, while a research project led by the Murdoch Children's Institute and funded by Asthma Australia to 2026 will evaluate the effectiveness of ICAM in reducing emergency department presentations and hospitalisations.

Fair, safe and easy access to vaccines for all Victorians

The department undertakes activities to maintain and improve immunisation coverage to respond to new and emerging vaccine-preventable diseases, enhance vaccine safety monitoring and surveillance, and build workforce capability.

Improving immunisation coverage

The department works with immunisation providers and other partners to ensure Victorians have easy and equitable access to National Immunisation Program (NIP), COVID-19 and state government funded vaccines. The needs of priority populations are supported through funded hospital-based immunisation services and targeted programs for refugees, asylum seekers and young people experiencing homelessness.

Remote learning during the pandemic continued to have an impact on the Secondary School Immunisation Program and adolescent immunisation coverage. Catch-up vaccination initiatives targeting adolescents were implemented, with a particular focus on the human papillomavirus (HPV) vaccine. Maintaining high coverage of HPV vaccination contributes to Victoria's aim to eliminate cervical cancer as a public health issue by 2030.

Responding to new and emerging vaccine-preventable diseases

The department provided Victorians at greater risk with free Japanese encephalitis (JE) and mpox (monkeypox) vaccines as part of its response to the emergence of new vaccine-preventable diseases in Victoria. Over 36,000 JE vaccine doses and over 13,500 mpox vaccine doses have been administered in Victoria following the introduction of these programs in 2022.

The department continued to promote uptake of the seasonal influenza vaccine with a focus on Victorians at greatest risk of severe influenza through the *Stay Well This Winter* campaign. In June and July 2022, a state-funded influenza vaccination program was introduced as a short-term measure to mitigate the higher number of reported influenza cases and ongoing pressures related to the COVID-19 pandemic.

Enhancing vaccination safety surveillance monitoring and workforce capability

The department continued to fund Surveillance of Adverse Events Following Vaccination in the Community (SAEFVIC) to provide expert immunisation safety advice, and monitor vaccine safety signals for the National Immunisation Program, COVID-19 and state-funded vaccination programs.

Ensuring Victorians have ready access to vaccines irrespective of their location in Victoria requires a skilled and competent workforce. The department developed new e-Learning modules for cold chain management and the novel mpox vaccine Jynneos®, and updated e-Learning modules for JE and influenza. In addition, clinical guidance and clinical assessment to support intradermal mpox vaccine administration were also developed. The scope of practice of pharmacist immunisers was also expanded to improve access to a broader range of vaccines in a community pharmacy setting, including all scheduled NIP adolescent vaccines.

Through the rollout of the Central Immunisation Records Victoria (CIRV) to over 70 local councils and health services, the department has modernised immunisation systems and technology. CIRV is a digital vaccination data platform that supports the delivery of accessible, safe and efficient community vaccination programs for all Victorians. Implementation of CIRV and improved access to Australian Immunisation Register data enables enhanced real-time monitoring of vaccination coverage across Victoria and helps to drive high vaccination coverage across all participating local councils and age cohorts.

Make planned surgery more available

In 2022, the Victorian Government announced the 'COVID Catch Up Plan', also known as the Surgery Recovery and Reform Program, to increase planned surgical activity and reduce the surgical preparation list (also known as the waiting list). The Surgery Recovery and Reform Program is responsible for delivering initiatives across the state to ensure all Victorians can access timely planned surgery or non-surgical treatment when they need it, and experience safe and equitable outcomes now and into the future.

Comprising several investments, the plan focuses on the priorities outlined below.

Supporting and upskilling the perioperative workforce

Key workforce expansion initiatives were identified and funded to support the increased planned surgery capacity. In 2022–23, these initiatives have supported nurses to take up perioperative nursing postgraduate scholarships and to undertake upskilling courses in surgery and recovery wards, and supported theatre staff to enrol in upskilling courses and training. Further information on these and related initiatives are discussed in [Standing with our health workforce – investing in our future health workforce](#) under Objective 6.

Maximising public activity and throughput

Significant infrastructure and equipment investments have been made to facilitate increased planned surgery throughput, capacity and efficiency at selected public hospitals. These investments have resulted in the proposed establishment of eight rapid access hubs. Four hubs were operational as at 30 June 2023, with the remainder set to open by December 2023.

Two dedicated public surgical centres have also been established. The Frankston and Blackburn public surgical centres opened on 1 September 2022 and 10 October 2022 respectively and have helped expand planned surgery capacity in 2022–23. As dedicated facilities separate from emergency demand, these centres are giving Victorians greater access to planned surgery and enable more streamlined care.

Maximising private capacity

The department has continued to work closely with the private sector to enable appropriate public patients to receive their surgery in the private hospital system.

System-wide reform

Delivery and innovation teams have been established at all eight health service partnerships (HSPs) across the state to act as a key conduit between the department, HSPs and partnering health services. The teams have been integral in identifying, driving and implementing sustainable, patient-centred reform. To date, the teams have focused on the expansion of same-day surgery models and non-surgical treatment pathways, as well as the implementation of localised surgery reform initiatives tailored for the relevant region.

To ensure system-wide planned surgery reform initiatives are shaped by the expertise of the sector, the department established a Surgery Recovery and Reform Taskforce in June 2022 to advise on implementing the program, including by identifying further reform opportunities, driving improvements, and providing sector advice.

Building upon the reform work to date, a planned surgery reform blueprint is being developed, detailing a comprehensive plan to sustainably advance Victoria's planned surgery through system-wide reforms that improve patient experiences and outcomes, upskill and support the planned surgery workforce, enhance system efficiencies, and deliver enhanced system stewardship and collaboration.

Rapid patient prioritisation and assessment

Patient support units have been established at all 23 Elective Surgery Information System reporting health services to provide on the ground support in delivering rapid assessment and prioritisation of patients on the planned surgery preparation list (also known as the waiting list). As of 30 June 2023, the units have contacted 44,553 patients to provide an update on their surgical care, optimised 18,771 patients (with treatments such as physiotherapy management to reduce pain, improve strength and increase fitness) while preparing for their surgery, and removed 15,793 patients from the planned surgery preparation list. These efforts have contributed to a reduction in the planned surgery preparation list to 72,024 patients as at the end of June 2023 – a reduction of 16,410 patients since the Surgery Recovery and Reform Program commenced in April 2022.

Support Victorians to make healthy decisions about their wellbeing

The department funds a range of initiatives to promote health and wellbeing in the community in partnership with statewide health promotion organisations, guided by the *Victorian Public Health and Wellbeing Plan 2019–2023*.

The department also aims to reduce disease and avoidable presentations to hospital through commissioning Diabetes Victoria and the Heart Foundation to support the uptake of health risk assessments for priority groups and referral to evidence-based behaviour modification programs (such as the Life! healthy lifestyle program).

Victorian public health and wellbeing plan

The *Victorian public health and wellbeing plan 2019–2023* is a key policy framework guiding Victorian Government departments, funded agencies and other partners to implement activities that aim to prevent illness and promote and protect health and wellbeing. The plan supports the department's vision of a Victoria free of the avoidable burden of disease and injury so that all Victorians can enjoy the highest attainable standards of health, wellbeing and participation at every age. The next public health plan will set the direction for improving public health and wellbeing over the next four years (2023–2027).

Healthy kids, healthy futures

Through the *Healthy kids, healthy futures* plan the department continues to roll out initiatives such as Vic Kids Eat Well – the statewide healthy food and drink movement, delivered by Cancer Council Victoria in partnership with Nutrition Australia's Healthy Eating Advisory Service; and Healthy Kids Advisors – delivered by the Stephanie Alexander Kitchen Garden Foundation to provide boosted healthy eating support in 13 priority communities across Victoria. Key achievements linked to *Healthy kids, healthy futures* in 2022–23 include the initiatives outlined below.

INFANT

INFANT stands for [INfant Feeding, Active play and NuTrition](https://www.infantprogram.org) <<https://www.infantprogram.org>>.

INFANT supports new parents to establish healthy eating and active play for their baby's first year of life through evidence-based key messages delivered by maternal and child health nurses, and community health and early years professionals who have undertaken free INFANT training. To date, 36 local government areas are currently being supported to embed INFANT in their existing service delivery, and over 920 Victorian health professionals have completed the INFANT training.

INFANT is an evidence-based program backed by 15 years of research by Deakin University, showing outstanding results in improving children's and family's diets and reducing children's sedentary time. Children's weekly intake of discretionary food and drinks is significantly less (1.7 serves by age 5), with health economic modelling showing that even a reduction of one serve per week in discretionary foods (equivalent to 2–3 sweet biscuits as an example) results in approximately

\$1,287 million savings in healthcare costs and can prevent over 50,000 cases of type 2 diabetes and over 20,000 cases of heart disease.

Healthy Loddon Campaspe

Recognising the importance of community-based health and wellbeing approaches, the department extended funding for *Healthy Loddon Campaspe* (formerly Healthy Heart of Victoria) for a further four years (2022–2026). Through this initiative, localised health brokers are working with communities to support an increase in active living and healthy eating.

Accelerating the implementation of healthy food and drink supply policies in key public settings

Healthy Eating Advisory Service

A key prevention strategy to improve healthy eating is to increase the supply of healthier food and drinks across public sector and community settings where people spend their time. To this end, the Victorian Government provides the *Healthy choices* policy framework, and funds Nutrition Australia Vic Division to deliver the Healthy Eating Advisory Service. This free service supports early childhood centres, schools, sport and recreation facilities, health services and other workplaces, as well as the health promotion workforce to inspire, motivate and support organisations to transform their food and drink offerings.

The Healthy Eating Advisory Service also provides setting-specific nutrition resources, training, advice and tailored online menu assessments via FoodChecker. To date, it has supported 3,333 Victorian organisations to improve their catering, food retail and vending machines, and has reached countless more through its online resources.

Healthy choices: policy directive for Victorian public health services

In 2021, the Victorian Government released the [Healthy choices: policy directive and guidelines for health services](https://www.health.vic.gov.au/publications/healthy-choices-policy-directive-and-guidelines-for-health-services) <<https://www.health.vic.gov.au/publications/healthy-choices-policy-directive-and-guidelines-for-health-services>>. The policy aims to strengthen Victorian public health services as places that support the health and wellbeing of their staff and visitors by increasing their access to healthier food and drinks.

A first of its kind in Victoria, this policy built on the long-standing *Healthy choices: policy guidelines for hospitals and health services*, with a new impetus to start first by removing sugary drinks from health service in-house retail outlets, vending machines and catering menus.

The directive took a phased approach to implementation. Over 2022, health services worked on meeting policy directive targets for drinks. By the end of 2022, 88 per cent of health services in Victoria had removed sugary drinks and met the policy targets for providing healthier drinks.

This work is supported by the Healthy Eating Advisory Service and will shift focus over the coming year to improve on health services' food offerings.

Healthy and more sustainable government food procurement – launch of the Good Food policy

In early 2023, the department launched the Good Food policy, a new whole of Victorian Government policy (and an Australian first). The Good Food policy will drive healthier and more sustainable food practices across all 10 Victorian Government departments by changing the way food is ordered for staff meetings, functions and events.

This work builds on the statewide *Healthy choices: policy directive for Victorian public health services*, and will ensure that all staff catering (procured with government funds) is not only nutritious, but also considers environmental and social impacts.

This policy demonstrates the government's commitment to improving the health and wellbeing of Victorians, tackling climate change and its impacts on people's health, and building an inclusive, resilient circular economy in Victoria. The Healthy Eating Advisory Service will support food suppliers across Victoria to build and expand their supply of healthier food and drink options and showcase their sustainable business practices through the launch of the *Catering for good directory*. This in turn will support more Victorian organisations wanting to adopt healthy and more sustainable food procurement practices.

Early Detection and Healthy Living Campaign for Victorian Aboriginal and Torres Strait Communities

Victorian Cancer Registry data show a decline in cancer registry notifications coinciding with the initial period of the COVID-19 pandemic. Statistical modelling estimates 3,864 fewer cancer diagnoses

than expected in Victoria over 2020 and 2021, which is attributed to undiagnosed cancers rather than reduced incidence.

The greatest decline in cancer diagnoses was in bowel, prostate and blood cancers and melanoma. These accounted for 76 per cent of all missed diagnoses in 2020 and 2021.

Cancer disproportionately affects Aboriginal Victorians, who are twice as likely to be diagnosed with cancer than non-Aboriginal Victorians. The most common cancers for Aboriginal Victorians to be diagnosed with are lung, breast, bowel and prostate cancers, highlighting the importance of reducing the delay in diagnosis among this population.

In response, in 2021 the Victorian Government funded the Victorian Aboriginal Community Controlled Health Organisation (VACCHO) to design and lead the Early Detection and Healthy Living Campaign for Victorian Aboriginal and Torres Strait Islander Communities. The campaign aims to promote health-seeking behaviours for cancer screening and treatment, and timely responses to physical or social and emotional concerns when they arise. The campaign also supports the Aboriginal primary care workforce to prioritise cancer screening among eligible clients and emphasise the importance of attending follow-up appointments.

The campaign *Don't miss a moment* launched on 7 November 2022 and a second tranche of the campaign ran in February 2023. The campaign utilised a mixed media strategy to improve its reach and engagement with Aboriginal communities.

Early detection mass media campaign

To further address the decline in cancer diagnoses, the Victorian Government funded Cancer Council Victoria to develop and deliver an early detection media campaign in 2022–23. The campaign focuses on the importance of health behaviours that will enhance the chances of early detection, attending health checks, and increasing awareness of and participation in cancer screening to ensure diagnosis of cancers at their earliest stage.

The campaign launched on 22 May 2023 across television, radio, print and digital networks, including targeted regional media. The first month of the campaign demonstrated greater than expected campaign reach and six events were hosted to promote the campaign. The campaign

was designed with an ‘always on’ approach to complement and amplify other cancer campaigns over the calendar year and will run until November 2023.

Keeping the community safe through regulation

Child Safe Standards

The Child Safe Standards were reviewed in 2019 and new Standards were implemented on 1 July 2022. The new Standards align with the National Principles for Child Safe Organisations and include a particular focus on ensuring a culturally safe environment for Aboriginal and Torres Strait Islander children and young people.

From 1 January 2023, the Secretary for the Department of Health is the sector regulator for the following health organisations for the Standards:

- > public, private and denominational hospitals
- > day procedure centres
- > public health services
- > multipurpose health services
- > mental health service providers
- > maternal and child health services
- > registered community health services
- > state-funded drug or alcohol treatment services.

The new regulator has undertaken targeted consultations with relevant peak bodies and organisations and has engaged in a number of educational and capacity-building activities, including presentations, webinars and organisation-specific guidance and advice.

Work has commenced to benchmark compliance across entities, and to identify any thematic issues and potential risks to compliance in each sector.

The regulator is also working closely with the Commission for Children and Young People and other co-regulators to improve co-regulatory practice, target action as appropriate and minimise the regulatory burden for organisations.

A number of compliance tools and guidelines are available for organisations to help assess and improve compliance with the Standards. These are available at the [Child Safe Standards webpage](https://www.health.vic.gov.au/childsafestandards) <<https://www.health.vic.gov.au/childsafestandards>>.

Health service facilities regulation

Private hospitals and day procedure centres

The department is responsible for the regulation of registered facilities through part 4 of the *Health Services Act 1988* and the Health Services (Health Service Establishments) Regulations 2013.

As of 30 June 2023, there are 205 facilities registered by the department. These include 77 private hospitals, 103 day procedure centres and 25 mobile anaesthetic providers.

In the 2022–23 year, the department assessed 99 renewal of registration applications and completed 71 regulatory inspections. Inspections are conducted by authorised officers who are experienced registered health professionals.

The department undertakes regulatory inspections of facilities that require increased monitoring due to compliance issues. In the last financial year, the department worked closely with five facilities to address identified issues. As of 30 June 2023, three facilities remain under increased levels of monitoring. Two facilities have had their registration revoked.

The department also manages requests from registered facilities to build or alter existing facilities. Twenty-six new applications for approval in principle (AIP) were received in 2022–23, predominantly to renovate existing private hospitals. There were five requests to build new private hospitals and day procedure centres.

Additionally, the department registered 10 new establishments upon completion of the AIP process, and undertook 15 variations to registration, including transfers of registration. Visits to all newly registered private hospitals are undertaken six months after the initial registration to assess the quality and safety of the newly registered facilities.

Non-emergency patient transport and first aid services regulation

The department is also responsible for the licensing and regulation of non-emergency patient transport (NEPT) and first aid service providers under the *Non-Emergency Patient Transport and First Aid Services Act 2003*, the Non-Emergency Patient Transport Regulations 2016 and the Non-Emergency Patient Transport First Aid Services (First Aid Services) Regulations 2021.

As of 30 June 2023, there are 11 licensed NEPT providers. During the 2022–23 financial year, the department processed six licence renewals. Overall, the NEPT sector underwent a period of consolidation, with two NEPT providers surrendering their licence and another two licences not being renewed.

In addition to licence renewals, the department conducted 42 no-notice inspections. This proactive approach focused on vehicle safety, minimum equipment requirements and skills maintenance training for clinical staff. Two NEPT providers were placed on high watch due to non-compliance. As at 30 June 2023, the department is continuing to work with these providers to achieve compliance.

The *Non-emergency patient transport clinical practice protocols* (CPPs) are published by the department for use by licensed NEPT providers. Following targeted consultation, the CPPs were reviewed and updated to ensure safe practice, to assist in clinical decision making, to prescribe minimum equipment standards and to reflect current regulatory requirements.

First aid services

As of 30 June 2023, there are 41 licensed first aid service providers in Victoria (17 advanced, 16 intermediate and eight basic). During the 2022–23 financial year, the department processed 34 licence renewals, granted an additional five licences, and received 24 applications for approval in principle for a first aid service licence. Two first aid service providers applied for and were approved for a licence variation to change their licence class.

Authorised officers from the department conducted 24 inspections throughout Victoria, with 71 per cent of these occurring on weekend or weeknights during public and sporting events where the first aid service sector is active.

The department undertakes proactive investigative activity into unlicensed first aid service providers. In 2022–23, seven unlicensed providers were identified, many of them unaware of the requirement to obtain a first aid service licence. As a result, the department has issued a number of educational and guidance materials and held quarterly forums with key stakeholders and peak bodies both in Victoria and interstate.

Medicines and Poisons Regulation

Medicinal cannabis compliance activities

Since the Therapeutic Goods Administration (TGA) amended the scheduling of cannabis and substances containing tetrahydrocannabinols in 2016, there has been a rapid uptake and growth in the field of treatment using medicinal cannabis. As a result of this expansion, many new and original business models that require oversight to ensure that supply is conducted both safely and lawfully have emerged.

In response to this need, the department, in collaboration with co-regulators and other jurisdictions, has undertaken a range of compliance activities relating to the supply of medicinal cannabis products in Victoria.

This work has included conducting joint inspection operations with the Victorian Pharmacy Authority, investigating individual health practitioners with the Australian Health Practitioner Regulation Agency (Ahpra), assisting the TGA in advertising investigations, supporting local and interstate police, and undertaking own motion compliance monitoring inspections across various licence and permit holders within Victoria.

Proactive compliance monitoring and intervention activities

In 2023, the department increased its proactive monitoring and intervention activities with a specific focus on excessive prescribing and patients attending multiple prescribers to obtain high-risk medicines.

By proactively sourcing and analysing prescriber and pharmacy data, the department is able to identify abnormal instances where the amount of high-risk medication obtained by a patient may be excessive and unsafe.

Using this information, the department can intervene in relation to behaviour that may have the potential to cause harm to a patient and take other appropriate action as needed.

Improved safeguards

Making cosmetic procedures safer

In 2022 there were two private day procedure centres identified as providing unsafe clinical services, with poor clinical governance, and subsequent poor patient outcomes. Full investigations were undertaken and the registrations of both facilities were suspended.

The department also worked closely with a group of internal and external experts to produce a [Guideline for providers of liposuction](https://www.health.vic.gov.au/guideline-for-providers-of-liposuction) <<https://www.health.vic.gov.au/guideline-for-providers-of-liposuction>>. This guideline was developed to reduce potentially unsafe practices with an aim to standardise clinical practices and the provision of care provided by facilities which undertake liposuction procedures.

Schedule 8 MDMA and Schedule 8 psilocybine safeguards

On 3 February 2023, the Therapeutic Goods Administration (TGA) announced that from 1 July 2023 MDMA^(a) and psilocybine would be down-scheduled to Schedule 8 for the treatment of post-traumatic stress disorder and treatment-resistant depression respectively. The TGA separately included prescribing restrictions and the department has designed new regulations to incorporate these so that the new treatment options can be implemented safely.

In June 2023, the department introduced new legislation to implement the TGA safeguards, in addition to requiring prescribers to notify the department before prescribing MDMA or psilocybine and prohibiting direct supply to patients.

This reform enables Victorians to safely and legally access MDMA and psilocybine-assisted psychotherapy while minimising risks of diversion and harm to the community.

Schedule 9 (prohibited substances) clinical trials

Over the last decade, there has been increasing interest in using Schedule 9 psychedelic substances to treat mental health conditions. Schedule 9 substances do not have established therapeutic value and are only used in scientific, research or analytical settings. The department strengthened its legislation around Schedule 9 substances by limiting their use in humans to clinical trial settings with human research ethics committee approval. It was critical to restrict their use to human clinical trials to prevent inappropriate medical use and potential patient harm.

Research is now progressing to the human clinical trial stage. There were no Schedule 9 human clinical trials in Victoria prior to 2020. However, since 2020, the number of Schedule 9 clinical trials

in Victoria has been on the rise. The number and size of these are expected to continue to increase as they move into the phase 2 and phase 3 clinical trial stage.

New high-risk medicines monitored in SafeScript

Pregabalin, gabapentin and tramadol became monitored medicines in SafeScript on 3 July 2023 due to the growing evidence of harm associated with their use. Prescription overdose deaths due to pregabalin in particular have been on the rise in recent years, from zero in 2012 to 65 in 2021 according to Coroners Court of Victoria data.

The inclusion of pregabalin, gabapentin and tramadol in SafeScript requires all medical practitioners, nurse practitioners and pharmacists to take all reasonable steps to check the records and information in SafeScript before prescribing or supplying these medicines for a patient under their care except in certain circumstances. Clinicians and pharmacists will make safer clinical decisions with regards to these three medicines now that their dispensing and prescribing information is available in SafeScript.

Reduce deaths resulting from misuse of prescription medicine

SafeScript

More than 35,700 clinicians across Victoria have now registered with and are using SafeScript in Victoria. This includes:

- > 93.9% of general practitioners
- > 100% of addiction medicine specialists
- > 94.8% of pain specialists
- > 84.9% of psychiatrists
- > 92% of pharmacists
- > 64% of nurse practitioners.

The 2022 Coroners Court of Victoria report, *Victorian Overdose Deaths 2012 to 2021*, showed that prescription medicine overdose deaths decreased for the first time in the decade to 2019. Prescription medicine overdose deaths further declined in 2020 and 2021, as shown in the [Objective indicators](#) section of this report. The Coroners Court has reported tentative evidence that SafeScript may be having a positive impact on drug-related harms.

(a) Methylenedioxymethamphetamine, also known in an illicit context as 'ecstasy'.

Schedule 8 treatment permits

The Schedule 8 treatment permit system enables regulatory oversight of long-term use of Schedule 8 medicines in Victoria. Schedule 8 treatment permits are patient and prescriber specific. Assessment of Schedule 8 permit applications is based on the safe, appropriate and legal supply of the medicines. The department makes an intervention when it detects a high risk of harm to the patient in the permit application. Example interventions include requirements for the prescriber to refer their patients to a relevant specialist for review, implementation of a dose reduction plan, advising about concurrent prescribing by another prescriber at a different clinic, or recommending review of information in SafeScript.

In 2022–23, the department assessed over 33,000 Schedule 8 treatment permit applications and intervened in over 2,950 instances of high-risk prescribing.

Voluntary assisted dying permits

In 2022–23, the department received and assessed 493 voluntary assisted dying permit applications. Outcomes for 99.38 per cent of permit applications were determined within three business days, and 95.26 per cent were approved within two business days.

Objective 2: Care closer to home

This objective is about finding new ways to help Victorians by delivering as much care as possible in their local communities or at home. That's care in the places they know, the places that deliver convenience and comfort for them.

Plan and deliver major upgrades to hospitals and other health facilities

The 2022–23 State Budget invested \$2.5 billion to upgrade infrastructure across the health, mental health, ambulance services and ageing portfolios, bringing the entire health infrastructure pipeline to more than \$12 billion.

Over the past year, more than \$1.24 billion of health infrastructure projects were completed and came into operation, including Australia's first Heart Hospital, Stage 2 of the Northern Hospital expansion and a dedicated Cancer and Wellness Centre at Echuca.

The new Footscray Hospital successfully reached the halfway mark with the first three buildings at their maximum height and the emergency department fit-out underway. As part of this landmark project more than 80,000 hours of work have been completed by apprentices, trainees or cadets, and more than 60,000 hours by Indigenous Peoples, people with disabilities and disadvantaged Victorians.

The department is delivering critical expansions at some of Victoria's busiest emergency departments and providing support for parents through new and upgraded early parenting centres across the state.

Using innovative, modern design, the department is also creating aged care facilities that are dementia friendly and adapting emergency departments to provide dedicated paediatric zones and mental health hubs for urgent care.

The department continues to provide critical infrastructure upgrades for health services through various capital grants programs, with \$390 million committed in the 2022–23 State Budget. These programs continue to deliver a variety of projects, including operating theatre refurbishments, expansion projects, infrastructure engineering and medical equipment upgrades.

Planning new projects

In 2022 the Victorian Government announced the biggest hospital project in Australia's history, with \$2.3 billion funding for the first stage of works to begin on the redevelopment of the Parkville and Arden precinct.

The project will be delivered over 12 years and deliver major upgrades to the Royal Melbourne Hospital and the Royal Women's Hospital. Planning is well underway to kickstart the first stage of works, delivering the first hospital tower in the Arden precinct – creating more than 400 beds and treatment spaces.

Through a partnership with NSW a \$558 million joint investment was made for the redevelopment of Albury Hospital, bringing together shared cross-border health services with Wodonga. This builds on the existing cross border partnership for a new emergency department and short stay unit, expected for completion in late 2023.

The 2023–24 State Budget allocated \$320 million to establish a new Hospital Infrastructure Delivery Fund to plan the delivery of new or redeveloped infrastructure at seven public hospitals in metropolitan and regional Victoria. Once delivered, these projects will further increase access and capacity to vital public health services. Detailed project planning is underway across each site.

Provide health and mental health services closer to home

Better at Home

The Better at Home initiative has continued to provide more care to patients in their own homes and virtually. In 2022–23, more than 400,000 bed days were delivered at home to 65,000 patients. This is an increase of 18,000 patients each year compared with before Better at Home started.

Funding is provided to health service partnerships and health services to deliver a variety of clinical programs, including maternity services, paediatric care, care after surgery, cancer care and palliative care. The initiative also supports preventative healthcare and community care for patients with complex and chronic health conditions.

The department operates a video call system, provided by *Healthdirect* under national arrangements. This enables assessment, monitoring and post-discharge follow-up of patients at home, and supported specialist care from rural facilities. In 2023, the department published Victoria's *Virtual Care Operational Framework*,

which specifies how virtual care is operated safely and with patient choice at the centre.

Commitment to mental health reform

The Royal Commission into Victoria’s Mental Health System (Royal Commission) final report was tabled in the Victorian Parliament on 2 March 2021, outlining 65 recommendations in addition to the nine interim report recommendations. The Victorian Government has committed to implementing all recommendations made by the Royal Commission and transforming the mental health and wellbeing system, with services in local communities as its backbone.

Local services

The new service stream known as mental health and wellbeing locals (local services) will be a ‘broad front door’ to Victoria’s mental health system so more people can access services in their community, closer to home.

Local services provide an easy way for people aged 26 years and over who are experiencing mental health concerns – including people with co-occurring alcohol and drug treatment and care needs – to receive treatment, care and support.

The first six local services opened in late 2022 in the local government areas of Benalla-Wangaratta-Mansfield, Brimbank, Frankston, Greater Geelong-Queenscliffe, Latrobe and Whittlesea, and are providing accessible and responsible services to a diversity of local communities. Through co-design, local services providers are integrating the perspectives of people with lived experience of mental health concerns, families, carers and supporters in all aspects of governance and service delivery.

As of June 2023, there are 831 active registered consumers receiving support from local services. To June 2023, 361 consumers had successfully been discharged from local services since their commencement.

Nine more locations will open by the end of 2023 in Dandenong, Shepparton, Melton, Mildura, Lilydale, Bendigo-Echuca and Orbost-Bairnsdale.

New and expanded mental health facilities

Over 2022–23, new and refurbished mental health facilities opened across the state, including Victoria’s first dedicated Women’s Prevention and Recovery Care Centre, three new residential drug

and alcohol rehabilitation services in Wangaratta, Corio and Traralgon with a total of 80 beds, and a new Youth Prevention and Recovery Care Centre in metropolitan Melbourne.

Works continue to deliver 260 new acute public mental health beds across nine health facilities. The new, modern facilities will enable 6,500 more Victorians to access vital mental health services every year.

The Royal Commission into Victoria’s Mental Health System made it clear that any new bed-based services should be contemporary and co-designed with people with lived experience.

The department continues to work closely with a diverse range of stakeholders, including people with lived experience of mental illness, their carers and families, service providers and workers, to build safe, healing spaces that will ensure people are supported through their recovery.

Following an accelerated delivery program and using innovative modular design solutions, the new 30-bed acute mental health facility at the Northern Hospital and the 16-bed acute mental health facility at Barwon Health’s McKellar Mental Health and Wellbeing Centre are now complete and welcoming consumers.

Explore new and different ways for people to receive health care and support at home

Pathways to Home

Many Victorians with disability are staying in hospital longer than they need to while they wait for the National Disability Insurance Agency to approve their long-term care packages.

The Pathways to Home program enables people with disability to transition home or into home-like accommodation as soon as they are medically ready to leave hospital by partnering health services with disability providers.

In 2022–23, the program allowed 100 Victorians with disability to get out of hospital sooner, helping them to regain their independence and spend more time with their families. This has also freed up over 6,000 hospital bed days, allowing an estimated 1,800 additional patients to receive hospital care when needed.

Funding of \$9.1 million announced in the 2023–24 State Budget will allow the program to continue.

Women's sexual and reproductive health hubs

Since 2017, the department has progressively established 11 public community-based women's sexual and reproductive health hubs in community health services. Funding has enabled services to expand or develop their ability to offer focused sexual and reproductive health services.

The hubs provide local leadership and a range of sexual and reproductive health services for Victorian women, including contraception, medical termination of pregnancy, referral for surgical termination of pregnancy and sexual health testing and treatment. In the first three quarters of 2022–23, the hubs supported 8,188 women and gender-diverse people to receive care.

Nine additional hubs will be established as part of the department's commitment to improving women's health. The hubs are an important initiative to ensure Victorians can access the sexual and reproductive healthcare they need, close to home and no matter where they live.

Objective 3: Keep improving care

This objective is about delivering safer and more innovative treatments and care through our focus on continuous improvement. Victorians have the right to be confident that they're receiving the best quality care, built on the best evidence.

Fund initiatives that make our health system safer and improve patient outcomes

Reducing harm and improving lives

In 2022–23 Safer Care Victoria (SCV) improved the care for 46,215 people as part of the five-year 100,000 Lives program, which brings the total number of people helped by the program since 2021 to 51,183. The program consists of three streams: Safe in our hands; Best care, best time; and Stay well, stay home. Program highlights for 2022–23 include:

- > engaging 4,450 stroke survivors, with one in 20 supported to regain function and return to work, formal community participation, or study across five regional stroke support centres.
- > ensuring 3,186 older people received care consistent with the '4Ms' framework (What Matters, Medication, Mind and Mobility), creating age-friendly care and improved outcomes and experiences in 32 health service teams from 18 health and residential aged care services across Victoria.
- > establishing six regional atrial fibrillation (AF) clinics, providing access to timely evidence-based care for 831 Victorians hospitalised with AF.
- > improving recognition of post-partum haemorrhage (PPH) within the 33 maternity service teams participating in the PPH collaborative. They achieved an increase from 29 per cent to 74 per cent in the percentage of births where quantified blood loss was the method of assessment used. So far, eight health services have significantly reduced their rate of primary PPH $\geq 1,500$ ml following vaginal births, and the project has been extended to December 2023.

Responding to potential harm

In 2022–23 Safer Care Victoria established and led the Albury Wodonga Region Colonoscopy Recall. An independent review into the clinical practice of a general surgeon at Albury Wodonga Health, Albury Wodonga Private Hospital and Insight Private Hospital identified potential missed diagnoses,

including colorectal cancers. SCV commissioned an expert clinical team that recommended all patients who had undergone a colonoscopy by the surgeon within a five-year period have their care reviewed. SCV engaged five health services to provide follow-up care to the 1,930 affected patients (Albury Wodonga Health, Albury Wodonga Private Hospital, Insight Private Hospital, Austin Health and St Vincent's Health). As a result, 1,085 patients received a follow-up colonoscopy within recommended timeframes and 379 patients were reviewed by a specialist. The program formally closed on 31 July 2023 after 200 days in operation.

Digitisation of care

Victoria continues to invest in the safe and secure implementation of electronic medical record (EMR) systems. Funding agreements were executed to implement or extend the digitisation of care processes across regional Victoria in Gippsland Health Alliance and the Loddon Mallee Rural Health Alliance. Four sub-regional health services went live with their Allscripts new EMR in October 2022.

Deliver new and innovative mental health and wellbeing services

Integrated mental health services for children and families

Three child health and wellbeing locals have been established in Bendigo, Southern Melbourne and Brimbank-Melton. The new child locals will provide a 'one-stop shop' that supports children and their families. Each service will include paediatricians, psychiatrists and a range of allied health staff, and work with their partners to provide health and mental health assessments and treatment, parenting programs and flexible family supports.

Mental Health Statewide Trauma Service

A consortium of 13 organisations has been appointed to design and deliver the new Mental Health Statewide Trauma Service. The consortium, led by Phoenix Australia, includes a breadth of experience and expertise in research, training and trauma-informed service delivery that will drive the best possible mental health and wellbeing

outcomes for people with lived experience of trauma. The Mental Health Statewide Trauma Service is currently in its initial design and establishment phase.

Family and carer-led centres

Service providers have been appointed to establish eight new family and carer-led centres across Victoria. The centres will provide a dedicated service for families, carers, kin and supporters of people who experience mental health challenges, psychological distress, substance use or addiction, as part of the provision of integrated services which will place people with lived experience at the heart of the reform. The service model design and implementation process has been undertaken through a funded partnership with Tandem, the peak advocacy body for families, carers, supporters and kin of people with mental health challenges and psychological distress, ensuring that each phase of implementation is being underpinned by lived experience leadership.

A statewide support and coordination service provider will be appointed to support the centres through workforce development, statewide coordination and collaboration activities.

The Healing Place (previously known as the Lived Experience Residential Service)

Work progresses to establish the Healing Place, Victoria's first consumer-led alternative to acute hospital-based care as part of a broader offering of services that recognise the diverse needs and choices of consumers and their families, carers and supporters. Mind Australia has been appointed to lead a consortium partnership with Alfred Mental and Addiction Health to further co-design and establish the philosophy of healing, workforce composition, model of care, and service operating framework.

Youth Prevention and Recovery Care Centre

Youth Prevention and Recovery Care (YPARC) centres are being established across eight mental health regions, supported through a common and consistent model of care. A YPARC statewide service framework was developed through an extensive co-design process with young people, families, carers and supporters, as well as staff from Infant, Child and Youth Area Mental Health and Wellbeing Services and non-government

organisations. It outlines the high-level parameters and minimum standards of service delivery for YPARCs across Victoria.

The development and refinement of YPARC local models of care will take place concurrently with the YPARC build and refurbishment process.

Community-based Forensic Mental Health Services

The Royal Commission into Victoria's Mental Health System recommended that new community-based forensic mental health services be established across each of the eight mental health and wellbeing regions to make care accessible to people closer to where they live.

Implementation of the first regional service commenced this year in Barwon South West region. A multidisciplinary team, including both specialist clinicians and peer support workers, is now colocated with mental health services at Barwon Health and Southwest Healthcare, providing services across the Barwon South West region.

This is complemented by work to expand the forensic clinical specialist workforce in regional areas.

Improve publicly-run residential facilities so older Victorians are receiving the best care

The department continues to work with health services to plan for the upgrade and replacement of public sector residential aged care facilities across the state.

This ensures that the services and accommodation provided are consistent with the findings of the Commonwealth's Royal Commission into Aged Care Quality and Safety, and that they reflect the very best thinking in the design for dementia and other ageing-related diseases.

Significant progress has been made in improving facilities across Victoria, including completion of the new \$81.6 million 120-bed Wantirna aged care facility in September 2022.

Construction is underway of a new facility in Cheltenham, which will consist of a multi-storey building and include 75 beds dedicated to mental health in aged care, and which is expected to be completed in June 2026.

In regional Victoria, work has continued on four new, contemporary facilities, including at Rutherglen and Camperdown, where capital works are underway, and at Mansfield and Orbost, where designs for sites are underway.

Further upgrades to public sector residential aged care facilities will continue in 2023–24 with a \$162 million package to replace existing capacity in Cohuna, Maffra and Numurkah, which will ensure older Victorians can remain connected to their communities in facilities providing contemporary care that supports their independence and privacy.

Focus on delivering the most important projects for a new and improved mental health system

Mental Health and Wellbeing Act 2022

The new *Mental Health and Wellbeing Act 2022* was passed by the Victorian Parliament in September 2022. The new Act commenced in September 2023 and provides the legal foundations for the redesigned mental health and wellbeing system. It contains rights-based objectives and principles that will underpin the drive towards achieving the highest possible standard of mental health and wellbeing for Victorians.

Mental health and wellbeing interim regional bodies

The mental health and wellbeing interim regional bodies assist and advise the Victorian Government in relation to local mental health and wellbeing needs. The interim regional bodies are now fully established, with members appointed in each region in October 2022. Each interim regional body includes members who identify with personal lived and living experience of mental illness or psychological distress and/or a lived and living experience as a family member or carer. The interim regional bodies will be in place until the legislated regional mental health and wellbeing boards are established under the new Act.

Hamilton Centre

In 2022, the Hamilton Centre was established as a new statewide specialist centre for people living with a mental illness and substance use or addiction. The centre has partnered with a clinical network to deliver addiction specialist care across the state of Victoria. The initial services forming this collaborative network are St Vincent's Hospital Melbourne, Eastern Health, Western Health,

Austin Health and Goulburn Valley Health. This service aims to improve outcomes for people with co-occurring conditions.

Victorian Mental health and wellbeing workforce capability framework

The department has worked with stakeholders and experts to develop detailed guidance to support implementation of the statewide *Mental health and wellbeing workforce capability framework*, which was initially released in December 2021 alongside the *Mental health and wellbeing workforce strategy 2021–24*. The updated, more detailed document, 'Our workforce, our future', is expected to be released by the end of 2023 and will articulate a shared understanding of expectations and standards around the ways of working identified by staff, consumers, carers and families as being safe, inclusive and recovery oriented.

Balit Durn Durn Centre and other initiatives

The new Balit Durn Durn Centre opened in May 2022 and is a key milestone in achieving the vision of the Victorian Aboriginal Community Controlled Health Organisation's (VACCHO) submission to the Royal Commission into Victoria's Mental Health System. It delivers multidisciplinary community-based support. Dedicated recurrent funding for expanded Aboriginal social and emotional wellbeing (SEWB) teams have been established. The Aboriginal SEWB program was launched in late 2021 to upskill and grow the workforce.

Mental health and wellbeing outcomes and performance framework

The first recommendation of the Royal Commission into Victoria's Mental Health System was for a new mental health and wellbeing outcomes and performance framework. There was also a requirement for people with lived experience to help in its design. Extensive open engagement involving consumers, carers, families and supporters, and the wider mental health sector occurred in mid to late 2022. The knowledge gained informs the development of the framework, which is nearing completion.

Statewide electronic mental health and wellbeing record

The project to establish a new statewide electronic mental health and wellbeing record, in response to Royal Commission recommendation 62, is

underway. Procurement to replace the current client management interface platform used by designated mental health services has concluded with project governance in place. This will improve the acceptability, effectiveness and safety of care for Victorians living with mental illness.

A new Mental Health and Wellbeing Commission

The Victorian Government appointed four commissioners to lead the Mental Health and Wellbeing Commission in early 2023. The commissioners began planning work in April 2023 and the new commission came into effect on 1 September 2023. Its role is to provide governance around the performance, quality and safety of the mental health and wellbeing system, among other functions.

The Victorian Collaborative Centre for Mental Health and Wellbeing

The Victorian Collaborative Centre for Mental Health and Wellbeing was established on 1 September 2022 under the *Victorian Collaborative Centre for Mental Health and Wellbeing Act 2021*, with its first statement of priorities in 2022–23 setting out an ambitious program of work.

The centre will bring together people with lived experience, researchers and mental health service providers to:

- > provide treatment, care and support to adults and older adults
- > conduct research for the benefit of consumers, carers, families and the community
- > share knowledge of advances in mental health treatment, care and support
- > support the mental health workforce.

The centre has made significant progress against these priorities so as to lay strong foundations for effective governance, broad collaboration and translational research. In 2022–23, the centre:

- > established its inaugural board, led by a chair and deputy chair
- > established the Lived Experience Advisory Panel, which provides strategic advice to the board on the centre's priorities

- > began the process to select lead health and academic partners who will bring together people with lived experience, researchers and health professionals to lead critical improvements in the mental health system
- > held its inaugural system change forum, bringing together key community, sector and academic stakeholders to start a conversation about the centre's role in system transformation
- > commenced the process to recruit two co-directors, one who has a lived or living experience of mental illness and one who has worked in academia and clinical practice.

Mental health capital projects

In 2022–23 there has been significant progress in the capital projects undertaken in response to the Royal Commission's recommendations, including the commencement of construction on the Thomas Embling Hospital redevelopment in January 2023. The redevelopment will change the way forensic mental health services are delivered in Victoria and provide better care and reduce wait times for treatment. Stages 1 and 2 are being delivered concurrently, and are scheduled for completion in mid-2025.

The department is finalising a statewide mental health service and capital plan, in response to recommendation 47(2) of the Royal Commission's final report. The statewide plan, along with the eight regional mental health service and capital plans, will guide the government's future investment in mental health infrastructure. This will ensure the areas of highest need across the state are prioritised through a program of facility upgrades, replacements, and expansions.

Support and invest in our paramedics, ambulances and health services to deliver timely and effective emergency care

Ambulance resources

To respond to the increase in demand for emergency ambulance services, 358 paramedics were recruited in 2022–23, providing additional capacity for Ambulance Victoria to respond to the Victorian community.

Ambulance Victoria's Secondary Triage Service is the most comprehensive of its kind in the world. The service is staffed by paramedics and nurses and connects callers who may not require an

emergency ambulance to the most appropriate care. This service continued to expand in 2022–23, resulting in 500 or more Triple Zero calls every day being connected to alternative care, while avoiding an emergency ambulance dispatch. The service now connects approximately 20 per cent of Triple Zero callers to alternative care.

Medium Acuity Transport Services (MATS) is made up of 22 vehicles, each staffed with a graduate and a qualified paramedic. These teams have continued to ensure less urgent calls still in need of an ambulance response receive the right care, while also having a positive impact on workload pressures being experienced by paramedics.

Dual-paramedic crews in 15 rural and regional stations across Victoria continue to operate at Camperdown, Rochester, Terang, Avoca, St Arnaud, Murchison, Rupanyup, Charlton, Beaufort, Yarram, Foster, Inglewood, Euroa, Beechworth and Paynesville.

New ambulance station builds were completed in Mornington, Warragul, Moe, Sydenham and Melton South.

Ambulance improvement

There are a number of initiatives to improve access to ambulance services, support patient flow across the health system, and connect patients to the most appropriate care.

Victorian Virtual Emergency Department

The Victorian Virtual Emergency Department (VVED) run by Northern Health was first established in 2020 as a pilot program. The VVED allows select, non-urgent patients, including adults and children, to receive virtual video assessments 24/7 from emergency doctors and nurses.

VVED also supports Ambulance Victoria paramedics to treat patients in their home and avoid unnecessary trips to the emergency department. After being seen by VVED, 78 per cent of patients do not require transport to an emergency department, freeing up paramedics to return to the road quicker.

In 2022–23, the VVED cared for 90,000 patients, and continues to expand, including through the commencement of the statewide self-referral pathway from 1 July 2023.

TelePROMPT

TelePROMPT continues to provide better access to care for mental health patients who call Triple Zero. Paramedics with a patient can call TelePROMPT and rapidly connect with a mental health clinician, who can advise and support via telehealth technology. Together, they can decide on the best care option – be it self-care, referral to alternative care or hospital treatment. This initiative continues to provide a more streamlined and positive experience for mental health patients, and reduces unnecessary transport to hospital emergency departments, which is not always the best place for patients with mental health issues to receive care.

Timely Emergency Care Collaborative

The department is working to improve whole-of-hospital flow to ensure patients presenting to emergency departments who require hospital-based care can access that care without delay. The Timely Emergency Care Collaborative is a two-year project, launched in 2022, and is being undertaken by the department and the Institute for Healthcare Improvement with 14 metropolitan and regional hospitals and, more recently, Ambulance Victoria. The project is testing innovative ways to improve system flow. Those strategies that prove to be most successful and suitable will be implemented across the health system.

Objective 4: Improve Aboriginal health and wellbeing

This objective is about working closely with Aboriginal people to ensure better access to culturally safe care to keep individuals and families safe, healthy and well. Connection to culture is integral to health and wellbeing for our strong and proud Victorian Aboriginal community.

Design and deliver healthcare by Aboriginal people for Aboriginal people

Aboriginal Health and Wellbeing Partnership Agreement and action plan

The Aboriginal Health and Wellbeing Partnership Forum (AHWPF) is the lead decision-making body for Aboriginal health and wellbeing in Victoria and is co-chaired by the Victorian Minister for Health and the Victorian Aboriginal Community Controlled Health Organisation (VACCHO). AHWPF members comprise the Victorian Aboriginal community-controlled health sector, the mainstream health sector and the department.

Aboriginal members of the AHWPF identified a set of self-determined priorities for reforming the health system to improve the health and wellbeing outcomes of Aboriginal people living in Victoria, which were accepted as shared priorities of the AHWPF. Government has committed to progressing these priorities.

One of the priorities was the development of a 10-year Victorian Aboriginal Health and Wellbeing Partnership Agreement, which was endorsed in May 2023. The Agreement is a commitment from AHWPF members to work together to implement key reforms through the development and implementation of a two-year Aboriginal Health and Wellbeing Partnership action plan. The Agreement and action plan are strongly aligned to Victoria's commitments under the National Agreement on Closing the Gap.

The Victorian Government is committed to ensuring all actions within the action plan are implemented. These actions are important steps along the journey towards a shared vision of Aboriginal people having access to a health system that is holistic, culturally safe, accessible and empowering.

Implementation of the actions is everyone's responsibility. The entire health sector must be committed to working together in way that is guided by self-determination, cultural safety, accountability and transparency.

Transition to longer-term outcomes-based funding for Aboriginal Community Controlled Organisations

In November 2022, the Minister for Health affirmed the need for a transition from annual to four-year year funding cycles and for a move from activity-based to outcome-based reporting. From 1 July 2023, the department has commenced four-year funding cycles to Aboriginal Community Controlled Organisations (ACCOs) for the 2023–24 to 2026–27 financial years. The four-year funding rollout acknowledges the important role ACCOs play in delivering holistic health services, so will not be exclusive to those that deliver clinical services.

The funding reform aims to address several issues that include ending short-term and fragmented funding arrangements for ACCOs, reducing unnecessary reporting burden, and aligning reporting and investment requirements with ACCOs' holistic outcomes-focused service delivery. The reform will address service delivery challenges by enabling longer-term workforce contracts to better attract and retain staff, improving flexibility for ACCOs to deliver services and initiatives that align with Aboriginal peoples' expectations and access needs, and developing a more mature contracting relationship between the department and ACCO sector.

Further work will be progressed with the ACCOs (including VACCHO) to outline a sensible approach to outcomes-based funding that includes:

- > updates to ACCO service agreement clauses
- > development of a new Aboriginal self-determination output structure (including a new output performance measure, activity descriptor and re-alignment of relevant output groups and event descriptions)
- > revision of data collection, monitoring, and reporting mechanisms.

It is expected work will be completed by 30 June 2024 to align with the beginning of the next service agreement term.

Flood support for Aboriginal Community Controlled Organisations

As a result of the October 2022 Victorian floods, the department provided a range of supports to flood-affected areas across Victoria. This included targeted support for ACCOs to address local challenges in delivering important health and wellbeing services to Aboriginal families and communities. This funding ensured the continued provision of culturally safe health and wellbeing services during and immediately after the floods. Funding allowed for ACCOs to:

- > relocate services from facilities unable to be accessed or unsafe to operate during the floods
- > clean up and do repairs to infrastructure to enable a return to regular services
- > provide transport services for clients unable to access health services
- > deploy health workforce and outreach workers to support the health and wellbeing of communities affected by the floods
- > determine supports required for the health and wellbeing of their local communities.

Advancing Aboriginal self-determination to improve health outcomes and the delivery of health services through legislative reform

The *Children and Health Legislation Amendment (Statement of Recognition, Aboriginal Self-determination and Other Matters) Act 2023* introduced a statement of recognition and accompanying principles into health legislation to ensure Aboriginal self-determination serves as a foundational principle to improve the health and wellbeing outcomes of Aboriginal people in Victoria.

The statement and principles are non-binding and are intended to demonstrate that the health sector needs to recognise, respect and support the distinct cultural rights of Aboriginal people and their right to receive culturally safe holistic healthcare throughout Victoria. They support a mainstream health service system that is culturally safe, accessible, easier to navigate for Aboriginal Victorians, and that results in health outcomes that are equal to those of non-Aboriginal Victorians. The statement and principles also promote a self-determined health system, where Aboriginal voices determine the healthcare received by Aboriginal Victorians, and recognise the essential role of Aboriginal community-controlled health

organisations in meeting the health, wellbeing and care needs of Aboriginal people in Victoria.

Strengthening and sustaining maternal and child health and early parenting supports for Aboriginal families

Ongoing funding was secured to support the provision of culturally safe maternal and child health (MCH) supports delivered through the Aboriginal MCH Program. This investment ensures the sustainability of the program, which is delivered by 15 Victorian Aboriginal health services across 17 locations.

Victorian Aboriginal children and families will benefit from the ongoing, sustainable investment in Aboriginal health services for the delivery of the Aboriginal MCH Program. This ensures ACCOs delivering MCH services have a dedicated, reliable, and consistent funding model designed to provide culturally responsive supports to Aboriginal families.

Sustaining the Aboriginal MCH Program is vital in promoting service choice and providing access to Aboriginal-led delivery of the 10 key age and stage health and development checks, by building and strengthening engagement and trust with Aboriginal parents and families.

To further support Aboriginal children and families in the early years, a new early parenting centre will be established in Shepparton. The service will provide early parenting supports, including through day stays and group programs, to families in the local region.

Deliver care that is culturally safe, appropriate and responsive to Aboriginal people's needs

Health Service Partnership Aboriginal Health Innovation initiative

Aboriginal cultures are the oldest continuous cultures in the world. Cultural factors such as language, identity, spirituality, connection to family, community and Country positively impact the lives and health and wellbeing of Aboriginal people.

The experience and legacy of colonisation over the last 250 years has had a devastating impact on Aboriginal communities, families and individuals, affecting many aspects of their lives.

Aboriginal patients are over-represented in the healthcare system and face significant disparities

in health outcomes. While the advances in healthcare services are tremendous and have improved health outcomes overall, institutional and interpersonal racism and unconscious bias are experienced by many Aboriginal patients and their families and impact their access to and experience of healthcare.

Lack of culturally safe health services, concerns about racism and other fears are significant barriers to accessing essential preventative and healthcare services. The provision of culturally safe care is an important requisite for improved health and wellbeing outcomes.

The Health Services Partnership (HSP) Aboriginal Health Innovation initiative provides funding support to drive system change. One-off funding of a total of \$2 million over two years is provided across eight hospitals to target a system priority issue or gap and/or to scale up pockets of innovation for improving cultural safety and Aboriginal health outcomes. System priorities were identified through the Aboriginal Health and Wellbeing Partnership Forum in 2021–22 and include patient identification of Aboriginal people presenting for health care, variance in health care and diagnostic procedures, reducing potentially preventable admissions, reducing potentially preventable emergency department presentations, and developing culturally safe discharge planning for every Aboriginal patient presenting to emergency departments and inpatient care. HSPs which apply for funding under this program must align with one or more of these priorities.

Aboriginal self-determination and collaboration with local Aboriginal representatives, including ACCOs, Aboriginal leaders, Aboriginal health staff within health services, and other local Aboriginal community representatives, underpin the priorities of each HSP implementation plan.

Victorian cancer screening framework – Aboriginal culturally safe cancer screening projects

The Victorian cancer screening framework (VCSF) is a governance and funding model that guides Victoria's delivery of and investment in the national bowel, breast and cervical screening programs. The VCSF works with the not-for-profit sector to improve access to and participation in population cancer screening programs for Aboriginal Victorians and under-screened groups that have poorer cancer mortality and survival outcomes.

The Victorian Aboriginal Community Controlled Health Organisation (VACCHO) is a key partner under the VCSF and is the authorising body for all Aboriginal and Torres Strait Islander cancer screening initiatives.

VACCHO has partnered with ACCOs and BreastScreen Victoria to provide the Beautiful Shawl Project across the state so as to reduce barriers to breast screening experienced by the Aboriginal and Torres Strait Islander community. Customised shawls designed by local Aboriginal and Torres Strait Islander women and artists are provided to Aboriginal women to wear during their screen and as a gift to take home. Feedback has been received that the shawls are culturally appropriate, familiar and beautiful to wear. In 2022–23, 286 screens were provided to Aboriginal clients as part of the project, with 27 per cent of the screens provided to clients overdue for screening and 41 per cent who were screening for the first time.

VACCHO also partners with the Australian Centre for the Prevention of Cervical Cancer (ACPCC) to increase access to culturally safe cervical screening services for Aboriginal and Torres Strait Islander women and people with a cervix. Resources have been developed and distributed to Victorian ACCOs, including a culturally safe self-collection kit with artwork by proud Yorta Yorta, Dja Dja Wurrung and Gamilaroi artist, Madison Connors. These kits include a towel for privacy during clinician-collected cervical screening tests. A total of 3,584 cervical screening self-collection kits and 3,222 towels for clinician-collected tests have been distributed over the course of the project. Other resources include Aboriginal health worker cervical screening education resources and Cancer Council Victoria resources for Aboriginal communities.

The project has been expanded to allow non-ACCOs, such as general practices, community health services, women's prisons and hospitals, to order these resources, which broadens the reach of the project and supports more organisations with Aboriginal clients to deliver culturally safe screening. In 2022–23, an additional seven community health centres, 22 general practices, seven hospitals and two women's prisons accessed the resources in Victoria.

See also the [Early Detection and Healthy Living Campaign for Victorian Aboriginal and Torres Strait Communities](#) under Objective 1.

Cultural safety fixed grants

The provision of culturally safe care is an important pre-requisite for improved health and wellbeing outcomes for Aboriginal patients, who are over-represented in the healthcare system and face significant disparities in health outcomes.

Culturally unsafe practice comprises any action which diminishes, demeans or disempowers the cultural identity and wellbeing of an individual. Conversely, cultural safety is where there is a positive recognition of Aboriginal culture, which enables individuals and communities to feel respected and safe.

Cultural safety fixed grant funding of \$32.7 million is targeted towards system changes to health services to strengthen cultural safety, improve health outcomes for Aboriginal people attending Victorian public hospitals, and increase transparency of funding. Thirty-eight hospitals are in receipt of the Aboriginal cultural safety fixed grant and are required to develop annual cultural safety plans and annual progress reports that cover the following eight cultural safety action areas:

- > chief executive officer and executive leadership
- > employment of Aboriginal hospital liaison officers and Aboriginal health staffing
- > engagement and partnership with Aboriginal communities
- > identifying health needs of Aboriginal population and plans to address these
- > cultural safety training
- > creating a welcoming environment
- > improving patient identification
- > monitoring and accountability.

Koori Maternity Services

Person, family and community-centred care is central to delivering safe and high-quality services for Aboriginal people.

Funding is provided to Koori Maternity Services (KMS) to deliver flexible, person-centred care, strengthened by Aboriginal culture and practice and built upon respectful trusting relationships between women, their families and staff. This kind of care and the relationships it fosters ensures Aboriginal women and families receive culturally safe and high-quality care. KMS works with local communities and services to provide pregnancy, birthing and postnatal care that is tailored to the

unique needs of each Aboriginal woman, baby and family.

Fourteen KMS sites operate across Victoria, with 11 delivered by ACCOs and three delivered by metropolitan public health services. KMS teams include midwives and Aboriginal health workers who offer care that is culturally safe and responsive.

In 2021–22, 465 women attended KMS in Victoria. Work continues with VACCHO and KMS to best support the needs of clients, increase participation rates and further develop the minimum dataset and online system to report on 2022–23 attendance rates.

Embed cultural safety across our whole health system, including how we train our healthcare workers

Aboriginal Cultural Safety in Hospitals collaboration

The Aboriginal Cultural Safety in Hospitals collaboration brings together the department, the Victorian Aboriginal Community Controlled Health Organisation (VACCHO) and six hospitals to develop a series of initiatives that will improve cultural safety for Aboriginal people in the state's hospitals. The collaboration was established in early 2023 and is an enduring entity which will have different areas of focus over time.

The first focus of work for the collaboration is cultural safety in emergency departments. To this end, the collaboration will deliver tailored pilots at each site to address opportunities and issues relating to Aboriginal cultural safety, with an aim of having an immediate impact on the participating hospitals and building a body of knowledge and transferrable actions for implementation more broadly. Implementation of tailored pilots will commence in 2024.

Strengthening accountability for Aboriginal health outcomes through statement of priorities

The statements of priorities (SOP) are the key accountability agreements between the Victorian Government and Victoria's health services. They provide the mutually agreed platforms for the delivery of shared objectives between the government and health services.

Under the SOPs, health services are required to contribute to the priorities of the department, including by improving health and wellbeing. Under this priority, health services now contribute to improving Aboriginal cultural safety through a commitment to ensure that Aboriginal people have access to a health, wellbeing and care system that is holistic, culturally safe, accessible and empowering.

Health services will acquit the government's SOP priorities by formally reporting key outcomes within their annual reports. Health services are also held to account through the in-year performance meetings, which are described in the *Victorian health services performance monitoring framework*.

First Nations Dermatology Clinic

Aboriginal and Torres Strait Islander populations have a high burden of skin disease which, if left untreated, can result in long-term health conditions. In response to this, the Royal Melbourne Hospital (RMH) established the First Nations Dermatology Clinic. Developed and staffed by Aboriginal clinicians, the service not only provides culturally safe care to patients with in-person and telehealth services but helps to educate and upskill clinicians.

The RMH Dermatology team identified that First Nations patients had variable and often poor experiences with outpatient dermatology clinics – of the 550 dermatologists practising in Australia, only four identify as Aboriginal or Torres Strait Islander. In addition to the commitment to providing culturally safe care for Aboriginal patients, the team is committed to upskilling staff, including by increased training of locally based clinicians on skin self-assessments and dermatoscope usage.

Since opening in 2021, the service has provided care either face-to-face or virtually to communities across Victoria, New South Wales, Northern Territory, Queensland and the Australian Capital Territory. In 2022–23, the department provided RMH with five years of funding to continue and expand the clinic from one session to two sessions per week. In 2022–23, the clinic has seen over 100 clients and RMH is continuing to work with VACCHO to improve awareness of the service across community and ACCOs.

The department is working with RHM and VACCHO to explore the possibility of an Aboriginal-led evaluation of the clinic to inform future directions and identify learning opportunities.

Objective 5: Move from competition to collaboration

This objective is about delivering a well-connected health system, where healthcare consumers, leaders and workers work together to deliver improved health outcomes and exceptional patient care. The department is committed to working together as one to deliver coordinated care for all Victorians.

Action key projects to make our health system better

The department supports health and medical research and infrastructure projects through a range of key initiatives, to enable the research that will drive improvements in health and healthcare. These include the Victorian Medical Research Acceleration Fund, Victorian Health and Medical Research Fellowship, and landmark projects such as the Generation Victoria initiative, Australian Institute for Infectious Diseases, Victorian Paediatric Cancer Consortium and the Melbourne Genomics Health Alliance.

Commonwealth-Victoria implementation plan

Both the Commonwealth and Victoria have committed through a national and bilateral agreement to working together towards a common goal of supporting mental health and suicide prevention, while enhancing the provision of integrated and seamless mental healthcare for all Victorians. The implementation plan supports this collaboration and joint planning with the Commonwealth.

New community-based mental health and wellbeing services for adults and older adults

The Commonwealth and Victorian governments have committed to work collaboratively to establish new community-based mental health and wellbeing services tailored specifically for adults and older adults. These services provide accessible and consumer-focused care to individuals seeking support in their mental health journeys.

In response to the COVID-19 pandemic, the Commonwealth-funded Head to Health clinics (formerly known as HeadtoHelp) were established in September 2020. The Commonwealth and Victorian governments share the responsibility for supporting service providers to transition consumer services from Head to Health clinics to local services and the two governments are collaborating on the development of guidance for service providers. In Geelong, both the new local

service and the existing Head to Health clinic will continue providing services.

The Royal Commission into Victoria's Mental Health System highlighted that partnerships will be important in the future public health approach to mental health and wellbeing in Victoria, including collaboration across health and non-health sectors and across government and non-government agencies. Partnerships between service providers is a fundamental way in which collaboration can be fostered across the mental health and wellbeing system as a means of achieving well-integrated and coordinated services that respond to a person's needs. As envisioned by the Royal Commission, local services are delivered through partnerships between different types of service providers. Each local service engages with the local community and other service providers in the area to create smooth pathways and shared care arrangements.

Regional planning and commissioning

The Victorian and Commonwealth governments will adopt a coordinated approach to commissioning services, focusing on improved integration and implementation of initiatives across all levels of the system. By working together, they aim to ensure a complementary and cohesive approach to service delivery.

Victoria is developing its first-ever statewide mental health and wellbeing service and capital plan. Currently, Victoria is continuing the development of eight regional mental health and wellbeing service and capital plans, with a target completion date in 2024. These regional plans will align with the priorities outlined in the statewide plan and expand upon the key outputs defined at the state level. Both Victoria and the Commonwealth recognise the vital role of regional planning and commissioning in identifying and addressing the specific mental health and support requirements of local communities, particularly in rural and regional areas. The aim is to foster improved integration and deliver more targeted assistance in these regions.

The Victorian Collaborative Centre for Mental Health and Wellbeing and Mental Health Statewide Trauma Service

Collaboration and coordination are at the heart of everything the Victorian Collaborative Centre for Mental Health and Wellbeing does to deliver the best possible mental health and wellbeing outcomes for Victorians.

As part of an open and competitive ‘request for proposal’ process, the centre will select a health service and academic institution as lead partners supported by a broader consortium of health and community service providers, academic institutions and entities focused on knowledge translation and Aboriginal health and wellbeing.

In October 2022, the department announced a consortium of 13 organisations to deliver the Mental Health Statewide Trauma Service. The department conducted three co-design workshops to develop the specifications for a ‘call for funding’ submission to appoint the provider to deliver the service.

The new service brings together the very best mental health practitioners, trauma experts, peer workers, consumers and carers with lived experience to deliver better outcomes for Victorians living with trauma.

When established, the Statewide Trauma Service will conduct trauma research, support the mental health and wellbeing workforce to provide trauma-informed care, create digital peer-led support platforms, and coordinate and facilitate access to trauma experts.

Local public health units

Since 2020, the Victorian Government has established nine local public health units (LPHUs) to strengthen the public health response to the COVID-19 pandemic and other communicable diseases and health issues. In July 2022, LPHUs began taking on additional public health responsibilities for management of communicable diseases and undertaking catchment planning, and for implementing programs for disease prevention and population health priorities.

The investment in LPHUs substantially strengthens Victoria’s public health system and provides further capacity to respond to public health threats through a locally based model.

LPHUs, local government, community health and women’s health organisations have an important

role in developing and delivering health plans in regional and local catchments with community members, services and businesses to improve the health outcomes of their communities. Some examples of this work are featured below:

Western Public Health Unit: Health equity starts in the early years

Cultural diversity is a great strength of Victorian communities, and this also applies to the catchment of the Western Public Health Unit (WPHU), home to young families from diverse cultural backgrounds. A healthier start for kids in this catchment is being addressed by the implementation of INFANT in the area.

A starting point for this catchment was the adaptation of the low-literacy resources and videos into the six languages (Urdu, Hindi, Punjabi, Arabic, Mandarin and Vietnamese), supplemented by bi-cultural workers and input from local families as ‘real-life stars’, with the aim of reaching families in a way that is accessible and practical.

Further information on [INFANT](#) is available under Objective 1.

Western Public Health Unit: Economic value of primary prevention

Western Public Health Unit (WPHU) also aims to capture the economic value of primary prevention work and quantify the money saved by reducing the incidence of chronic diseases (such as Type 2 diabetes) over the long term by collaborating with the [Deakin Health Economics](https://iht.deakin.edu.au/our-research/deakin-health-economics) team to apply health economic modelling tools.

Modelling based on data from 17,000 children born in the WPHU catchment area suggests that implementing healthy habits at an early stage can potentially reduce the rates of diabetes and heart disease. The modelling suggests significant potential healthcare cost savings for the WPHU catchment if healthy habits are started early in life and continued into adulthood.

If 89 per cent of children aged 0–2 years in the WPHU catchment decrease their sweet biscuit consumption by just two biscuits per week, there is a projected \$53 million in lifetime healthcare cost savings. Further, if there is an increase in the consumption of vegetables by one serving per week (or just two teaspoons per day) in children aged two years, there is a projected \$23 million

in lifetime healthcare cost savings. The benefits of INFANT and similar evidence-based programs stretch beyond cost savings to such things as better quality of life, productivity and social participation.

Promoting women’s health across Victoria

An increase in funding to the Victorian women’s health promotion program has enabled a substantial increase in capacity and reach for the 12 organisations who promote health and wellbeing for Victorian women. Eight hundred and forty activities were planned in total, with 357 new activities and 483 successful initiatives being built upon.

Achievements are wide-ranging and developed in collaboration with interested stakeholders. Examples include:

- > accessible sexual reproductive health information for deaf, hard of hearing, deaf blind and CODA (child of deaf adults) women in the Loddon Mallee region (which is now being used across the state)
- > 76 partners from industry, local government and community joining forces to prevent gendered violence in the Gippsland region
- > women in the Grampians with lived experience of discrimination being supported to be equality advocates.

Two hundred and eighty-nine women from refugee and migrant backgrounds in Melbourne’s west have participated in a series of customised in-language, culturally safe health education workshops. The experience was new for most, and the behaviour change has been remarkable, with the women involved expressing confidence in accessing services and new awareness of their own health. There has been a marked increase in service uptake.

Work together with national bodies and other states and territories to improve the health system

The department is working collaboratively with the Commonwealth and other states and territories on several reforms to clinical trials, supporting the Victorian Health and Medical Research Strategy’s priority of ‘delivering benefits of clinical trials to all Victorians’ through the health system. Examples include:

- > the leadership role Victoria has provided in cross-jurisdictional clinical trial reforms. During the past decade, and over the most recent reporting period, the Victorian government representative chairs the national Clinical Trial Project Reference Group.
- > the department’s collaborative approach, which has ensured progress on embedding research and clinical trials into core hospital governance arrangements – for example, by working with the Australian Commission on Safety and Quality in Health Care to establish a national clinical trials governance framework to support research in hospitals and health organisations.
- > the department’s active involvement in developing requirements for the proposed National One Stop Shop for Clinical Trials and Health Related Human Research, and its work with other states and territory governments to develop a National Accreditation Scheme for National Mutual Acceptance of Human Research Ethics Committee reviews of research, reducing duplication and streamlining processes.

The department will continue to work with the Commonwealth and other states and territories to grow the number of clinical trials run in Australia, while also removing red tape for industry and health services, thereby increasing patient access to new and effective treatments.

Lead the health response to the COVID-19 pandemic in partnership with national arrangements and the sector

As part of the ongoing management of the coronavirus pandemic, Victoria ended the pandemic declaration on 12 October 2022 to align with decisions agreed to by all states and territories at National Cabinet.

This marked a shift from mandated requirements via pandemic orders to an approach that continued to protect Victorians through partnership with the health sector.

Through local public health units and their locally based model, Victoria maintains the ability to respond to public health risks and align with the agreed principles of National Cabinet to maintain a response that is effective, proportionate and targeted to those most vulnerable and at-risk populations.

Support health services to learn from one another and work together to improve coordinated care for Victorians

Learning health networks

In 2022–23, Safer Care Victoria established six learning health networks (LHN) in maternity and newborn, cardiovascular, acute care, continuing care, perioperative and mental health. The LHN aim to improve operational, clinical and workforce outcomes. They do this by spreading evidence-based best practice through engagement, collaboration and support for peer learning across the healthcare workforce, and among academics, improvement specialists and those with lived experience.

In 2022–23 the mental health LHN commenced the Improvement Conversations webinar program, enabling engagement, sharing and learning between consumers, families, carers and supporters and clinical workforces. The LHN also supported the implementation of the mental health intensive care framework to reduce restrictive interventions across the sector.

The perioperative LHN's recommendations and advice have been embedded into the department's Surgery Recovery and Reform Program (as discussed in [Make planned surgery more available](#) under Objective 1), supporting changes to post and pre-operative care so more Victorians can get the safe, high-quality care they need, when they need it.

Objective 6: A stronger workforce

This objective is about recruiting and training more healthcare workers and making positive changes to better support them. Health workers are the backbone of public health and the pandemic has tested them like never before. This objective pursues policy, service, administrative excellence and reform.

Recruit and train healthcare workers in areas where we need them most

Victoria's healthcare system is the state's largest employer. It contributes \$63 billion per year in output to Victoria's economy, and \$37 billion per year in wages. With over 340,000 workers in a range of roles to support the department's vision for Victorians to be the healthiest people in the world, the department has set an ambitious agenda to ensure continued delivery of a world-class health system, ensuring the right people, with the right skills, in the right place, at the right time are central to this.

Victoria's healthcare workforce has grown by 33 per cent since 2011, faster than the general population. Nearly one in ten Victorian workers are now employed in medical, nursing, allied health, social services, administration, corporate and operational healthcare roles across the sector. As the Victorian government invests in new infrastructure and services to improve health outcomes for all Victorians, there is also a need to continue growing a 'fit-for-future' healthcare workforce.

Standing with our health workforce – investing in our future health workforce

The COVID-19 pandemic placed sustained pressure on healthcare workforces and services, and the department delivered several targeted programs to ease the strain. These included the Boosting our Health Workforce project and the Surgery Recovery Reform Program.

The Boosting our Healthcare Workforce project provided an additional 95,503 student clinical placement days in the public health system, which helps build professional skills and competence in student education and supervision, and supports recovery of normal services following disruption due to the COVID-19 pandemic. This work provides a sustainable and scalable platform for the development of a high-quality future health workforce for Victoria by subsidising costs incurred by health services, which makes it easier for Victorians to find and access professional skills

and training development. In 2022–23 the Surgery Recovery and Reform Program (see also [Make planned surgery more available](#) under Objective 1) continued to increase surgical activity and reduce waitlist numbers.

As part of this program, funding was provided to 23 health services to train and develop current staff and recruit new staff, to strengthen and build the surgical workforce. In 2022–23 the department:

- > upskilled 1,000 nurses to work in surgical wards
- > continued support for post-graduate qualifications in perioperative nursing
- > provided 30 scholarships for clinical staff to train as theatre and instrument technicians
- > provided 185 perioperative scholarships for nurses to gain postgraduate qualifications.

International Recruitment Program

The global workforce recruitment drive in 2022–23 has ensured that Victoria's healthcare system has experienced and highly skilled workers to deliver the best possible care to those who need it. The department recruited 2,016 health professionals into Victorian public health services through the International Recruitment Program, exceeding the program's target of 2,000 recruits by the end of June 2023.

To ensure recruits had a clear pathway into Victoria, funding was provided to international and returning health workers who secured a role in a public health service, to assist with relocation costs.

Registered Undergraduate Student of Nursing/Midwifery employment model

To help address nursing workforce challenges following the pressures of managing the COVID-19 pandemic, the department launched the Registered Undergraduate Student of Nursing/Midwifery (RUSON/M) employment model. This enables students to enter the workforce earlier and work under the direct supervision of registered nurses to help provide patient care. In 2022–23, the commitment to support 1,125 RUSON/Ms was met.

The model has delivered several benefits:

- > for staff – additional resources to support the provision of high-quality, personalised care for every patient, and to contribute to workload management
- > for health services – an improved working environment for staff while the responsiveness and quality of service continued to progress

The RUSON/M employment model has become a highly valued addition to Victoria’s healthcare workforce strategy.

Graduate Enrolled Nurses

The department has built strong strategic partnerships with numerous Victorian public health services to create an employment pathway to facilitate the transition from student to enrolled nurse. The Enrolled Nurse Graduate Program provides an opportunity for newly registered enrolled nurses to make the transition to professional practice in a structured and supported 12-month program to ensure they experience an inspiring and rewarding first year of practice.

Aboriginal cadetships, scholarships and training support

The department continued to prioritise its efforts to become an employer of choice for Aboriginal and Torres Strait Islander peoples by creating a culturally safe employee experience, where individuals are valued for their cultural knowledge and lived experience. In 2022–23 the department delivered:

- > the Aboriginal Postgraduate Scholarship Program by providing 10 postgraduate scholarships worth \$10,000 each.
- > funding for the Aboriginal Cadetship Program to provide Aboriginal nursing, midwifery and allied health students with an opportunity to participate in paid work experience in a Victorian public health service. Twenty-two cadetships valued at \$15,000 each were delivered.
- > a partnership agreement with the Victorian Aboriginal Community Controlled Health Organisation (VACCHO) to deliver the Victorian Aboriginal Health and Wellbeing Partnership action plan. This includes the delivery of 16 Aboriginal Health Worker Training Scholarships valued at \$4,000 each.

Ambulance Victoria paramedic recruitment

In collaboration with Ambulance Victoria, the department has provided funding to support the recruitment and deployment of paramedics across the state to areas of need, including those areas most impacted by surges in demand from increased transmission of COVID-19 within the community.

In 2022–23, 358 additional paramedics were recruited, including 354 graduate paramedics. A further 43 workers operating in Ambulance Victoria’s Secondary Triage Service were recruited. This recruitment drive supports Victorians having access to the care most suitable to their needs as it ensures emergency ambulance resources are available for those who need it most.

Making It free to study nursing and midwifery – securing our nursing and midwifery workforce

In 2022–23 the department prioritised free university and specialist training for thousands of clinicians to address supply and distribution issues regarding the health care workforce. These initiatives support recruitment and upskilling of critical nursing and midwifery roles to ensure Victoria continues growing the health workforce it needs. They include:

- > undergraduate nursing and midwifery scholarships: to attract individuals to study entry-to-practice nursing and midwifery programs and subsequently undertake a career within the Victorian public health system. The first-round intake received 2,250 applications.
- > postgraduate nursing and midwifery scholarships: 1,104 postgraduate scholarships were provided to support specialisation in priority clinical areas where there is an identified workforce need.
- > enrolled nurses to registered nurses transition scholarships: to train and upskill the next generation of nurses and midwives, and boost numbers of registered nurses, 1,000 scholarships were funded for enrolled nurses who commenced two-year transition studies to become registered nurses.
- > re-entry pathway scholarships: to make it easier for nurses and midwives who have previously held registration and wish to return to practice.

- > refresher program scholarships: to refresh the clinical skills of the workforce by supporting public health services to offer refresher program places to nurses and midwives.
- > Victorian Nurse Practitioner Program: 50 scholarships and support packages were provided in 2022–23, enabling public health services to grow the number of nurse practitioners in Victoria.
- > nursing and midwifery graduate support: funding was provided to health services to deliver 2,103 graduate nursing and midwifery positions to ensure Victoria's future nursing and midwifery workforce receives the best clinical support, training and development possible.
- > nursing and midwifery postgraduate support: funding was provided to public health services to ensure they can provide high-quality training and development.

The nursing and midwifery workforce initiatives, together with the \$12 billion Pandemic Repair Plan, bring the number of nurses and midwives being supported to more than 20,000, including funding for 13,000 nursing and midwifery positions and scholarships, and funding for the upskilling of 8,500 nurses.

Nurse and midwife sign-on bonus

In 2022–23, the department delivered the sign-on bonus initiative to strengthen Victoria's nursing and midwifery workforce. The first \$2,500 instalment of the \$5,000 bonus was provided to eligible graduate nurses and midwives who entered the public health system upon graduating.

Medical workforce

Victorian Rural Generalist Program

The department continued to prioritise an integrated training pathway for rural generalists from internship to fellowship through the Victorian Rural Generalist Program (VRGP). The VRGP includes training positions in areas such as emergency, obstetrics and anaesthetics so that rural general practitioners can work in emergency care settings and provide other specialist services in public health services.

In 2022–23, the VRGP supported 66 rural generalist trainees across 22 Victorian rural and regional health services to undertake specialised skills training to equip them as rural generalists.

Basic Physician Training Consortium

The Basic Physician Training (BPT) Consortium comprises five training networks to oversee the delivery of basic physician training in Victoria. It seeks to align rural, outer metropolitan and inner metropolitan hospitals through a network model to enable training in a diverse range of settings and to address the uneven geographic distribution of physicians.

Victorian Basic Paediatrics Training Consortium

The Victorian Basic Paediatrics Training Consortium (VBPTC) supports basic paediatric training in Victoria with the key objective of expansion in outer metropolitan, rural and regional locations to promote better recruitment and retention of paediatricians outside of metropolitan Melbourne.

In 2022–23 the department delivered:

- > an extended rural stream for trainees to complete at least half of their basic training in rural and regional sites
- > agreements with 16 health services to enable trainees to progress through the basic training program
- > a progress review panel to regularly monitor the progress of all basic trainees.

Victorian Medical Specialist Training Program

The department provided funding for 78 positions in priority specialist and rural and regional locations in 2021–22 through the Victorian Medical Specialist Training Program. This program has improved the distribution of specialists across Victoria to align with identified workforce needs and addressed changing patterns of service demand.

Multi-year pre-vocational employment contracts

The department provided funding to support all rural and regional health services to offer two-year employment contracts for medical interns (postgraduate (PGY) year 1).

The two-year pre-vocational training contract initiative recognises that rural and regional health services can experience significant difficulty in recruiting and retaining doctors and guarantees each incoming intern a PGY2 position the following year.

This initiative seeks to improve doctor retention rates by further embedding them in the local community, increasing their exposure to rural and regional specialist training opportunities, and potentially by decreasing the return rate to metropolitan areas.

Allied health advanced practice

In 2022–23 the department funded 29 sites across the public health services to establish new advanced practice models to enable allied health clinicians to work at the top of their scope of practice.

Victorian Registered Nurse and Midwife Colposcopy Model of Care

Cervical cancer is almost entirely preventable, and when it does occur it is almost always a disease of inequality. Most commonly, cervical cancer occurs in people who do not have access to culturally appropriate and inclusive information, vaccination services, screening services and/or follow-up services. Women and people with a cervix from regional and rural Victoria and those from vulnerable groups attend a colposcopy following positive cervical screening at lower rates than other women. Additionally, those from rural and regional backgrounds often have to travel long distances to regional centres or Melbourne for access to colposcopy, with clear gaps in services across Victoria.

In the United Kingdom and New Zealand, registered nurses and midwives are trained to provide colposcopy. Nurse models of care in these settings and others have found nurse colposcopy to be as safe and effective as those performed by doctors, and effective in improving access in priority communities, enhancing patient experience and reducing wait times. In Australia, where nurse colposcopy has been trialled, it has been a success in regional Aboriginal communities.

The *Victorian Cancer Plan 2020–24* committed to exploring new models of prevention and care, including nurse-led models. In this context Victoria has developed the Victorian Registered Nurse and Midwife Colposcopy Model of Care and is currently planning a pilot of the model, which will target the training of nurses in regional and rural Victoria, to determine its suitability to be implemented across Victoria. It is hoped that providing a structure under which highly skilled nurses can perform colposcopy will lead to more equitable and timely colposcopy

services in Victoria and ultimately reduce the burden of cervical cancer in the community.

Introduce and provide ongoing support for initiatives that help look after our healthcare workers' health, safety and wellbeing

Occupational violence and aggression training

Occupational violence and aggression de-escalation training was rolled out to over 1,000 frontline healthcare workers to equip them with the skills and knowledge to recognise and respond to occupational violence and support safer workplaces.

Healthcare Worker Winter Retention and Surge Payment program

As vacancies in healthcare roles reached record levels in 2022, the department focused on recognising and retaining Victoria's skilled clinical and non-clinical healthcare workforces. Funding of \$396.4 million was allocated to the Healthcare Worker Winter Retention and Surge Payment program to support retention of workers in public health services through payments of \$3,000 each. An additional \$15.6 million was also allocated to support healthcare workers performing night shifts or double shifts with access to free refreshments and meals.

Expanding counselling and support for nurses, midwives and doctors

The department expanded counselling and support services for nurses and midwives through the Nursing and Midwifery Health program, and for doctors through the Victorian Doctors Health program. These initiatives further supported safe work environments and retention of skilled workers.

Singh Thattha trial

The department funded a trial and implementation study, led by the Royal Melbourne Hospital, of the Singh Thattha technique. The technique supports all Victorian healthcare workers and students who cannot shave for religious, cultural and medical reasons to complete a respirator fit test and ensure suitable protection against airborne pathogens. The trial reflects the department's ongoing commitment to modern, inclusive and physically and culturally safe workplaces.

Healthcare Worker Wellbeing Centre

In 2022–23 the Healthcare Worker Wellbeing Centre had 24 health service teams from 21 Victorian health services across a variety of healthcare settings participate in ‘What Matters to You?’ conversations, achieving a 13.2 per cent reduction in burnout rates and improved reported joy in work. Phase 2 of this program is underway, with 37 healthcare teams participating from across Victoria, including from the public and private healthcare sector.

Support the mental health workforce to deliver on reforms

Work is continuing on the implementation of *Victoria’s Mental health and wellbeing workforce strategy 2021–2024*, which responds to key recommendations of the Royal Commission into Victoria’s Mental Health System. The strategy is being implemented in partnership with the diverse members of the clinical, community, and lived and living experience workforces, along with consumers, families, carers and supporters.

The 2022–23 State Budget provided \$372 million in funding to support investment in the mental health workforce, totalling almost \$600 million of workforce supply initiatives since 2020–21 that will help address an estimated shortage of 2,500 additional mental health workers in the first four years of reform.

A total of 2,100 equivalent full-time new early career roles have been commissioned across the sector to commence in 2023 to 2026. This includes roles across nursing, lived experience, medical, psychology, social work, occupational therapy, speech pathology, dietetics, exercise physiology, physiotherapy and clinical pharmacy disciplines, in both graduate and transition programs.

The physical safety and emotional wellbeing of the workforce is a key priority of the strategy. The Mental Health Workforce Safety and Wellbeing Committee (co-chaired by the department and WorkSafe), was established in 2022 and comprises key stakeholders across the sector. It is improving the collection and use of data to identify and address physical safety and wellbeing issues and risks as well as monitor workforce wellbeing.

Lived and living experience workforces are important to the successful delivery of reforms. In order for these workforces to be effective, their roles need to be supported, valued and sustained. Since 2020–21 over \$51 million has been invested to build the required supports, structures and career pathways for the lived and living experience workforces to ensure a solid foundation for growth.

The collaborative partnership between the Commonwealth and Victoria aims to align the strategy with national workforce plans, including the draft *National mental health workforce strategy*, the *National Medical Workforce Strategy 2021–2031*, and the National Mental Health and Suicide Prevention Agreement.

Objective 7: A health system you can count on

This objective is about working closely with our partners to seize a once-in-a-generation opportunity to build a modern, safe, and sustainable healthcare system that meets the needs of all Victorians now and into the future.

Look at better ways to source and buy the equipment and supplies our health system needs

The COVID-19 pandemic highlighted the importance of access to and security of supply of health-related products and the importance of planning to mitigate against emerging risks. Ongoing longer-term supply chain disruptions continue to lead to shortages in some areas.

The department continues to work in partnership with HealthShare Victoria, health services and Safer Care Victoria to minimise the impact of these disruptions and shortages.

Key to reforming purchasing and supply systems is the continued growth of HealthShare Victoria, a commercially oriented end-to-end supply chain, logistics and procurement service. Through its procurement arrangements HealthShare Victoria is already providing savings and benefits to the health sector.

In 2022–23 HealthShare Victoria together with the department undertook several important streams of work, including the successful transition of the State Supply Chain operations from Monash Health to HealthShare Victoria. This complex undertaking was completed on 5 June 2023, when HealthShare Victoria assumed responsibility for the supply and logistics function of personal protective equipment and other critical products. The State Supply Chain function significantly increases the volume of stock under management of HealthShare Victoria.

Explore how we can deliver care more effectively and in a more sustainable way

All aspects of the department's work are ultimately about more effective and more sustainable healthcare. Of particular note in 2022–23 are the following initiatives:

- > expansion of same-day surgery models and non-surgical treatment pathways delivered through health service partnerships, as detailed in [System-wide reform](#) under Objective 1

- > freeing up of ambulances by connecting patients to the most appropriate care, as detailed in [Ambulance improvement](#) under Objective 3
- > expansion of cervical cancer screening services through the [Victorian Registered Nurse and Midwife Colposcopy Model of Care](#), as detailed under Objective 6
- > an increase in the number of public surgeries delivered, boosting surgical resources, and empowering patients through better information, as emphasised in the [Standing with our health workforce – investing in our future health workforce](#) initiative reported under Objective 6
- > commencement of a health information sharing project to improve safety and the patient experience at each point of care on their journeys through Victoria's health system. This follows the enactment of the *Health Legislation Amendment (Information Sharing) Act 2023* in March 2023.

Work with our healthcare partners to ensure we are managing and using available funding in the most effective way

The department works with numerous healthcare partners to improve funding arrangements. Key partnerships in 2022–23 included:

- > working with HealthShare Victoria on health purchasing reforms to minimise the impact of supply chain disruptions, as detailed above.
- > working with funded agencies to deliver the [Victorian public health and wellbeing plan 2019–2023](#), as detailed in Objective 1.
- > working with the Victorian Health Building Authority to [plan and deliver major upgrades to hospitals and other health facilities](#), as discussed in Objective 2.
- > [transitioning to multi-year outcomes-based funding for Aboriginal Community Controlled Health Organisations](#), as discussed in Objective 4.
- > working with health services to deliver [cultural safety fixed grants](#), as discussed in Objective 4.

Continue to train, support and empower our health services to improve the safety and quality of the care they deliver

The department provides training in a number of programs to support health sector preparedness for emergencies, including in:

- > the Australasian Inter-service Incident Management System (AIIMS), a nationally recognised structure that enables multiple agencies who are engaged in incident response or planning to seamlessly integrate their emergency management resources (personnel, facilities, equipment, and communications) and activities under a common framework. Early in 2022, the department extended AIIMS awareness training, an introductory course outlining the key concepts which underpin AIIMS, to hospital staff across the state. In 2022–23, this was extended to local public health units, with the result that more than 120 LPHU staff enrolled in AIIMS awareness training.
- > Major Incident Medical Management and Support (MIMMS) courses, which teach a systematic and practical approach to field medical management at disasters. This approach can be applied to any major incident. MIMMS training for health service personnel recommenced in 2022–23 following a hiatus due to COVID-19 restrictions. Three one-day MIMMS courses were completed in October 2022 (St Vincent’s and Royal Melbourne Hospitals), March (Royal Children’s Hospital) and April 2023 (Royal Melbourne Hospital), and one three-day MIMMS course was completed in March 2023 (Ballarat Health Service).
- > EmergoTrain (ETS), a simulation system used for education and training in emergency and disaster management. It is used worldwide and can test and evaluate an incident command system, disaster preparedness, the effect on the medical management system and resilience within an organization. Between 2006 and

2019 the department delivered over 100 ETS exercises. Following a hiatus due to the pandemic, hospital workforce constraints and the department’s own capability availability, the department has recently recommenced delivery of this program. In November 2022, the department conducted an ETS exercise at Barwon Health and in March 2023 the department co-facilitated an ETS exercise at the University of Melbourne Disaster Medicine Principles and Response Workshop.

Building health service capability

Safer Care Victoria delivered a number of supports across all levels from boards to executives and clinicians to improve their capability to deliver safe and quality care. In 2022–23:

- > over 828 people participated in improvement training sessions, building their knowledge and skill to deliver effective healthcare improvement work. This included 111 participants in the Co-Design NOW program building capability to effectively partner with consumer and support healthcare quality improvement. This program was a finalist in the 2022 Premier’s Design Awards
- > training was delivered to 515 participants on adverse events including nine Fundamentals of Adverse event training sessions, nine Root Cause Analysis sessions and two Just Culture sessions
- > tailored clinical governance sessions delivered to 126 new board members.
- > 72 Improvement fellows and 25 Clinical and Safety fellows from across the state participated in tailored learning programs building their skills and capability to lead change and improve healthcare quality and patient safety
- > customised clinical governance leadership programs were delivered at three health services, building capability in boards and executives

Objective indicators

The department's objective indicators are set out in *2022–23 Budget Paper No. 3 – Service Delivery* and the four-year results against these are presented in the table below.

On 31 August 2023, the department published its *Strategic Plan 2023–27*, which includes an outcomes framework with an initial suite of 33 indicators of health performance. A selection of these also serve as 'objective indicators' for the purposes of budget reporting. Future annual reports will report against the new outcomes framework.

	2019–20	2020–21	2021–22	2022–23
Reduce obesity and increase physical activity across Victoria				
Proportion of adults who are overweight (self-reported) ^(a)	31.3%	30.2%	31.5%	N/A
Proportion of adults who are obese (self-reported) ^(a)	20.3%	21.1%	24.7%	N/A
Increase the proportion of children with healthy birth weight—with a focus on reducing smoking during pregnancy				
Smoking cessation of Aboriginal mothers	24.1%	24.1%	23.2%	21.2%
Reduce infant mortality				
Perinatal mortality rate per 1,000 of babies of Aboriginal mothers using rolling three-year average	11.5	12.6	11.3	11.3
Perinatal and child mortality reports received, reviewed and classified	95.0%	95.5%	90.0%	45.0%
Reduce inequalities in premature death				
Proportion of adults who reported as a daily smoker ^(a)	12.4%	12.1%	10.1%	N/A
Women screened for breast cancer by BreastScreen Victoria	218,129	236,224	261,675	266,569
Participation rate of women in target age range screened for breast cancer	49%	48.6%	45.5%	51%
Reduce the suicide rate				
Standardised rate of death from suicide (per 100,000 people) ^(b)	11.0	10.2	10.1	N/A
Improve rates of self-reported health and wellbeing				
Proportion of adults who reported an excellent/very good health status ^(a)	40.4%	40.6%	43.2%	N/A
Persons completing the Life! – Diabetes and Cardiovascular Disease Prevention program	4,612	3,456	3,942	4,549
Reduce deaths resulting from misuse of prescription medicine				
Annual frequency of overdose deaths: Pharmaceutical ^(c)	407	402	376	N/A
Increase access coverage rates at two years of age and at school entry				
Immunisation coverage: At school entry	95.8%	96.1%	95.0%	94.9%
Immunisation coverage: At two years of age	92.3%	92.2%	93.0%	92.0%
Percentage of Aboriginal children fully immunised at 60 months	97.7%	97.2%	97.0%	95.7%

(a) Figures relate to calendar years 2020, 2021 and 2022. The department is currently conducting the Victorian Population Health Survey 2023 (VPHS).

(b) Figures relate to calendar years 2019, 2020 and 2021. Suicide data is subject to revision and is not finalised for several years.

(c) Figures relate to calendar years 2019, 2020 and 2021. These figures also include overdose deaths involving two non-prescription medicines (paracetamol and ibuprofen).

	2019–20	2020–21	2021–22	2022–23
Services are appropriate and available in the right place, at the right time				
Non-urgent (Category 3) elective surgery patients admitted within 365 days	95.3%	80.5%	82.2%	74.3%
Semi-urgent (Category 2) elective surgery patients admitted within 90 days	76.1%	61.8%	55.5%	55.2%
Urgent (Category 1) elective surgery patients admitted within 30 days	100%	100%	100%	100%
Emergency Category 1 treated immediately	100%	100%	100%	100%
Emergency patients treated within clinically recommended time to treatment	73.4%	68%	64%	65.3%
Services respond to choice, culture, identity, circumstances and goals				
Median wait time between intake and assessment (days)	7	7.4	7	12
Median wait time between assessment and commencement of treatment (days)	13	13.1	11	39
Post-acute clients not readmitted to acute hospital	93.7%	93.5%	93.6%	93.8%
Health Independence Program clients contacted within three days of referral	90.8%	91.3%	89.7%	89.7%
Services are efficient and sustainable^(a)				
Unplanned readmission after treatment for acute myocardial infarction	2.2	1.8	4.4	4.5
Unplanned readmission after treatment for heart failure	8.7	7.5	11.2	10.2
Unplanned readmission after hip replacement surgery	3.7	3.4	5.1	6.4
Unplanned readmission after knee replacement surgery	5.3	4.5	5.1	5.6
Unplanned readmission for paediatric tonsillectomy and adenoidectomy	2.5	2.5	3.8	4.2
Services are safe, high-quality and provide a positive experience				
Rate of Staphylococcus aureus bacteraemias (SAB) infections per 10,000 patient days	0.5	0.7	0.5	0.8
Healthcare worker immunisation – influenza	87.7%	93.0%	77.0%	94.4%
Hand hygiene compliance	87.5%	86.4%	85.5%	86.3%
Rate of intensive care unit central line associated blood stream infections (CLABSI) per 1,000 device days	0.6	0.6	0.7	0.7
Clients satisfied with the aids and equipment services system	85%	96%	99%	96%
Positive patient experience	92%	N/A ^(b)	90.4%	92.3%
Sources: Internal departmental data; Victorian Population Health Survey (VPHS); Victorian Healthcare Experience Survey (VHES); Australian Bureau of Statistics (ABS); Coroners Court of Victoria				

(a) The number of unplanned readmissions increased in 2021–22 due to a change in the performance measurements approach. This new measure employs an improved case capture methodology that identifies readmissions previously out of scope. The new approach enables a more accurate assessment of the effectiveness of care across multiple health services.

(b) The Victorian Healthcare Experience Survey program was paused in Quarter 4 2020 and remained on hold until August 2021. Data for the 2020–21 financial year was not collected and is not available.

Performance measures

The department reports output performance using 201 quantity, quality, timeliness and cost performance measures set out in *2022–23 Budget Paper No. 3 – Service Delivery*. Results in the tables below are coded according to:

- ✓ Performance target achieved or exceeded (96 measures)
- Performance target not achieved – within five per cent variance (21 measures)
- Performance target not achieved – exceeds five per cent variance (83 measures)
- N/A Performance not rated (1 measure)

Admitted Services

Acute and sub-acute patient services (elective and non-elective) provided at Victorian metropolitan and rural public hospitals.

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Quantity					
Palliative separations	number	7,816	8,457	8.2%	■
The result is higher than the target due to a higher than anticipated demand for patients ≥ 75 years of age in the deteriorating and terminal phase who are fully dependant and are likely not able to be supported in the community. In addition, the reopening of St Vincent's Hospital Caritas Christie (Kew campus) with additional admitted capacity contributed to the overall growth in activity in 2022–23.					
Sub-acute care separations	number	39,600	33,202	-16.2%	■
The result is lower than target due to longer average stays, workforce pressures and other events (floods, COVID-19 surges). Total bed days for sub-acute separations were higher than all previous years and may reflect catch-up from care deferred during the COVID-19 pandemic.					
Total separations – all hospitals	number (thousand)	2,073	1,984	-4.3%	✓
NWAU (National weighted activity unit) funded separations – all hospitals except small rural health services	number (thousand)	1,879	1,814	-3.5%	✓
Perinatal mortality rate per 1 000 of babies of Aboriginal mothers, using rolling 3-year average	rate per 1000	8.7	11.3	29.9%	■
The result of 11.3 is higher than the target for the current reporting triennium relative to 2018–2020. Although the target was not met, this figure demonstrates an improvement of 3% since the last triennium in 2016–2018, which may be a result of Safer Care Victoria maternal and neonatal health strategic improvement programs, which includes the national Safer Baby Bundle initiative and SCV Safer Baby Collaborative. The next step to further improve the target is to strengthen Koori maternity services mediated and governed by the Victorian Aboriginal Community Controlled Health Organisation (VACCHO).					
Number of patients admitted from the elective surgery waiting list	number	230,100	190,058	-17.4%	■
The result is lower than the target due to workforce challenges, hospital pressures resulting from the COVID-19 pandemic and delays to capital projects that have been driven by the supply and procurement challenges that continue to impact the broader construction industry.					
NWAU (National weighted activity unit) funded emergency separations – all hospitals	number (thousand)	771	657	-14.8%	■
The result is lower than the target due to activity not returning to pre-COVID-19 levels. While demand in emergency departments is high, the number of emergency admissions remains below pre-COVID-19 demand. Total bed days for emergency separations were higher than all previous years.					
Quality					
Eligible newborns screened for hearing deficit before one month of age	per cent	98	97.3	-0.7%	○

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Hand hygiene compliance	per cent	85	86.3	1.5%	✓
Healthcare worker immunisation – influenza Preliminary result.	per cent	92	94.4	2.6%	✓
Intensive Care Unit central line associated blood stream infections (CLABSI) per 1 000 device days Health services continue to strive to achieve a zero rate of blood stream infections resulting from suboptimal central line insertion. However, occasionally a small number of infections continue to be reported.	rate	0.0	0.7	N/A	■
Major trauma patients transferred to a major trauma service Preliminary result.	per cent	88	89.4	1.6%	✓
Percentage of patients who reported positive experiences of their hospital stay	per cent	95	92.3	-2.8%	○
Perinatal and child mortality reports received, reviewed and classified The result is lower than the target due to suboptimal alignment of reporting timeframes and data collection. The Consultative Council on Obstetric and Paediatric Mortality and Morbidity (CCOPMM) receives and reviews 100% of cases. The target for this indicator is lagged as cases from one calendar year are closed by the end of the next financial year. CCOPMM is currently conducting reviews focused on perinatal mortality with a detailed investigation of Gestational Standardised Perinatal Mortality Rates (GSPMR) to assist with making improvements to this measure.	per cent	100	45.1	-54.9%	■
Public hospitals accredited	per cent	100	100	0.0%	✓
Patient reported hospital cleanliness The result is higher than the target, which is a positive result. The adult inpatient results are interim and indicative only. The result is based on the Victorian Healthcare Experience Survey.	per cent	70	86.9	24.1%	✓
Staphylococcus aureus bacteraemias (SAB) infections per 10 000 patient days The result is lower than the target, which may be due to patients in hospital having higher levels of acuity. There have been discussions with VICNISS to strengthen reporting and improve data interpretation and action for this measure.	rate	1	0.8	-20.0%	✓
Unplanned readmission after treatment for acute myocardial infarction The result is higher than the target. Improvement will be led by the Cardiovascular Learning Health Network in the Centres of Clinical Excellence and the 100 000 Lives Program. This will include development of a cardiovascular health dashboard, which will provide insights for action for health service leaders.	per cent	4	4.5	12.5%	■
Unplanned readmission after treatment for heart failure The result is lower than the target and is a favourable result. The Cardiovascular Learning Health Network in the Centres of Clinical Excellence and the 100 000 Lives Program will continue to focus their improvement efforts to maintain good patient outcomes.	per cent	11.3	10.2	-9.7%	✓
Unplanned readmission after hip replacement surgery The result is higher than the target. Safer Care Victoria is leading improvement through its Continuing Care Learning Health Network in the Centres of Clinical Excellence. Improvements include the development of a consumer resource called My Surgical Journey, which seeks to improve patient readmission trends for all surgical procedures. In addition, Safer Care Victoria is leading work to improve criteria-led discharge, which may positively influence patient outcomes.	per cent	6	6.4	6.7%	■
Unplanned readmission after paediatric tonsillectomy and adenoidectomy The result is higher than the target and efforts to understand the underlying issues of the current trend are being made.	per cent	3.7	4.2	13.5%	■
Unplanned readmission after knee replacement surgery	per cent	5.5	5.6	1.8%	○

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Timeliness					
Non-urgent (Category 3) elective surgery patients admitted within 365 days	per cent	95	74.3	-21.8%	■
The result is lower than the target due to workforce challenges, hospital pressures resulting from the COVID-19 pandemic and delays to capital projects that have been driven by the supply and procurement challenges that continue to impact the broader construction industry.					
Semi-urgent (Category 2) elective surgery patients admitted within 90 days	per cent	83	55.2	-33.5%	■
The result is lower than the target due to workforce challenges, hospital pressures resulting from the COVID-19 pandemic and delays to capital projects that have been driven by the supply and procurement challenges that continue to impact the broader construction industry.					
Urgent (Category 1) elective surgery patients admitted within 30 days	per cent	100	100	0.0%	✓
Cost					
Total Output Cost	\$ million	14,132.6	15,932.9	12.7%	■
The 2022–23 actual outcome primarily reflects funding increases in government policy initiatives and additional funding to support the health sector, offset by lower-than-expected depreciation expenses and an alignment of service delivery commitments across outputs.					

Non-admitted Services

This output provides planned non-admitted services that require an acute setting to ensure the best outcome for a patient. These services provide access to: medical, nursing, midwifery and allied health professionals for assessment, diagnosis and treatment; ongoing specialist management of chronic and complex conditions in collaboration with community providers; pre- and post-hospital care; maternity care; and related diagnostic services, such as pathology and imaging.

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Quantity					
Community palliative care episodes	number	24,133	15,496	-35.8%	■
The result is lower than the target as this was the first year of reporting against this new BP3 measure. There are still some data gaps, which potentially impact the true activity. Data quality issues are being addressed to ensure accuracy of reporting in future years.					
Health Independence program direct contacts	number (thousand)	1,599	1,501	-6.1%	■
The result is lower than the target due to workforce challenges, including reduced activity at one major health service to facilitate staff leave. Staffing pressures may have also affected timely reporting of activity.					
Patients treated in Specialist Outpatient Clinics - unweighted	number (thousand)	1,975	2,016	-2.1%	✓
Quality					
Post-acute clients not readmitted to acute hospital	per cent	90	93.8	4.2%	✓
Timeliness					
Health Independence program clients contacted within three days of referral	per cent	85	89.7	5.5%	✓
Cost					
Total Output Cost	\$ million	2,189.7	2,495.2	14.0%	■
The 2022–23 actual outcome primarily reflects higher than expected own source revenue in health services, funding increases associated with government policy initiatives, and an alignment of service delivery commitments across outputs.					

Emergency Services

This output relates to emergency presentations at reporting hospitals with emergency departments. It aims to provide high-quality, accessible health and community services, specifically in improving waiting times for emergency services.

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Quantity					
Emergency presentations	number (thousand)	1,973	1,899	-3.8%	✓
Quality					
Emergency patients that did not wait for treatment	per cent	<5	5.8	16.0%	■
The result is higher than the target due to increased demand and patient complexity, which is increasing wait times for some patients.					
Emergency patients re-presenting to the emergency department within 48 hours of previous presentation	per cent	<6	6.2	3.3%	○
Patients' experience of emergency department care	per cent	85	75.9	-10.7%	■
Safer Care Victoria is working in partnership with the department on the Timely Emergency Care Collaborative to improve consumer experience of emergency departments. Implementation of SCV's Safety and Quality Minimum Dataset in health services and the performance management framework will provide better insights into what requires action to SCV's Acute Learning Health Network in the Centres of Clinical Excellence.					
Timeliness					
Emergency Category 1 treated immediately	per cent	100	100	0.0%	✓
Emergency patients treated within clinically recommended 'time to treatment'	per cent	80	65.3	-18.4%	■
The result is lower than the target due to increased demand, patient complexity and supply constraints, which are placing significant and sustained pressure on emergency departments. Workforce pressures and continued infection control measures to protect patients and staff continue to impact patient flow through hospital emergency departments and wards.					
Emergency patients with a length of stay of less than four hours	per cent	75	52	-30.5%	■
The result is lower than the target due to high emergency department demand, patient flow and workforce pressures, and longer treatment times.					
Proportion of ambulance patient transfers within 40 minutes	per cent	90	61.4	-31.8%	■
The result is lower than the target due to changes in patient complexity, longer treatment times and hospital patient flow, which are impacting hospital capacity to transfer patients arriving by ambulance in a timely way.					
Cost					
Total Output Cost	\$ million	882.0	918.7	4.2%	○
The 2022–23 actual outcome primarily reflects funding increases associated with government policy initiatives.					

Health Workforce Training and Development

This output relates to grants provided to Victorian health services to support the training and development of the health workforce. This output aims to provide career pathways and contribute towards a stable, ongoing accredited workforce in the health sector in Victoria.

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Quantity					
Additional student clinical placement days	number	80,000	95,503	19.4%	✓
The result is higher than the target due to increased funding in 2022–23, resulting in more student clinical placement days.					

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Clinical placement student days (medicine) The result is lower than the target primarily as a result of the flow-on impact of the COVID-19 pandemic.	number	385,000	355,355	-7.7%	■
Clinical placement student days (nursing and midwifery) The result is higher than the target due to additional funding. This is a positive result.	number	385,000	430,337	11.8%	✓
Clinical placement student days (allied health) The result is lower the target primarily as a result of the flow-on impact of the COVID-19 pandemic.	number	160,000	145,616	-9.0%	■
Number of filled Victorian Rural Generalist Year 3 positions The result is lower than the target as some health services could not provide supervision support due to workforce and accreditation issues.	number	38	30	-20.4%	■
Funded post graduate nursing and midwifery places at Diploma and Certificate level The result is higher than the target due to the introduction of additional funding through the 'Making it Free to Study Nursing and Midwifery' initiative.	number	954	1,060	11.1%	✓
Total funded FTE (early graduate) allied health positions in public system The result is higher than the target due to flow-on effects from the COVID-19 pandemic recovery.	number	700	755	7.9%	✓
Total funded FTE (early graduate) medical positions in public system The result is higher than the target due to flow-on effects from the COVID-19 pandemic recovery.	number	1,525	1,618	6.1%	✓
Total funded FTE (early graduate) nursing and midwifery positions in public system The result is higher than the target due to the introduction of additional funding through the 'Making it Free to Study Nursing and Midwifery' initiative that overlapped with the final year of additional funding through the Nursing and Midwifery Workforce Development Fund.	number	1,889	2,103	11.3%	✓
Quality					
Learner satisfaction about their feeling of safety and wellbeing while undertaking their program of study at health services Performance on this measure has been consistently higher than target.	per cent	80	95	18.8%	✓
Cost					
Total Output Cost	\$ million	439.9	449.3	2.1%	○

Residential Aged Care

This output includes delivery of services for older Victorians requiring ongoing care and support in a residential aged care setting.

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Quantity					
Available bed days	days	1,153,718	1,115,849	-3.3%	○
Quality					
Residential care services accredited	per cent	100	100	0.0%	✓
Cost					
Total Output Cost	\$ million	439.5	443.9	1.0%	○

Aged Care Assessment

This output includes delivery of comprehensive assessment of older Victorians' requirements for treatment and residential aged care services.

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Quantity					
Aged care assessments	number	59,000	55,872	-5.3%	■
The result is lower than the target due to workforce capacity impacted by the COVID-19 pandemic, ongoing reform uncertainty, staffing shortages and recruitment challenges faced by the sector, which are Australia-wide problems.					
Timeliness					
Average waiting time (calendar days) from referral to assessment	days	16	17	6.3%	■
The result is lower than the target due to workforce capacity impacted by the COVID-19 pandemic, ongoing reform uncertainty, staffing shortages and recruitment challenges faced by the sector, which are Australia-wide problems.					
Percentage of high-priority clients assessed within the appropriate time in all settings	per cent	90	90	0.0%	✓
Percentage of low-priority clients assessed within the appropriate time in all settings	per cent	90	58.7	-34.7%	■
The result is lower than the target due to workforce capacity impacted by the COVID-19 pandemic, ongoing reform uncertainty, staffing shortages and recruitment challenges faced by the sector, which are Australia-wide problems.					
Percentage of medium-priority clients assessed within the appropriate time in all settings	per cent	90	99.6	10.7%	✓
The result is higher than the target. This is a positive result.					
Cost					
Total Output Cost	\$ million	59.7	60.9	2.0%	○

Aged Support Services

This output includes delivery of a range of community services that support Victorians, such as eye care services, Personal Alert Victoria services, and pension-level Supported Residential Services.

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Quantity					
Personal alert units allocated	number	29,121	27,621	-5.2%	■
The result is lower than the target due to reduced demand beginning 1 January 2023.					
Victorian Eyecare Service (occasions of service)	number	75,800	65,149	-14.1%	■
The result is lower than the target primarily due to workforce challenges.					
Clients accessing aids and equipment	number	24,881	30,502	22.6%	✓
The result is higher than the target due to one-off funding for 2022–23 and 2023–24 to assist with meeting demand of people under 65 years.					
Quality					
Funded research and service development projects for which satisfactory reports have been received	per cent	100	100	0.0%	✓
Clients satisfied with the aids and equipment services system	per cent	90	96.0	6.7%	✓
This result is slightly higher than the target, which is a positive result demonstrating high client satisfaction.					

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Timeliness					
Applications for aids and equipment acknowledged in writing within 10 working days	per cent	95	99.9	5.2%	✓
This result is slightly higher than the target, which is a positive result reflecting service providers' timeliness and responsiveness.					
Cost					
Total Output Cost	\$ million	67.6	78.8	16.6%	■
The 2022–23 actual outcome reflects funding provided for government policy commitments and the impact of realignment of funding from Home and Community Care Program and Residential Aged Care outputs.					

Home and Community Care Program for Younger People

This output includes delivery of a range of community-based nursing, allied health and support services enabling younger people who have difficulties with the activities of daily living to maintain their independence and to participate in the community.

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Quantity					
Home and Community Care for Younger People – number of clients receiving a service	number	60,000	65,411	9.0%	✓
The result is higher than the target due to higher-than-expected increase in the number of people seeking services following disruptions arising from the COVID-19 pandemic. This is a positive result.					
Home and Community Care for Younger People – hours of service delivery	hours (thousand)	1,000	944	–5.6%	■
The result is lower than the target due to staff shortages, recruitment challenges and ongoing COVID-19 impacts on workforce and clients.					
Cost					
Total Output Cost	\$ million	189.7	215.2	13.4%	■
The 2022–23 actual outcome reflects funding provided for government policy commitments, carryover of Commonwealth funding from 2021–22 to 2022–23, and realignment of service delivery from Community Health output.					

Ambulance Emergency Services

Emergency road, rotary and fixed-wing aircraft patient treatment and transport services provide timely and high-quality emergency ambulance services. Timely and high-quality emergency ambulance services contribute to high-quality, accessible health and community services for all Victorians.

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Quantity					
Community Service Obligation emergency road and air transports	number	295,810	269,854	–8.8%	■
The result is lower than the target, which reflects Ambulance Victoria's focus on targeted demand management strategies to connect people to care that is responsive to their needs while avoiding an emergency ambulance response.					
Statewide emergency air transports	number	5,274	3,756	–28.8%	■
Air activity is entirely demand driven. Activity below target represents lower demand for air services.					
Statewide emergency road transports	number	527,101	496,528	–5.8%	■
The result is lower than the target, which reflects Ambulance Victoria's focus on targeted demand management strategies to connect people to care that is responsive to their needs while avoiding an emergency ambulance response.					

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Treatment without transport The result is higher than the target, which reflects Ambulance Victoria's increased focus on demand management strategies to maximise resource availability and limit the number of responses to cases which do not require emergency transport.	number	92,130	114,761	24.6%	✓
Quality					
Audited cases attended by Community Emergency Response Teams (CERT) meeting clinical practice standards The result is slightly higher than the target, which is a positive result.	per cent	90	100	11.1%	✓
Audited cases statewide meeting clinical practice standards	per cent	95	100	4.9%	✓
Proportion of adult patients suspected of having a stroke who were transported to a stroke unit with thrombolysis facilities within 60 minutes	per cent	95	98.1	3.3%	✓
Proportion of patients experiencing severe cardiac or traumatic pain whose level of pain is reduced significantly	per cent	90	92.3	2.6%	✓
Proportion of patients very satisfied or satisfied with overall services delivered by paramedics	per cent	95	97.4	2.5%	✓
Timeliness					
Proportion of emergency (Code 1) incidents responded to within 15 minutes – statewide The result is lower than the target due to record-breaking demand and workforce constraints, which have compounded capacity issues already in the system. Ambulance Victoria is deploying a range of strategies to optimise the availability of ambulance resources and stabilise performance.	per cent	85	62.8	-26.1%	■
Proportion of emergency (Code 1) incidents responded to within 15 minutes in centres with more than 7,500 population The result is lower than the target due to record-breaking demand and workforce constraints, which have compounded capacity issues already in the system. Ambulance Victoria is deploying a range of strategies to optimise the availability of ambulance resources and stabilise performance.	per cent	90	66.5	-26.1%	■
Cost					
Total Output Cost The 2022–23 actual outcome primarily reflects funding increases associated with government policy initiatives and alignment of service delivery commitments across outputs.	\$ million	1,212.8	1,284.5	5.9%	■

Ambulance Non-Emergency Services

Non-emergency road, rotary and fixed-wing aircraft patient treatment and transport services provide access to timely, high-quality non-emergency ambulance services. High-quality non-emergency ambulance services contribute to high-quality, accessible health and community services for all Victorians.

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Quantity					
Community Service Obligation non-emergency road and air transports The result is lower than the target, which reflects Ambulance Victoria's focus on targeted demand management strategies to connect people to care that is responsive to their needs while avoiding an emergency ambulance response.	number	240,738	221,605	-7.9%	■
Statewide non-emergency air transports Air activity is entirely demand driven. Activity above target represents higher demand for air services.	number	2,617	3,225	23.2%	■

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Statewide non-emergency road transports	number	316,214	298,541	-5.6%	■
The result is lower than the target, which reflects Ambulance Victoria's focus on targeted demand management strategies to connect people to care that is responsive to their needs while avoiding an emergency ambulance response.					
Quality					
Audited cases statewide meeting clinical practice standards	per cent	95	100	5.3%	✓
The result is slightly higher than the target, which is a positive result.					
Cost					
Total Output Cost	\$ million	180.0	198.3	10.1%	■
The 2022–23 actual outcome primarily reflects funding increases associated with government policy initiatives and alignment of service delivery commitments across outputs.					

Drug Prevention and Control

Encourages all Victorians to minimise the harmful effects of alcohol and other drugs by providing a comprehensive range of strategies, which focus on enhanced community and professional education, targeted prevention and early intervention programs, community and residential treatment services, and effective regulation.

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Quantity					
Number of phone contacts from family members seeking support	number	10,682	7,631	-28.6%	■
The result is lower than the target, which is consistent with the shift in preference to accessing information and resources online, due to the availability and convenience. This result is offset by the substantial positive result achieved against the measure for number of telephone, email and website contacts.					
Needles and syringes provided through the Needle and Syringe program	number (thousand)	10,170	10,418	2.4%	✓
Number of telephone, email, website contacts and requests for information on alcohol and other drugs	number (thousand)	4,200	6,967	65.9%	✓
The result is higher than the target due to members self-seeking information and support. As expected, 'website contacts' continues as the largest contributor to this result due to the availability, accessibility, convenience, privacy and anonymity.					
Quality					
Pharmacotherapy permits processed within designated timeframe	per cent	100	100	0.0%	✓
Timeliness					
Percentage of new licences and permits issued to health services or businesses for the manufacture, use or supply of drugs and poisons within six weeks following receipt of full information	per cent	100	100	0.0%	✓
Percentage of treatment permits for medical practitioners or nurse practitioners to prescribe Schedule 8 drugs assessed within four weeks	per cent	80	100	25.0%	✓
The result is higher than the target due to operational efficiencies.					

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Cost					
Total Output Cost	\$ million	40.8	36.8	–9.8%	✓
The 2022–23 actual outcome primarily reflects lower than budgeted expenditure on government policy initiatives due to COVID-19 recovery activities.					

Drug Treatment and Rehabilitation

Assists the community and individuals to control and reduce the harmful effects of illicit and licit drugs, including alcohol, in Victoria through the provision of community-based non-residential and residential treatment services, education and training, and support services.

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Quantity					
Clients on the Pharmacotherapy program	number	14,000	15,153	8.2%	✓
Preliminary result. The result is higher than the target, which is reflective of the high number of clients on the pharmacotherapy program.					
Commenced courses of treatment – community-based drug treatment services	number	10,189	11,578	13.6%	✓
Preliminary result. The result is higher than the target, which reflects the consistent high demand for services across quarters as public health orders regarding social distancing have eased in Victoria. In particular, demand for services by individuals involved in the justice system has remained consistently high since social distancing requirements eased and specialist services manage the backlog.					
Number of drug treatment activity units – residential services	number	78,535	70,610	–10.1%	■
Preliminary result. The result is lower than the target, which is reflective of the issues being reported by residential service providers such as workforce shortages (including limited availability of appropriately skilled and experienced staff) and impacts on occupancy rates when COVID-safe plans are enacted to minimise outbreak risk. Service providers report insufficiency in pricing under the current Drug Treatment Activity Unit model as further contributing to financial sustainability pressures.					
Number of drug treatment activity units – community-based services	number	97,855	91,624	–6.4%	■
Preliminary result. The result is lower than the target due to the continued impacts of workforce shortages.					
Workers complying with Alcohol and Other Drug (AOD) Minimum Qualification Strategy requirements	per cent	85	85	0.0%	✓
Preliminary result.					
Quality					
Percentage of new clients to existing clients	per cent	50	38	–24.0%	■
Preliminary result. The result is lower than the target in part due to workforce shortages experienced across all sectors. It also demonstrates the reduction in the number of treatment places becoming available for new clients due to the higher levels of complexity among clients presenting for treatment who require longer periods in treatment before they can be discharged.					
Percentage of residential rehabilitation clients remaining in treatment for ten days or more	per cent	80	86	7.5%	■
Preliminary result. The result is higher than the target due to a higher proportion of clients remaining in residential treatment which provides a greater chance of treatment success.					
Successful courses of treatment (episodes of care) – community-based drug treatment services	number	7,385	10,074	36.4%	✓
Preliminary result. The result is higher than the target, which shows the high number of treatment courses completed successfully.					

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Percentage of residential withdrawal clients remaining in treatment for two days or more	per cent	80	95	18.8%	■
Preliminary result. The result is higher than the target. This is a positive result with 95% of clients remaining in withdrawal for two or more days, which provides a greater chance of treatment success.					
Timeliness					
Median wait time between intake and assessment	days	10	12	20.0%	■
Preliminary result. The result is higher than the target due to the demand for services.					
Median wait time between assessment and commencement of treatment	days	20	39	95.0%	■
Preliminary result. The result is higher than the target due to the demand for treatment services not being met within the existing resources. This is due in part to workforce shortages experienced across all sectors and the reduction in the number of treatment places becoming available for new clients because of the increase in complexity among clients who requires longer periods in treatment before discharge.					
Cost					
Total Output Cost	\$ million	272.5	292.3	7.3%	■
The 2022–23 actual outcome primarily reflects increases in government policy initiatives.					

Mental Health Clinical Care

Provides a range of inpatient residential and community-based clinical services to people with mental illness and their families so that those experiencing mental health problems can access timely, high-quality care and support to recover and live successfully in the community. This output also includes training and development of the mental health and wellbeing workforce.

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Quantity					
Clinical inpatient separations	number	29,616	24,705	–16.6%	■
The result is lower than the target because of due to bed closures due to capital works, reduced full-time equivalent staff numbers, a lack of supported/settled housing options available within the community to support safe separations, and a lack of appropriate allied health services/social supports for consumers once they separate from a service.					
Total community service hours (child and adolescent)	number (thousand)	340	300	–11.8%	■
The result is lower than the target due to services struggling with their existing community-based facilities and needing to seek larger premises prior to recruiting additional staff. Several services have reported data integrity issues, however processes are being implemented to ensure accurate reporting.					
Total community service hours (adult)	number (thousand)	1,304	1,249	–4.2%	○
Total community service hours (aged)	number (thousand)	196	159	–18.9%	■
The result is lower than the target due to services struggling with their existing community-based facilities and needing to seek larger premises prior to recruiting additional staff. Several services have reported data integrity issues however processes are being implemented to ensure accurate reporting.					
New case index	per cent	50	78	56.0%	✓
The result is higher than the target and reflect the increased demand for mental health services, with case-managed clients accounting for the bulk of the workload of community mental health services.					
Registered community clients	number	90,362	87,856	–2.8%	○

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Occupied residential bed days	number	153,574	131,992	-14.1%	■
<p>There is variance across the system regarding step up and step down arrangements. Some consumers need to be stepped up to inpatient services due to a deterioration of their mental health status and individuals may not be able to be stepped down due to their assessed needs. The department is working with services to improve step up and step down care pathways to ensure timely and high quality care and develop integrated pathways.</p>					
Occupied sub-acute bed days	number	198,094	194,799	-1.7%	✓
Quality					
Clients readmitted (unplanned) within 28 days	per cent	14	13	-7.1%	■
<p>The result is lower than the target as high rates of readmission were experienced at a select number of services. The Department will continue working with the services to ensure that they are delivering person-centred care, in line with the stepped care approach within the community.</p>					
New client index	per cent	45	39	-13.3%	■
<p>The result is lower than the target due to services struggling with their existing community-based facilities and levels of staffing to meet increased demand.</p>					
Number of designated mental health services achieving or maintaining accreditation under the National Safety and Quality in Health Service Standards	number	19	19	0.0%	✓
Post-discharge community care (child and adolescent)	per cent	88	89	1.1%	✓
Post-discharge community care (adult)	per cent	88	90	2.3%	✓
Post-discharge community care (aged)	per cent	88	93	5.7%	✓
<p>The result is higher than the target due to continuous improvement processes to ensure high-quality care upon discharge.</p>					
Pre-admission community care	per cent	61	72	18.0%	✓
<p>The result is higher than the target due to continuous improvement processes to deliver high-quality prevention and early intervention recovery-focused care.</p>					
Mental health consumers who report a positive experience of care	per cent	80	66	-17.5%	■
<p>The result is lower than the target. A small number of services achieved the target, and the department will continue to work with services that are below the target to ensure that every consumer has a positive experience.</p>					
Mental health carers who report a positive experience of care	per cent	80	43	-46.3%	■
<p>The result is lower than the target due to workforce, recruitment and retention issues affecting the experience of care.</p>					
Consumers who report they usually or always felt the service was safe	per cent	90	85	-5.6%	■
<p>The result is slightly lower than the target as there were low numbers of survey responses at several services. A small number of services achieved the target result.</p>					
Carers who report they usually or always felt their opinions as a carer were respected	per cent	90	69	-23.3%	■
<p>The result is lower than the target and several services will develop corrective action plans to improve this result. The department will continue working towards high-quality treatment and care in a safe environment to ensure that every carer continually benefits from their opinions being heard and respected.</p>					
Acute mental health inpatients readmitted (unplanned) within 28 days of discharge (child/adolescent)	per cent	14	18	28.6%	■
<p>The result is higher than the target due to a small number of consumers requiring additional support in a couple of services.</p>					
Acute mental health inpatients readmitted (unplanned) within 28 days of discharge (adult)	per cent	14	13	-7.1%	✓
<p>The result is lower than the target, which demonstrates how services have continued to improve processes to deliver high-quality prevention and early intervention, and recovery-focused care.</p>					

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Acute mental health inpatients readmitted (unplanned) within 28 days of discharge (aged)	per cent	7	7	0.0%	✓
Mental health-related emergency department presentations with a length of stay of less than 4 hours	per cent	81	40	-50.6%	■
The result is lower than the target as the demand for inpatient bed-based services continues to exceed what the system can supply. People presenting with complex and high care-needs require intensive care beds. Without access to these beds people require treatment in the emergency department or general medical wards until a bed is available. Bed closures at some services have also impact the result.					
Separations from an acute inpatient unit where the consumer received post-discharge follow-up within 7 days	per cent	88	90	2.3%	✓
Seclusions per 1,000 occupied bed days (child and youth)	per cent	5	20.6	312.0%	■
The result is higher than the target which is due to a small number of consumers requiring additional support in a couple of services.					
Seclusions per 1,000 occupied bed days (adults and forensic)	per cent	8	9	12.5%	■
The result is higher than the target due to people presenting with complex and high-care needs who require intensive care.					
Seclusions per 1,000 occupied bed days (aged)	per cent	5	0.4	-92.0%	✓
The result is lower than the target, which is a positive result towards zero seclusion of consumers.					
Timeliness					
Emergency patients admitted to a mental health bed within eight hours	per cent	80	39.5	-51.3%	■
The result is lower than the target due to the demand for inpatient bed-based services, which continues to exceed what the system can provide. People presenting with complex and high care-needs require intensive care beds. Without access to these beds people require treatment in the emergency department or general medical wards until a bed is available. Bed closures at some services also impact the result.					
Cost					
Total Output Cost	\$ million	2,594.7	2,393.0	-7.8%	✓
The 2022–23 actual outcome primarily reflects funding rephased or requested to be carried over into 2023–24, in addition to delays in service commencement.					

Mental Health Community Support Services

A range of rehabilitation and support services provided to youth and adults with a psychiatric disability, and their families and carers, so that those experiencing mental health problems can access timely, high-quality care and support to recover and reintegrate into the community.

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Quantity					
Bed days	number	62,744	52,509	-16.3%	■
The mental health community support services support people with psychiatric disability to manage their self-care, improve social and relationship skills and achieve broader quality of life via physical health, social connectedness, housing, education and employment. Some of these services are bed-based, with the capacity of service measured as the total number of days of stay for all clients. The results are lower as more care has been delivered in non bed-based services, reflecting the type of care required by consumers.					
Client Support Units	number	6,406	51,043	696.8%	✓
The result is higher than the target due to incorrect inclusion of programs in the count. The counting rules will be resolved for the 2023–24 reporting period.					

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Clients receiving community mental health support services	number	391	3,373	762.7%	✓
The result is higher than the target due to additional support services provided through Youth Outreach Recovery Support program.					
Quality					
Proportion of major agencies accredited	per cent	100	100	0.0%	✓
Cost					
Total Output Cost	\$ million	155.2	158.0	1.8%	○

Community Health Care

This output includes delivery of a range of community care and support services, including counselling, allied health and nursing, that enable people to continue to live independently in the community.

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Quantity					
Rate of admissions for ambulatory care sensitive chronic conditions for Aboriginal Victorians	rate per 1000	14.4	14.4	0.0%	✓
Preliminary result.					
Service delivery hours in community health care	number (thousand)	1,064	1,054	-0.9%	○
Quality					
Agencies with an Integrated Health Promotion plan that meets the stipulated planning requirements	per cent	95	95	0.0%	✓
Cost					
Total Output Cost	\$ million	401.2	439.1	9.5%	■
The 2022–23 actual outcome reflects funding provided for government policy commitments and alignment of service delivery across outputs					

Dental Services

This output includes delivery of a range of dental health services to support health and wellbeing in the community.

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Quantity					
Persons treated	number	332,150	296,932	-10.6%	■
The result is lower than the target primarily due to an increase in general and denture care (less emergency) and more complex treatment (and visits) per client as a result of the targeted approach to addressing long waiting lists.					
Priority and emergency clients treated	number	249,100	221,565	-11.1%	■
The result is lower than the target primarily due to an increase in general and denture care (less emergency) and more complex treatment (and visits) per client as a result of the targeted approach to addressing long waiting lists.					
Children participating in the Smiles 4 Miles oral health promotion program	number	49,000	60,657	23.8%	✓
The result is higher than the target, which is partly due to the extension of Smiles 4 Miles to the Free Kinder program (up to 15 hours per week for three year olds).					

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Schools visited by Smile Squad The result is lower than the target due to the continued impact of the COVID-19 pandemic on the projected rollout of the program to schools.	number	200	177	-11.5%	■
Students examined by Smile Squad The result is higher than the target as targets were set in the very early days of program development and actual service delivery numbers were higher than originally estimated. When originally estimated, no historical service delivery data was available. A higher 2023–24 target has been set.	number	10,000	31,844	218.4%	✓
Students receiving treatment by Smile Squad The result is higher than the target as targets were set in the very early days of program development and actual service delivery numbers were much higher than originally estimated. When originally estimated, no historical service delivery data was available. A higher 2023–24 target has been set.	number	1,500	7,759	417.3%	✓
Timeliness					
Waiting time for dentures The result is lower than the target due to the additional investment provided in 2021–22 to target wait lists and provide additional services.	months	22	16.1	-26.8%	✓
Percentage of Dental Emergency Triage Category 1 clients treated within 24 hours	per cent	90	91	1.1%	✓
Waiting time for general dental care The result is lower than the target due to the additional investment provided in 2021–22 to target wait lists and provide additional services.	months	23	16.9	-26.5%	✓
Cost					
Total Output Cost The lower actual 2022–23 outcome primarily reflects changes to the timing for delivery of government policy initiatives.	\$ million	327.7	240.7	-26.6%	✓

Maternal and Child Health and Early Parenting Services

This output involves the provision of community-based maternal and child health services available to all families with children.

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Quantity					
Hours of additional support delivered through the Enhanced Maternal and Child Health program Preliminary result.	number	248,000	248,000	0.0%	✓
Total number of Maternal and Child Health Service clients (aged 0 to 1 year) Preliminary result.	number	80,000	80,000	0.0%	✓
Timeliness					
Children aged 0 to 1 month enrolled at maternal and child health services from birth notifications Preliminary result.	per cent	99	99	0.0%	✓
Cost					
Total Output Cost The lower 2022–23 actual outcome primarily reflects changes to the timing for delivery of government policy initiatives, and the alignment of service delivery across outputs.	\$ million	155.0	148.7	-4.0%	✓

Medical Research

This output supports maintaining Victoria's position as a leader in health and medical research and supports health services, academic partners and research institutes to undertake research through investment, facilitating access to data and systems, and creating links to policy and program areas. This is focused on reducing health inequities and translating research into policy and practice, enabling more Victorians to lead healthier lives, while strengthening commercialisation opportunities.

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Quantity					
Operational infrastructure supports grants under management	number	12	12	0.0%	✓
Victorian families participating in the Generation Victoria study	number	56,000	20,118	-64.1%	■
Preliminary result. The result is lower than the target primarily due to the ongoing and legacy impacts of the COVID-19 pandemic on recruitment. Additionally, consent rates fell slightly after each of the several high-profile, large-scale data breaches reported in the media (Medibank, Optus), suggesting negative impacts on the public's trust in data sharing and linkage more broadly.					
Cost					
Total Output Cost	\$ million	61.7	108.1	75.3%	■
The 2022–23 actual outcome primarily reflects funding increases associated with government policy initiatives.					

Health Protection

Protects the health of Victorians through a range of prevention programs including regulation, surveillance and the provision of statutory services.

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Quantity					
Inspections of cooling towers	number	1,300	1,270	-2.3%	○
Inspections of radiation safety management licences	number	480	481	0.2%	✓
Percentage of Aboriginal children fully immunised at 60 months	per cent	97	95.7	-1.3%	○
Number of available HIV rapid test trial appointments used	number	2,875	2,745	-4.5%	○
Women screened for breast cancer by BreastScreen Victoria	number	276,000	266,569	-3.4%	○
Percentage of newborns having a newborn bloodspot screening test	per cent	98	99	1.0%	✓
Preliminary result.					
Persons screened for prevention and early detection of health conditions – pulmonary tuberculosis screening	number	2,000	1,449	-27.6%	■
The result is lower than the target due to multiple factors, including the number of TB cases who are found to be infectious at the time of diagnosis and the number of large-scale screenings required as a result of these cases.					
Smoking cessation of Aboriginal mothers	per cent	25.2	21.2	-15.9%	■
The result is lower than the target. Safer Care Victoria and the department are focused on improving smoking cessation rates by working closely with Koori Maternity Services and VACCHO. This work includes exploring opportunities to expand access to culturally safe continuity of midwifery care models for First Nations' women and culturally appropriate maternity smoking cessation initiatives. Improvement will be led by SCV's Maternity and Neonatal Learning Health Network in the Centres of Clinical Excellence and the 100 000 Lives Program. SCV will continue to work with departmental Aboriginal and Torres Strait Islander colleagues and VACCHO to partner with Aboriginal communities to improve health outcomes.					

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Quality					
Calls to food safety hotlines that are answered	per cent	97	97.6	0.6%	✓
Percentage of adolescents (aged 15) fully immunised for HPV	per cent	80	81.2	1.5%	✓
Immunisation coverage – at five years of age	per cent	95	94.9	–0.1%	○
Immunisation coverage – at two years of age	per cent	95	92	–3.2%	○
Public health emergency response calls dealt with within designated plans and procedure timelines	per cent	100	100	0.0%	✓
Timeliness					
Percentage of food recalls acted upon within 24 hours of notification	per cent	97	100	3.1%	✓
Infectious disease outbreaks responded to within 24 hours	per cent	100	100	0.0%	✓
Participation rate of women in target age range screened for breast cancer	per cent	54	50.9	–5.7%	■
The result is slightly lower than the target due to the COVID-19 response, which required implementation of safety measures that reduced capacity of some BreastScreen Victoria services. As capacity continues to normalise, it is expected that participation rates will improve.					
Cost					
Total Output Cost	\$ million	446.2	743.5	66.6%	■
The 2022–23 actual outcome primarily reflects funding increases associated with government policy initiatives.					

Health Advancement

Improves the general health and wellbeing of Victorians through the provision of community information and the fostering of healthy behaviours.

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Quantity					
Persons completing the Life! – Diabetes and Cardiovascular Disease Prevention program	number	5,616	4,549	–19.0%	■
The result is lower than the target as the program continues to be impacted by the lasting effects of the COVID-19 pandemic on the health system and public readiness for healthy behaviour change. Referrals from health professionals to the program continue to be impacted, with access to GP appointments a key issue. Strategies have been implemented however they will take time to effect change.					
Number of training courses for health professionals on sexual and reproductive health	number	50	81	62.0%	✓
Preliminary result. The result is higher than the target which is a positive result.					
Number of education or monitoring visits of tobacco or e-cigarette retailers	number	1,500	1,450	–3.3%	○
Preliminary result.					
Number of sales to minors test purchases undertaken	number	3,000	1,508	–49.7%	■
Preliminary result. Data is not generated by the department and it is difficult to estimate how many test purchase attempts (TPAs) councils will be able to undertake this financial year.					
Number of education or monitoring visits of smoke-free areas	number	3,500	3,500	0.0%	✓
Preliminary results.					

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Quality					
Local Government Authorities with Municipal Public Health and Wellbeing Plans	per cent	100	100	0.0%	✓
Local Public Health Units with local population health plans reflecting statewide public health and wellbeing priorities	per cent	100	100	0.0%	✓
Cost					
Total Output Cost	\$ million	103.1	114.7	11.2%	■
The 2022–23 actual outcome primarily relates to output realignment to the Health Advancement output.					

Emergency Management

Training in emergency management preparedness, planning, response, relief, and recovery.

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Quantity					
Number of people trained in emergency management	number	2,000	2,668	33.4%	✓
The result is higher than the target as additional staff underwent surge training to support operational events.					
Cost					
Total Output Cost	\$ million	12.9	17.4	35.0%	■
The 2022–23 actual outcome primarily reflects funding increases associated with government policy initiatives.					

Small Rural Services – Acute Health

Admitted and non-admitted services delivered by small rural services, including elective and non-elective surgical and medical care, urgent care services, and maternity services.

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Quantity					
NWAU Eligible Separations	number (thousand)	30	30.2	0.7%	✓
Preliminary results.					
Small rural weighted activity unit	number (thousand)	315	No data available	N/A	N/A
No data available. This measure was not reported as it is complex, poorly understood and derived primarily from Weighted Inlier Equivalent Separations (WIES), which is no longer a unit of measure reported by health services.					
Small Rural Urgent Care Presentations	number (thousand)	93	90.4	–2.8%	✓
Preliminary result.					
Quality					
Percentage of health services accredited	per cent	100	100	0.0%	✓
Cost					
Total Output Cost	\$ million	429.5	480.9	12.0%	■
The 2022–23 actual outcome primarily reflects additional funding to support the health sector.					

Small Rural Services – Aged Care

This output includes delivery of in home, community-based and residential care services for older people, delivered in small rural towns.

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Quantity					
Small rural available bed days	number	701,143	701,143	0.0%	✓
Quality					
Residential care services accredited	per cent	100	100	0.0%	✓
Cost					
Total Output Cost	\$ million	243.9	251.3	3.0%	○
The 2022–23 actual outcome primarily reflects higher than expected Commonwealth Residential Contribution paid directly to agencies.					

Small Rural Services – Home and Community Care

This output includes delivery of community-based nursing, allied health and support services for younger people who have difficulty with the activities of daily living, delivered by small rural services to support them to be more independent and to participate in the community.

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Quantity					
Home and Community Care for Younger People – hours of service delivery	hours	51,000	42,229	-17.2%	■
The result is lower than the target due to staff shortages, recruitment challenges and ongoing COVID-19 impacts on workforce and clients.					
Cost					
Total Output Cost	\$ million	11.5	4.7	-58.8%	✓
The 2022–23 actual outcome primarily relates to output realignment to the Home and Community Care Program for Younger People output.					

Small Rural Services – Primary Health

This output includes delivery of in home, community-based and primary health services delivered by small rural services and designed to promote health and wellbeing, and prevent the onset of more serious illness.

Performance measures	Unit of measure	2022–23 target	2022–23 actual	Variation (%)	Result
Quantity					
Service delivery hours in community health care	number	87,400	103,569	18.5%	✓
The result is higher than the target due to the flexible service delivery Small Rural Health Services Funding Model, which enables health services to move funding between different outputs according to demand.					
Cost					
Total Output Cost	\$ million	24.7	21.1	-14.8%	✓
The 2022–23 actual outcome primarily reflects lower than estimated Commonwealth and own source revenue in small rural health services.					

Portfolio performance reporting – financial

Departmental five-year financial summary

Five-year financial summary (\$ millions)	2023	2022	2021	2020	2019
Income from government	17,746.2	17,798.8	22,650.3	18,971.9	17,696.3
Total revenue and income from transactions	20,280.3	21,831.1	25,698.4	22,028.4	19,417.0
Total expenses from transactions	(20,695.7)	(21,090.6)	(25,170.7)	(21,420.3)	(19,391.5)
Net result from transactions	(415.5)	722.6	527.7	608.1	25.5
Net result for the period	(914.1)	721.8	513.9	545.4	(9.0)
Net cash flow from operating activities	543.2	60.1	989.6	(96.9)	325.9
Total assets	8,079.1	7,554.8	40,433.6	34,865.9	33,372.5
Total liabilities	4,028.4	2,691.6	3,157.7	2,928.7	2,177.4

The Victorian Government considers the net result from transactions to be the appropriate measure of financial management that can be directly attributed to government policy.

This measure excludes the effects of revaluations (holding gains or losses) arising from changes in market prices and other changes in the volume of assets shown under 'other economic flows' on the comprehensive operating statement, which are outside the control of the department.

Departmental financial arrangements

The department's audited financial statements and the five-year financial summary exclude bodies within the department's portfolio that are not controlled by the department and are therefore not consolidated in the department's accounts.

To enable efficient production of financial information for entities related to the department, the financial information of the Mental Health Tribunal and the Victorian Collaborative Centre for Mental Health and Wellbeing are included in the department's 2022–23 financial statements in accordance with determinations made by the Assistant Treasurer under s. 53(1)(b) of the *Financial Management Act 1994* (FMA).

Financial performance and business review

The details below relate to the department's consolidated financial statements, including for the Mental Health Tribunal and the Victorian Collaborative Centre for Mental Health and Wellbeing, as indicated above.

In 2022–23, the department recorded a net loss from transactions of \$415.5 million. The deficit is mainly due to the State Supply Arrangement. In 2021–22 the department received revenue for the purchase of personal protective equipment, pharmaceuticals and rapid antigen test kits under the State Supply Arrangement, with the inventory held on the department's balance sheet at the end of the 2021–22 year. The expense related to providing these items to health services and other agencies free of charge under the State Supply Arrangement in 2022–23 has impacted the department's result. In addition, the department repaid funds into the state consolidated fund for an accrued revenue adjustment relating to Commonwealth revenue from 2021–22. This is offset by a reduction in employee benefits and other operating expenses as a result of the department winding down its COVID-19 response operations.

Financial position – balance sheet

Total net assets decreased by \$812.5 million in 2022–23 compared to last year mainly due to a decrease in Inventories held by the department as part of the State Supply Arrangement for the purchase of personal protective equipment and rapid antigen test kits.

Cash flows

The overall cash position at the end of the 2022–23 financial year is \$531.7 million surplus, which is an increase of \$425.4 million compared to the beginning of the year. The overall increase is mostly due to cash surplus held in the Public Health Fund. This reflects unearned revenue held by the department from Commonwealth contributions through the Victorian State Pool Account as part of the National Health Reform Agreement and National Partnership on COVID-19 Response.

Capital projects reaching practical completion during the financial year ended 30 June 2023

Project name	Original completion date	Latest approved completion date	Practical completion date	Reason for variance in completion dates	Original approved TEI ^(a) Budget (\$M)	Latest approved TEI budget (\$M)	Actual TEI cost (\$M)	Variation between actual cost and latest approved TEI budget (\$M)	Reason for variance from latest approved TEI budget
Echuca Wellness Centre (Echuca)	December 2022	December 2022	September 2022		8.300	8.300	7.969	0.331	Balance of funding is required for financial closeout of the project, expected in the next financial year.
Goulburn Valley Health redevelopment – planning and development (Shepparton)	June 2021	December 2023	June 2023		169.525	229.349	221.021	8.328	Balance of funding is required for financial closeout of the project, expected in the next financial year.
Statewide Child and Family Mental Health Intensive Treatment Centre (statewide)	June 2020	December 2022	May 2023		7.300	7.300	7.300	0.000	N/A
Victorian Heart Hospital (Clayton)	June 2022	December 2023	December 2022		15.000	577.000	522.143	54.857	Balance of funding is required for financial closeout of the project, expected in the next financial year.
Wantirna aged care redevelopment (Wantirna)	June 2023	June 2023	August 2022		81.580	81.580	75.939	5.641	Balance of funding is required for financial closeout of the project, expected in the next financial year.
Women's Prevention and Recovery Care (PARC) Service (metropolitan various)	June 2020	June 2023	September 2022		8.400	8.400	8.308	0.092	Balance of funding is required for financial closeout of the project, expected in the next financial year.
Wonthaggi Hospital emergency department expansion (Wonthaggi)	June 2023	June 2023	April 2023		115.000	115.000	111.899	3.101	Balance of funding is required for financial closeout of the project, expected in the next financial year.

(a) Total estimated investment

Capital projects reaching financial completion during the financial year ended 30 June 2023

Project name	Practical completion date	Financial completion date	Original approved TEI ^(a) budget (\$M)	Latest approved TEI budget (\$M)	Actual TEI cost (\$M)	Variation between actual cost and latest approved TEI budget (\$M)	Reason for variance from latest approved TEI budget
Austin Hospital Central Sterile Services Department (Heidelberg)	June 2023	June 2023	7.800	7.800	7.800	0.000	N/A
Engineering infrastructure replacement program 2017–18 (statewide)	June 2023	June 2023	25.000	25.000	25.000	0.000	N/A
Engineering infrastructure replacement program 2018–19 (statewide)	June 2023	June 2023	25.000	25.000	25.000	0.000	N/A
Forensic mental health bed-based services expansion (Fairfield)	June 2023	June 2023	40.000	31.000	31.000	0.000	N/A
Health Service Violence Prevention Fund (statewide)	June 2023	June 2023	20.000	20.000	20.000	0.000	N/A
Medical equipment replacement program (statewide)	June 2023	June 2023	70.000	70.000	70.000	0.000	N/A
Mental health and alcohol and drug facilities renewal 2018–19 (statewide)	June 2023	June 2023	10.000	10.000	10.000	0.000	N/A
Sunshine Hospital Emergency Department (St Albans)	September 2022	September 2022	29.600	28.431	28.431	0.000	N/A

(a) Total estimated investment

Section 2: Governance and organisational structure

The department's ministers

As at 30 June 2023



Mary-Anne Thomas MP

Minister for Health
Minister for Health Infrastructure
Minister for Medical Research

Mary-Anne Thomas MP was appointed as Minister for Health in June 2022, and as Minister for Health Infrastructure and Minister for Medical Research in December 2022.

The Minister for Health is responsible for the health and wellbeing of all Victorians, ensuring a strong public health system and its continued growth and improvement.

The Minister for Health Infrastructure is a new portfolio dedicated to delivering Victoria's new public hospitals and emergency care, community health services, ambulance branches, residential aged care and mental health facilities, as well as managing existing facilities.

The Minister for Medical Research is a new portfolio dedicated to maintaining Victoria's position as a leader in health and medical research. The portfolio supports health services, academic partners and research institutes.



Gabrielle Williams MP

Minister for Ambulance Services
Minister for Mental Health

Gabrielle Williams MP was appointed as Minister for Mental Health in June 2022, and as Minister for Ambulance Services in December 2022. She is also the Minister for Treaty and First Peoples.

The Minister for Ambulance Services is responsible for timely, high-quality and accessible emergency and non-emergency ambulance services in Victoria.

The Minister for Mental Health is responsible for managing the challenges created by the increasing demand for mental health services in Victoria and ensuring Victorians with mental illness and addiction, along with their families, receive the treatment and support they need.



Lizzie Blandthorn MP

Minister for Disability, Ageing and Carers

Lizzie Blandthorn MP was appointed as Minister for Disability, Ageing and Carers in December 2022. She is also the Minister for Child Protection and Family Services.

The Minister for Disability, Ageing and Carers is responsible for residential aged care, carers and child and family services.

The department's senior executives

As at 30 June 2023

Professor Euan Wallace AM

Secretary

Euan Wallace was appointed as Secretary of the Department of Health and Human Services in November 2020, then as Secretary of the Department of Health in February 2021.

The Secretary leads the department in its vision for Victorians to be the healthiest people in the world.

Louise McKinlay

Acting Deputy Secretary – Commissioning and System Improvement

Louise McKinlay was appointed as Acting Deputy Secretary – Commissioning and System Improvement in February 2023. Louise oversees the strategic commissioning of health and aged care services, focusing on system service design and improvement, in partnership with clinicians, service providers and the community. She is also responsible for leading operational policy development and implementation, and resource allocation and funding, as well as for driving improvement across the health system.

Katherine Whetton

Deputy Secretary – Mental Health and Wellbeing

Katherine Whetton was appointed as Deputy Secretary – Mental Health in January 2021. Katherine leads the division responsible for the delivery of Victoria's mental health reforms and the continued stewardship of the mental health and alcohol and other drugs services sectors.

Professor Zoe Wainer

Deputy Secretary – Public Health

Zoe Wainer was appointed as Deputy Secretary – Public Health in June 2021. Zoe leads the division responsible for advancing public health, improving population health and wellbeing outcomes, and leading the response to health threats and broader emergencies.

Chris Hotham

Deputy Secretary – Health Infrastructure

Chris Hotham was appointed as Deputy Secretary – Health Infrastructure in December 2019. Chris leads the division responsible for infrastructure policy, partnerships and the Victorian Health Building Authority (VHBA), which leads the planning, delivery and oversight of public health, mental health and aged care infrastructure.

Nicole Brady

Deputy Secretary – Reform and Medical Research

Nicole Brady was appointed as Deputy Secretary in February 2022. Nicole is responsible for driving reform and improvement within the health system, as well as medical research. This work drives system design changes that improve the equity of healthcare in Victoria and allow for better responses to the needs of patients and stakeholders.

Nicole McCartney

Chief Aboriginal Health Adviser

Nicole McCartney was appointed the inaugural Chief Aboriginal Health Adviser in August 2019. Nicole also leads the new Aboriginal Health Division and is focused on embedding self-determination and cultural safety in the Victorian health system.

Daen Dorazio

Deputy Secretary – Corporate Services

Daen Dorazio was appointed as Deputy Secretary – Corporate Services in March 2023. Daen oversees the provision of a range of functions, including budget and finance, performance and reporting, people and culture, information technology, procurement, records management and customer support.

Jacinda de Witts

Deputy Secretary – Regulatory, Risk, Integrity and Legal

Jacinda de Witts was appointed as Deputy Secretary in January 2019. Jacinda oversees the department's health regulatory and compliance work and the department's Cabinet, privacy, freedom of information, integrity, audit, risk and legal functions.

Jacinda is also the department's General Counsel.

Professor Michael Roberts

Chief Executive Officer – Safer Care Victoria

Mike Roberts was appointed as Chief Executive Officer – Safer Care Victoria in August 2021. Safer Care Victoria is an administrative office of the department. Mike leads the office in its role as the state's lead healthcare quality and safety improvement agency.

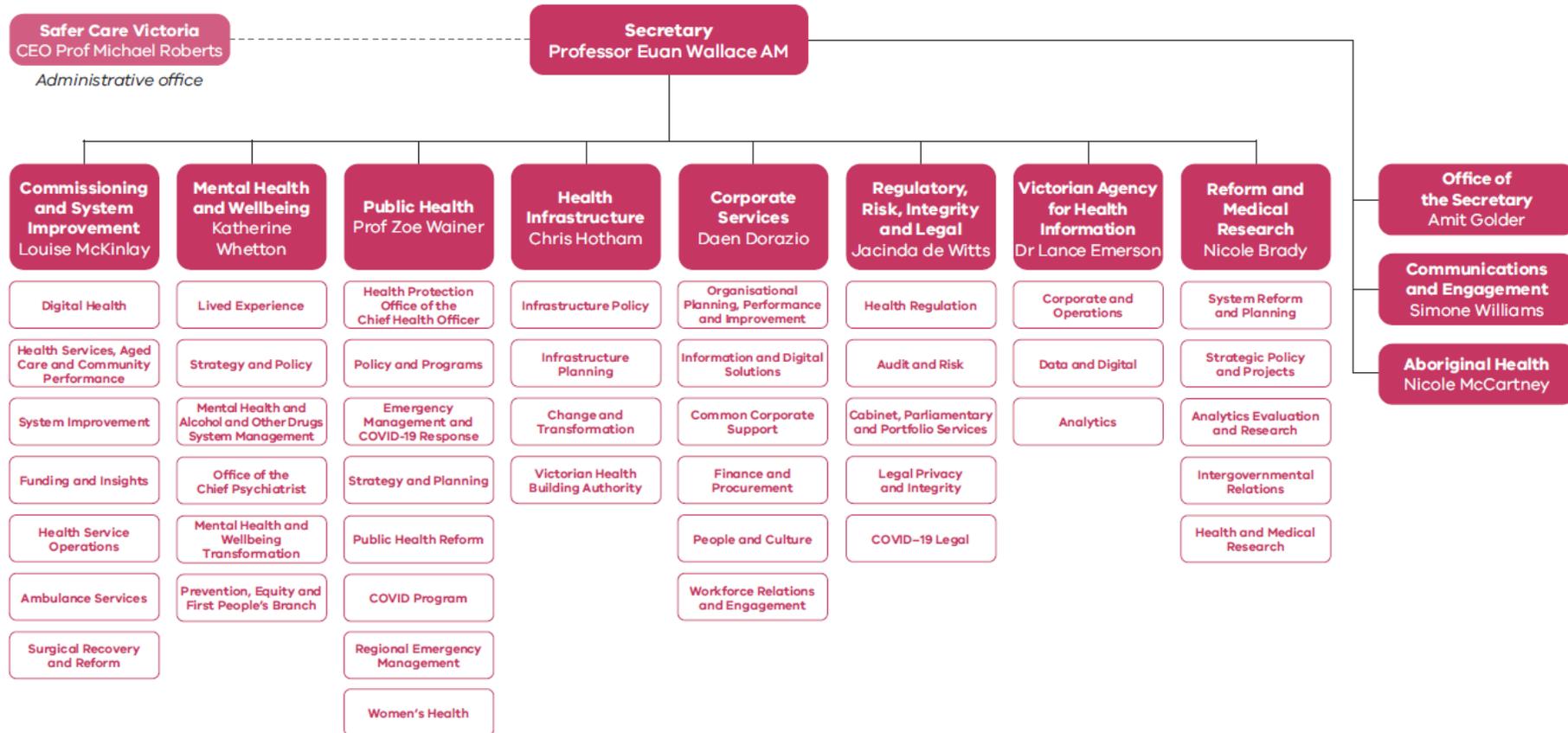
Dr Lance Emerson

Chief Executive Officer – Victorian Agency for Health Information

Lance Emerson was appointed as Chief Executive Officer – Victorian Agency for Health Information in January 2018. Lance leads the agency in its role of providing accurate and comprehensive performance information on Victorian health services, both to the department and government and also to the sector – health services, clinicians and consumers.

Organisational chart

As at 30 June 2023



Committee structure

Executive Board

The Executive Board assists the Secretary with strategic leadership to meet the department's objectives (including vision, purpose and direction setting); improve performance and outcomes; and implement complex reform priorities.

The Executive Board operates under terms of reference and comprises the Secretary, Deputy Secretaries, Chief Executive Officers of Safer Care Victoria and the Victorian Agency for Health Information, the Chief Communications Officer and the Chief Aboriginal Health Adviser.

Several policy and operational subcommittees report to the Executive Board:

- > Data Governance and Information Technology Subcommittee
- > Health System Reform Subcommittee
- > Infrastructure and Planning Subcommittee
- > Investment and Finance Subcommittee
- > People, Culture and Safety Subcommittee
- > Quality, Safety and Performance Subcommittee.

Stand-alone legislative committees

Three stand-alone committees support statutory assurance responsibilities and may include independent or non-executive members who provide expertise and advice.

Executive Remuneration Committee

The Executive Remuneration Committee ensures a consistent and rigorous approach is taken to setting and adjusting executive remuneration.

Health and Safety Consultation Committee

The Health and Safety Consultation Committee provides a department-wide forum for consultation with key stakeholders on priority departmental health and safety matters.

Audit and Risk Management Committee

The Audit and Risk Management Committee is an independent committee established in accordance with the Standing Directions 2018 under the *Financial Management Act 1994*.

Under its approved charter, the committee must include independent members with no departmental responsibility. At 30 June 2023, these independent members were:

- > Kate Hughes, Chair
- > Laurinda Gardner
- > Mark Toohey

The committee is integral to the department's approach to governance, ensuring that systems and processes for identifying and monitoring risks are operating as intended.

The committee's responsibilities cover the following areas:

- > annual financial statements
- > financial management compliance attestation
- > risk management and internal controls
- > fraud and corruption control
- > legislative and policy compliance
- > internal audit
- > external audit.

Other internal committees

The department also has the following internal committees:

- > Our Pride Network Committee
- > Divisional Occupational Health and Safety committees
- > Procurement Committee.

Section 3: Workforce data

Public sector values and employment principles

The values and employment principles that apply to the broader public sector are detailed in the *Public Administration Act 2004*, which also established the Victorian Public Sector Commission (VPSC).

The department adopts the public sector values as set out in the section, [Vision, mission and values](#). The department is committed to applying merit and equity principles to all employment policies, programs and resources and ensures these values are implemented throughout the department, including through performance planning and employee recognition processes.

The VPSC's role is to strengthen public sector efficiency, effectiveness and capability, and advocate for public sector professionalism and integrity. The department's policies and practices are consistent with the VPSC's employment standards and provide for fair treatment, career opportunities and the early resolution of workplace issues. The department advises its employees on how to avoid conflicts of interest, how to respond to offers of gifts and how to deal with misconduct.

Our People

The department's people work across a range of fields, including aged care, mental health, public health and prevention. The corporate and executive support functions play an essential enabling role across human resources, communications, information technology, finance and business services. The department's *Strategic plan 2023–27* sets out the directions and priorities for service delivery.

Recognising our employees

The department held its annual Reflection and Recognition Awards (RARAs) in December 2022, which acknowledged the achievements and contributions of its people.

In these awards, the Secretary thanked staff for their hard work and dedication and for making a critical difference to the health and wellbeing of Victorian communities. The RARAs celebrated not

just the specific achievements of individuals but also the collective effort of all staff across the department, in the following categories:

- > Keep People Healthy and Safe in the Community
- > Diversity and Inclusion
- > Moving from Competition to Collaboration
- > Improve Aboriginal Health and Wellbeing
- > Keep Improving Care
- > Stronger Workforce

Additionally, Secretary's Awards were presented in the following categories:

- > Valuing Kindness
- > Making an Impact.

Culture

The department recognises that its people are at the heart of its success. To deliver on its vision and strategic priorities and enable a future-ready workforce, the department needs to ensure its people are healthy, safe and well.

In 2022, the department set out to identify and measure its organisational culture and develop a program of work which sets out project areas to deliver transformation individually and collectively towards a constructive culture. This would be a culture where staff can share their unique perspectives and ideas, feel safe to speak up and are supported in their personal and professional growth.

As the department continues its culture journey, it remains committed to prioritising its people and culture, sustaining the positive changes achieved over the last few years, and continuing to build the capability and capacity of its workforce.

Capability development

The department's efforts to develop and grow workforce capability were focused on the priorities outlined below.

Induction training

The department welcomed 741 new starters who participated in the online and face-to-face induction program.

Mandatory compliance training

The department supported its compliance with statutory requirements through the ongoing delivery of its compliance training framework.

During the course of the 2022–23 financial year 68 per cent of employees completed mandatory compliance training, including in:

- > Aboriginal cultural safety
- > Charter of Human Rights and Responsibilities
- > Code of conduct
- > Cyber and information security
- > Health, safety and wellbeing
- > Preventing bullying and inappropriate behaviour
- > Prevention of sexual harassment
- > Privacy awareness
- > Staff integrity training
- > Understanding family violence

Leadership development

The department continued to strengthen its leader capability at all levels by:

- > delivering regular interactive, thought-provoking masterclasses to its executives across topics such as Wellbeing, Strategic thinking and Culture leadership. In 2022–23, 330 attendances were recorded.
- > providing 71 executives the opportunity to participate in internally led ‘lunch and learns’ focused on quality conversations, effective delegation and unconscious bias.
- > designing a new frontline manager program, that builds on the department’s Manager Essentials training. The program aims to lift capability and behaviours about how the department’s people leaders can be more visible and effective.
- > delivering a broad range of ‘in-house’ leadership development opportunities, including learning experiences focused on emotional intelligence, strategic decision making and employee wellbeing, with 540 course completions in 2022–23.

- > providing peer and experiential learning opportunities through structured mentoring and coaching engagements across all leader levels
- > supporting more than 144 people leaders to participate in cross-department leadership and ‘new to VPS’ programs provided by the Victorian Leadership Academy. These programs continue to build consistent leadership capability across this cohort.

Professional development

The department continues to have a strong focus on all-staff professional development skills training. In 2022–23 the following courses were completed:

- > project management – 56 completions
- > writing for government – 194 completions
- > performance and development – 53 completions
- > procurement – 2,576 completions
- > workforce diversity and inclusion – 629 completions
- > financial management – 473 completions
- > training for 91 additional authorised officers to monitor and enforce compliance with specified health Acts and regulations

In addition, 65 employees were connected to a range of skill development courses provided by the Institute of Public Administration Australia across topics such as data analysis and public policy development and implementation.

Secretary’s Wellbeing Roundtable

The Secretary’s Wellbeing Roundtable commenced in August 2021, consisting of employee representatives from all divisions. This initiative provides an opportunity for the Secretary to hear reflections, experiences and observations regarding the issues impacting people’s experience of work in the department. Employee representatives worked within their divisions to share and support local wellbeing initiatives. Three roundtables were held in the 2022–23 financial year.

Comparative workforce data

Department of Health employment levels

The following tables disclose, by head count and full-time staff equivalent (FTE), the number of all active public service employees of the department employed in the last full pay period in June of the current reporting period and in the last full pay period in June of the previous reporting period.

Summary of employment levels in June of 2023 and 2022

	All employees		Ongoing			Fixed-term and casual	
	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE
June 2023	3,200	3,034.1	1,731	300	1,927.3	1,169	1,106.9
June 2022	3,306	3,119.3	1,544	317	1,758.4	1,435	1,360.9

Department of Health employment levels in June 2023

	All employees		Ongoing			Fixed-term and casual	
	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE
Gender							
Women	2,057	1,911.9	1,024	265	1,196.0	768	715.9
Men	1,096	1,077.6	691	29	710.9	376	366.7
Self-described	47	44.7	16	6	20.4	25	24.3
Age							
15–24	35	33.2	20	1	20.5	14	12.7
25–34	650	629.9	306	22	320.8	322	309.2
35–44	983	922.5	484	119	563.6	380	358.9
45–54	881	845.8	521	78	573.6	282	272.3
55–64	538	504.5	338	60	375.5	140	129.0
65+	113	98.2	62	20	73.3	31	24.9
Classification							
VPS 1	2	0.3	0	0	0.0	2	0.3
VPS 2	82	77.3	48	10	54.3	24	23.1
VPS 3	239	231.3	162	26	180.7	51	50.6
VPS 4	513	491.2	292	43	319.4	178	171.8
VPS 5	1,109	1,056.2	623	112	700.2	374	356.0
VPS 6	873	846.0	551	57	592.9	265	253.1
SMA ^(a)	20	16.6	3	0	3.0	17	13.6
STS ^(b)	24	23.8	4	0	4.0	20	19.8
Executives	211	207.4	11	0	10.6	200	196.8
Other ^(c)	127	84.0	37	52	62.2	38	21.7
Total employees	3,200	3,034.1	1,731	300	1,927.3	1,169	1,106.9

Notes:

- There may be rounding errors in FTE tables due to data being formatted to one decimal place.
- There are 12 Workcover employees included in the Ongoing category count.

(a) SMA = Senior Medical Adviser

(b) STS = Senior Technical Specialist

(c) 'Other' classification group may include solicitors, nurses, trade assistants, scientists, external auditors.

Annualised total salary, by \$20,000 bands, for executives and other senior non-executive staff

The following table discloses the annualised total salary for senior employees of the department, categorised by classification. The salary amounts are for the full financial year, at a 1-FTE rate, and exclude superannuation.

Income band (salary)	Executives	STS ^(a)	PS	SMA	SRA	Other
< \$160,000						120
\$160,000–\$179,999		3		1		7
\$180,000–\$199,999	1	14 ^(b)		2 ^(c)		
\$200,000–\$219,999	70 ^(d)	5		1		
\$220,000–\$239,999	28 ^(e)	2				
\$240,000–\$259,999	26 ^(f)			2		
\$260,000–\$279,999	38 ^(g)			2 ^(h)		
\$280,000–\$299,999	13 ⁽ⁱ⁾					
\$300,000–\$319,999	9					
\$320,000–\$339,999	3 ^(j)			2 ^(k)		
\$340,000–\$359,999	6			3 ^(l)		
\$360,000–\$379,999	3			3 ^(m)		
\$380,000–\$399,999	9			4 ⁽ⁿ⁾		
\$400,000–\$419,999						
\$420,000–\$439,999	1 ^(o)					
\$440,000–\$459,999	1					
\$460,000–\$479,999	1					
\$520,000–\$539,999	1					
\$540,000–\$559,999						
\$560,000–\$579,999						
\$580,000–\$599,999						
\$600,000–\$629,999						
\$630,000–\$649,999	1					
Total	211	24		20		127

(a) STS = Senior Technical Specialist; PS = Principal Scientist; SMA = Senior Medical Advisor; and SRA = Senior Regulatory Analyst.

(b) There is one employee employed at a 0.8 FTE rate.

(c) There is one employee employed at a 0.9 FTE rate.

(d) There are two employees employed at a 0.6 FTE rate.

(e) There are two employees employed at a 0.6 FTE rate.

(f) There is one employee employed at a 0.8 FTE rate.

(g) There are two employees employed at a 0.6 FTE rate, and two at a 0.8 FTE rate.

(h) There are two employees employed at a 0.8 FTE rate.

(i) There is one employee employed at a 0.6 FTE rate.

(j) There is one employee employed at a 0.8 FTE rate, and one at a 0.9 FTE rate.

(k) There are two employees employed at a 0.8 FTE rate, and two at a 0.9 FTE rate.

(l) There are two employees employed at a 0.4 FTE rate, and two at a 0.6 FTE rate.

(m) There are two employees employed at a 0.8 FTE rate.

(n) There are two employees employed at a 0.3 FTE rate, two at a 0.5 FTE rate, and two at a 0.6 FTE rate.

(o) There is one employee employed at a 0.8 FTE rate.

Safer Care Victoria employment levels

The following tables disclose, by head count and full-time staff equivalent (FTE), the number of all active public service employees of the administrative office, Safer Care Victoria, employed in the last full pay period in June of the current reporting period and in the last full pay period in June of the previous reporting period.

Summary of employment levels in June of 2023 and 2022

	All employees		Ongoing			Fixed-term and casual	
	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE
June 2023	197	177.7	83	38	108.3	76	69.4
June 2022	185	169.0	63	26	80.7	96	88.4

Safer Care Victoria employment levels in June 2023 and 2022

	June 2023						June 2022							
	All employees		Ongoing			Fixed-term and casual		All employees		Ongoing			Fixed-term and casual	
	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE
Gender														
Women	174	156.3	70	37	94.6	67	61.7	160	145.2	55	25	72.2	80	73.1
Men	22	20.4	13	1	13.7	8	6.7	22	21.0	7	1	7.5	14	13.5
Self-described	1	1.0	0	0	0.0	1	1.0	3	2.8	1	0	1.0	2	1.8
Age														
15–24	0	0.0	0	0	0.0	0	0.0	0	0.0	0	0	0.0	0	0.0
25–34	40	37.9	20	4	22.1	16	15.8	48	45.2	17	3	19.1	28	26.1
35–44	82	73.5	38	13	45.6	31	27.9	66	59.5	22	9	27.5	35	32.0
45–54	37	33.3	14	7	19.4	16	13.9	41	36.6	13	7	17.7	21	18.9
55–64	30	26.7	10	12	18.9	8	7.8	28	26.0	11	6	15.6	11	10.4
65+	8	6.4	1	2	2.4	5	4.0	2	1.8	0	1	0.8	1	1.0
Classification														
VPS 2	0	0.0	0	0	0.0	0	0.0	0	0.0	0	0	0.0	0	0.0
VPS 3	4	3.6	1	1	1.6	2	2.0	3	2.6	1	1	1.6	1	1.0
VPS 4	46	42.5	25	6	28.5	15	14.0	47	41.8	18	7	22.7	22	19.1
VPS 5	94	82.4	38	23	53.5	33	28.9	97	89.1	30	16	41.3	51	47.8
VPS 6	36	33.6	19	8	24.7	9	8.9	28	26.2	13	2	14.1	13	12.1
SMA ^(a)	1	1.0	0	0	0.0	1	1.0	1	1.0	0	0	0.0	1	1.0
STS ^(b)	4	3.3	0	0	0.0	4	3.3	2	1.8	0	0	0.0	2	1.8
Executives	11	10.3	0	0	0.0	11	10.3	7	6.5	1 ^(c)	0	1.0	6	5.5
Others	1	1.0	0	0	0.0	1	1.0	0	0.0	0	0	0.0	0	0.0
Total employees	197	177.7	83	38	108.3	76	69.4	185	169.0	63	26	80.7	96	88.4

Note:

- There may be rounding errors in FTE tables due to data being formatted to one decimal place.

(a) SMA = Senior Medical Adviser

(b) STS = Senior Technical Specialist

(c) There is one VPS employee acting as an executive under a long-term acting arrangement.

Annualised total salary, by \$20,000 bands, for executives and other senior non-executive staff

The following table discloses the annualised total salary for senior employees of Safer Care Victoria, categorised by classification. The salary amounts are for the full financial year, at a 1-FTE rate, and exclude superannuation.

Income band (salary)	Executives	STS ^(a)	PS	SMA	SRA	Other
< \$160,000						1
\$160,000–\$179,999						
\$180,000–\$199,999		1				
\$200,000–\$219,999	5	1				
\$220,000–\$239,999		2 ^(b)		1		
\$240,000–\$259,999	1					
\$260,000–\$279,999	3 ^(c)					
\$280,000–\$299,999						
\$300,000–\$319,999						
\$320,000–\$339,999						
\$340,000–\$359,999						
\$360,000–\$379,999						
\$380,000–\$399,999						
\$400,000–\$419,999	1					
\$420,000–\$439,999						
\$440,000–\$459,999						
\$460,000–\$479,999	1 ^(d)					
\$520,000–\$539,999						
Total	11	4		1		1

(a) STS = Senior Technical Specialist; PS = Principal Scientist; SMA = Senior Medical Advisor; and SRA = Senior Regulatory Analyst.

(b) There is one employee employed at a 0.8 FTE rate, and one at a 0.5 FTE rate.

(c) There is one employee employed at a 0.8 FTE rate.

(d) There is one employee employed at a 0.5 FTE rate.

Executive data

For a department, a member of the Senior Executive Service (SES) is defined as a person employed as an executive under Part 3 of the *Public Administration Act 2004* (PAA). For a public body, an executive is defined as a person employed as an executive under Part 3 of the PAA or a person to whom the Victorian Government's Public entity executive remuneration policy applies. All figures reflect employment levels at the last full pay period in June of the current and corresponding previous reporting year.

The definition of SES does not include a statutory office holder or an Accountable Officer.

The following tables disclose the SES of the department and its portfolio agencies for June 2023:

- > Tables 1 and 3 disclose the total numbers of SES, broken down by gender
- > Tables 2 and 4 provide a reconciliation of executive numbers presented between the report of operations and Note 9.7 *Remuneration of executives* in the financial statements
- > Table 5 provides the total executive numbers for all of the department's portfolio agencies
- > Tables 1 to 5 also disclose the variations, denoted by 'var', between the current and previous reporting periods.

Table 1: Total number of SES for the department, broken down by gender

Class	All		Women		Men		Self-described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
Secretary	1	0	0	0	1	0	0	0
SES-3	11	2	7	1	4	1	0	0
SES-2	60	8	39	7	19	0	2	1
SES-1	139	12	75	(4)	59	13	5	3
Total	211	22	121	4	83	14	7	4

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. Note 9.7 in the financial statements lists the actual number of SES and the total remuneration paid to SES over the course of the reporting period. The financial statements note does not include the Accountable Officer, nor does it distinguish between executive levels or disclose separations. Separations are executives who have left the department during the relevant reporting period. To assist readers, these two disclosures are reconciled below.

Table 2: Reconciliation of executive numbers for the department

	2023	2022
Executives (financial statement Note 9.7)	248	270
Accountable Officer (Secretary)	1	1
Less separations	(38)	(82)
Less executives employed by other departments	(0)	(0)
Total executive numbers at 30 June	211	189

Table 3: Total number of SES for Safer Care Victoria, broken down by gender

Class	All		Women		Men		Self-described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
SES-1	7	3	7	3	0	0	0	0
SES-2	2	1	1	0	1	1	0	0
SES-3	2	0	0	0	2	0	0	0
Total	11	4	8	3	3	1	0	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. Note 9.7 in the financial statements lists the actual number of SES and the total remuneration paid to SES over the course of the reporting period. The financial statements note does not include the Accountable Officer, nor does it distinguish between executive levels or disclose separations. Separations are executives who have left the department during the relevant reporting period. To assist readers, these two disclosures are reconciled below.

Table 4: Reconciliation of executive numbers for Safer Care Victoria

	2023	2022
Executives (financial statement Note 9.7)	13	9
Accountable Officer (Chief Executive Officer)	1	1
Less separations	(3)	(3)
Total executive numbers at 30 June	11	7

Table 5: Number of SES for the department's portfolio agencies

Organisation name	2023				2022				Variance			
	Women	Men	Prefer not to say	Total	Women	Men	Prefer not to say	Total	Women	Men	Prefer not to say	Total
Albury Wodonga Health	5	3	0	8	4	1	0	5	1	2	0	3
Alexandra District Health	1	0	0	1	1	0	0	1	0	0	0	0
Alfred Health	5	4	1	10	5	4	1	10	0	0	0	0
Alpine Health	0	1	0	1	0	1	0	1	0	0	0	0
Ambulance Victoria	6	3	0	9	10	13	0	23	-4	-10	0	-14
Austin Health	4	4	0	8	5	4	0	9	-1	0	0	-1
Bairnsdale Regional Health Service	2	1	0	3	1	1	0	2	1	0	0	1
Ballarat General Cemeteries Trust	1	0	0	1	1	0	0	1	0	0	0	0
Barwon Health	6	3	0	9	6	3	0	9	0	0	0	0
Bass Coast Health	4	1	0	5	1	1	0	2	3	0	0	3
Beaufort and Skipton Health Service	1	0	0	1	1	0	0	1	0	0	0	0
Beechworth Health Service	0	1	0	1	0	1	0	1	0	0	0	0
Benalla Health	1	0	0	1	1	0	0	1	0	0	0	0
Bendigo Health Care Group	2	3	0	5	1	4	0	5	1	-1	0	0
Boort District Health	1	0	0	1	1	0	0	1	0	0	0	0
BreastScreen Victoria	2	1	0	3	1	0	0	1	1	1	0	2
Casterton Memorial Hospital	0	0	0	0	0	1	0	1	0	-1	0	-1
Central Gippsland Health Service	1	2	0	3	2	1	0	3	-1	1	0	0
Central Highlands Rural Health	1	0	0	1	1	0	0	1	0	0	0	0
Cohuna District Hospital	1	0	0	1	1	0	0	1	0	0	0	0
Colac Area Health	1	0	0	1	1	0	0	1	0	0	0	0
Corryong Health	1	0	0	1	0	1	0	1	1	-1	0	0
Dental Health Services Victoria	3	3	0	6	1	5	0	6	2	-2	0	0
Dhelkaya Health	1	0	0	1	1	0	0	1	0	0	0	0
Eastern Health	5	5	1	11	5	2	1	8	0	3	0	3

Organisation name	2023				2022				Variance			
	Women	Men	Prefer not to say	Total	Women	Men	Prefer not to say	Total	Women	Men	Prefer not to say	Total
East Grampians Health Service	0	1	0	1	0	1	0	1	0	0	0	0
East Wimmera Health Service	0	1	0	1	0	1	0	1	0	0	0	0
Echuca Regional Health	3	0	0	3	2	0	0	2	1	0	0	1
Geelong Cemeteries Trust	0	1	0	1	0	1	0	1	0	0	0	0
Gippsland Southern Health Service	1	0	0	1	0	1	0	1	1	-1	0	0
Goulburn Valley Health Services	4	5	0	9	4	4	1	9	0	1	-1	0
Grampians Health	4	6	0	10	3	6	0	9	1	0	0	1
Great Ocean Road Health	1	0	0	1	1	0	0	1	0	0	0	0
Greater Metropolitan Cemeteries Trust	2	4	0	6	2	3	0	5	0	1	0	1
Health Purchasing Victoria	2	4	0	6	2	4	0	6	0	0	0	0
Heathcote Health	0	1	0	1	0	1	0	1	0	0	0	0
Hesse Rural Health Service	1	0	0	1	1	0	0	1	0	0	0	0
Heywood Rural Health	0	1	0	1	0	1	0	1	0	0	0	0
Inglewood and Districts Health Service	0	1	0	1	0	1	0	1	0	0	0	0
Kerang District Health	1	0	0	1	1	0	0	1	0	0	0	0
Kilmore and District Hospital	0	0	0	0	0	1	0	1	0	-1	0	-1
Kooweerup Regional Health Service	1	0	0	1	1	0	0	1	0	0	0	0
Kyabram and District Health Service	1	0	0	1	1	0	0	1	0	0	0	0
Latrobe Regional Hospital	2	6	0	8	1	6	0	7	1	0	0	1
Mallee Track Health and Community Service	0	0	0	0	1	0	0	1	-1	0	0	-1
Mansfield District Hospital	0	1	0	1	0	1	0	1	0	0	0	0
Maryborough District Health Service	1	0	0	1	1	0	0	1	0	0	0	0
Melbourne Health	8	2	0	10	7	1	0	8	1	1	0	2
Mildura Base Public Hospital	1	2	0	3	1	2	0	3	0	0	0	0
Monash Health	23	9	0	32	15	8	0	23	8	1	0	9
Moyne Health Services	1	0	0	1	1	0	0	1	0	0	0	0
NCN Health	1	0	0	1	1	0	0	1	0	0	0	0

Organisation name	2023				2022				Variance			
	Women	Men	Prefer not to say	Total	Women	Men	Prefer not to say	Total	Women	Men	Prefer not to say	Total
Northeast Health Wangaratta	3	2	0	5	4	0	0	4	-1	2	0	1
Northern Health	5	4	0	9	4	4	0	8	1	0	0	1
Omeo District Health	1	1	0	2	0	1	0	1	1	0	0	1
Orbost Regional Health	1	0	0	1	1	0	0	1	0	0	0	0
Peninsula Health	4	2	0	6	4	2	0	6	0	0	0	0
Peter MacCallum Cancer Centre	3	3	0	6	5	2	0	7	-2	1	0	-1
Portland District Health	1	0	0	1	0	1	0	1	1	-1	0	0
Remembrance Parks Central Victoria	0	0	0	0	1	0	0	1	-1	0	0	-1
Robinvale District Health Services	0	1	0	1	2	0	0	2	-2	1	0	-1
Rochester and Elmore District Health Service	1	0	0	1	1	0	0	1	0	0	0	0
Royal Children's Hospital	5	3	0	8	7	3	0	10	-2	0	0	-2
Royal Victorian Eye and Ear Hospital	3	3	0	6	3	3	0	6	0	0	0	0
Royal Women's Hospital	6	4	0	10	7	4	0	11	-1	0	0	-1
Rural Northwest Health	1	0	0	1	1	0	0	1	0	0	0	0
Seymour Health	0	1	0	1	0	1	0	1	0	0	0	0
South Gippsland Hospital	0	1	0	1	0	1	0	1	0	0	0	0
South West Healthcare	1	4	0	5	1	4	0	5	0	0	0	0
Southern Metropolitan Cemeteries Trust	1	5	0	6	2	4	0	6	-1	1	0	0
Swan Hill District Health	0	2	0	2	1	2	0	3	-1	0	0	-1
Tallangatta Health Service	1	0	0	1	1	0	0	1	0	0	0	0
Terang and Mortlake Health Service	1	0	0	1	1	0	0	1	0	0	0	0
The Queen Elizabeth Centre	1	0	0	1	1	0	0	1	0	0	0	0
Timboon and District Healthcare Service	0	1	0	1	1	0	0	1	-1	1	0	0
Tweddle Child and Family Health Service	0	0	0	0	1	0	0	1	-1	0	0	-1
Victorian Assisted Reproductive Treatment Authority	0	0	0	0	1	0	0	1	-1	0	0	-1

Organisation name	2023				2022				Variance			
	Women	Men	Prefer not to say	Total	Women	Men	Prefer not to say	Total	Women	Men	Prefer not to say	Total
Victorian Collaborative Centre for Mental Health and Wellbeing	0	0	0	0	0	0	0	0	0	0	0	0
Victorian Health Promotion Foundation	2	3	0	5	2	2	0	4	0	1	0	1
Victorian Institute of Forensic Mental Health	7	5	0	12	7	6	0	13	0	-1	0	-1
Victorian Pharmacy Authority	0	1	0	1	0	1	0	1	0	0	0	0
West Gippsland Healthcare Group	1	2	0	3	1	2	0	3	0	0	0	0
West Wimmera Health Service	3	2	0	5	3	2	0	5	0	0	0	0
Western District Health Service	0	1	0	1	0	1	0	1	0	0	0	0
Western Health	16	10	0	26	10	10	0	20	6	0	0	6
Yarram and District Health Service	0	1	0	1	0	1	0	1	0	0	0	0
Yarrawonga Health	2	1	0	3	1	1	0	2	1	0	0	1
Yea and District Memorial Hospital	1	0	0	1	0	0	0	0	1	0	0	1
Total	184	143	2	329	171	144	3	318	13	-1	-1	11

Notes:

- For the purpose of this table, Executive Officers are defined as employees who have significant management responsibility and receive a total remuneration package of \$207,116 or more.
- All figures reflect executive employment levels as at last pay in June 2023.
- Excluded are those on leave without pay or absent on secondment, external contractors / consultants and temporary staff employed by employment agencies.

Workforce inclusion

The department remains committed to creating a workplace that reflects the significant diversity of the Victorian community.

The department understands the unique and varied challenges of a diverse workforce and their families, and is committed to removing barriers and achieving equality, fairness and inclusion. The department aims to create a working culture that is positive, inclusive and culturally safe so that all people, from all backgrounds and cultures are free to bring their whole selves to work.

Gender equality

The department has continued implementing its obligations under the *Gender Equality Act 2020*.

In August 2022, it launched its new *Gender equality action plan 2022–2025* (GEAP). The GEAP will enhance the department's existing gender equality culture and commitment to inclusion by embedding gender equality into all practices and behaviours.

As a commitment in the GEAP, the department conducts regular monitoring of its workforce gender pay gap and reviews all new executive remuneration determination using a gender equity lens.

Other key milestones include:

- > the commencement of the writing of gender impact assessments on new and reviewed policies, programs and services that have a significant impact on the public. Training has been rolled out across the department.
- > the development of an inclusion dashboard to assist in meeting legislative reporting requirements.
- > the updating of the department's Gender Affirmation policy and the development of a gender affirmation in the workplace toolkit to provide guidance for managers and individuals affirming their gender and outline the support they can expect from the workplace.
- > making facilitator-led trans and gender diverse awareness training available to all staff.

The goal library of the department's performance development plan has been updated to include a new category of development goals called 'My Inclusive Workplace'. These goals will allow for a greater focus on gender equality in performance development planning for both VPS and executives.

The department has also continued previous initiatives toward the advancement of gender equality, including:

- > promotion of gender balance in recruitment selection panels and unconscious bias training for panel members to reduce recruitment bias
- > regular monitoring of executive gender pay gaps
- > engagement of an external provider to support parents, carers and leaders in preparing for parental leave and returning to work, including coaching and support via an online platform

Disability employment

The department's *Disability employment implementation plan: 2022–2025* supports increased opportunities for people with disability to work in the department, ensures staff with disability are enabled and supported throughout their employee lifecycle, and upskills the department's workforce to create a more disability confident and inclusive workplace.

The plan highlights the department's focus on being an employer of choice for people with disability and tackles employment barriers such as attitudes and behaviour, job design, inaccessible work environments and lack of ongoing workplace development and support. The department employs a dedicated disability employment adviser to lead this work.

The plan is guided by *Getting to work: Victorian public sector disability employment action plan 2018–2025*, which aims for greater numbers of people with disability to be employed at all levels of the public service, and for them to have successful careers and a fairer employment experience.

Its principal objective is to increase the overall engagement, representation and meaningful employment of people with disability across every level and it commits to achieving an employment target where people with disability make up 12 per cent of employees across all government departments by 2025. Currently, 7.3 per cent of the department's workforce say they are comfortable about sharing the fact that they are a person with disability (People Matter Survey 2022 Results).

In the previous twelve months, the department has:

- > delivered two tailored eLearns, designed in collaboration with people with lived experience, with the learning goal of increasing disability confidence and understanding of workplace adjustments and how they support staff in their roles.

- > actively worked with every hiring manager that has a person with disability in their candidate pool, ensuring that they are supported to create an equitable experience for all applicants and providing a lived-experience balance to the interview panel when requested.
- > participated in the design of the Leading Together pilot program, a leadership and development program to support employees with lived experience of disability. The department had one representative participant involved in the pilot.

The department continues to develop and implement resources and establish guidelines to support managers with hiring responsibilities across each stage of the recruitment process, through the creation of disability awareness essentials around unconscious bias, workplace adjustments, and disability-specific advice and support for hiring panels. The department also supports staff participation in the VPS Enablers Network.

Neurodiverse employment

RISE Program

The RISE Program, which was launched in 2017 in partnership with Specialisterne Australia, is a unique recruitment and support initiative to enable people on the autism spectrum to enter the Victorian Public Service.

The aim of the program, underpinned by the *RISE recruitment and support framework*, launched in October 2020, is to support autistic employees and create momentum for them to have a positive transition into the workforce. The expectation is that some will move onto other roles within the department or be promoted on merit once they become familiar with the working environment, policies, programs and practices. As they move on in the program, new people on the autism spectrum are recruited to fill the vacancies created, which both creates a pipeline of employees and allows the program to be seen as a potential pathway to a career in the VPS.

The program initially focused on providing data entry services within a records management environment. However, in 2020 it expanded to provide digitisation and printing services for the department, as well as across the Victorian Government, as part of the COVID-19 response.

The program has continued to provide meaningful employment for people on the autism spectrum and as of 30 June 2022, 18 staff remained employed in various roles and at different grades across the department.

Other supports

Poor understanding of autism and a lack of support for employees on the autism spectrum can create barriers to gaining and maintaining employment. A Neurodiverse Confident Services (NCS) panel, a collaboration between the department, the Victorian Public Sector Commission and VPS Autism Success Network, was established in April 2022 to provide ad-hoc and ongoing support to neurodiverse staff, their managers, colleagues and teams. The panel of five providers delivers:

- > counselling – to ensure organisational factors are effective and workplace wellbeing is robust
- > workplace enablement – to increase awareness, understanding, confidence and skills on the part of managers and colleagues to create a supportive team environment for new and existing neurodiverse employees.

The department also supports staff participation in the VPS Autism Success Network.

Aboriginal workforce strategy

The department's *Aboriginal workforce strategy 2021–2026* was launched in November 2021.

This strategy demonstrates a commitment to ensuring the principles of self-determination and cultural safety are embedded in everything the department does. This will improve both the employee experience for the Aboriginal workforce and the health, safety and wellbeing outcomes for Aboriginal communities.

Self-determination is interwoven into the fabric of the strategy, aligning the department with the Victorian Government's commitment to the practical outcomes of both the Treaty and truth-telling process through the Yoorrook Justice Commission, as well as with the priorities and targets set out in the *Victorian Closing the Gap Implementation Plan*.

For the department to become an employer of choice for Aboriginal people, the strategy aims to create an outstanding culturally safe employee experience, where individuals are valued for their cultural knowledge and lived experience. The strategy also commits to a target where the Aboriginal workforce makes up three per cent of

the department's total workforce by 2026.

The current proportion of Aboriginal and Torres Strait Islander staff in the department's workforce is 1.1 per cent, as of 30 June 2023.

Cultural Safety

The department's *Aboriginal and Torres Strait Islander cultural safety framework* was first launched in June 2019 following extensive consultation with Aboriginal staff and community.

The department has made substantial progress in implementing the framework in the workplace, however there is still significant work to be done to ensure Aboriginal cultural safety is embedded consistently in the workplace and to track organisational change over time. The development of an Aboriginal Cultural Safety Measurement and Assessment Tool (MAT) is a key accompaniment to the framework.

The Cultural Safety MAT will be a practical tool that provides an annual monitoring and accountability mechanism to support implementation of the *Aboriginal and Torres Strait Islander cultural safety framework* across all the department's divisions.

This ground-breaking tool is planned for implementation in 2024 and will be accompanied by the *Aboriginal cultural safety capability framework*, which guides practice improvement.

Aboriginal Staff Network

The Aboriginal Staff Network (ASN), under the *Aboriginal workforce strategy*, plays a crucial role in the retention of Aboriginal staff. It supports the employment life cycle of Aboriginal employees from induction to cultural support, career development and the sharing of the passion and stories of the Aboriginal voice. The Aboriginal Staff Network Conference was held in June 2023, in partnership with the Department of Families, Fairness and Housing's ASN. The event was a great success and the feedback from staff highlights the importance of this event for the department's Aboriginal workforce in terms of retention and cultural safety. The ASN will grow under the new *Aboriginal workforce strategy*; the department will continue to share knowledge and contribute to the Aboriginal Cultural Safety MAT development.

LGBTIQ+ Inclusion

The department has a strong and active PRIDE Network with a significant membership base. As part of the whole of Victorian Government Pride Network, the department's PRIDE network aims to ensure LGBTIQ+ staff and community remain connected and supported. At the 2022 VPS LGBTIQ+ Pride Awards, the department's PRIDE Network won PRIDE Network of the Year (joint with the Department of Families, Fairness and Housing PRIDE Network) and the department's Secretary won Executive Champion of the Year.

In 2022–23, the department's PRIDE network played a pivotal role in the development of the department's *Gender equality action plan*, ensuring that the voices of LGBTIQ+ and gender diverse employees were heard and represented in the plan. In addition, the PRIDE Network has advocated for increased access to all-gender facilities in departmental workplaces and the use of personal pronouns in staff email signature blocks and in virtual meetings as an outward demonstration of an inclusive culture at the department. The department's Gender Affirmation policy has been updated and a gender affirmation in the workplace toolkit has been developed to provide guidance for managers and individuals affirming their gender, and it also outlines the support they can expect from the workplace. The department has commenced a project to develop, establish and implement adequate workforce data capture and monitoring systems to support it to meet its diversity and inclusion commitments and legislative requirements. This includes adequately capturing and recording workforce gender variation for trans and gender diverse employees.

The department also continued its partnership with PRIDE in Diversity to ensure inclusive policy and practice and access to best practice awareness training. LGBTIQ+ and trans awareness training continues to be delivered via facilitated classes, and a new Foundations of LGBTIQ+ inclusion eLearn was launched this year, now available to all staff. The department's Inclusion team is co-designing with the PRIDE Network a new workplace LGBTIQ+ inclusion action plan to be launched in late 2023. The plan will improve safety and inclusivity in the workplace and support the department to become an employer of choice for LGBTIQ+ Victorians. This action plan will support the delivery of providing safe, strong and sustainable communities for LGBTIQ+ Victorians –

a key commitment in the whole of government *Pride in Our Future: Victoria's LGBTIQ+ strategy 2022–32*.

Employment programs

Graduate recruitment

The department had five graduates participating in the 2022 Victorian Public Service (VPS) Graduate Recruitment and Development Scheme (GRADS). Upon successful completion of their graduate year, three of these graduates commenced ongoing VPS3 roles effective as of 24 January 2023.

For the 2023 intake, the department recruited 16 graduates from diverse academic backgrounds. In addition, the department had a further intake of one graduate participating in its internal Aboriginal Graduate Program over the same period.

Graduates participating in the 12-month graduate programs complete three rotations to develop core skills and gain broad experience working within various business units.

Student placement program

The department offers students undertaking a tertiary qualification the opportunity to complete a student placement as part of their relevant tertiary course.

A total of four tertiary student placements were completed across various program areas in the department.

Digital Jobs Internship Program

The Victorian Government's Digital Jobs Internship Program supports individuals who are over the age of thirty and have over 10 years' work experience to change their career into one of several digital job categories. Following a twelve-week training course in the selected job category, participants complete a 12-week internship as a paid VPS2. During the 2022–23 financial year, the department employed one intern through this innovative program.

Youth Employment Scheme

The department is active in providing job opportunities for disadvantaged job seekers through the Youth Employment Scheme (YES). YES is a Victorian Government initiative that enables unemployed or otherwise disadvantaged young people aged 15 to 29 years old to enter the workforce with the potential to build sustainable careers through traineeships while attaining a qualification.

Four YES trainees were placed in the department and another five in the health sector. Of the nine engaged overall, the department has placed two people with a disability, one person with refugee background, one person from a rural or remote area and two people who identify as culturally diverse.

Career Seekers and Career Trackers

The department is committed to supporting employment pathways for asylum seekers and refugees through its ongoing participation in the Career Seeker Program run by a non-profit organisation supporting Australia's humanitarian entrants into professional careers. During 2022–23, the department supported four program interns.

The department has also continued its Career Trackers Program for Aboriginal university students, supporting students to gain valuable work experience. During 2022–2023, the department supported four program interns.

Occupational health and safety

The department is committed to safeguarding the health, safety and wellbeing of all employees and others in the workplace. The health, safety and wellbeing of its workforce remains paramount to the effective delivery of successful and sustainable health outcomes for all Victorians.

The department realises the importance of taking a holistic view to employee health, safety and wellbeing and is dedicated to integrating this approach in the way it works. Its focus is on the core principles – prevention, early intervention and appropriate response – which are underpinned by human capital, streamlined process, and wellbeing support programs to achieve the best outcomes.

The department has assigned clear and measurable objectives and targets to improve health, safety and wellbeing outcomes. It also assigns accountability at all levels and provides resources to achieve its health, safety and wellbeing objectives and targets.

The department does this by:

- > actively engaging and consulting with employees, health and safety representatives, and employee representative organisations on the health, safety and wellbeing matters that affect them
- > providing appropriate supervision, instruction and training to enhance the capability of the workforce and ensure work is carried out safely and without risk to the psychological or physical health of any person in the workplace
- > identifying and implementing effective risk controls that protect workers from workplace hazards; assist in the avoidance of incidents, illnesses and injuries; mitigate or eliminate health and safety risks; and contribute to a working environment for staff which is safe and supports their health and wellbeing.

Prevention

In 2022–23 the department undertook the following initiatives:

- > a strengthening of the workplace health and safety stream through additional workplace health and safety resources
- > the identification, by each division, of their top five hazards to assist in determining health, safety and wellbeing priorities locally as well as inform the broader concern of employee health safety and wellbeing
- > a review of the department's health, safety and wellbeing system, which delivered: an organisation-wide health and safety profile; a system gap analysis, including corrective actions vis a vis conformance to ISO 40001 and ISO 45003, as well as the proposed psychological health regulations; a system implementation methodology; and a health and safety training framework
- > implementation of a quality assurance process to monitor and review hazards, incidents and near misses to ensure reporting accuracy and to better identify and track data and risk trends.

Early intervention

Evidence shows employees are more likely to stay at or return to work when potential risks are identified early, their needs are assessed and treatment and or rehabilitation services start as soon as possible.

The department developed an early intervention framework, which introduced a medical triage service hotline, staffed by registered nurses, to support employees with mental and physical health concerns.

Appropriate response

The department continues to offer a range of employee wellbeing supports to ensure the needs of its diverse workforce are met. The Employee Wellbeing and Support Program offers specialised employee support services that are available to all employees and their immediate family members at no cost.

Performance against occupational health and safety management measures

Measure	Key Performance Indicator (KPI)	2020–21	2021–22	2022–23
Hazards	No. of hazards ^(a)	36	59	20
	Rate per 100 FTE (full time equivalent)	na	1.79	0.66
Incidents	No. of incidents ^(b)	118	309	137
	Rate per 100 FTE	na	9.4	4.5
	No. of incidents requiring first aid ^(c) and/or further medical treatment	42	177	100
Claims	No. of standard claims ^(d)	14	47	20
	Rate per 100 FTE	na	1.43995	0.66
	No. of lost time claims ^(e)	7	31	11
	Rate per 100 FTE	na	0.94975	0.36
	No. of claims exceeding 13 weeks ^(f)	na	17	21
	Rate per 100 FTE	na	0.5208	0.70
Fatalities	No. of fatalities	0	0	0
Prosecutions	Total number of prosecutions ^(g)	0	0	0
Claims costs ^(h)	Average cost per standard claim ⁽ⁱ⁾	na	\$437,753	\$209,183

(a) Figures for 2020–21 are total number of recorded hazards as at June 2021.

(b) Figures for 2020–21 are total number of recorded incidents as at June 2021.

(c) Figures for number of incidents requiring first aid and/or further medical treatment derived from eDINMAR

(d) Includes accepted, pending and rejected claims that met the standard claims threshold.

(e) A time-lost claim where one or more days' compensation is paid by the Victorian WorkCover Authority

(f) Data extracted with a six-month lag to allow for claims to reach 13 weeks' compensation.

(g) Refers to all health safety and wellbeing prosecutions.

(h) Includes payments and estimated future costs.

(i) Data extracted with a three-month lag to allow for the claims estimate to develop to give an accurate picture of associated costs.

Measure	KPI	Performance
Management commitment	OHS policy statement and OHS criteria	<p>The department continued to support and take part in the whole of government interdepartmental committee structure, set up in partnership with unions and WorkSafe to lead and improve OHS performance in the public sector.</p> <p>Health and safety committees continued to lead proactive and preventive activity to protect and improve the mental and physical health, safety and wellbeing of staff.</p> <p>The department's health and safety management system was reviewed for conformance with relevant standards and the forthcoming psychological health regulations.</p> <p>Workers' compensation and injury management performance reports are provided to senior leaders monthly. Middle and senior managers have desktop access to health and safety performance reports through the department's corporate reporting tool.</p> <p>The Workers' Compensation team have placed a significant focus on a restructure so as to have a specific emphasis on driving early intervention. This new model has achieved positive results where only 14.5 per cent of early intervention matters have resulted in a Workcover claim. In addition, 95 per cent of early intervention matters were closed off with no further support or intervention needed.</p>
Consultation and participation	Designated work group structures and issue resolution procedures	<p>The department has an established health and safety consultation structure, including a central health and safety committee which meets quarterly. These meetings are supplemented by the convening of a monthly community of practice for health and safety representatives (HSRs) and designated management representatives (DMRs). This forum supplies an opportunity for HSRs and DMRs to network, hear about current health safety and wellbeing initiatives as well as those in the broader People and Culture branch, and bring any health, safety and wellbeing matters or concerns they may have to the meeting.</p> <p>The department continues to support an extensive network of 16 designated work groups with 24 health and safety representatives, one deputy health and safety representative, and 23 designated management representatives. Newly appointed representatives are invited and encouraged to attend an information session outlining their role in the department and advising where to access relevant training so they may effectively carry out their role.</p> <p>The department has a model issue resolution process for managers and employees to resolve any health and safety issues found in department workplaces.</p>
Risk management	Regular internal audits conducted, and issues identified and actioned	<p>The department has an online employee health and safety incident reporting system (eDINMAR). The reporting system allows for real time reporting, increased accountability and a timelier follow-up and resolution of reported hazards and risks. All staff can access OHS performance metrics through Our Insights, which provides real time incident and hazards data.</p> <p>The department has a health and safety management system which provides comprehensive information on procedures, and guidance and tools for identifying, assessing and managing key risks, including conducting regular workplace inspections.</p> <p>As part of a commitment to continuous improvement in health and safety, an assurance process for eDINMAR reports has been implemented following a review of incident data.</p>

Measure	KPI	Performance
Training	Managers, health and safety representatives and other staff trained	<p>Completion of training related to health, safety and wellbeing, as well as compliance by total number of staff was as follows:</p> <ul style="list-style-type: none"> • Department of Health orientation: 1,090 • Your health and safety: induction for new starters: 619 • Incident reporting (eDINMAR): 750 • Emergency procedures: 3,419 • Preventing bullying in the workplace: 3,542 • Prevention of sexual harassment: 1,068 <p>Training completion rates reflect the ongoing commitment of staff to their own safety as well as to that of the people around them.</p> <p>All newly elected health and safety representatives were encouraged and supported by the department to undertake the five-day health and safety representative training program, and existing health and safety representatives were encouraged to do the one-day refresher training.</p> <p>The department developed a program of health and safety activities for the annual health and safety month in October 2022. Through the course of the month 41 events were offered covering a broad range of topics, including mental health and wellbeing, ergonomics, flexible work, health and safety consultation and self-care. A total of 407 staff took part across the month.</p> <p>The department's annual health and safety representatives (HSR) and designated management representatives (DMR) forum was a key event in health and safety month. The forum is intended to support and recognise the elected HSRs and nominated DMRs. Two years ago, because of COVID-19 restrictions and the need to offer greater flexibility in delivery and attendance, the forum moved from face-to-face mode to a virtual platform. The 2022 forum included five sessions through the course of the day and 10 guest speakers. Fifteen HSRs and five registered DMRs attended. Key themes included a panel discussion on workload management and wellbeing, an occupational health and safety risks presentation by the Environmental Health Regulation and Compliance team, a presentation by Greater Western Water, 'Staying well to work well', and a presentation by WorkSafe Victoria on the importance of good consultation.</p>

Section 4: Other disclosures

Local Jobs First

The *Local Jobs First Act 2003*, introduced in August 2018, brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG), which were previously administered separately.

Departments and public sector bodies are required to apply the Local Jobs First Policy in all projects valued at \$3 million or more in metropolitan Melbourne or for statewide projects, or \$1 million or more for projects in regional Victoria.

MPSG applies to all construction projects valued at \$20 million or more. Every Victorian Government department and agency is required to report on compliance with Local Jobs First in their annual report.

Under *the Local Jobs First Act 2003*, projects and activities valued at less than \$50 million are considered standard projects, while projects or activities valued at over \$50 million are considered strategic projects. These are reported on separately below.

The MPSG guidelines and VIPP guidelines will continue to apply to MPSG-applicable and VIPP-applicable projects respectively where contracts have been entered into prior to 15 August 2018.

Projects commenced – Local Jobs First standard projects

During 2022–23, the department commenced five Local Jobs First standard projects totalling \$26.7 million. Of those projects, one was located in regional Victoria, with a commitment of 90.5 per cent of local content, and four were statewide projects. The MPSG did not apply to any of these projects.

The outcomes expected from the implementation of the Local Jobs First Policy to these projects, where information was provided, are as follows:

- > an average of 90.5 per cent of local content commitment was made
- > a total of 50.2 jobs (annualised employee equivalent (AEE)) were committed, including:
 - the creation of 19.5 new jobs

- the retention of 27.0 existing jobs (AEE)
- the commitment to 1.2 new apprenticeships, cadetships and traineeships
- the retention of 2.3 existing apprenticeships, cadetships and traineeships
- > 149 small to medium-sized businesses were engaged through the supply chain on commenced standard projects
- > the number of small to medium-sized enterprises that prepared a local industry development plan (LIDP) is not available in the 2022–23 data set at the time of reporting.

Projects completed – Local Jobs First standard projects

During 2022–23, the department reported two Local Jobs First standard projects as completed, totalling \$48.1 million. Both projects were in metropolitan Melbourne, with an average commitment of 90.5 per cent local content. The MPSG applied to one of these projects.

The outcomes from the implementation of the Local Jobs First Policy to these projects, where information was provided, were as follows:

- > a total of 58.6 jobs (AEE) were committed, including:
 - the creation of 3.4 new jobs
 - the retention of 48.1 existing jobs
 - the creation of 2.6 new jobs for apprentices, trainees and cadets
 - the retention of 4.5 jobs for apprentices, trainees and cadets
- > the MPSG-applicable project committed to a total of 7,903 hours to apprentices, trainees and cadets, being an engagement commitment of 10 per cent
- > 743 small to medium-sized businesses were engaged through the supply chain on completed standard projects
- > the number of small to medium-sized enterprises that prepared an LIDP is not available in the 2022–23 data set at the time of reporting.

Projects commenced – Local Jobs First strategic projects

During 2022–23, the department commenced two Local Jobs First strategic projects, valued at \$77.7 million. One of these projects will be based in both regional Victoria and metropolitan Melbourne, and the other project is statewide. The MSPG applies to one of these projects.

The outcomes expected from the implementation of the policy, where information has been provided, are as follows:

- > an average of 92.4 per cent of local content outcome
- > a total of 76.0 (AEE) jobs were committed, including:
 - the creation of 59.0 new jobs
 - the retention of 9.0 existing jobs (AEE)
 - the commitment to 5.8 new apprenticeships, cadetships and traineeships
 - the retention of 2.1 existing apprenticeships, cadetships and traineeships
 - an average MSPG commitment of 9.08 per cent
- > 519 small to medium-sized businesses were engaged through the supply chain on commenced strategic projects
- > the number of small to medium-sized enterprises that prepared an LIDP is not available in the 2022–23 data set at the time of reporting.

Projects completed – Local Jobs First strategic projects

During 2022–23, the department reported one Local Jobs First strategic project as completed, totalling \$55.8 million. The project was in metropolitan Melbourne, with a commitment of 90.5 per cent local content. The MSPG applied to this project.

The outcomes from the implementation of the Local Jobs First Policy to this project, where information was provided, were as follows:

- > a total of 95.5 jobs (AEE) were committed, including:
 - the creation of 4.6 new jobs
 - the retention of 81.1 existing jobs
 - the creation of 5.0 new jobs for apprentices, trainees and cadets

- the retention of 5.0 jobs for apprentices, trainees and cadets
- > the MSPG-applicable project committed to a total of 23,647 hours to apprentices, trainees and cadets, being an engagement commitment of 10.4 per cent
- > 154 small to medium-sized businesses were engaged through the supply chain on completed standard projects
- > the number of small to medium-sized enterprises that prepared an LIDP is not available in the 2022–23 data set at the time of reporting.

Reporting requirements – all projects

- > The department (as the Department of Health and Human Services) commenced four contracts prior to 15 August 2020 with a total of 88 per cent estimated to be of local content for which a VIPP plan or LIDP was not required as the procurement activity was local in nature.
- > In 2021–22, the Department of Jobs, Precincts and Regions (DJPR) changed the reporting mechanism for local jobs disclosures, with all data now being sourced directly from the Industry Capability Network Victorian Management Centre portal.
- > Data included in disclosures is subject to rationalisation and review by DJPR, and is anticipated to be reflected in that department's Local Jobs First annual report.
- > Data available to individual departments in 2022–23 did not include the number of small to medium-sized businesses engaged as the principal contractor that prepared an LIDP, and this information is therefore not available for inclusion in this report.

Reporting requirements – grants

The department submitted no grants processes involving Local Jobs First during 2022–23.

Social procurement framework

The department leverages its buying power to deliver social, economic and environmental outcomes benefiting the Victorian community, the economy and the environment, and it does this in ways that go beyond the goods, services and construction works procured.

In this process, the department is guided by the Victorian Government's *Social procurement framework* (SPF). The SPF applies to the procurement of all goods, services and construction undertaken by or on behalf of the department. Its social objectives, which were all prioritised by the department in 2022–23, are to provide for and support the following:

- > opportunities for Victorian Aboriginal people
- > opportunities for Victorians with disability
- > women's equality and safety
- > opportunities for disadvantaged Victorians
- > safe and fair workplaces
- > sustainable Victorian social enterprises and Aboriginal Victorian business sectors
- > sustainable Victorian regions
- > environmentally sustainable outputs
- > environmentally sustainable business practices
- > implementation of climate change policy objectives.

Social procurement initiatives

During 2022–23, the department undertook several activities to support social procurement, including:

- > preparation of social procurement data reporting and case studies for 2022–23 and submission to the Department of Jobs, Skills, Industry and Regions (DJSIR)
- > maintenance of up-to-date information about social procurement and Local Jobs First on the department's intranet
- > establishment of partnerships with key social procurement delivery partners
- > a continued relationship with Kinaway Chamber of Commerce through regular meetings and other communications
- > the maintenance of procurement policies, processes, templates and contracts to continue to support the implementation of social procurement and Local Jobs First

- > the establishment of a social procurement group across the department to foster communication, coordination and capability development
- > regular attendance by staff at the Social Procurement Community of Practice meetings convened by the Department of Treasury and Finance, as well as events organised by organisations such as Kinaway
- > training on the new Industry Capability Network's social procurement reporting platform
- > launch of dedicated guidance materials for tenderers to support improved Local Jobs First and social procurement engagement and outcomes during tender processes
- > compilation and provision of social procurement case studies for the Victorian Government's *Social procurement framework* reporting.

Reporting requirements

Consistent with previous years, social procurement reporting for 2022–23 has leveraged Map for Impact, along with other entities, to identify social enterprises. This will be the final year Map for Impact is used, which may affect comparative data in future years, and 2022–23 data in the Victorian Government's *Social procurement framework* report, which will no longer include Map for Impact-identified social enterprises.

The Victorian Government's *Social procurement framework* reporting will leverage a new analytics tool to support central reporting for 2022–23.

Validation is not yet available for this new tool, and the department has leveraged the reporting mechanisms used in previous years for its 2022–23 social procurement.

Social procurement achievements

During 2022–23 the department:

- > engaged 30 social benefit suppliers
- > spent a total of \$14,813,769 with certified social enterprises, Aboriginal businesses and traditional owner corporations, disability enterprises, and social outcome companies listed on the Map for Impact
- > engaged 12 suppliers which are not social benefit suppliers but have made social procurement commitments in their procurement contracts with the Victorian Government.

Aboriginal business engagement

During 2022–23 the department

- > engaged nine Aboriginal businesses and traditional owner corporations
- > spent a total of \$510,510 with Aboriginal business and traditional owner corporations.

Competitive neutrality policy

Competitive neutrality requires government businesses to ensure that, where services compete or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. The Competitive Neutrality Policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

The department ensures Victoria fulfils its requirements on competitive neutrality reporting as required under the Competition Principles Agreement and the Competition and Infrastructure Reform Agreement.

Disclosure of major contracts

In accordance with the requirements of government policy and accompanying guidelines, the department disclosed all contracts greater than \$10 million in value entered into during the year ended 30 June 2023. Details of contracts that have been disclosed in the Victorian Government contracts publishing system can be viewed at the [Buying for Victoria Tenders Portal](https://www.tenders.vic.gov.au) <<https://www.tenders.vic.gov.au>>.

Contractual details have not been disclosed for contracts where disclosure is exempted under the *Freedom of Information Act 1982* and/or government guidelines.

Consultancy expenditure

The department experienced reduced demand for high-level, independent advice and support during 2022–23, which resulted in decreased consultancy expenditure compared to 2021–22. Use of consultants ensured that the department was well positioned to respond to numerous and unique challenges and to support the health of Victorians and the transition to COVID-19 recovery.

Consultancies (under \$10,000)

In 2022–23, there were no consultancy engagements where the total fees payable to the individual consultancy were less than \$10,000.

Consultancies (\$10,000 or greater)

In 2022–23, there were 32 consultancy engagements where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2022–23 in relation to these engagements was \$7,481,003 (excluding GST).

Details of consultancies (valued at \$10,000 or greater)

Consultant	Purpose of consultancy	Sum of total approved project fee ^(a) excl. GST	Sum of expenditure 2022–23 excl. GST	Sum of future expenditure ^(b) excl. GST
Abstarr Consulting Pty Ltd	Analysis, Aboriginal cultural safety workplace measurement and assessment tool	\$345,000	\$320,625	\$24,375
ACIL Allen Consulting Pty Ltd	Evaluation, Evaluation of the Youth Residential Rehab Program	\$180,855	\$133,760	\$18,695
Benjamin Napier John Thomson	Advice, Professor Benjamin Thomson – Chief Surgical Adviser	\$170,101	\$83,616	\$86,485
Clear Sky Blue Pty Ltd	Support, Company Secretary for the Collaborative Centre Board	\$41,000	\$14,813	\$26,188
Deloitte Touche Tohmatsu	Analysis, Evaluation of Home and Community Care Program for Younger People	\$265,477	\$27,273	\$238,205
	Evaluation, Latrobe Health Innovation Zone – Evaluation Phase 2	\$198,338	\$178,504	\$0
	Review, Non-Emergency Patient Transport Review	\$265,066	\$10,600	\$254,466
Donoughmore Pty Ltd ATF R & V Healy Family Trust	Advice, Aligning Victoria's regulatory requirements for food service and food retail businesses to ministerial policy guidelines for these sectors	\$220,620	\$31,070	\$0
Ernst & Young Services Pty Ltd	Analysis, Lapsing funding evaluation of local public health units	\$36,450	\$36,450	\$0
	Planning, Lived Experience Agency business case development	\$134,955	\$134,955	\$0
	Review, Department of Health information and communication technology review	\$378,742	\$378,742	\$0
EY	Planning, Operating model design and coordination	\$135,846	\$135,846	\$0
HealthConsult	Analysis, Enhanced Health Data COVID Data Sharing Project	\$339,292	\$339,292	\$0
	Review, LocumBank review	\$111,912	\$46,565	\$0
	Review, Scoping review: Regional morbidity and mortality committees	\$150,909	\$30,440	\$0
	Support, Consultancy support request – Pathways to Home program evaluation	\$178,052	\$178,052	\$0
Human Synergistics Australia Pty Ltd	Assessment, Department of Health cultural survey tool	\$279,866	\$56,343	\$223,523

(a) The total approved project fee represents the lifecycle contract value (initial term and approved options) and includes expenditure incurred in previous years.

(b) Figures of \$0 indicate that the contract expired in the 2022–23 financial year, noting instances where expenditure occurred in previous financial years.

Consultant	Purpose of consultancy	Sum of total approved project fee ^(a) excl. GST	Sum of expenditure 2022–23 excl. GST	Sum of future expenditure ^(b) excl. GST
Institute for Healthcare Improvement	Strategy, Outcomes framework for the Department of Health	\$78,926	\$78,926	\$0
Jason Rostant Consulting	Advice, Consultation for the Intersex Protection System	\$75,000	\$65,400	\$9,600
Ken D. Lay	Planning, Melbourne medically supervised injecting room consultation process	\$58,871	\$44,104	\$14,766
KPMG	Design, Mental health and wellbeing access policy and triage tool	\$694,632	\$694,632	\$0
	Review, Health Technology Solutions resilience review works	\$359,910	\$89,978	\$269,932
	Support, COVID-19 administrator reporting support – 2021–22 analysis of National Partnership on COVID-19 Response funded activities	\$168,459	\$88,459	\$0
KPMG – Strategic Alliance Head Agreement (Health) total approved project fee whole-of-life status excl. GST as at 30 June 2023: \$26,821,976	Advice, Implementation of Royal Commission recommendations	\$863,082	\$274,560	\$0
	Advice, Outcomes and performance framework support	\$463,973	\$126,538	\$0
	Advice, Perinatal mental health screening	\$1,260,068	\$286,374	\$0
	Analysis, Economic impact analysis of tobacco and e-cigarette retailer licensing	\$201,012	\$83,657	\$0
	Analysis, Productivity analysis of the Victorian health system	\$221,500	\$63,812	\$0
	Analysis, Productivity in the Victorian acute health system	\$17,754	\$16,140	\$0
	Analysis, Regional and aged care assessment services unit cost project	\$787,560	\$134,243	\$0
	Development, Community health demand management framework and tools update	\$209,836	\$95,380	\$0
	Development, Culturally safe and responsive performance and monitoring framework	\$183,516	\$83,416	\$0
	Development, Design of new statewide mental health capability entity	\$181,209	\$98,841	\$0
	Development, Design of workforce data collection and analysis	\$443,286	\$120,896	\$0
	Development, Expression of interest development	\$217,892	\$39,616	\$0
Development, Health workforce strategy – phase 2	\$2,582,342	\$492,669	\$0	
Development, Update the demand management framework and priority tools for community health services	\$51,867	\$47,152	\$0	

Consultant	Purpose of consultancy	Sum of total approved project fee ^(a) excl. GST	Sum of expenditure 2022–23 excl. GST	Sum of future expenditure ^(b) excl. GST
	Review, Commercial billing review	\$1,218,115	\$369,126	\$0
	Support, Board induction	\$54,667	\$29,818	\$0
	Support, Health workforce strategy stage 2	\$392,238	\$118,860	\$0
	Support, Mental health surge system	\$39,944	\$25,319	\$0
	Support, School Dental Program – facilitated planning workshops	\$30,709	\$27,590	\$0
	Support, Support North West Metro Mental Health System Reform project	\$723,005	\$131,455	\$0
	Towards regional governance	\$621,931	\$141,348	\$0
Mercer	Strategy, Remuneration strategy for Victorian public health entity executives	\$144,000	\$144,000	\$0
Not for publication	Advice, management of waste	\$90,529	\$90,529	\$0
Not for publication	Advice, management of waste	\$82,950	\$82,950	\$0
Nous Group Pty Ltd	Planning, Statewide and regional mental health and wellbeing service and capital plans	\$2,888,170	\$856,406	\$41,052
Price Waterhouse Coopers	Review, Central Immunisation Records Victoria change adoption refinement	\$90,275	\$90,275	\$0
Price Waterhouse Coopers Consulting Australia Pty Limited	Strategy, Development of mental health pathways in response to agricultural emergencies in rural and regional Victoria	\$161,775	\$161,775	\$0
RMIT University	Advice, Potential cancer cluster expert advisory group	\$45,455	\$4,400	\$41,055
Solomon Advisory	Modelling, Mental health funding model design and implementation project	\$245,000	\$45,413	\$129,326

Notes:

- Consultancy projects listed under the 'KPMG – Strategic Alliance Head Agreement (Health)' are counted as a single engagement.
- The consultants listed as 'Not for publication' were confidential engagements of small to medium enterprises.

Correction to 2021–22 consultancy expenditure report

Expenditure reporting for one consultant was incorrectly reported in the department's 2021–22 Annual Report and is corrected as below:

Consultant	Purpose of consultancy	Sum of total approved project fee ⁽ⁱ⁾ excl. GST	Sum of expenditure 2021–22 excl. GST	Sum of future expenditure ⁽ⁱⁱ⁾ excl. GST
Christian Rossow – Consulting	Strategy, Supermarket distribution centre vaccination	\$36,364	\$36,364	\$0

(i) The total approved project fee represents the lifecycle contract value (initial term and approved options) and includes expenditure incurred in previous years.

(ii) Figure of \$0 indicates that the contract expired in the 2021–22 financial year.

Emergency procurement

In 2022–2023, the department activated emergency procurement on two^(a) occasions in accordance with the requirements of government policy and accompanying guidelines. Three new contracts valued at or more than \$100,000 (GST inclusive) were awarded in connection with the emergency. A total of \$632,453 (GST inclusive) was expended on goods and services in response to the emergency. Details of the department's emergency procurements are disclosed below.

Nature of emergency	Date of activation	Summary of goods and services procured under new contracts	Total spend on goods and services in response to the emergency ^(b)	Number of new contracts awarded valued at \$100,000 (inc GST) or more
Victorian floods	20 October 2022	Personnel to support executive teams of health services impacted by floods. Risk management support	\$133,800	1
Victorian floods	1 December 2022	Various vector control equipment to mitigate transmission of mosquito borne diseases.	\$498,653	2

Information and communication technology expenditure

For the 2022–23 reporting period, the department incurred a total information and communication technology (ICT) expenditure of \$437,812,934. The details are shown below.

(\$'000)

All operational ICT expenditure		ICT expenditure related to projects to create or enhance ICT capabilities		
Business as usual (BAU) ICT expenditure	Non-BAU ICT expenditure	Operational expenditure	Capital expenditure	
(Total)	(Total = operational expenditure and capital expenditure)			
\$257,316	\$180,497 ^(c)	\$75,099	\$105,398	

ICT expenditure refers to the department's costs in providing business-enabling ICT services within the current reporting period. It comprises BAU ICT expenditure and non-BAU ICT expenditure.

Non-BAU ICT expenditure relates to extending or enhancing the department's current ICT capabilities.

BAU ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

For reporting purposes, all ICT expenditure relating to shared services for the Department of Health and the Department of Families, Fairness and Housing is only disclosed in this report.

(a) The Department of Health implemented and activated an *Interim emergency procurement plan* on 20 October 2022. The *Interim emergency procurement plan* was replaced by the *Emergency procurement plan*, subsequently activated on 1 December 2022.

(b) This is the total of all expenditure, including contracts under and over \$100,000 (GST inclusive).

(c) ICT expenditure for the 2022–23 reporting period includes expenditure associated with department-funded health sector projects. This has been classified as capital expenditure.

Government advertising expenditure

For the 2022–23 reporting period, the department conducted several government advertising campaigns with total media spend of \$100,000 or greater (exclusive of GST). The details of each campaign are outlined below.

Name of campaign	Campaign summary	Start/end date	Advertising (media) expenditure (excl. GST)	Creative and campaign development expenditure (excl. GST)	Research and evaluation expenditure (excl. GST)	Print and collateral expenditure (excl. GST)	Other campaign expenditure (excl. GST)	Total
Save 000 (Save Triple Zero) for Emergencies	Educates the Victorian public about the importance of saving 000 for emergencies only and raises awareness of alternative health services that are available for non-emergencies.	01 July 2022 – 30 June 2023	\$2,558,270	\$338	\$0	\$0	\$0	\$2,558,608
Managing COVID at Home	Reassures Victorians that if they get COVID, most people can safely manage their symptoms at home or with help from a doctor.	01 July 2022 – 30 June 2023	\$1,159,492	\$79,073	\$0	\$0	\$0	\$1,238,565
Stay Well this Summer	Educates Victorians about personal protective measures that can reduce the size and duration of the summer COVID wave.	14 November 2022 – 28 February 2023	\$602,461	\$154,794	\$0	\$0	\$0	\$757,255
Stay Well this Winter	Highlights the significance of the flu vaccine and maintaining up-to-date COVID vaccinations, and promotes awareness that both vaccinations can be received at the same time.	1 July 2022 – 30 June 2023	\$848,711	\$75,000	\$50,000	\$0	\$0	\$973,711
COVID – Vaccines 5–11	Motivates parents to get their children vaccinated against COVID as quickly as possible.	1 July 2022 – 31 July 2022	\$153,202	\$0	\$0	\$0	\$0	\$153,202

Name of campaign	Campaign summary	Start/end date	Advertising (media) expenditure (excl. GST)	Creative and campaign development expenditure (excl. GST)	Research and evaluation expenditure (excl. GST)	Print and collateral expenditure (excl. GST)	Other campaign expenditure (excl. GST)	Total
COVID – Third Dose	Encourages Victorians to receive their third COVID vaccine. Evidence indicates vaccine effectiveness decreases over time, increasing the risk of rising cases and hospitalisations. The evolving variants make it crucial to get the booster vaccine as soon as a person is eligible.	1 July 2022 – 31 July 2022	\$143,920	\$0	\$0	\$0	\$0	\$143,920
Survive the Heat	Aims to reduce the health impacts of extreme heat on the Victorian community, Ambulance Victoria and health services. It urges people to protect themselves and others during extreme heat. Advertising is scheduled during heatwaves, using the national heatwave warning system, tailored to specific weather districts.	1 November 2022 -28 February 2023	\$152,666	\$0	\$30,000	\$0	\$0	\$182,666
Healthcare Recruitment – National Campaign	Ongoing initiative aimed at motivating healthcare workers and students to consider rewarding careers in midwifery and nursing in Victoria.	30 August 2022 – 30 June 2023	\$2,037,874	\$500,000	\$0	\$0	\$0	\$2,537,874
Healthcare Recruitment – International Campaign	Highlights Victoria as an attractive destination for overseas healthcare professionals to live and work. It encourages them to consider relocating and becoming part of the Victorian community.	5 September 2022 – 30 June 2023	\$2,140,000	\$1,034,793	\$0	\$0	\$0	\$3,174,793
Mental Health Recruitment – International Campaign	Highlights Victoria as an appealing destination for overseas healthcare and mental health professionals to reside and practise. It urges them to consider relocating and becoming part of the Victorian community.	5 September 2022 – 31 March 2023	\$1,200,000	\$1,025,806	\$0	\$0	\$0	\$2,225,806

Compliance with DataVic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, the information included in this annual report will be available in machine readable format at [DataVic](http://www.data.vic.gov.au) <<http://www.data.vic.gov.au>>.

Summarised data published by the department is available on numerous pages on the department's website. A significant amount of information is accessible via:

- > the [Victorian Agency for Health Information](https://vahi.vic.gov.au) <<https://vahi.vic.gov.au>>
- > [Centre for Victorian Data Linkage](https://vahi.vic.gov.au/ourwork/data-linkage/apply) <<https://vahi.vic.gov.au/ourwork/data-linkage/apply>>
- > [Department of Health – Public health](https://www.health.vic.gov.au/public-health) <<https://www.health.vic.gov.au/public-health>>
- > [Victorian COVID-19 data](https://www.coronavirus.vic.gov.au/victorian-coronavirus-covid-19-data) <<https://www.coronavirus.vic.gov.au/victorian-coronavirus-covid-19-data>>
- > [Department of Health – Publications](https://www.health.vic.gov.au/about/publications) <<https://www.health.vic.gov.au/about/publications>>

The websites above include information about:

- > service provision (including health service performance)
- > public health indicators
- > infectious disease surveillance
- > birth and birth defects
- > alcohol and drug services.

As well as summarised data, the department maintains several de-identified datasets that researchers can access. These detailed datasets contain a wealth of information to support better understanding of Victoria's health services. Extracts can be requested through procedures that ensure the data is shared to the maximum extent while protecting the privacy of individuals.

The de-identified datasets include the:

- > Victorian Admitted Episodes Dataset, which contains information about all patients admitted to Victorian hospitals
- > Victorian Emergency Minimum Dataset, which contains information about emergency presentations at Victorian public hospitals

- > Elective Surgery Information System, which contains information about elective surgery waiting lists from the major Victorian metropolitan and rural public hospitals
- > Victorian Perinatal Data Collection, which contains information about mothers and babies born in Victoria
- > Victorian Alcohol and Drug Data Collection, which contains information about the clients and activities of government-funded alcohol and drug treatment services
- > Victorian Mental Health Data Collection, which contains information about inpatient, residential, and ambulatory community care provided by gazetted mental health facilities, and associated legal, diagnostic and outcome measurement information
- > Victorian Integrated Non-Admitted Health Dataset, which contains information about a range of non-admitted services provided by health services, including specialist clinics (outpatients), health independence programs, community palliative care, and others
- > Community Health Minimum Dataset, which contains information about clients receiving government-funded community health services
- > Dental Health Program Dataset, which contains information about services provided by public dental agencies, including clients, treatments, referrals and waiting lists
- > Notifiable Infectious Diseases Dataset, which contains information on conditions that must be reported to the department under the *Public Health and Wellbeing Act 2008*.

Researchers can request access to data via:

- > the [VAHI Data Request Hub](https://vahi.freshdesk.com/support/home) <<https://vahi.freshdesk.com/support/home>>
- > the [Centre for Victorian Data Linkage](https://vahi.vic.gov.au/ourwork/data-linkage/apply) <<https://vahi.vic.gov.au/ourwork/data-linkage/apply>>

Victorian health data is also made available by other agencies, such as:

- > [Cancer Council Victoria](https://www.cancervic.org.au) <<https://www.cancervic.org.au>>
- > [Australian Institute of Health and Welfare](https://www.aihw.gov.au/) <<https://www.aihw.gov.au/>> and
- > [MyHospitals](https://www.aihw.gov.au/reports-data/myhospitals) <<https://www.aihw.gov.au/reports-data/myhospitals>>.

Freedom of information

The *Freedom of Information Act 1982* aims to extend as far as possible the right of the community to access information held by the Victorian Government and other bodies subject to the Act.

The Act allows the department to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include Cabinet documents, some internal working documents, law enforcement documents, documents covered by legal professional privilege, such as legal advice, personal information about other people, and documents relating to trade secrets.

The Act provides a 30-day period for processing requests. This time may be extended where consultation is required and by agreement with the applicant.

If an applicant is not satisfied with a decision made by the department, including a decision regarding whether the application fee is to be waived, the applicant has the right to seek a review by the Office of the Victorian Information Commissioner within 28 days of receiving a decision letter.

Making a request

Access to documents may be obtained through written request to the department's Freedom of Information Unit, pursuant to section 17 of the Act.

In summary, the requirements for making a request are:

- > it must be in writing
- > it should provide such information concerning the document as is reasonably necessary to enable identification of the document
- > it should be accompanied by the application fee of \$31.80 (the fee may be waived in certain circumstances).

If at any time an applicant is unsure of the process or how they should request information, the department will always respond to questions or queries via the contact details below. During 2022–23, the department responded to over 200 phone calls, and many more emails.

Requests for documents in the possession of the department should be addressed to:

Freedom of Information Unit
Department of Health
GPO Box 4057
Melbourne VIC 3001

Requests and payment of the application fee can also be lodged online at the [Victorian Freedom of Information Request Portal](https://online.foi.vic.gov.au/foi/request.doj) <<https://online.foi.vic.gov.au/foi/request.doj>>

Enquiries can be made by [emailing the Freedom of Information Unit](mailto:foi@health.vic.gov.au) <foi@health.vic.gov.au>, or telephone 1300 020 360.

Access charges for photocopying and search retrieval may also apply once the request has been finalised.

FOI statistics/timeliness

During 2022–23, the department received 451 FOI applications. Of these requests, 19 were from members of parliament, 32 from the media, and the remainder from the general public. Many requests during 2022–23 focused on COVID-19 related information. Apart from COVID-19 related requests, common topics related to health infrastructure developments, notifiable disease outbreaks, or personal records for information such as psychiatric or SafeScript data.

The department commonly receives requests for general medical files. These requests are routinely transferred to the relevant hospital authority as each hospital is considered its own agency under the Act.

The department made 451 FOI decisions, 425 of which were finalised within the statutory timeframe. This equates to 94 per cent of the department's decisions being released to applicants within the statutory timeframe, an increase of 25 per cent from 2021–22.

This improvement can be attributed to a deliberate effort to seek to release more information to applicants. During 2022–23, the department released fewer decisions that were denied in full (14 decisions – a reduction of 59 per cent) and increased the number released in full (61 decisions, up 27 per cent). This focus provides better outcomes for the applicant and the department, and also furthers the object of the Act.

When the department had to apply exemptions to protect certain information, it mostly relied on the personal privacy provision (section 33), although the department has been more proactive in this space, having relied on this exemption category 27 per cent less than last year. A moderate number of the requests made to the department were refused based on size and complexity (section 25A(1)), although this too was down 25 per cent.

While this is a small change in the department's approach, it provides greater benefit to applicants, the majority of whom are members of the general public.

Of the decisions finalised, 18 were subject to a review/complaint by the Office of the Victorian Information Commissioner, and four appeals were made to the Victorian Civil and Administrative Tribunal.

Compliance with the Public Interest Disclosures Act 2012

The *Public Interest Disclosures Act 2012* 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 for rectifying action to be taken.

The department does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The department will take all reasonable steps to protect people who make such disclosures from any detrimental action taken 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.

Reporting procedures

Disclosures of improper conduct or detrimental action by the department or any of its employees may be made to any of the following department personnel:

- > the Secretary
- > [public interest disclosure coordinators](mailto:publicinterestdisclosure@health.vic.gov.au) <publicinterestdisclosure@health.vic.gov.au>
- > the manager or supervisor of the discloser
- > the manager or supervisor of the person who is the subject of the disclosure.

Alternatively, disclosures may also be made directly to the Independent Broad-based Anti-corruption Commission:

Level 1, North Tower, 459 Collins Street
Melbourne VIC 3000
Phone: 1300 735 135
Internet: [Independent Broad-based Anti-corruption Commission](https://www.ibac.vic.gov.au) <https://www.ibac.vic.gov.au>
[Email IBAC](mailto:info@ibac.vic.gov.au) <info@ibac.vic.gov.au>.

Further information

The public interest disclosures policy, which outlines the system for reporting disclosures of improper conduct or detrimental action by the department or any of its employees and/or officers, is available:

- > on the department's public interest disclosures web page
- > by [emailing the public interest disclosure coordinators](mailto:publicinterestdisclosure@health.vic.gov.au) <publicinterestdisclosure@health.vic.gov.au>
- > by phoning a department public interest disclosure coordinator on the department's integrity hotline: 1300 024 324.

Disclosures under the <i>Public Interest Disclosures Act 2012</i>	2021–22	2022–23
The number of disclosures made by an individual to the Department of Health and notified to the Independent Broad-based Anti-corruption Commission	1	4

Compliance with the Building Act 1993

The department requires that appropriately qualified consultants and contractors are engaged for all proposed works on land controlled by the department or a health service agency, and that their work and services comply with current building standards. All such consultants and contractors are expected to have appropriate mechanisms in place to ensure compliance with the building and maintenance provisions of the *Building Act 1993* and relevant regulations.

The department continues to liaise with and contribute to the progress and outcomes of Cladding Safety Victoria for department-owned buildings. Relevant buildings owned by the department have been audited against the risk framework originally developed by the Victorian Cladding Taskforce and, where non-compliant cladding has been discovered, assessed against that framework for a risk rating derived from one of the four risk categories. These buildings are now being progressively rectified and/or remediated in accordance with that risk ranking and as resources and funding allow. Rectification works for all targeted buildings are on track and anticipated to be completed on schedule.

Compliance with the Carers Recognition Act 2012

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

- > promoting the principles of the Act to people in care relationships who receive departmental services and to the wider community
- > ensuring staff have an awareness and understanding of the care relationship principles set out in the Act
- > considering the care relationship principles set out in the Act when setting policies and providing services
- > implementing priority actions in *Recognising and supporting Victoria's carers: Victorian carer strategy 2018–22*.

The Department of Families, Fairness and Housing holds portfolio responsibility for the Act and further information on the above may be found in its annual report.

Compliance with the Disability Act 2006

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

Since the machinery of government changes on 1 February 2021, which established the Department of Health, the department has not developed a disability action plan as required under the Act. However, the department notes that the role of disability action plans is part of the current review into the Act being led by the Department of Families, Fairness and Housing.

The department remains committed to the purposes of the Act, including:

- > reducing barriers to access goods, services and facilities
- > reducing barriers to a person with a disability obtaining and maintaining employment
- > promoting inclusion and participation in the community
- > achieving tangible changes in attitudes and practices that discriminate against people with a disability.

The department is also implementing *Getting to work: Victorian public sector disability employment action plan 2018–2025*. Further information on this can be found in the [Workforce inclusion](#) section of this report.

The department also supports the new *Inclusive Victoria: state disability plan (2022–2026)*, which was published in March 2022 and commits all departments to embed six system reforms in their policies, programs and services. These are:

- > co-design with people with disability
- > Aboriginal self-determination
- > intersectional approaches
- > accessible communications and universal design
- > disability-confident and inclusive workforces
- > effective data and outcomes reporting.

Cemeteries and Crematoria Act 2003

In 2009 the *Cemeteries and Crematoria Act 2003* was amended to require Class A cemetery trusts to pay a levy. The levy is intended to assist in defraying the cost of administering the Act, to make improvements to cemetery trust governance and administration, and to provide services to the community.

The levy is set at three per cent, or a rate determined by the Minister for Health up to a maximum of five per cent, of the gross earnings from the previous financial year of each Class A cemetery trust. The following table details the amount paid as levy, the amount appropriated and the matters on which the appropriated money was expended.

Collection of levy	2022–23
Metropolitan trusts	\$6,079,000
Rural trusts	\$519,855
Total amount collected	\$6,598,855

Departmental expenditure (category)	2022–23
Governance support	\$1,329,826
Sector grants	\$1,469,118
Sector policy, development and coordination	\$1,132,815
Insurance premiums and claims	\$1,950,325
Total expenditure	\$5,882,084

Public Health and Wellbeing Act 2008

The *Public Health and Wellbeing Act 2008* and the Public Health and Wellbeing Regulations 2009 came into effect on 1 January 2010. The Public Health and Wellbeing Regulations 2019 replaced the Public Health and Wellbeing Regulations 2009 on 14 December 2019.

The Act promotes and protects public health and wellbeing in Victoria.

Under section 21 of the Act, the Chief Health Officer has a number of functions and powers. These include:

- > to develop and implement strategies to promote and protect public health and wellbeing
- > to provide advice to the Minister for Health or the Secretary on matters relating to public health and wellbeing
- > to publish on a biennial basis and make available in an accessible manner to members of the public a comprehensive report on public health and wellbeing in Victoria
- > to perform any other functions or exercise any powers specified under this Act or any other Act or under any regulations made under this or any other Act.

Under the Act, the Chief Health Officer is also empowered to make certain orders that may impact on individuals in order to protect the community from infectious diseases. These include orders to compel a person to be examined or tested for an infectious disease or to refrain from certain activities that may pose a serious risk to public health.

The limited circumstances in which these orders may be made are clearly set out in the legislation and there are extensive human rights protections, including rights to internal and external review.

Orders made by the Chief Health Officer from 1 July 2022 – 30 June 2023

Section	Order type	Number	Reason
113	Examination and testing order	0	
117	Public health order	3	To eliminate or reduce the risk of a person causing a serious risk to public health
118	Extension of public health order	0	To continue to eliminate or reduce the risk of a person causing a serious risk to public health
134	Orders for tests if an incident has occurred	0	

Drugs, Poisons and Controlled Substances Act 1981

Section 60S of the *Drugs, Poisons and Controlled Substances Act 1981* states that the Chief Commissioner of Police is to provide the following report on actions under the Act to the Minister for Health, for inclusion in the annual report.

(a) the number of searches without warrant under section 60E conducted during the financial year

Persons under 18 years searched	5
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(b) the number of searches without warrant under section 60F conducted during the financial year

Persons searched irrespective of age	5
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(c) information about the number and type of volatile substances and items used to inhale a volatile substance seized as a result of conducting those searches

Brown paper bag	1
Large volatile substance canister (unspecified)	1
'Air dust' spray can	1
Deodorant spray cans	13
Aerosol spray cans	8

(d) information about the number and type of volatile substances and items used to inhale a volatile substance received by police officers when produced in accordance with a request under section 60H(1)(b)

Nil	0
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(e) information about the number and type of volatile substances and items used to inhale a volatile substance returned to persons under section 60N

Nil	0
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(f) information about the number and type of volatile substances and items used to inhale a volatile substance disposed of or made safe under section 60O

Nitrous oxide soda bulbs (nangs)	2
Aerosol spray cans	8

(g) information about the number and type of volatile substances and items used to inhale a volatile substance forfeited to the Crown under section 60P

Nil	0
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(h) the number of persons apprehended and detained without warrant under section 60L during the financial year

Persons (under 18 years) apprehended and detained	1
Persons (irrespective of age) apprehended and detained ^(a)	0
Male	0
Female	1
Indigenous	0
Non-Indigenous	1
Unknown	0

Notes: Each contact or occasion may involve multiple items or substances. Figures do not include prescribed or prohibited volatile substances. Incidents may involve persons detained or transported under different legislative provisions resulting from the initial contact.

Ministerial Statement of Expectations

The Department of Treasury and Finance's Statement of Expectations Framework for Regulators is designed to facilitate a dialogue between ministers, departments and regulators to identify the government's priorities and emerging risks and to establish a process for addressing these priorities through regulators' business planning processes.

Statements of Expectations aim to establish clear expectations for regulator performance and improvement between responsible ministers and regulators.

There are 12 health regulators within the Health portfolio that are subject to the Statement of Expectations Framework for Regulators. These are listed under [Health regulation](#) in Section 1.

[Statements of Expectations](#)

<<https://www.health.vic.gov.au/ministerial-statements-of-expectations-1-july-2023>> were issued on 1 July 2023.

(a) Victoria Police has advised that it interprets this category as applicable only to persons aged 18 and older to differentiate between minors and adults in the application of the legislation.

Additional departmental information available on request

In compliance with Financial Reporting Direction 22 issued under the *Financial Management Act 1994*, information on the items listed below has been retained by the department and is available on request, subject to the provisions of the *Freedom of Information Act 1982*.

- > a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- > details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- > details of publications produced by the entity about itself, and how these can be obtained
- > details of changes in prices, fees, charges, rates and levies charged by the entity
- > details of any major external reviews carried out on the entity
- > details of major research and development activities undertaken by the entity
- > details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit
- > details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services
- > details of assessments and measures undertaken to improve the occupational health and safety of employees
- > a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes
- > a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved
- > details of all consultancies and contractors, including consultants/contractors engaged, services provided and expenditure committed for each engagement.

Requests may be made in writing to:

Chief Communications Officer
GPO Box 4057
Melbourne VIC 3001

[Email DH Communications Enquiries](mailto:dhcommunicationsenquiries@health.vic.gov.au)

<dhcommunicationsenquiries@health.vic.gov.au>

Financial Management Compliance Attestation Statement

I, Euan Wallace, as the Responsible Body, certify that the Department of Health has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Euan Wallace
Secretary
Department of Health
31 August 2023

Environmental reporting

The Department of Health is committed to reducing its environmental footprint and managing climate change risks across the health sector. During 2022–23, the department continued to work to improve its environmental performance and that of the broader health system with a focus on climate change adaptation and mitigation.

Highlights for 2022–23 are listed below:

- > The department incorporated a new award category of ‘Creating a sustainable and climate resilient health system’ in the Victorian Public Healthcare Awards. This award recognises initiatives that work to deliver a modern, safe and sustainable healthcare system that meets the needs of all Victorians now and into the future, with a particular focus on environmental sustainability.
- > The department extended use of the environmental data management system (EDMS) for the health sector to assist health services, statutory authorities and other health sector entities meet their environmental reporting requirements. The EDMS enables health sector entities to meet the new Financial Reporting Direction 24 *Reporting of environmental data by government entities* (FRD 24). In May 2023 the department conducted training in the system which was attended by over 300 health sector staff.
- > The department continued to implement the *Health and human services adaptation action plan 2022–2026* in partnership with the Department of Families, Fairness and Housing. With funding from Emergency Management Victoria, the department is delivering a project assessing climate risk for six Victorian regional hospitals. Several workshops and risk assessments were held with health services in 2022–23.
- > The department continued implementation of the \$40 million energy efficiency and solar program. In 2022–23, the department:
 - supported energy audits at Dental Health Services Victoria and the Thomas Embling Hospital
 - allocated \$8.5 million to deliver 7,122 kilowatt-peak solar across 10 health services
 - allocated \$2.5 million to Ambulance Victoria for energy efficiency, solar and electrification works
 - commissioned energy audits across nine health services in the Barwon South West region.
- > The department performed ongoing assessments of public hospitals’ energy and water performance using the National Australian Built Environment Energy Rating System (NABERS) rating. Specifically:
 - 132 hospitals were rated under NABERS public hospitals (energy). The latest portfolio average is 3.9 stars, an increase of 0.1 stars from the portfolio average for the prior reporting period
 - 131 hospitals were rated under NABERS public hospitals (water). The latest portfolio average is 4.0 stars, an increase of 0.4 stars from the portfolio average for the prior reporting period.
- > On 30 June 2023, the department switched off two end-of-life 6-megawatt cogeneration systems located at Dandenong Hospital and St Vincent’s Hospital Melbourne. Such actions are assisting the public health portfolio to transition away from natural gas by reducing the amount of gas used by hospitals for the generation of on-site electricity.

Environmental management system

The department has in place an environmental management system (EMS) developed by the then Department of Health and Human Services. The EMS was last independently audited in 2020. The department will continue to maintain and update the EMS in order to improve environmental performance.

Climate-related risk disclosure statement

The key climate change risks for the health system fall into three broad categories – public health, infrastructure and sector capability. The specific risks in each category are outlined below:

- > Overall warmer temperatures and the increased severity and frequency of climate-related hazardous events such as heatwaves, bushfires and coastal inundation can have greater direct and indirect impacts on physical and mental health.
- > The climate-related risks to infrastructure are likely to increase in the future and could include:
 - increased risk of inundation due to sea level rise, riverine and inland flooding
 - soil contraction shifting foundations
 - bushfire and smoke damage
 - very hot days and heatwaves
 - Legionella growth
 - amplification of other pathogens and microbes.
- > Climate change impacts will affect the ability of the health system to adequately prepare for and respond to emergencies. More frequent and severe emergencies may require increased staffing and resources. Ongoing effort is therefore required to understand and respond to risks, develop opportunities, and build resilience to climate impacts.

Through its climate-related risk disclosure statement, the department intends to:

- > communicate what actions it is taking to understand the impact of climate change on departmental assets, operations and services
- > demonstrate that its environmental impacts are being considered and responsibly managed and mitigated.

Governance

The department's Executive Board has incorporated climate change into the department's Tier 1 (strategic) risk profile with the risk *'failure to mitigate climate change impacts to Department of Health operations, the health sector and the health of Victorians, and the ability to meet relevant obligations and commitments'*. Climate change is also referenced in a number of Tier 2 (divisional) risk profiles.

The department has an executive-level Climate Change Action Group. This group is tasked with championing and elevating the priority of climate change across the organisation and monitoring progress in implementing relevant actions in the *Health and human services adaptation action plan 2022–2026*. The group met eight times in 2022–23.

Departmental executives oversee the Statements of Priorities for health services, which are annual accountability agreements between the Minister for Health and health services. In 2022–23, these agreements also included climate change commitments. In particular, Part A of each statement of priorities included a commitment to contribute to enhancing health system resilience by:

- > identifying and implementing projects that contribute to committed emissions reduction targets so as to improve environmental sustainability, or
- > implementing initiatives that help the health system to adapt to the impacts of climate change.

Strategy

The department includes climate-related risks in strategic and corporate plans.

The [Health and human services adaptation action plan 2022–2026](https://www.health.vic.gov.au/environmental-health/climate-change-strategy)

<<https://www.health.vic.gov.au/environmental-health/climate-change-strategy>> was prepared under the *Climate Change Act 2017* and outlines the department's approach to managing climate change risks. Throughout 2022–23 the department progressed a range of actions under this plan and is participating in whole of Victorian Government processes to integrate and progress climate change more broadly.

The [Victorian public health and wellbeing plan 2019–2023](https://www.health.vic.gov.au/publications/victorian-public-health-and-wellbeing-plan-2019-2023) <<https://www.health.vic.gov.au/publications/victorian-public-health-and-wellbeing-plan-2019-2023>> sets out a comprehensive approach for delivering improved public health and wellbeing outcomes for Victorians. The plan recognises that climate change poses significant risks to public health and wellbeing and includes 'tackling climate change and its impacts on health' as a key focus area. The plan provides a framework for coordinated action at a state, local and service level to protect and improve public health. Climate change risks and impacts are incorporated into various other departmental plans and strategies.

Risk management

The department's approach to risk management aligns with the risk standard *AS ISO 31000:2018 Risk management – guidelines* and requires the department to consider its operational context in assessing and managing risks.

Climate-related risks are identified, assessed and managed at strategic, operational and project levels. The department draws on the latest information in identifying, assessing and managing risks, with processes in place for regular reporting and review.

The department supports entities in the health sector to conduct climate-related risk assessments to help identify key vulnerabilities. For example, during 2022–23 the department supported climate risk assessments for one rural hospital and assessments are currently underway for six other rural hospitals. The risks being considered include flooding, extreme heat and bushfires/grassfires. The climate risk assessments are consistent with the relevant Australian standard (*AS 5334:2013 Climate change adaptation for settlements*).

Environmental data and performance

The following information has been prepared in accordance with Financial Reporting Direction 24 *Reporting of environmental data by government entities* (FRD 24). FRD 24 specifies a range of environmental indicators that the department and associated agencies must report against. The June 2022 update of FRD 24 requires entities to report against a broader range of environmental indicators than in previous iterations and its scope has been expanded to apply to more public sector entities.

For the purposes of this report the department and its associated agencies are categorised as follows:

- > **Health services:** this category includes Victoria's public hospitals and health services. Under FRD 24 metropolitan hospitals are classified as Tier 2; other health services and hospitals (including Ambulance Victoria and regional, sub-regional, local, small rural, multi-purpose and statewide health services) are classified as Tier 3a.
- > **Office-based:** this category includes all departmental offices and offices occupied by statutory agencies. Statutory agencies included in this data reporting category are:
 - Mental Health Complaints Commissioner
 - Safer Care Victoria
 - Victorian Assisted Reproductive Treatment Authority
 - Victorian Pharmacy Authority
 - Mental Health Tribunal

The department's office-based activities are classified as Tier 1 under FRD 24. Classifications for statutory agencies vary, with many being Tier 4, however their data has been incorporated into the Tier 1 reporting for the department.

- > **Cemeteries:** this category, for the purposes of this report, refers to Class A cemeteries in Victoria. Class A cemeteries are categorised as Tier 3a under FRD 24. This report only captures the environmental data and performance of Ballarat General Cemetery Trust, Geelong Cemeteries Trust and Greater Metropolitan Cemeteries Trust.

Tier 1 entities are required to report against the full range of indicators, while Tiers 2, 3a and 4 have reduced reporting requirements. When reading the data, it should be noted that the units used vary between the health sector and other parts of the portfolio due to their relative resource use.

As this is the first year the department and its associated entities have reported against the updated FRD 24 there are some data gaps. These gaps are unlikely to be significant within the context of the broader portfolio impacts.

The preferred method for collecting environmental performance data is through the department's environmental data management system (EDMS). The majority of health services and office-based data is collected through this system, however, there are some indicators and smaller agencies (including Class A cemeteries) where different methods of data collection are used. Over 2023–24 and beyond, it is anticipated that more data will be transitioned into the EDMS to improve the accuracy and completeness of the department's environmental data set.

The environmental data contained within this report shows mixed results. There was an increase in office-based emissions, which is likely due to improved data capture and more accurate calculation methods for shared offices. An increase in air travel is likely due to a return to normal travel arrangements post the COVID-19 pandemic. This was partly offset by a significant decrease in vehicle travel during the period.

The public hospital portfolio saw a decrease of scope two carbon emissions from electricity of 3 per cent compared to 2021–22 and 6 per cent compared to 2020–21. This can largely be attributed to a reduction in the carbon intensity

of grid electricity, but also to an increase in the amount of solar installed in public hospitals and the purchase of certified renewable energy under the GreenPower scheme. Solar power generated by public hospitals increased by 37 per cent in 2022–23 compared to 2020–21, and the amount of GreenPower purchased increased by 110 per cent over 2022–23 compared to the previous year.

Scope one carbon emissions from stationary fuel increased by nearly 8 per cent in 2022–23, which was largely due to the reporting of natural gas used in five large cogeneration systems that was previously reported by the third-party operator.

The level of emissions associated with public hospital and health service commercial air travel emissions increased significantly compared to previous years, due to increased reporting. It is expected that policy changes to favour the use of E10 ethanol blend petrol in government fleet cars have resulted in a 149 per cent increase in the use of this fuel since 2021–22 and a 980 per cent increase since 2020–21.

The amount of general waste generated by public hospitals has increased by some 3,000 tonnes since 2020–21, to 2.38 kilograms of general waste per patient treated, an increase of nearly 12 per cent. Recycling levels are returning to pre-COVID-19 levels, with a 15 per cent increase in the amount of materials recycled since 2021–22, while clinical waste was similarly reduced by 19 per cent over 2022–23 compared to the previous year.

Public hospital potable water use increased by 7 per cent compared to 2021–22. The use of rainwater, alternate supply and reused water decreased by 34 per cent compared to 2020–21, which may be due to reduced reporting by health services.

Other factors impacting on the 2022–23 environmental data include:

- > improved data capture – as the department and its entities have developed more mature approaches to environmental data management, the accuracy and scope of the data captured has improved. As a result, some changes in environmental performance indicators may be reflecting improved data capture, rather than actual differences in performance.

- > improved methods for estimating data for assets shared with the Department of Families, Fairness and Housing.
- > adjustments to a 'new normal' after the COVID-19 pandemic period. The pandemic was a major disruptor to the health sector, significantly impacting on activities and performance, including environmental performance. Data from the COVID-19 years may not be directly comparable to current data due to the impacts of the pandemic on some indicators, such as those for air travel. Other indicators may have been impacted by changed practices, such as those for infection control.
- > continuing changes to the health portfolio, including opening new facilities, decommissioning sites, investment in energy efficiency and installation of solar.
- > changes in how the department procures energy through its cogeneration energy services agreement, from procuring the cogeneration outputs (steam and cogenerated electricity) to cogeneration inputs (natural gas). From 1 October 2021, there were changes in how cogenerated electricity, steam and natural gas used in cogeneration systems were reported.
- > limitations on the ability to back date the data as many indicators included in this report are being reported for the first time and some entities are still adjusting to the requirement to capture this new data.

The environmental indicators^(a) included within this report provide a far more detailed picture than what was previously available and, in line with the intent of the new FRD 24, they provide the department and the broader sector with the opportunity to undertake more detailed analysis to understand trends and drivers of environmental performance. The normalisation of office-based work and health sector activities, with a return to pre-COVID-19 levels, has enabled the department to begin to focus again on reducing the health sector's environmental footprint and support the achievement of Victoria's greenhouse gas emission reduction targets.

(a) The department has retained the codes (EL1, EL2, F1, etc) from the FRD 24 list of indicators in relevant headings for ease of comparison.

Summary of greenhouse gas emissions

The following table is a summary of greenhouse gas emissions across the health portfolio. Data explanations are contained in the more detailed tables in the following sections.

Total greenhouse gas emissions associated with:	2022–23 estimate Tonnes CO ₂ -e	2021–22 estimate Tonnes CO ₂ -e	2020–21 estimate Tonnes CO ₂ -e
Scope one (direct)	215,915	209,157	N/A
Health services	213,456	207,548	161,323
Office-based	578	535	N/A
Cemeteries	1,881	1,074	N/A
Scope two (indirect electricity)	422,691	451,702	N/A
Health services	419,478	449,019	506,872
Office-based	2,163	1,621	N/A
Cemeteries	1,050	1,062	N/A
Scope three (other indirect)	135,198	117,508	N/A
Health services	132,105	116,803	117,215
Office-based	721	255	N/A
Cemeteries	2,372	450	N/A
Total	773,804	778,367	N/A
Health services	765,039	773,370	785,410
Office-based	3,462	2,411	N/A
Cemeteries	5,303	2,586	N/A

Explanatory notes:

- Scope one, two and three emissions are specified in the Australia National Greenhouse and Energy Reporting Scheme.
- On 1 October 2021, the department changed how it procured energy through its cogeneration energy services agreement, from procuring the cogeneration outputs (steam and cogenerated electricity) to cogeneration inputs (natural gas). This has resulted in the department increasing the amount of natural gas and associated scope one emissions being reported and a corresponding decrease in the amount of cogeneration electricity and associated scope two emissions being reported.
- Cemetery scope three greenhouse gas emissions for 2021–22 do not capture waste and recycling data, which explains why the data differs significantly from the corresponding 2022–23 total.

Electricity production and consumption

Health services

EL1 Total electricity consumption

Electricity source	2022–23 MWh	2021–22 MWh	2020–21 MWh
Purchased	610,637	602,441	615,570
Self-generated	36,896	33,050	8,793
EL1 Total electricity consumption	647,533	635,491	624,363

EL2 On-site electricity generated

	2022–23	2021–22	2020–21
Electricity generation	MWh	MWh	MWh
Consumption behind-the-meter			
Solar electricity	12,070	10,331	8,793
Cogeneration electricity	24,826	22,719	0
Total consumption behind-the-meter	36,896	33,050	8,793
Electricity exported			
Solar electricity	241	221	243
Cogeneration electricity	7,021	6,422	0
Total electricity exported	7,262	6,643	243
EL2 Total on-site electricity generated	44,158	39,693	9,036

EL3 On-site installed generation capacity

	2022–23	2021–22	2020–21
Generation source	MW	MW	MW
Cogeneration plant	42	N/A	N/A
Diesel generator	200	N/A	N/A
Solar system	15	N/A	N/A
EL3 Total on-site installed generation capacity	257	N/A	N/A

EL4 Total electricity offsets

	2022–23	2021–22	2020–21
Offset type	MWh	MWh	MWh
GreenPower	5,781	2,923	2,752
RPP (Renewable power percentage in the grid)	114,800	109,711	107,832
EL4 Total electricity offsets	120,581	112,634	110,584

Data limitations, explanatory notes and opportunities for further improvement:

- Cogeneration data is for the large cogeneration plants at Royal Melbourne Hospital, Dandenong Hospital, The Alfred, St Vincent's Hospital Melbourne and University Hospital Geelong.
- On 1 October 2021, the department changed how it procured energy through its cogeneration energy services agreement, from procuring the cogeneration outputs (steam and cogenerated electricity) to cogeneration inputs (natural gas). This has changed how cogenerated electricity, steam and natural gas used in cogeneration systems are reported.
- Solar data is captured from around 25 per cent of the solar arrays installed at public hospitals.
- Electricity use includes a three per cent estimate in 2022–23 due to some data being unavailable from electricity providers at the time of reporting.
- The department did not collect the amount of on-site installed generation capacity by year prior to 2021–22.

Office-based (department and statutory agencies)

EL1 Total electricity consumption

Electricity source	2022–23 MWh	2021–22 MWh	2020–21 MWh
Purchased	3,149	2,219	N/A
Self-generated	0	0	N/A
EL1 Total electricity consumption	3,149	2,219	N/A

EL2 On-site electricity generated

Nil

EL3 On-site installed generation capacity

Nil

EL4 Total electricity offsets

Offset type	2022–23 MWh	2021–22 MWh	2020–21 MWh
GreenPower	53	52	N/A
RPP (Renewable power percentage in the grid)	592	413	N/A
EL4 Total electricity offsets	645	465	N/A

Data limitations, explanatory notes and opportunities for further improvement:

- Figures for 2020–21 are not available as the department was part of the Department of Health and Human Services and this data was not captured at the time.
- Where the department and its agencies share offices with other entities, the indicators have been apportioned using estimated occupied floor space – this approach has been updated from 2021–22, where data estimates were made using assumptions on occupancy. Significant differences in performance may be due to this change.
- The 2022–23 data includes all main department offices and the majority of health agencies. Some agencies were excluded as they were deemed to be immaterial and data was not readily available.
- Office-based electricity data for the last quarter for 2022–23 includes estimates, as some data was not available from energy retailers at the time of reporting.

Cemeteries

EL1 Total electricity consumption

Electricity source	2022–23 MWh	2021–22 MWh	2020–21 MWh
Purchased	1,529	1,454	N/A
Self-generated	195	N/A	N/A
EL1 Total electricity consumption	1,724	1,454	N/A

EL2 On-site electricity generated

Electricity destination	2022–23 MWh	2021–22 MWh	2020–21 MWh
Consumption behind-the-meter			
Solar electricity	195	N/A	N/A
Total consumption behind-the-meter	195	N/A	N/A
Exports			
Solar electricity	114	N/A	N/A
Total electricity exported	114	N/A	N/A
EL2 Total on site-electricity generated	309	N/A	N/A

EL3 On-site installed generation capacity

Generation source	2022–23 MW	2021–22 MW	2020–21 MW
Solar system	0.2	N/A	N/A
EL3 Total on-site installed generation capacity	0.2	N/A	N/A

EL4 Total electricity offsets

Offset type	2022–23 MWh	2021–22 MWh	2020–21 MWh
GreenPower	1,450	94	N/A
RPP (Renewable power percentage in the grid)	287	270	N/A
EL4 Total electricity offsets	1,737	364	N/A

Data limitations, explanatory notes and opportunities for further improvement:

- As FRD 24 is a new requirement for Class A cemeteries, limited data was available at the time of reporting. The department will work with the cemeteries to improve future reporting.
- Data for solar electricity export captures Geelong Cemeteries Trust.
- Data for GreenPower for 2022–23 captures Greater Metropolitan Cemeteries Trust and Geelong Cemeteries Trust. Data for Greenpower for 2021–22 captures Geelong Cemeteries Trust.

Stationary fuel use**Health services****F1 Total fuels used in buildings and machinery**

Fuel type	2022–23 TJ	2021–22 TJ	2020–21 TJ
Natural gas	3,264	3,006	2,100
LPG	77	84	89
Diesel	3	9	4
Green and air-dried wood	0.5	0	0
F1 Total fuels used in buildings	3,345	3,099	2,193

F2 Greenhouse gas emissions from stationary fuel consumption

Fuel type	2022–23 Tonnes CO ₂ -e	2021–22 Tonnes CO ₂ -e	2020–21 Tonnes CO ₂ -e
Natural gas	168,212	154,896	108,212
LPG	4,653	5,424	5,481
Diesel	227	665	248
Green and air-dried wood	1	0	0
F2 Greenhouse gas emissions from stationary fuel consumption	173,093	160,651	113,877

Data limitations, explanatory notes and opportunities for further improvement:

- Diesel data is from emergency diesel generators installed at public hospital sites where data is provided to the department.
- In 2022–23, public health service natural gas data includes a three per cent estimate and LPG data includes a one per cent estimate due to some data being unavailable from gas providers at the time of reporting.
- The increase in natural gas use compared to 2021–22 is largely due to the reporting of natural gas used in the large cogeneration plants at Royal Melbourne Hospital, Dandenong Hospital, The Alfred, St Vincent's Hospital Melbourne and University Hospital Geelong.
- Green and air-dried wood use is associated with the biomass boiler installed at Sipton Hospital. Data on the biomass boiler at Beaufort Hospital was not available.

Office-based (department and statutory agencies)

F1 Total fuels used in buildings and machinery

Fuel type	2022–23 MJ	2021–22 MJ	2020–21 MJ
Natural gas	5,421,882	2,414,895	N/A
F1 Total fuels used in buildings	5,421,882	2,414,895	N/A

F2 Greenhouse gas emissions from stationary fuel consumption

Fuel type	2022–23 Tonnes CO ₂ -e	2021–22 Tonnes CO ₂ -e	2020–21 Tonnes CO ₂ -e
Natural gas	279	124	N/A
F2 Greenhouse gas emissions from stationary fuel consumption	279	124	N/A

Data limitations, explanatory notes and opportunities for further improvement:

- Figures for 2020–21 are not available as during this period the department was part of the Department of Health and Human Services and this data was not captured at the time.
- The 2022–23 data includes all main department offices and the majority of health agencies. Some agencies were excluded as they were deemed to be immaterial and data was not readily available.
- Office-based stationary energy data for the last quarter for 2022–23 includes estimates as some data was not available from energy retailers at the time of reporting.
- Where the department and its agencies share offices with other entities the indicators have been apportioned using estimated occupied floor space in 2022–23 – this approach has been updated from 2021–22, where usage was estimated based on the number of full-time equivalent employees. Total gas use for these sites remains largely unchanged and therefore the increase in gas use reported here is likely due to the revised calculation method.

Cemeteries

F1 Total fuels used in buildings and machinery

Fuel type	2022–23 MJ	2021–22 MJ	2020–21 MJ
Natural gas	18,787,793	17,424,012	N/A
LPG	3,674,129	2,908,508	N/A
Diesel	4,967,828	N/A	N/A
Petrol	393,296	N/A	N/A
F1 Total fuels used in buildings	27,823,046	20,332,520	N/A

F2 Greenhouse gas emissions from stationary fuel consumption

Fuel type	2022–23 Tonnes CO ₂ -e	2021–22 Tonnes CO ₂ -e	2020–21 Tonnes CO ₂ -e
Natural gas	968	898	N/A
LPG	223	176	N/A
Diesel	349	N/A	N/A
Petrol	27	N/A	N/A
F2 Greenhouse gas emissions from stationary fuel consumption	1,566	1,074	N/A

Data limitations, explanatory notes and opportunities for further improvement:

- As FRD 24 is a new requirement for Class A cemeteries, limited data was available at the time of reporting. The department will work with Class A cemeteries to improve future reporting.
- LPG use captures the Geelong Cemeteries Trust; diesel and petrol use captures the Greater Metropolitan Cemeteries Trust.

Transportation

Health services

T1 Total energy used in transportation within the entity

Fuel type and vehicle category	2022–23 MJ	2021–22 MJ	2020–21 MJ
Hospital emergency transport			
Diesel – road vehicles	167,803,989	164,430,592	158,747,136
Gasoline/petrol – road vehicles	25,508,617	22,999,168	22,757,289
Aviation fuel	172,979,762	159,956,525	167,343,591
Total hospital emergency transport	366,292,368	347,386,285	348,848,016
Health services vehicle fleet			
Diesel – road vehicles	31,039,878	24,659,302	27,149,855
Gasoline/petrol – road vehicles	72,826,094	60,665,126	63,493,049
E10 ethanol blend – road vehicles	2,548,879	1,021,443	235,139
LPG – road vehicles	30,132	222,708	111,400
Total health service vehicle fleet	106,444,984	86,568,579	90,989,442
Total energy used in transportation	472,737,351	433,954,864	439,837,457

T2 Number and proportion of vehicles

N/A

T3 Greenhouse gas emissions from vehicle fleet

Fuel type and vehicle category	2022–23 Tonnes CO₂-e	2021–22 Tonnes CO₂-e	2020–21 Tonnes CO₂-e
Hospital emergency transport			
Diesel – road vehicles	11,815	11,578	11,177
Gasoline/petrol – road vehicles	1,725	1,555	1,539
Aviation fuel	12,145	11,231	11,749
Total hospital emergency transport	25,685	24,363	24,465
Health services vehicle fleet			
Diesel – road vehicles	2,186	1,737	1,913
Gasoline/petrol – road vehicles	4,924	4,102	4,293
E10 ethanol blend – road vehicles	155	62	14
LPG – road vehicles	2	14	7
Total health services vehicle fleet	7,267	5,915	6,227
Total greenhouse gas emissions in transportation	32,952	30,279	30,693

T4 Total distance travelled by commercial air travel

Travel type	2022–23 pkm	2021–22 pkm	2020–21 pkm
Commercial air travel for business purposes by entity staff on commercial or charter aircraft	5,974,618	802,194	77,126

Data limitations, explanatory notes and opportunities for further improvement:

- As this is a new reporting requirement, data on the number and proportion of vehicle types has not been collected for health services. The department will work with health services to improve data capture for this indicator, including the roll-out of electric vehicles in public health services.
- Air travel data includes data from Melbourne Health, Mercy Public, Monash Health, Royal Women's Hospital, St Vincent's Hospital Melbourne and Ambulance Victoria. The significant increase is likely associated with return to normal post the COVID-19 pandemic.
- Vehicle fleet data includes data from around two-thirds of public hospitals and health services.

Office-based (department and statutory agencies)

T1 Total energy used in transportation (vehicle fleet) within the entity

Engine/fuel type and vehicle category	2022–23 MJ	2021–22 MJ	2020–21 MJ
Petrol			
Non-executive fleet – gasoline/petrol	1,776,289	1,754,309	N/A
Non-executive fleet – hybrid gasoline/petrol	776,237	277,977	N/A
Non-executive fleet – State Government Vehicle Pool gasoline/petrol	1,246,087	3,751,387	N/A
Total petrol	3,798,613	5,783,674	N/A
Diesel			
Non-executive fleet – diesel	591,155	275,407	N/A
Total diesel	591,155	275,407	N/A
Total energy used in transportation (vehicle fleet)	4,389,769	6,059,081	N/A

T2 Number and proportion of vehicles

Engine/fuel type and vehicle category	2022–23 No. (%)	2021–22 No. (%)	2020–21 No. (%)
Road vehicles	103 (100%)	107 (100%)	N/A
Passenger vehicles	103 (100%)	107 (100%)	N/A
Internal combustion engines	103 (100%)	107 (100%)	N/A
Gasoline/petrol	42 (41%)	47 (44%)	N/A
Diesel/biodiesel	16 (15%)	12 (11%)	N/A
Plug-in hybrid electric vehicle (PHEV)	43 (42%)	47 (44%)	N/A
Range-extended electric vehicle	2 (2%)	1 (1%)	N/A

T3 Greenhouse gas emissions from transportation (vehicle fleet)

Engine/fuel type and vehicle category	2022–23 Tonnes CO ₂ -e	2021–22 Tonnes CO ₂ -e	2020–21 Tonnes CO ₂ -e
Petrol			
Non-executive fleet – gasoline/petrol	120	119	N/A
Non-executive fleet – hybrid gasoline/petrol	52	19	N/A
Non-executive fleet – State Government Vehicle Pool gasoline/petrol	84	254	N/A
Total petrol	257	391	N/A
Diesel			
Non-executive fleet – diesel	42	19	N/A
Total diesel	42	19	N/A
Total greenhouse gas emissions from transportation (vehicle fleet)	298	410	N/A

T4 Total distance travelled by commercial air travel

Travel type	2022–23 pkm	2021–22 pkm	2020–21 pkm
Commercial air travel for business purposes by entity staff on commercial or charter aircraft	880,025	172,258	N/A

Data limitations, explanatory notes and opportunities for further improvement:

- Figures for 2020–21 are not available as during this period the department was part of the Department of Health and Human Services and this data was not captured at the time.
- The 2022–23 data includes all main department offices and the majority of health agencies. Some agencies were excluded as they were deemed to be immaterial and data was not readily available.
- Significant increase in air travel likely associated with return to normal post the COVID-19 pandemic.

Cemeteries

T1 Total energy used in transportation (vehicle fleet) within the entity

Engine/fuel type and vehicle category	2022–23 MJ	2021–22 MJ	2020–21 MJ
Petrol			
Executive fleet – gasoline	824,555	N/A	N/A
Total petrol	824,555	N/A	N/A
Petrol (E10)			
Executive fleet – E10	73,861	N/A	N/A
Total petrol (E10)	73,861	N/A	N/A
Diesel			
Executive fleet – diesel	3,618,376	N/A	N/A
Total diesel	3,618,376	N/A	N/A
Total energy used in transportation (vehicle fleet)	4,516,792	N/A	N/A

T3 Greenhouse gas emissions from vehicle fleet

Engine/fuel type and vehicle category	2022–23 Tonnes CO ₂ -e	2021–22 Tonnes CO ₂ -e	2020–21 Tonnes CO ₂ -e
Petrol			
Executive fleet – gasoline	56	N/A	N/A
Total petrol	56	N/A	N/A
Petrol (E10)			
Executive fleet – E10	4.5	N/A	N/A
Total Petrol (E10)	4.5	N/A	N/A
Diesel			
Executive fleet – diesel	255	N/A	N/A
Total diesel	255	N/A	N/A
Total greenhouse gas emissions from vehicle fleet	315	N/A	N/A

T4 Total distance travelled by commercial air travel

Travel type	2022–23 pkm	2021–22 pkm	2020–21 pkm
Commercial air travel for business purposes by entity staff on commercial or charter aircraft	43,247	7,520	N/A

Data limitations, explanatory notes and opportunities for further improvement:

- As FRD 24 is a new requirement for Class A cemeteries, limited data was available at the time of reporting. The department will work with Class A cemeteries to improve future reporting.
- Commercial air travel for 2022–23 captures Greater Metropolitan Cemeteries Trust and Geelong Cemeteries Trust. Commercial air travel for 2021–22 captures Geelong Cemeteries Trust.

Total energy use

Health services

E1 Total energy usage from fuels

Fuel type	2022–23 TJ	2021–22 TJ	2020–21 TJ
Total energy usage from stationary fuels (F1)	3,345	3,093	2,194
Total energy usage from transport (T1)	473	434	440
Total energy usage from fuels	3,818	3,527	2,634

E2 Total energy usage from electricity

Energy type	2022–23 TJ	2021–22 TJ	2020–21 TJ
Total energy usage from electricity	2,331	2,289	2,249

E3 Total energy usage by renewable and non-renewable sources

Source	2022–23 TJ	2021–22 TJ	2020–21 TJ
Renewable	439	430	423
Non-renewable	5,710	5,386	4,460

E4 Units of stationary energy used (normalised)

Normalised measure	2022–23	2021–22	2020–21
Energy per unit of OBD [MJ/OBD]	789	793	653
Energy per unit of floor space [MJ/m ²]	1,512	1,458	1,202

Data limitations, explanatory notes and opportunities for further improvement:

- OBD – occupied bed day: Total number of bed days of all admitted patients and public sector residential aged care beds accommodated during the reporting period, taken from a count of the number of inpatients at about midnight each day.

Office-based (department and statutory agencies)

E1 Total energy usage from fuels

Fuel type	2022–23 MJ	2021–22 MJ	2020–21 MJ
Total energy usage from stationary fuels (F1)	5,421,882	2,414,895	N/A
Total energy usage from transport (T1)	4,389,769	6,059,081	N/A
Total energy usage from fuels	9,811,650	8,473,976	N/A

E2 Total energy usage from electricity

	2022–23 MJ	2021–22 MJ	2020–21 MJ
Total energy usage from electricity	11,336,838	7,989,359	N/A

E3 Total energy usage by renewable and non-renewable sources

Source	2022–23 MJ	2021–22 MJ	2020–21 MJ
Renewable	2,321,902	1,674,087	N/A
Non-renewable	18,826,587	14,789,247	N/A

E4 Units of stationary energy used (normalised)

Normalised measure	2022–23	2021–22	2020–21
Energy per unit of floor space [MJ/m ²]	423	295	N/A

Data limitations, explanatory notes and opportunities for further improvement:

- Figures for 2020–21 are not available as during this period the department was part of the Department of Health and Human Services and this data was not captured at the time.
- Where the department and its agencies share offices with other entities the indicators have been apportioned using estimated occupied floor space – this approach has been updated from 2021–22, where data estimates were made using assumptions on occupancy. Significant differences in performance may be due to this change.
- Office-based electricity data for the last quarter for 2022–23 includes estimates as some data was not available from energy retailers at the time of reporting.
- Office-based stationary energy and electricity data includes estimates for the last quarter for 2022–23 due to some data being unavailable from energy retailers at the time of reporting.

Cemeteries

E1 Total energy usage from fuels

Fuel type	2022–23 MJ	2021–22 MJ	2020–21 MJ
Total energy usage from stationary fuels (F1)	27,823,046	20,332,520	N/A
Total energy usage from transport (T1)	4,516,791	N/A	N/A
Total energy usage from fuels	32,339,837	20,332,520	N/A

E2 Total energy usage from electricity

	2022–23	2021–22	2020–21
	MJ	MJ	MJ
Total energy usage from electricity	6,205,652	5,234,400	N/A

E3 Total energy usage by renewable and non-renewable sources

Source	2022–23	2021–22	2020–21
	MJ	MJ	MJ
Renewable	6,963,466	1,311,475	N/A
Non-renewable	31,582,023	24,255,445	N/A

Data limitations, explanatory notes and opportunities for further improvement:

- As FRD 24 is a new requirement for Class A cemeteries, limited data was available at the time of reporting. The department will work with Class A cemeteries to improve future reporting.

Greenhouse gas emissions**Health services****G1 Total scope one (direct) greenhouse gas emissions**

Emission source	2022–23	2021–22	2020–21
	Tonnes CO₂-e	Tonnes CO₂-e	Tonnes CO₂-e
GHG emissions from stationary fuel (F2)	173,093	160,651	113,877
GHG emissions from vehicle fleet (T3)	32,952	30,279	30,693
F2 and T3 by greenhouse gas			
Carbon dioxide	205,359	N/A	N/A
Methane	348	N/A	N/A
Nitrous Oxide	338	N/A	N/A
Total F2 and T3	206,045	190,930	144,570
Medical/refrigerant gases			
Desflurane	66	36	161
Isoflurane	17	22	18
Methoxyflurane whistles	20	0	0
Nitrous oxide	5,213	15,719	15,811
Sevoflurane	808	814	699
Refrigerant gases	1,288	28	65
Total medical/refrigerant gases	7,411	16,618	16,753
Total scope one (direct) greenhouse gas emissions	213,456	207,548	161,323

G2 Total scope two (indirect electricity) greenhouse gas emissions

Emission source	2022–23 Tonnes CO₂-e	2021–22 Tonnes CO₂-e	2020–21 Tonnes CO₂-e
Cogenerated electricity	0	11,911	39,777
Electricity	419,478	430,962	444,255
Steam	0	6,146	22,840
Total scope two (indirect electricity) greenhouse gas emissions	419,478	449,019	506,872

G3 Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel, waste disposal and other indirect emissions

Emission source	2022–23 Tonnes CO₂-e	2021–22 Tonnes CO₂-e	2020–21 Tonnes CO₂-e
Commercial air travel	1,872	224	10
Waste emissions	41,948	39,517	38,686
Indirect emissions from stationary energy	68,936	59,677	60,217
Indirect emissions from transport energy	17,289	12,218	12,730
Paper emissions	125	358	1,773
Any other scope three emissions	7,456	7,716	6,751
Any offsets purchased	-5,521	-2,908	-2,953
Total scope three greenhouse gas emissions	132,105	116,803	117,215
Total reported greenhouse gas emissions per bed day (t CO₂-e/bed day)	0.11	0.11	0.11

Data limitations, explanatory notes and opportunities for further improvement:

- On 1 October 2021, the department changed how it procured energy through its cogeneration energy services agreement, from procuring the cogeneration outputs (steam and cogenerated electricity) to cogeneration inputs (natural gas). This has resulted in the department increasing the amount of natural gas and associated scope one emissions being reported, and a corresponding decrease in the amount of cogeneration electricity and associated scope two emissions being reported.
- Due to changes in reporting requirements, a breakdown of greenhouse gases is not available for 2021–22 and 2020–21.
- Medical gas reporting includes data from Alfred Health, East Grampians Health Service, Mercy Health, Monash Health, Peninsula Health, and St Vincent's Hospital Melbourne. During 2022–23, efforts were made to centralise reporting of medical gas use to enable consistent use of calculation methods, which have resulted in some variance to previous reporting data. Work to improve medical gas data capture is ongoing. Nitrous oxide data for 2020–21 and 2021–22 is based on data provided by HealthShare Victoria for the public health system, which was not available in 2022–23.
- Paper reporting includes data from Alfred Health, East Grampians Health Service, Moyne Health Services, Orbost Regional Health, Seymour Health Service, Tallangatta Health Service and Ambulance Victoria. Paper data for 2020–21 and 2021–22 was provided by HealthShare Victoria for the public health system, which was not available in 2022–23.

Office-based (department and statutory agencies)

G1 Total scope one (direct) greenhouse gas emissions

Emission source	2022–23	2021–22	2020–21
	Tonnes CO ₂ -e	Tonnes CO ₂ -e	Tonnes CO ₂ -e
Scope one GHG emissions from stationary fuel (F2)	279	124	N/A
Scope one GHG emissions from vehicle fleet (T3)	298	410	N/A
F2 and T3 by greenhouse gas			
Carbon dioxide	576	533	N/A
Methane	0.6	0.3	N/A
Nitrous Oxide	1.2	1.4	N/A
Total F2 and T3	578	535	N/A
Total scope one (direct) greenhouse gas emissions	578	535	N/A

G2 Total scope two (indirect electricity) greenhouse gas emissions

Emission source	2022–23	2021–22	2020–21
	Tonnes CO ₂ -e	Tonnes CO ₂ -e	Tonnes CO ₂ -e
Electricity	2,163	1,621	N/A
Total scope two (indirect electricity) greenhouse gas emissions	2,163	1,621	N/A

G3 Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel, waste disposal and other indirect emissions

Emission source	2022–23	2021–22	2020–21
	Tonnes CO ₂ -e	Tonnes CO ₂ -e	Tonnes CO ₂ -e
Commercial air travel	154	31	N/A
Waste emissions (WR5)	71	26	N/A
Indirect emissions from stationary energy	300	187	N/A
Indirect emissions from transport energy	229	53	N/A
Any other scope three emissions	18	10	N/A
Any offsets purchased	-51	-52	0
Total scope three greenhouse gas emissions	721	255	N/A

Data limitations, explanatory notes and opportunities for further improvement:

- Figures for 2020–21 are not available as the department was part of the Department of Health and Human Services and this data was not captured at the time.
- Where the department and its agencies share offices with other entities the indicators have been apportioned using estimated occupied floor space – this approach has been updated from 2021–22, where data estimates were made using assumptions on occupancy. Significant differences in performance may be due to this change.
- The 2022–23 data includes all main department offices and the majority of health agencies. Some agencies were excluded as they were deemed to be immaterial and data was not readily available.

Cemeteries

G1 Total scope one (direct) greenhouse gas emissions

Emission source	2022–23	2021–22	2020–21
	Tonnes CO ₂ -e	Tonnes CO ₂ -e	Tonnes CO ₂ -e
Scope one GHG emissions from stationary fuel (F2)	1,566	1,074	N/A
Scope one GHG emissions from vehicle fleet (T3)	315	N/A	N/A
F2 and T3 by greenhouse gas			
Carbon dioxide	1,874	1,071	N/A
Methane	3	2	N/A
Nitrous oxide	4	1	N/A
Total F2 and T3	1,881	1,074	N/A
Total scope one (direct) greenhouse gas emissions	1,881	1,074	N/A

G2 Total scope two (indirect electricity) greenhouse gas emissions

Emission source	2022–23	2021–22	2020–21
	Tonnes CO ₂ -e	Tonnes CO ₂ -e	Tonnes CO ₂ -e
Electricity	1,050	1,062	N/A
Total scope two (indirect electricity) greenhouse gas emissions	1,050	1,062	N/A

G3 Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel, waste disposal and other indirect emissions

Emission source	2022–23	2021–22	2020–21
	Tonnes CO ₂ -e	Tonnes CO ₂ -e	Tonnes CO ₂ -e
Commercial air travel	13	1	N/A
Waste emissions	1,684	N/A	N/A
Indirect emissions from stationary energy	377	196	N/A
Indirect emissions from transport energy	90	1	N/A
Any other scope three emissions	207	252	N/A
Total scope three greenhouse gas emissions	2,372	450	N/A

Data limitations, explanatory notes and opportunities for further improvement:

- As FRD 24 is a new requirement for Class A cemeteries limited data is available for this reporting period. The department will work with the cemeteries to improve future reporting.
- Commercial air travel for 2022–23 captures Greater Metropolitan Cemeteries Trust and Geelong Cemeteries Trust. Commercial air travel for 2021–22 captures Geelong Cemeteries Trust.

Sustainable buildings and infrastructure

Health services

B1 Environmentally sustainable design

The Victorian Health Building Authority maintains the *Guidelines for sustainability in health care capital works*. These guidelines:

- > set minimum design targets for the department's healthcare capital works
- > require a suite of standard practice items
- > mandate all-electric plant for some types of facilities
- > allocate a dedicated budget to invest in sustainability and climate adaptation measures.

During 2022–23, the department completed technical sustainability reviews of 31 projects to ensure consistent application of the guidelines. Projects reviewed include the New Melton Hospital, the youth prevention and rehabilitation centre program, the Thomas Embling Hospital, Frankston Hospital redevelopment, the New Footscray Hospital, and the public sector residential aged care program.

A key focus of the technical sustainability reviews in 2022–23 was electrification of assets, air tightness of the building façade, future proofing for electric vehicles and increasing the recycled content of construction materials.

B5 Environmental performance ratings

National Australian Built Environment Rating System (NABERS) public hospitals ratings 2021–22

	NABERS star rating						Unrated No.	Total No.
	1 No.	2 No.	3 No.	4 No.	5 No.	6 No.		
NABERS public hospitals energy	6	14	30	57	23	2	13	145
NABERS public hospitals water	8	10	32	43	28	10	14	145

Unrated hospitals include specialist hospitals that are unable to be rated under NABERS, public hospitals and hospitals that do not meet the minimum benchmark for their peer group to receive a rating.

Office-based (department and statutory agencies)

B2 New entity leases to preference higher-rated offices

The department considers environmental performance when assessing lease opportunities. The department recognises this is an opportunity for improvement for further reports.

B3 National Australian Built Environment Rating System (NABERS) energy ratings of newly completed/occupied entity-owned office buildings and substantial tenancy fit-outs

For some years, many of the offices leased by the department have been assessed using the NABERS rating systems. However, as this is a new reporting indicator for 2022–23, this data has not been effectively captured in this reporting period. The department will work to address this for future reports.

The department's offices at Levels 9 and 10, 35 Collins Street were the first Victorian Public Sector offices to gain the highest WELL certification level, and only one of nine WELL Platinum ratings in Victoria. The platinum rating was achieved through a combination of optimised office space design, water testing, staff engagement, and health and wellbeing policies.

Sustainable procurement

The department considers sustainable procurement objectives through its implementation of the Victorian Government's *Social procurement framework*, which establishes requirements that apply to Victorian Government departments and agencies when they procure goods, services and construction. The department prepares an annual *Social procurement strategy*, with the 2022–23 edition identifying both social and environmental outcomes for both construction and non-construction procurement activities.

See the [Social procurement framework](#) disclosure in Section 3 of this report for more information on this.

In 2022–23, the department implemented initiatives to comply with the statewide ban on the use of single-use plastics, which include drinking straws, cutlery, plates, drink stirrers, cotton bud sticks, and expanded polystyrene food service items and drink containers. The ban covers the supply and distribution of these objects.

Water use

Health services

W1 Total units of metered water consumed

Water source	2022–23 kL	2021–22 kL	2020–21 kL
Potable water	4,418,430	4,126,097	4,103,433
Rainwater, alternate supply and reused water	56,343	60,324	85,486
Total water consumption	4,474,772	4,186,420	4,188,919

W2 Units of metered water consumed (normalised)

Normalised measure	2022–23	2021–22	2020–21
Water per unit OBD [kL/OBD]	0.62	0.62	0.62
Water per unit of floor space [kL/m ²]	1.19	1.13	1.13

Data limitations, explanatory notes and opportunities for further improvement:

- 2022–23 data includes a 12 per cent estimate due to some billing data being unavailable at the time of reporting.
- OBD – occupied bed day: Total number of bed days of all admitted patients and public sector residential aged care beds accommodated during the reporting period, taken from a count of the number of inpatients at about midnight each day.
- Rainwater, alternative supply and reused water includes rainwater, reject dialysis water and Class A recycled water. Data is provided from three health services. Reductions in the volume of non-potable water used are due to a combination of factors, including reduced opportunities to use non-potable water in clinical areas and less source water to capture for reuse.

Office-based (department and statutory agencies)

W1 Total units of metered water consumed

Water source	2022–23 kL	2021–22 kL	2020–21 kL
Potable water	10,339	5,163	N/A
Total water consumption	10,339	5,163	N/A

W2 Units of metered water consumed (normalised)

Normalised measure	2022–23	2021–22	2020–21
Water per unit of floor space [kL/m ²]	0.26	0.15	N/A

Data limitations, explanatory notes and opportunities for further improvement:

- Figures for 2020–21 are not available as the department was part of the Department of Health and Human Services and this data was not captured at the time.
- Where the department and its agencies share offices with other entities the indicators have been apportioned using estimated occupied floor space – this approach has been updated from 2021–22, where data estimates were made using assumptions on occupancy. Significant differences in performance may be due to this change.
- The 2022–23 data includes all main department offices and the majority of health agencies. Some agencies were excluded as they were deemed to be immaterial and data was not readily available.
- Office-based water use data for the last quarter for 2022–23 includes estimates, due to some data being unavailable from water retailers at the time of reporting.

Cemeteries

W1 Total units of metered water consumed

Water source	2022–23 kL	2021–22 kL	2020–21 kL
Potable water	122,491	134,022	N/A
Total water consumption	122,491	134,022	N/A

Data limitations, explanatory notes and opportunities for further improvement:

- As FRD 24 is a new requirement for Class A cemeteries limited data is available. The department will work with the cemeteries to improve future reporting.

Waste and recycling

Health services

WR1 Total units of waste disposed

Waste stream and disposal method	2022–23 Tonnes (%)	2021–22 Tonnes (%)	2020–21 Tonnes (%)
Landfill			
General waste	26,504 (63%)	23,185 (59%)	23,414 (59%)
Total landfill	26,504 (63%)	23,185 (59%)	23,414 (59%)
Offsite treatment			
Clinical waste – incinerated	607	474	466
Clinical waste – sharps	477	456	448
Clinical waste – treated	4,877	6,436	5,581
Total offsite treatment	5,960 (14%)	7,366 (19%)	6,495 (16%)
Recycling/recovery (disposal)			
Cardboard	3,999	3,399	3,734
Commingled	3,288	3,167	3,393
Paper (confidential and recycling)	1,772	1,183	1,406
Other recycling	833	870	1,192
Total recycling/recovery (disposal)	9,892 (23%)	8,620 (22%)	9,725 (25%)
Total units of waste disposed	42,355 (100%)	39,171 (100%)	39,634 (100%)

WR2 Percentage of office sites covered by dedicated collection services for each waste stream

N/A

WR3 Total units of waste disposed (normalised)

Normalised measure	2022–23 kg/PPT	2021–22 kg/PPT	2020–21 kg/PPT
Total waste to landfill per patient treated (kg general waste)/PPT	2.38	2.21	2.13
Total waste to offsite treatment per patient treated (kg offsite treatment)/PPT	0.54	0.70	0.59
Total waste recycled and reused per patient treated (kg recycled and reused)/PPT	0.89	0.82	0.88

WR4 recycling rate

	2022–23	2021–22	2020–21
Calculation inputs			
Recyclable and organic materials [tonnes]	9,892	8,620	9,725
Total waste [tonnes]	42,355	39,171	39,634
Recycling rate [%]	23%	22%	25%

WR5 Greenhouse gas emissions associated with waste disposal

Emissions source	2022–23 Tonnes CO₂-e	2021–22 Tonnes CO₂-e	2020–21 Tonnes CO₂-e
Waste disposal	41,948	39,517	38,686

Data limitations, explanatory notes and opportunities for further improvement:

- Other recycling includes recycling of batteries, e-waste, fluorescent tubes, grease traps, mattresses, metals, mobile phones, organics (food), organics (garden), other recycling, packaging plastics/films, polystyrene foam, PVC, sterilization wraps, toner & print cartridges and wood.
- Data on the proportion of sites with dedicated collection services was not gathered during 2022–23. Efforts will be made to collect this data in future years.
- PPT = per patient treated, which is an aggregation of occupied bed days, separations and emergency department presentations.

Office-based (department and statutory agencies)

WR1 Total units of waste disposed

Waste stream and disposal method	2022–23 kg (%)	2021–22 kg (%)	2020–21 kg (%)
Landfill			
General waste	44,512 (65%)	16,421 (48%)	N/A
Total landfill	44,512 (65%)	16,421 (48%)	N/A
Recycling/recovery (disposal)			
Commingled	4,590 (7%)	17,716 (51%)	N/A
Organics (food)	3,688 (5%)	303 (1%)	N/A
Paper (confidential)	14,135 (21%)	N/A	N/A
Paper (recycling)	1,921 (3%)	N/A	N/A
Toner & print cartridges	25 (<1%)	N/A	N/A
Total recycling/recovery (disposal)	24,359 (35%)	18,019 (52%)	N/A
Total units of waste disposed	68,871 (100%)	34,440 (100%)	N/A

WR2 Percentage of office sites covered by dedicated collection services for each waste stream

N/A

WR3 Total units of waste disposed (normalised)

Normalised measure	2022–23 kg/FTE	2021–22 kg/FTE	2020–21 kg/FTE
Total waste general waste per FTE (kg general waste)/FTE	10.2	N/A	N/A
Total waste commingled per FTE (kg commingled)/FTE	1.0	N/A	N/A
Total waste organics (food) per FTE (kg organics (food))/FTE	0.4	N/A	N/A
Total waste paper (confidential) per FTE (kg paper (confidential))/FTE	2.1	N/A	N/A
Total waste paper (recycling) per FTE (kg paper (recycling))/FTE	2.0	N/A	N/A
Total waste toner & print cartridges per FTE (kg toner & print cartridges)/FTE	0.1	N/A	N/A
Total waste disposed per FTE (kg Total waste disposed)/FTE	15.8	N/A	N/A

WR4 Recycling rate

	2022–23	2021–22	2020–21
Calculation inputs			
Weight of recyclable and organic materials [kg]	24,359	18,019	N/A
Weight of total waste [kg]	68,871	34,440	N/A
Recycling rate [%]	35%	52%	N/A

WR5 Greenhouse gas emissions associated with waste disposal

Emissions source	2022–23 Tonnes CO₂-e	2021–22 Tonnes CO₂-e	2020–21 Tonnes CO₂-e
Waste disposal	71	26	N/A

Data limitations, explanatory notes and opportunities for further improvement:

- Figures for 2020–21 are not available as the department was part of the Department of Health and Human Services and this data was not captured at the time.
- Where the department and its agencies share offices with other entities the indicators have been apportioned using estimated occupied floor space – this approach has been updated from 2021–22, where data estimates were made using assumptions on occupancy. Significant differences in performance may be due to this change.
- The 2022–23 data includes all main department offices and the majority of health agencies. Some agencies were excluded as they were deemed to be immaterial and data was not readily available.
- Data on the proportion of sites with dedicated collection services was not gathered during 2022–23. Efforts will be made to collect this data in future years.
- Office-base waste data was retrieved from the waste audit reports from the waste audits during March and April 2023. Increases on past years may be attributable to increased office occupancy as staff return post the COVID-19 pandemic.
- FTE = full-time staff equivalent

Cemeteries**WR1 Total units of waste disposed**

Waste stream and disposal method	2022–23 kg (%)	2021–22 kg	2020–21 kg
Landfill			
General waste	1,295,634 (95%)	N/A	N/A
Total landfill	1,295,634 (95%)	N/A	N/A
Recycling/recovery (disposal)			
Commingled	66,298 (5%)	N/A	N/A
Paper (confidential)	513 (0%)	N/A	N/A
Total recycling/recovery (disposal)	66,811 (5%)	N/A	N/A
Total units of waste disposed	1,362,445	N/A	N/A

WR4 Recycling rate

	2022–23	2021–22	2020–21
Calculation inputs			
Weight of recyclable and organic materials [kg]	66,811	N/A	N/A
Weight of total waste [kg]	1,362,445	N/A	N/A
Recycling rate [%]	4.9%	N/A	N/A

WR5 Greenhouse gas emissions associated with waste disposal

Emissions source	2022–23 Tonnes CO₂-e	2021–22 Tonnes CO₂-e	2020–21 Tonnes CO₂-e
Waste disposal	1,684	N/A	N/A

Data limitations, explanatory notes and opportunities for further improvement:

- As FRD 24 is a new requirement for Class A cemeteries, limited data is available for this reporting period. The department will work with Class A cemeteries to improve future reporting.
- Paper (confidential), for both kilograms and percentage rate, captures Greater Metropolitan Cemeteries Trust.
- The high reported total for general waste landfill for 2022–23 is influenced by the data estimate provided by Geelong Cemeteries Trust. The cemetery does not currently track waste data and is investigating this to improve reporting in future years.

Department of Health: Financial statements for the financial year ended 30 June 2023

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Declaration in the financial statements

The attached financial statements for the Department of Health (the department) have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Cash Flow Statement, Statement of Changes in Equity and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2023 and financial position of the department as at 30 June 2023.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 31 August 2023.



Euan Wallace
Secretary
Department of Health

Melbourne
31 August 2023



Karen Olesnicky
Chief Finance Officer
Department of Health

Melbourne
31 August 2023

Independent auditor's report



Independent Auditor's Report

To the Secretary of the Department of Health

Opinion	<p>I have audited the financial report of the Department of Health (the department) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2023 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • declaration in the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the department as at 30 June 2023 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
The Secretary's responsibilities for the financial report	<p>The Secretary of the department is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Secretary determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Secretary is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
8 September 2023



Roberta Skliros
as delegate for the Auditor-General of Victoria

Comprehensive operating statement for the financial year ended 30 June 2023

	Note	2023 \$M	2022 \$M
Revenue and income from transactions			
Output appropriations	2.3	14,784.0	15,909.9
Special appropriations	2.3	2,962.2	1,888.9
Grants	2.4.1	2,407.7	3,893.0
Fair value of assets and services received free of charge or for nominal consideration	2.4.2	7.0	29.7
Other income	2.4.3	119.4	91.5
Total revenue and income from transactions		20,280.3	21,813.1
Expenses from transactions			
Employee benefits	3.1.1(a)	526.1	788.7
Depreciation and amortisation	5.1.1	37.7	38.5
Interest expense	7.1.2	37.5	14.4
Maintenance		0.9	0.7
Grants and other expense transfers	3.1.2	19,232.4	18,031.5
Fair value of assets and services provided free of charge or for nominal consideration	3.1.3	305.8	683.4
Other operating expenses ⁽ⁱ⁾⁽ⁱⁱ⁾	3.1.4	555.3	1,533.4
Total expenses from transactions		20,695.7	21,090.6
Net result from transactions (net operating balance)		(415.5)	722.6
Other economic flows included in net result			
Net gain/(loss) on non-financial assets ⁽ⁱ⁾⁽ⁱⁱⁱ⁾	9.2(a)	(522.0)	(5.4)
Net gain/(loss) on financial instruments ^(iv)	9.2(b)	1.7	(0.2)
Other gains/(losses) from other economic flows ⁽ⁱⁱ⁾	9.2(c)	21.7	4.9
Total other economic flows included in net result		(498.6)	(0.7)
Net result		(914.1)	721.8
Other economic flows – other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	9.4	100.4	85.6
Total other economic flows – other comprehensive income		100.4	85.6
Comprehensive result		(813.7)	807.4

The comprehensive operating statement should be read in conjunction with the notes to the financial statements.

This format is aligned to AASB 1049 *Whole of Government and General Sector Financial Reporting*.

Notes:

- (i) Restatement of 2022 inventory write off movement of \$5.7 million from 'Other operating expenses' to 'Net gain/(loss) on non-financial assets'.
- (ii) Restatement of 2022 release of risk margin in insurance claims of \$1.9 million from 'Other operating expenses' to 'Other gains/(losses) from other economic flows'.
- (iii) 'Net gain/(loss) on non-financial assets' includes unrealised and realised gains/(losses) from revaluations, impairments, and disposals of all physical assets and intangible assets, except when these are taken through the asset revaluation surplus.
- (iv) 'Net gain/(loss) on financial instruments' includes bad and doubtful debts from other economic flows, unrealised and realised gains/(losses) from revaluations, impairments and reversals of impairment, and gains/(losses) from disposals of financial instruments.

Balance sheet as at 30 June 2023

	Note	2023 \$M	2022 \$M
Assets			
Financial assets			
Cash and deposits	7.3	531.7	106.3
Receivables	6.1	4,505.7	4,416.2
Loans	6.2	63.4	75.2
Total financial assets		5,100.7	4,597.7
Non-financial assets			
Inventories	6.6	336.6	1,020.2
Non-financial physical assets classified as held for sale	9.3	–	0.1
Property, plant and equipment	5.1	2,470.7	1,758.1
Intangible assets	5.2	35.9	35.5
Other non-financial assets	6.3	135.2	143.1
Total non-financial assets		2,978.4	2,957.0
Total assets		8,079.1	7,554.8
Liabilities			
Financial liabilities			
Payables	6.4	2,750.1	1,895.7
Borrowings	7.1	1,096.8	576.5
Employee-related provisions	3.1.1(b)	140.3	150.2
Other provisions	6.5	22.1	61.1
Total financial liabilities		4,009.3	2,683.5
Non-financial liabilities			
Other non-financial liabilities	6.7	19.1	8.1
Total non-financial liabilities		19.1	8.1
Total liabilities		4,028.4	2,691.6
Net assets		4,050.7	4,863.2
Equity			
Accumulated surplus/(deficit)		3,357.0	4,269.8
Physical asset revaluation surplus	9.4	597.6	497.2
Contributed capital		96.2	96.2
Net worth		4,050.7	4,863.2

The balance sheet should be read in conjunction with the notes to the financial statements.

Cash flow statement for the financial year ended 30 June 2023

	Note	2023 \$M	2022 \$M
Cash flows from operating activities			
Receipts			
Output appropriations		14,407.8	16,145.8
Special appropriations		2,962.2	1,888.9
Funds from other authorities		2,692.6	3,124.1
Other receipts		124.2	93.5
GST recovered from Australian Taxation Office ⁽ⁱ⁾		498.3	599.8
Total receipts		20,685.0	21,852.1
Payments			
Grants and other expense transfers		(18,701.6)	(18,303.5)
Employee benefits		(574.1)	(727.7)
Supplies and services		(827.6)	(2,745.6)
Interest and other costs of finance paid		(37.5)	(14.4)
Maintenance		(1.0)	(0.8)
Total payments		(20,141.8)	(21,792.0)
Net cash flows from/(used in) operating activities	7.3.1	543.2	60.1
Cash flows from investing activities			
Proceeds from the sale of non-financial assets		1.0	0.6
Client loans repaid		11.8	14.3
Payment for non-financial assets		(117.1)	(68.1)
Client loans granted		–	(3.4)
Net cash flows from/(used in) investing activities		(104.4)	(56.6)
Cash flows from financing activities			
Net receipts/(payments) for advances		(16.3)	(12.2)
Cash received/(paid) from activities transferred in/(out) – machinery of government changes		1.3	–
Owner contributions by Victorian Government – appropriation for capital expenditure purposes		15.0	11.3
Payments of capital contributions		(11.2)	(11.4)
Repayment of borrowings and principal portion of lease liability ⁽ⁱⁱ⁾		(2.3)	(2.1)
Net cash flows from/(used in) financing activities		(13.5)	(14.3)
Net increase/(decrease) in cash and deposits		425.3	(10.9)
Cash and deposits at beginning of financial year		106.3	913.9
Removal of DFFH-related June 2021 closing balance ⁽ⁱⁱⁱ⁾		–	(796.5)
Cash and deposits at the end of financial year	7.3	531.7	106.3

The cash flow statement should be read in conjunction with the notes to the financial statements.

Notes:

- (i) Goods and services tax (GST) recovered from the Australian Taxation Office is presented on a net basis.
- (ii) The department has recognised cash payments for the principal portion of lease payments as financing activities, and cash payments for the interest portion as operating activities consistent with the presentation of interest payments and short-term lease payments for leases and low-value assets as operating activities.
- (iii) Removal of the 30 June 2021 closing balances of the Department of Families, Fairness and Housing (DFFH), the Victorian Disability Worker Commission and the Director of Housing, which were included in the department's 2020–21 financial statements under s. 53(1)(b) of the *Financial Management Act 1994* (FMA). The transactions which were related to these entities were reported in DFFH's 2021–22 financial statements.

Statement of changes in equity for the financial year ended 30 June 2023

	Note	Physical asset revaluation surplus \$M	Accumulated surplus/ (deficit) \$M	Contributed capital \$M	Total \$M
Balance at 1 July 2021		4,877.9	3,714.0	28,684.1	37,275.9
Removal of DFFH-related June 2021 closing balance ⁽ⁱ⁾		(4,466.1)	(106.7)	(28,586.8)	(33,159.0)
Adjusted balance at 1 July 2021		411.8	3,607.3	97.7	4,116.9
Prior period adjustments ⁽ⁱⁱ⁾	9.4	–	(59.3)	–	(59.3)
Restated balance at 1 July 2021		411.8	3,548.0	97.5	4,057.6
Net result for the year		–	721.8	–	721.8
Changes in physical asset revaluation surplus	9.4	85.6	–	–	85.6
Capital contributions by Victorian State Government		–	–	11.3	11.3
Capital contributions to agencies		–	–	(11.3)	(11.3)
Capital transferred to administered entity		–	–	(1.5)	(1.5)
Balance at 30 June 2022		497.2	4,269.8	96.2	4,863.2
Prior period adjustments ⁽ⁱⁱⁱ⁾	9.4	–	1.2	–	1.2
Restated balance at 1 July 2022		497.2	4,271.1	96.2	4,864.4
Net result for the year		–	(914.1)	–	(914.1)
Changes in physical asset revaluation surplus	9.4	100.4	–	–	100.4
Administrative restructure – net assets received	4.3	–	–	1.3	1.3
Capital contributions by Victorian State Government		–	–	16.3	16.3
Capital contributions to agencies		–	–	(11.0)	(11.0)
Capital transferred to administered entity		–	–	(6.6)	(6.6)
Balance at 30 June 2023		597.6	3,357.0	96.2	4,050.7

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

Notes:

- (i) Removal of the 30 June 2021 closing balances of DFFH, the Victorian Disability Worker Commission and the Director of Housing, which were included in the department's 2020–21 financial statements under s. 53(1)(b) of the FMA. The transactions which were related to these entities were reported in DFFH's 2021–22 financial statements.
- (ii) The prior period adjustments in 2022 relate to:
- the intangible assets write off of \$60.5 million, due to change in policy in relation to the accounting treatment on the upfront configuration and customisation costs incurred in implementing the Software-as-a-Service (SaaS) arrangements by applying the agenda decision issued by the International Financial Reporting Interpretations Committee (IFRIC)
 - the capitalisation of land purchases that had been previously expensed, which results in an increase to land of \$1.2 million.
- (iii) The prior period adjustment in 2023 relates to the capitalisation of expenditure to land for Ambulance Victoria on 13 Sustainable Drive, Craigieburn.

Notes to and forming part of the financial statements for the financial year ended 30 June 2023

1. About this report

The Department of Health (the department) is a government department of the State of Victoria (the state), established pursuant to an order made by the Premier under the *Public Administration Act 2004*. It is an administrative agency acting on behalf of the Crown.

Its principal address is:

Department of Health
50 Lonsdale Street
Melbourne VIC 3000

A description of the nature of its operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

Basis of preparation

These financial statements cover the department as an individual reporting entity and include all controlled activities of the department.

Where control of an entity is obtained during the financial year, its results are included in the comprehensive operating statement from the date on which control commenced. Where control ceases during the financial year, the entity's results are included for that part of the period in which control existed. Where entities adopt dissimilar accounting policies and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

Pursuant to a determination made by the Assistant Treasurer under s. 53(1)(b) of the FMA, the department's financial statements include the Mental Health Tribunal and the Victorian Collaborative Centre for Mental Health and Wellbeing.

All entities included in the department's financial statements under s. 53(1)(b) of the FMA are reported in aggregate and are not controlled by the department. In preparing financial statements for the department, all material transactions and balances between the entities are eliminated.

From 1 July 2022, a new COVID-19 Program branch was created within the Public Health division to continue operations, coordination and support functions to retain critical COVID-19 response capabilities. The program continued the shift away from an emergency response to the ongoing management of COVID-19 in the community. On 31 December 2022, all adult state-run vaccination and testing services were stood down, with paediatric vaccination services ceasing on 31 January 2023. Many services have now been embedded back into core service delivery functions. This trajectory is in line with the World Health Organisation's statement on 5 May 2023 that COVID-19 is no longer a public health emergency and now requires a longer term and enduring management of the continued serious health threat posed by the pandemic.

These financial statements are presented in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in the preparation of these financial statements, except for cash flow information, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the department.

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 to or distributions by owners 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. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Judgements, estimates and assumptions are required to be made about the financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. 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. All relevant judgements are included in the applicable notes.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying Australian Accounting Standards (AAS) that have significant effect on the financial statements and estimates are disclosed in the notes under the heading 'Significant judgement'.

The financial statements have been prepared on a going-concern basis.

All amounts in the financial statements have been rounded to the nearest million (\$M) unless otherwise stated.

Where applicable, the comparative figures have been restated to align with the presentation in the current year.

Compliance information

These general purpose financial statements have been prepared in accordance with the FMA and applicable AASs which include Interpretations issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

These annual financial statements were authorised for issue by the Secretary of the Department of Health on 31 August 2023.

2. Funding delivery of our services

Introduction

The department's overall objective is to develop and deliver policies, programs and services to help Victorians stay healthy and safe and to deliver a world-class healthcare system that leads to better health outcomes for all Victorians.

To enable the department to fulfil its objective and provide outputs as described in section 4 'Disaggregated financial information by output', it receives income predominantly from the accrual-based parliamentary appropriations and also from the supply of services.

Structure

- 2.1 Summary of revenue and income that fund the delivery of our services
- 2.2 Appropriations
- 2.3 Summary of compliance with annual parliamentary and special appropriations
- 2.4 Revenue and income from transactions
 - 2.4.1 Grants
 - 2.4.2 Fair value of assets and services received free of charge or for nominal consideration
 - 2.4.3 Other income
- 2.5 Annotated income agreements

Impact of COVID-19 on revenue and income

The department has received additional funding from the Victorian and Commonwealth Governments to meet COVID-19-related costs and to provide additional funding to the Victorian public health agencies (the health agencies) and other organisations to assist with their COVID-19 response.

2.1 Summary of revenue and income that fund the delivery of our services ⁽ⁱ⁾

	Note	2023 \$M	2022 \$M
Output appropriations ⁽ⁱⁱ⁾	2.2, 2.3	14,784.0	15,909.9
Special appropriations	2.2, 2.3	2,962.2	1,888.9
Grants and other income transfers ⁽ⁱⁱⁱ⁾	2.4.1	2,407.7	3,893.0
Fair value of assets and services received free of charge or for nominal consideration	2.4.2	7.0	29.7
Other income	2.4.3	119.4	91.5
Total revenue and income from transactions		20,280.3	21,813.1

Notes:

(i) Includes COVID-19–related funding from the Victorian and Commonwealth Governments. Refer to Note 2.4.1.

(ii) Includes the state contribution to the Victorian State Pool Account for activity-based funding in scope of the National Health Reform Agreement (refer to Note 3.1.2). Output appropriations contain only State Pool funding.

(iii) The National Partnership on COVID-19 Response ceased on 31 December 2022, resulting in the reduction of Commonwealth grants payments in 2023.

Revenue and income that fund delivery of the department's services are accounted for consistently with the requirements of the relevant accounting standards in the following notes.

2.2 Appropriations

Once annual parliamentary appropriations are applied by the Treasurer, they become controlled by the department and are recognised as income when applied to the purposes defined under the relevant Appropriations Act.

Output appropriations: Income from the outputs the department provides to the government is recognised when those outputs have been delivered and the relevant minister has certified delivery of those outputs in accordance with specified performance criteria.

Special appropriations: Under ss. 3.6.11, 4.4.11, 4.6.8, 5.4.6, and 6A.4.4(1) of the *Gambling Regulation Act 2003* and s. 114 of the *Casino Control Act 1991*, income related to the Hospitals and Charities Fund is recognised when the amounts appropriated for that purpose are due and payable by the department. The department also receives special appropriations to contribute to mental health services under the *Mental Health Act 2014* and for various purposes approved under s. 10 of the FMA.

2.3 Summary of compliance with annual parliamentary and special appropriations

The following table discloses the details of the various annual parliamentary appropriations received by the department for the year.

In accordance with accrual output-based management procedures, 'provision of outputs' and 'additions to net assets' are disclosed as 'controlled' activities of the department. Administered transactions are those that are undertaken on behalf of the state over which the department has no control or discretion (refer to Note 4.2).

	Appropriation Act		FMA				Total parliamentary authority	Appropriations applied	Variance
	Annual appropriation	Advance from Treasurer	Section 29 ⁽ⁱ⁾	Section 30 ⁽ⁱⁱ⁾	Section 32	Section 35 advances			
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
2023									
Controlled									
Provision of outputs	12,207.7	2,200.8	433.9	83.3	43.8	399.3	15,368.8	14,784.0	584.8 ⁽ⁱⁱⁱ⁾
Additions to net assets	131.6	–	58.3	(83.3)	–	–	106.5	8.6	98.0 ^(iv)
Administered									
Payments made on behalf of the state	–	–	–	–	–	–	–	–	–
Total	12,339.2	2,200.8	492.1	–	43.8	399.3	15,475.3	14,792.6	682.7
2022									
Controlled									
Provision of outputs	11,670.9	4,235.3	389.5	51.1	65.8	–	16,412.5	15,909.9	502.6 ^(v)
Additions to net assets	155.1	–	29.6	(51.1)	–	–	133.6	7.7	125.9 ^(vi)
Administered									
Payments made on behalf of the state	–	–	–	–	–	–	–	–	–
Total	11,826.0	4,235.3	419.0	–	65.8	–	16,546.1	15,917.7	628.5

Notes:

(i) Refer to Note 2.5 for further detail.

(ii) Transfer from the additions to net assets authority to appropriation for provision of outputs mainly relates to capital projects that are delivered via non-portfolio agencies, and design and feasibility studies costs which will not be capitalised and result in output appropriation costs to the department.

(iii) The provision of outputs variance of \$584.8 million comprises \$60.1 million relating to funding for services and projects that will be requested in 2023–24, and \$524.7 million relating to output appropriation authority not applied in 2022–23. The unapplied authority primarily reflects higher gaming and mental health and wellbeing levy revenue received, unutilised Advance to Treasurer, savings and funding re-cashflowed to deliver outputs in 2022–23 and outyears.

(iv) The additions to net assets variance of \$98 million comprises \$49.7 million relating to funding for capital projects that will be requested in 2023–24 and outyears, and \$48.3 million relating to appropriation authority not applied in 2022–23. The unapplied authority reflects funding re-cashflowed to deliver capital projects in 2023–24 and outyears.

(v) The provision of outputs variance of \$502.6 million comprises \$98.6 million relating to funding for services and projects that were requested in 2022–23, and \$404 million relating to output appropriation authority not applied in 2021–22. The unapplied authority primarily reflected savings and funding re-cashflowed to deliver outputs in 2022–23 and outyears.

(vi) The additions to net assets variance of \$125.9 million comprises \$21.8 million relating to funding for capital projects that were requested in 2022–23 and outyears, and \$104.1 million relating to appropriation authority not applied in 2021–22. The unapplied authority reflected utilisation of current year depreciation equivalent as a funding source instead of additions to net assets funding.

The following table discloses the details of compliance with special appropriations:

Authority	Purpose	Appropriation applied	
		2023 \$M	2022 \$M
Section 4.4.11 and 4.6.8 of the <i>Gambling Regulation Act 2003</i>	Contribution to the Hospitals and Charities Fund	163.9	175.0
Section 5.4.6 of the <i>Gambling Regulation Act 2003</i>	Contribution to the Hospitals and Charities Fund	594.1	601.9
Section 114 of the <i>Casino Control Act 1991</i>	Contribution to the Hospitals and Charities Fund	9.8	6.1
Section 3.6.11 of the <i>Gambling Regulation Act 2003</i>	Contribution to the Hospitals and Charities Fund	1,061.7	695.8
Section 6A.4.4(1) of the <i>Gambling Regulation Act 2003</i>	Contribution to the Hospitals and Charities Fund	12.0	4.4
<i>Mental Health Act 2014</i>	Contribution to mental health services funding	1,105.0	397.5
Section 10 of the FMA	Access to various Commonwealth grants – provision of outputs	15.7	8.2
Total special appropriations – Provision of outputs		2,962.2	1,888.9
Section 10 of the FMA	Access to various Commonwealth grants – additions to net assets	7.7	3.6
Total special appropriations – Additions to net assets		7.7	3.6
Total special appropriations		2,969.9	1,892.4

2.4 Revenue and income from transactions

2.4.1 Grants

	2023 \$M	2022 \$M
Income recognised under AASB 1058	2,399.1	3,885.1
Revenue recognised under AASB 15	8.6	7.9
Total grants	2,407.7	3,893.0
Represented by:		
Victorian Government		
Department of Treasury and Finance	0.1	15.3
Department of Education and Training	130.2	131.4
Department of Families, Fairness and Housing	22.0	34.1
Department of Energy, Environment and Climate Action	10.2	14.4
Department of Justice and Community Safety	1.3	17.2
Department of Jobs, Skills, Industry and Regions	3.1	4.9
Department of Premier and Cabinet	–	2.0
Court Services Victoria ⁽ⁱ⁾	5.3	(1.6)
Other public bodies	8.4	3.6
Commonwealth Government		
Victorian State Pool Account ⁽ⁱⁱ⁾	2,218.5	3,663.5
Other Australian jurisdictions		
Departments and agencies from other Australian jurisdictions	8.7	8.1
Total grants	2,407.7	3,893.0

Notes:

- (i) Negative balance in 2022 was due to credit memos issued in 2021–22 for invoices that were primarily issued in 2020–21.
(ii) Includes funding of \$0.9 billion (2022: \$2.0 billion) through the National Partnership on COVID-19 Response which ceased on 31 December 2022.

Significant judgement: Grants revenue and income

The department has made judgement on the recognition of grants revenue and income, as income of not-for-profit entities, where they do not contain sufficiently specific performance obligations. Revenue from grants that are enforceable and with sufficiently specific performance obligations is accounted for as revenue from contracts with customers, and is recognised when the department satisfies the performance obligation by providing the relevant services to the agencies. Income from grants to construct the capital assets that are controlled by the department is recognised progressively as the asset is constructed. The progressive percentage costs incurred are used to recognise income because these most closely reflect the progress to completion, with costs incurred as the works are done.

Grants recognised under AASB 1058 *Income of Not-for-Profit Entities*

The department has determined that the grant income included in the table above under AASB 1058 has been earned under arrangements that are either not enforceable and/or linked to sufficiently specific performance obligations.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the department has an unconditional right to receive the cash, which usually coincides with receipt of cash. On initial recognition of the asset, the department recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- (a) contributions by owners, in accordance with AASB 1004 *Contributions*
- (b) revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15 *Revenue from Contracts with Customers*
- (c) a lease liability, in accordance with AASB 16 *Leases*
- (d) a financial instrument, in accordance with AASB 9 *Financial Instruments*, or
- (e) a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Grants recognised under AASB 15 *Revenue from Contracts with Customers*

Revenue from grants that are enforceable and with sufficiently specific performance obligations is accounted for as revenue from contracts with customers under AASB 15. Revenue is recognised when the department satisfies the performance obligation by providing the relevant services to the relevant organisations. This is recognised based on the consideration specified in the funding agreement and to the extent that it is highly probable a significant reversal of the revenue will not occur. The funding payments are normally received in advance or shortly after the relevant obligation is satisfied.

2.4.2 Fair value of assets and services received free of charge or for nominal consideration

	2023 \$M	2022 \$M
Plant and equipment received at fair value	0.1	0.3
Other assets received free of charge	–	1.5
Resources received free of charge ⁽ⁱ⁾	6.9	27.9
Total fair value of assets and services received free of charge or for nominal consideration	7.0	29.7

Note:

- (i) Received \$27.9 million in 2022 for the rapid antigen test (RAT) kits from the Victorian Government as part of COVID-19 State Supply Arrangement.

Contributions of resources received free of charge or for nominal consideration are recognised at their fair value when control is obtained over them, irrespective of whether these contributions are subject to restrictions or conditions over their use, unless received from another government department or agency as a consequence of a restructuring of administrative arrangements. In the latter case, such a transfer is recognised at its carrying value.

Voluntary services: Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not received as a donation. The department did not receive any voluntary services and does not use volunteers to deliver its services.

2.4.3 Other income

	2023 \$M	2022 \$M
State trust accounts ⁽ⁱ⁾	119.5	93.1
Other miscellaneous income ⁽ⁱⁱ⁾	(0.1)	(1.5)
Total other income	119.4	91.5

Notes:

(i) Includes reimbursement for the supply of services to DFFH through a shared service arrangement.

(ii) Negative balance relates to the discount interest on loans and advances to health agencies.

Other income includes income received from department-controlled trust funds and is recognised when the department gains control over the funds. It also includes income received from treasury trusts.

2.5 Annotated income agreements

The department is permitted under s. 29 of the FMA to have certain income annotated to the annual appropriation. The income which forms part of a s. 29 agreement is recognised by the department and the receipts paid into the consolidated fund as an administered item. At the point of income recognition, s. 29 provides for an equivalent amount to be added to the annual appropriation.

The following is a listing of annotated income agreements under s. 29 of the FMA approved by the Treasurer:

	2023 \$M	2022 \$M
User charges, or sales of goods and services		
Albury Wodonga Health (Capital)	1.6	1.6
Albury Wodonga Health (Output)	122.9	122.9
Department of Veteran Affairs Hospital Services (Output)	55.3	65.0
Health Technology Services (Output)	4.7	4.9
Transport Accident Commission Agreement (Output)	93.4	82.7
	277.9	277.1
Commonwealth specific purpose payments		
National Partnership Agreements		
Adult Public Dental Services (Output)	43.9	9.9
Community Health and Hospitals Program – Victorian Children’s Colorectal Service (Output)	1.2	1.2
Community Health and Hospitals Program – Barwon Women’s and Children’s Hospital (Capital)	20.0	5.0
Community Health and Hospitals Program – Wodonga Hospital (Capital)	–	6.0
Community Health and Hospitals Program – Regional Cancer Treatment Centres for Radiation Therapy (Capital)	1.7	–
Community Health and Hospitals Program – Paediatric Emergency Facilities (Capital)	15.0	7.0
Community Health and Hospitals Program – Aikenhead Centre for Medical Discovery (Output)	10.0	10.0
Community Health and Hospitals Program – Swan Hill District Hospital (Capital)	20.0	10.0
Encouraging More Clinical Trials in Australia (Output)	0.2	–
Essential Vaccines (Output)	4.2	4.0
Health Services – National Bowel Cancer Screening Program (Output)	1.9	2.2
Health Services – OzFoodNet (Output)	0.3	0.3
Health Services – Vaccine-Preventable Diseases Surveillance Program (Output)	0.2	0.2
Japanese Encephalitis Virus Mitigation (Output)	4.2	–
Lymphoedema Compression Garment Scheme (Output)	0.5	0.5
Comprehensive Palliative Care (Output)	5.8	5.3
Specialist Dementia Care Program (Output)	1.0	0.8
National Mental Health and Suicide Prevention – Bilateral Schedules (Output)	1.0	–

	2023 \$M	2022 \$M
Other		
Aged Care Assessment (Output)	33.2	32.4
Rural Junior Doctor Training Innovation Fund (Output)	0.1	0.7
National Rural Generalist Pathway (Output)	1.4	1.4
Regional Assessment Services (Output)	36.3	35.9
Human Biosecurity Services (formerly Human Quarantine Services) (Output)	0.1	0.1
Australian Teletrials Program (Output)	2.1	–
Commonwealth Mental Health Peer Workforce Scholarships (Output)	0.3	–
National Reform Agenda for Organ and Tissue Donation (Output)	9.6	9.2
	214.2	141.9
Total annotated income agreements	492.1	419.0

3. The cost of delivering services

Introduction

This section provides an account of the expenses incurred by the department in delivering services and outputs. In section 2 'Funding delivery of our services', the funds that enable the provision of services were disclosed and in this note the costs associated with the provision of services are recorded. Section 4 'Disaggregated financial information by output' discloses aggregated information in relation to the income and expenses by output.

Structure

- 3.1 Expenses incurred in delivery of services
 - 3.1.1 Employee benefits
 - 3.1.2 Grants and other expense transfers
 - 3.1.3 Fair value of assets provided free of charge or for nominal consideration
 - 3.1.4 Other operating expenses

3.1 Expenses incurred in delivery of services

	Note	2023 \$M	2022 \$M
Employee benefits	3.1.1(a)	526.1	788.7
Grants and other expense transfers	3.1.2	19,232.4	18,031.5
Maintenance		0.9	0.7
Fair value of assets provided free of charge or for nominal consideration	3.1.3	305.8	683.4
Other operating expenses ⁽ⁱ⁾⁽ⁱⁱ⁾	3.1.4	555.3	1,533.4
Total expenses incurred in delivery of services		20,620.5	21,037.6

Note:

- (i) Restatement of 2022 inventory write off movement of \$5.7 million from 'Other operating expenses' to 'Net gain/(loss) on non-financial assets'.
- (ii) Restatement of 2022 release of risk margin in insurance claims of \$1.9 million from 'Other operating expenses' to 'Other gains/(losses) from other economic flows'.

3.1.1 Employee benefits

3.1.1(a) Employee benefits in the comprehensive operating statement

	2023 \$M	2022 \$M
Defined contribution superannuation expense	39.4	51.4
Defined benefit superannuation expense	1.2	1.8
Termination benefits	0.9	22.4
Salaries and wages, annual leave and long service leave	484.6	713.1
Total employee benefits	526.1	788.7

Employee benefits include all costs related to employment, including salaries and wages, leave entitlements, fringe benefits tax, termination benefits, payroll tax and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. The department does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the state as the sponsoring employer).

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the department is demonstrably committed to 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.

3.1.1(b) Employee benefits in the balance sheet

Provision is made for benefits accruing to employees in respect of annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	2023 \$M	2022 \$M
Current provisions		
Annual leave		
Unconditional and expected to be settled within 12 months	33.7	39.5
Unconditional and expected to be settled after 12 months	14.8	17.8
Maternity leave		
Unconditional and expected to be settled within 12 months	5.0	5.0
Long service leave		
Unconditional and expected to be settled within 12 months	5.3	5.4
Unconditional and expected to be settled after 12 months	47.0	47.8
Provisions for on-costs		
Unconditional and expected to be settled within 12 months	6.6	7.4
Unconditional and expected to be settled after 12 months	11.0	11.2
Total current provisions for employee benefits	123.4	134.1
Non-current provisions		
Conditional long service leave entitlements	14.3	13.8
Provisions for on-costs	2.5	2.4
Total non-current provisions for employee benefits	16.9	16.2
Total provisions for employee benefits	140.3	150.2

Reconciliation of movement in on-cost provision

	2023 \$M
Opening balance	20.9
Additional provisions recognised	9.7
Reductions arising from payments/other sacrifices of future economic benefits	(10.2)
Unwinding of discount and effect of changes in the discount rate	(0.3)
Closing balance	20.1
Current	17.5
Non-current	2.5

Annual leave and sick leave: Liabilities for annual leave and on-costs are recognised as part of the provisions for employee benefits as 'current liabilities' because the department does not have an unconditional right to defer settlements of these liabilities.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as the department does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

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

Employment on-costs such as payroll tax, workers' compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Unconditional LSL is disclosed as a current liability; even where the department 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.

The components of this current LSL liability are measured at present value where the department does not expect to wholly settle within 12 months. The components of current LSL liability are measured at nominal value where the department expects to settle within 12 months.

Conditional LSL 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. This non-current LSL liability is measured at present value.

Any gain or loss following the revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

3.1.1(c) Superannuation contributions

Employees of the department are entitled to receive superannuation benefits and the department contributes to both defined benefit and defined contribution plans. The defined benefit plans provide benefits based on years of service and final average salary.

As noted in Note 3.1.1(a), the defined benefit liability is recognised in the Department of Treasury and Finance as an administered liability. However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the department.

	Paid contribution for the year		Contribution outstanding at year end	
	2023 \$M	2022 \$M	2023 \$M	2022 \$M
Defined benefit plans				
State superannuation fund	1.2	1.8	–	–
Defined contribution plans				
Aware Super (formerly VicSuper)	15.3	19.6	–	5.4
Other	24.1	26.4	–	–
Total	40.6	47.8	–	5.4

3.1.2 Grants and other expense transfers

	2023 \$M	2022 \$M
State contributions to the Victorian State Pool Account ⁽ⁱ⁾	8,488.0	7,628.0
Public health services and hospitals ⁽ⁱⁱ⁾		
Monash Health	824.8	935.4
Barwon Health	444.9	422.4
Alfred Health	391.4	462.2
Melbourne Health	388.9	492.9
Austin Health	353.6	355.7
Peter MacCallum Cancer Centre	353.0	262.4
Eastern Health	351.3	379.9
Northern Health	339.7	250.1
The Royal Children's Hospital	313.0	253.2
Western Health	302.5	351.7
Grampians Health	296.4	178.7
Peninsula Health	292.2	234.2
Bendigo Health	262.0	225.4
Albury Wodonga Health	246.7	196.1
Latrobe Regional Hospital	227.6	121.0
Dental Health Services Victoria	213.0	254.8
The Royal Women's Hospital	97.9	80.4
Goulburn Valley Health	92.8	121.5
Mildura Base Public Hospital	88.3	58.2
South West Healthcare	66.4	63.1
Bass Coast Health	59.9	92.6
Northeast Health Wangaratta	56.6	32.3
Central Highlands Rural Health	44.1	36.9
NCN Health	34.5	34.4
Bairnsdale Regional Health Service	33.8	18.5

	2023 \$M	2022 \$M
The Royal Victorian Eye and Ear Hospital	22.4	36.6
Other public hospitals with payments totalling less than \$30 million	623.4	662.0
	6,820.9	6,612.7
Denominational hospitals ⁽ⁱⁱⁱ⁾		
St Vincent's Hospital (Melbourne) Limited	277.0	241.5
Mercy Health	141.4	115.0
Other denominational hospitals with payments totalling less than \$30 million	3.3	2.9
	421.8	359.4
Ambulance services		
Ambulance Victoria	1,234.1	1,162.8
	1,234.1	1,162.8
Other state government agencies		
Department of Health – Administered ^(iv)	175.4	–
Victorian Institute of Forensic Mental Health	137.9	107.7
HealthShare Victoria	51.6	45.9
Victorian Health Promotion Foundation	44.7	42.6
Other state government agencies with payments totalling less than \$30 million	43.3	107.0
	452.9	303.2
Local councils		
Casey City Council	9.5	11.0
Wyndham City Council	9.2	8.2
Hume City Council	7.1	6.8
Whittlesea City Council	6.7	6.3
City of Greater Geelong	6.2	6.0
City of Greater Dandenong	6.0	5.7
Other local councils with payments totalling less than \$5 million	105.4	108.5
	150.1	152.4
Commonwealth Government		
National Blood Authority	162.4	98.0
Other Commonwealth Government with payments totalling less than \$30 million	(2.2)	5.1
	160.2	103.1
Non-government agencies and individuals		
BreastScreen Victoria Inc	60.7	56.4
Cohealth Ltd	50.3	45.4
The University of Melbourne	48.5	48.5
Epworth Healthcare	37.0	112.5
Wesley Mission Victoria	36.3	32.3
Eastern Access Community Health Inc	36.0	41.9
Healthdirect Australia	35.4	12.1
Bolton Clarke	31.9	29.1
Other non-government agencies and individuals with payments totalling less than \$30 million	1,168.3	1,331.6
	1,504.4	1,709.8
Total grants and other expense transfers	19,232.4	18,031.5

Notes:

- (i) Represents the activity-based funding in scope of the National Health Reform Agreement paid to the health agencies through the Victorian State Pool Account. Includes Commonwealth contributions to Hospital Services Payments through the National Partnership on COVID-19 Response.
- (ii) As defined in schedules 1 and 5 of the *Health Services Act 1988*.
- (iii) As defined in schedule 2 of the *Health Services Act 1988*.
- (iv) Repayment of cash to the consolidated fund.

Transactions in which the department provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant and other expense transfers'. Grants can either be operating or capital in nature.

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as grants, subsidies and other transfer payments to public health agencies, public and denominational hospitals, other state government agencies, local councils and non-government agencies and individuals, and the state contribution to the Victorian State Pool Account. The Victorian State Pool Account in the National Health Funding Pool is an administered trust established to record the activity-based funding contributions for Victoria by the Commonwealth and the state under the National Health Reform Agreement.

The state contributions to the Victorian State Pool Account represent activity-based funding in scope of the National Health Reform Agreement from Victoria to health agencies through the administered trust. The transactions of this administered trust are disclosed in Note 4.2.

Grants paid directly to health agencies and other entities by the department are disclosed in this Note by recipient. These payments include block-funded services under the National Health Reform Agreement and the National Partnership on COVID-19 Response and a range of other grant payments for services that are out of scope of the National Health Reform Agreement and the National Partnership on COVID-19 Response. This includes aged care subsidies, home and community care payments and community-based drug and alcohol services.

The 2023 figures include six months of grant payments for the National Partnership on COVID-19 Response due to the expiry of the funding agreement on 31 December 2022.

3.1.3 Fair value of assets provided free of charge or for nominal consideration

	2023 \$M	2022 \$M
Buildings at fair value	–	0.8
Resources provided free of charge ⁽ⁱ⁾	305.8	681.9
Other assets provided free of charge	–	0.7
Total fair value of assets provided free of charge or for nominal consideration	305.8	683.4

Note:

- (i) Resources provided free of charge represents the cost of inventory distributed to health services, other departments and agencies during the year. The predominant items distributed were personal protective equipment and rapid antigen test kits.

Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value on distribution, irrespective of whether restrictions or conditions are imposed over the use of the resources. The exception to this would be when the resource is provided to another government department (or agency) as a consequence of a restructuring of administrative arrangements, in which case such a transfer will be recognised at its carrying value.

3.1.4 Other operating expenses

	2023 \$M	2022 \$M
Accommodation and property services ⁽ⁱ⁾	47.2	126.7
Administrative costs ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	269.7	1,141.6
Short-term lease expenses	–	0.1
Variable lease expenses	0.4	0.4
Information, communications and technology costs	197.2	242.6
Medicines and drugs / pharmacy supplies	20.3	8.0
Direct care operating costs	20.6	14.0
Total other operating expenses	555.3	1,533.4

Notes:

- (i) Figures relate to office accommodation and associated costs. 2022 figure includes payments on behalf of DFFH. Both departments were invoiced separately in 2023.
- (ii) Lower administrative costs are primarily due to reductions in costs associated with the COVID-19 response for professional services, including pathology, drive-through testing sites, vaccine establishment and delivery.
- (iii) Restatement of 2022 inventory write off movement of \$5.7 million from 'Other operating expenses' to 'Net gain/(loss) on non-financial assets'.

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. They also include bad debts expense from transactions that are mutually agreed.

4. Disaggregated financial information by output

Introduction

The department is predominantly funded by accrual-based parliamentary appropriations for the provision of outputs. This section provides a description of the departmental outputs delivered during the year along with the objectives of those outputs.

This section disaggregates revenue and expenses that enable the delivery of services (described in section 2 'Funding delivery of our services') by output and records the allocation of expenses incurred (described in section 3 'The cost of delivering services') also by output, which form part of controlled balances of the department.

It also provides information on items administered in connection with these outputs.

Judgement is required in allocating income and expenditure to specific outputs. For the period under review there were no amounts unallocated.

The distinction between controlled and administered items is based on whether the department has the ability to deploy the resources in question for its own benefit (controlled items) or whether it does so on behalf of the state (administered). The department remains accountable for transactions involving administered items, but it does not recognise these items in its financial statements. The department has classified transactions and balances of the Victorian State Pool Account in the National Health Funding Pool as administered items because the department transacts these items on behalf of the state under the National Health Reform Agreement between the Commonwealth and the state.

Structure

- 4.1 Departmental outputs
 - 4.1.1 Departmental outputs – Descriptions and objectives
 - 4.1.2 Departmental outputs – Controlled income and expenses
 - 4.1.3 Departmental outputs – Controlled assets and liabilities
- 4.2 Administered (non-controlled) items
 - 4.2.1 Administered income and expenses
 - 4.2.2 Administered assets and liabilities
 - 4.2.3 Administered grants and other expense transfers
- 4.3 Restructuring of administrative arrangements

4.1 Departmental outputs

4.1.1(a) Departmental outputs – Descriptions and objectives

Output 1: Admitted Services

Acute and sub-acute patient services (elective and non-elective) provided at Victorian metropolitan and rural public hospitals.

Output 2: Non-Admitted Services

This output provides planned non-admitted services that require an acute setting to ensure the best outcome for a patient. These services provide access to: medical, nursing, midwifery and allied health professionals for assessment, diagnosis and treatment; ongoing specialist management of chronic and complex conditions in collaboration with community providers; pre- and post-hospital care; maternity care; and related diagnostic services, such as pathology and imaging.

Output 3: Emergency Services

This output relates to emergency presentations at reporting hospitals with emergency departments. It aims to provide high-quality, accessible health and community services, specifically in improving waiting times for emergency services.

Output 4: Health Workforce Training and Development

This output relates to grants provided to Victorian health services to support the training and development of the health workforce. This output aims to provide career pathways and contribute towards a stable, ongoing accredited workforce in the health sector in Victoria.

Output 5: Residential Aged Care

This output includes delivery of services for older Victorians requiring ongoing care and support in a residential aged care setting.

Output 6: Aged Care Assessment

This output includes delivery of comprehensive assessment of older Victorians' requirements for treatment and residential aged care services.

Output 7: Aged Support Services

This output includes delivery of a range of community services that support older Victorians, such as eye care services, Personal Alert Victoria services, and pension-level Supported Residential Services.

Output 8: Home and Community Care Program for Younger People

This output includes delivery of a range of community-based nursing, allied health and support services enabling younger people, who have difficulties with the activities of daily living, to maintain their independence and to participate in the community.

Output 9: Ambulance Emergency Services

Emergency road, rotary and fixed air wing patient treatment and transport services provide timely and high-quality emergency ambulance services. Timely and high-quality emergency ambulance services contribute to high-quality, accessible health and community services for all Victorians.

Output 10: Ambulance Non-Emergency Services

Non-emergency road, rotary and fixed air wing patient treatment and transport services provide access to timely, high-quality non-emergency ambulance services. High-quality non-emergency ambulance services contribute to high-quality, accessible health and community services for all Victorians. The output supports departmental priorities through provision of patient transport officers to service non-emergency, pre- and post-hospital patients.

Output 11: Drug Prevention and Control

Encourages all Victorians to minimise the harmful effects of alcohol and other drugs by providing a comprehensive range of strategies which focus on enhanced community and professional education, targeted prevention and early intervention programs, community and residential treatment services, and the use of effective regulation.

Output 12: Drug Treatment and Rehabilitation

Assists the community and individuals to control and reduce the harmful effects of illicit and licit drugs, including alcohol, in Victoria through the provision of community-based non-residential and residential treatment services, education and training, and support services.

Output 13: Mental Health Clinical Care

This output provides a range of inpatient residential and community-based clinical services to people with mental illness and their families, so that those experiencing mental health problems can access timely, high-quality care and support to recover and live successfully in the community.

Output 14: Mental Health Community Support Services

A range of rehabilitation and support services provided to youth and adults with a psychiatric disability, and their families and carers, so that those experiencing mental health problems can access timely, high-quality care and support to recover and reintegrate into the community.

Output 15: Community Health Care

This output includes delivery of a range of community care and support services, including counselling, allied health and nursing, that enable people to continue to live independently in the community.

Output 16: Dental Services

This output includes delivery of a range of dental health services to support health and wellbeing in the community.

Output 17: Maternal and Child Health and Early Parenting Services

This output involves the provision of community-based maternal and child health services available to all families with children.

Output 18: Medical Research

This output supports maintaining Victoria's position as a leader in health and medical research and supports health services, academic partners and research institutes to undertake research through investment, facilitating access to data and systems, and creating links to policy and program areas. This is focused on reducing health inequities and translating research into policy and practice, enabling more Victorians to lead healthier lives, while strengthening commercialisation opportunities. Medical Research output was transferred from the Department of Jobs, Skills, Industry and Regions as part of the machinery government change effective 1 January 2023.

Output 19: Health Protection

Protects the health of Victorians through a range of prevention programs, including regulation, surveillance and the provision of statutory services.

Output 20: Health Advancement

Improves the general health and wellbeing of Victorians through the provision of community information and the fostering of healthy behaviours.

Output 21: Emergency Management

Training in emergency management preparedness, planning, response, relief and recovery.

Output 22: Small Rural Services – Acute Health

Admitted and non-admitted services delivered by small rural services, including elective and non-elective surgical and medical care, urgent care services, and maternity services.

Output 23: Small Rural Services – Aged Care

This output includes delivery of in-home, community-based and residential care services for older people, delivered in small rural towns.

Output 24: Small Rural Services – Home and Community Care Services

This output includes delivery of community-based nursing, allied health and support services for younger people who have difficulty with the activities of daily living, delivered by small rural services to support them to be more independent and to participate in the community.

Output 25: Small Rural Services – Primary Health

This output includes delivery of in-home, community-based and primary health services delivered by small rural services and designed to promote health and wellbeing and prevent the onset of more serious illness.

Output 26: Shared Services

Shared Services output reflects the range of corporate services that the department provides to other Victorian Government departments.

Further details on the objectives of each output can be found in the *2022–23 State Budget Paper No. 3 – Service Delivery*.

4.1.2 Departmental outputs – Controlled income and expenses

A. 2023 – Outputs 1–13

Year ended 30 June 2023 Output ⁽ⁱ⁾	1 \$M	2 \$M	3 \$M	4 \$M	5 \$M	6 \$M	7 \$M	8 \$M	9 \$M	10 \$M	11 \$M	12 \$M	13 \$M
Revenue and income from transactions													
Output appropriations	9,010.2	1,137.0	539.0	159.3	113.5	54.3	67.4	215.1	981.5	140.1	36.1	264.1	362.9
Special appropriations	1,428.0	110.6	52.8	0.2	13.1	6.6	11.4	–	63.6	11.9	0.7	9.2	1,139.2
Grants	1,127.6	97.6	–	282.5	–	–	–	–	–	0.7	–	19.7	564.9
Fair value of assets and services received free of charge or for nominal consideration	2.6	–	–	–	–	–	–	–	–	–	–	–	–
Other income	40.3	–	–	0.3	–	–	–	–	–	–	–	–	–
Total revenue and income from transactions	11,608.7	1,345.3	591.7	442.3	126.6	60.9	78.8	215.1	1,045.1	152.7	36.8	293.1	2,066.9
Expenses from transactions													
Employee benefits	220.9	11.0	1.5	6.3	7.6	0.3	5.1	2.2	4.5	0.7	6.0	4.1	66.7
Depreciation and amortisation	15.6	–	–	–	1.6	–	0.2	–	–	–	0.1	3.2	9.5
Interest expense	37.5	–	–	–	–	–	–	–	–	–	–	–	–
Maintenance	0.7	–	–	–	–	–	–	–	–	–	–	–	0.1
Grants and other expense transfers	11,119.2	1,227.7	550.7	410.3	99.6	49.9	67.4	180.6	971.4	168.8	25.3	287.0	2,150.8
Fair value of assets provided free of charge or for nominal consideration	183.2	–	–	–	–	–	–	–	–	–	–	–	–
Other operating expenses	279.6	8.4	1.3	10.1	4.4	0.4	3.7	3.0	2.2	2.6	5.2	5.4	35.8
Total expenses from transactions	11,856.8	1,247.1	553.4	426.7	113.1	50.6	76.3	185.8	978.0	172.1	36.5	299.6	2,263.0
Net result from transactions (net operating balance)	(248.1)	98.2	38.3	15.6	13.5	10.3	2.5	29.4	67.1	(19.4)	0.3	(6.6)	(196.1)
Other economic flows included in net result													
Net gain/(loss) on non-financial assets	(420.1)	–	–	–	–	–	0.1	–	–	–	–	–	0.1
Net gain/(loss) on financial instruments	1.5	–	–	–	–	–	–	–	0.1	–	–	–	–
Other gains/(losses) from other economic flows	20.6	–	–	–	–	–	–	–	–	–	–	–	0.2
Total other economic flows included in net result	(398.0)	–	–	–	–	–	0.1	–	0.1	–	–	–	0.3
Net result	(646.1)	98.2	38.3	15.6	13.5	10.3	2.5	29.4	67.2	(19.4)	0.3	(6.6)	(195.8)

Note:

(i) Refer to Note 4.1.1(a) for output definitions.

B. 2023 (continued) – Outputs 14–26 and total of outputs 1–26

Year ended 30 June 2023 Output ⁽ⁱ⁾	14 \$M	15 \$M	16 \$M	17 \$M	18 \$M	19 \$M	20 \$M	21 \$M	22 \$M	23 \$M	24 \$M	25 \$M	26 \$M	Total \$M
Revenue and income from transactions														
Output appropriations	130.5	398.2	197.3	147.2	67.6	287.5	109.1	13.6	276.2	55.0	4.7	16.5	–	14,784.0
Special appropriations	20.4	31.5	31.2	–	–	14.3	5.4	0.6	1.9	6.7	–	2.9	–	2,962.2
Grants	2.0	2.4	3.2	0.2	–	153.7	0.1	3.2	150.0	–	–	–	–	2,407.7
Fair value of assets and services received free of charge or for nominal consideration	–	–	–	–	–	4.4	–	–	–	–	–	–	–	7.0
Other income	–	0.3	–	–	–	0.7	–	2.9	(0.4)	–	–	–	75.2	119.4
Total revenue and income from transactions	152.8	432.5	231.7	147.3	67.6	460.7	114.7	20.3	427.7	61.7	4.7	19.4	75.2	20,280.3
Expenses from transactions														
Employee benefits	3.7	10.3	3.1	9.2	1.2	105.6	10.9	7.7	5.6	0.2	–	0.8	30.9	526.1
Depreciation and amortisation	–	5.1	–	–	–	1.8	0.1	–	0.2	–	–	0.1	–	37.7
Interest expense	–	–	–	–	–	–	–	–	–	–	–	–	–	37.5
Maintenance	–	0.1	–	–	–	–	–	–	–	–	–	–	–	0.9
Grants and other expense transfers	151.9	403.4	202.7	123.9	65.4	389.6	99.6	5.7	415.2	43.5	4.7	18.3	–	19,232.4
Fair value of assets provided free of charge or for nominal consideration	–	–	–	–	–	122.5	–	–	–	–	–	–	–	305.8
Other operating expenses	4.0	5.0	4.6	16.4	1.4	115.9	3.1	3.6	0.9	0.3	–	0.2	38.0	555.3
Total expenses from transactions	159.6	423.9	210.3	149.6	68.1	735.4	113.7	17.1	421.9	44.0	4.7	19.4	68.9	20,695.7
Net result from transactions (net operating balance)	(6.7)	8.5	21.4	(2.2)	(0.5)	(274.7)	1.0	3.3	5.8	17.7	–	–	6.3	(415.5)
Other economic flows included in net result														
Net gain/(loss) on non-financial assets	–	–	–	–	–	(102.0)	–	–	–	–	–	–	–	(522.0)
Net gain/(loss) on financial instruments	–	–	–	–	–	–	–	–	0.1	–	–	–	–	1.7
Other gains/(losses) from other economic flows	–	–	–	–	–	0.3	–	–	0.1	–	–	–	0.1	21.7
Total other economic flows included in net result	–	–	–	–	–	(101.7)	–	–	0.2	–	–	–	0.1	(498.6)
Net result	(6.7)	8.5	21.4	(2.2)	(0.5)	(376.4)	1.0	3.3	6.0	17.7	–	–	6.4	(914.1)

Note:

(i) Refer to Note 4.1.1(a) for output definitions.

C. 2022 – Outputs 1–13

Year ended 30 June 2022	1	2	3	4	5	6	7	8	9	10	11	12	13
Output ⁽ⁱ⁾	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Revenue and income from transactions													
Output appropriations	7,841.8	954.7	354.1	80.2	108.8	53.8	121.1	213.7	934.1	134.2	41.0	315.6	676.5
Special appropriations	1,207.2	72.5	34.6	0.2	8.6	4.3	7.4	–	41.7	7.8	0.5	6.1	420.0
Grants	2,766.8	96.1	–	237.4	–	–	–	–	–	3.9	–	14.5	469.6
Fair value of assets and services received free of charge or for nominal consideration	1.8	–	–	–	–	–	–	–	–	–	–	–	–
Other income	15.6	–	–	0.2	–	–	1.1	–	–	–	–	–	2.2
Total revenue and income from transactions	11,833.2	1,123.4	388.7	318.0	117.4	58.1	129.6	213.7	975.8	145.9	41.5	336.1	1,568.2
Expenses from transactions													
Employee benefits	222.1	6.7	2.4	7.1	7.8	0.8	5.8	5.3	3.5	1.0	6.4	6.5	55.8
Depreciation and amortisation	16.4	–	–	–	0.7	–	0.2	–	–	–	0.1	3.4	9.1
Interest expense	14.4	–	–	–	–	–	–	–	–	–	–	–	–
Maintenance	0.5	–	–	–	–	–	–	–	–	–	–	–	0.2
Grants and other expense transfers	10,831.6	973.9	350.8	288.8	134.3	46.6	110.3	176.8	906.9	152.8	25.7	291.2	1,629.2
Fair value of assets provided free of charge or for nominal consideration	303.0	–	–	–	–	–	–	–	–	–	–	–	–
Other operating expenses ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	278.1	43.0	1.3	2.1	2.5	0.4	10.6	2.4	0.6	0.2	1.0	2.8	40.5
Total expenses from transactions	11,666.3	1,023.7	354.4	298.0	145.4	47.9	126.9	184.4	911.0	154.0	33.2	303.9	1,734.7
Net result from transactions (net operating balance)	166.9	99.7	34.3	20.0	(28.0)	10.2	2.7	29.2	64.7	(8.1)	8.4	32.2	(166.5)
Other economic flows included in net result													
Net gain/(loss) on non-financial assets ⁽ⁱⁱ⁾	(5.5)	–	–	–	–	–	–	–	–	–	–	–	–
Net gain/(loss) on financial instruments	–	–	–	–	–	–	–	–	–	–	–	–	–
Other gains/(losses) from other economic flows ⁽ⁱⁱⁱ⁾	5.4	0.1	–	0.1	(0.2)	–	0.1	0.1	–	–	0.1	–	0.5
Total other economic flows included in net result	(0.1)	0.1	–	0.1	(0.2)	–	0.1	0.1	–	–	0.1	–	0.5
Net result	166.8	99.8	34.3	20.1	(28.1)	10.2	2.8	29.3	64.7	(8.1)	8.4	32.2	(166.0)

Notes:

(i) Refer to Note 4.1.1(a) for output definitions.

(ii) Restatement of 2022 inventory write off movement of \$5.7 million from 'Other operating expenses' to 'Net gain/(loss) on non-financial assets'.

(iii) Restatement of 2022 release of risk margin in insurance claims of \$1.9 million from 'Other operating expenses' to 'Other gains/(losses) from other economic flows'.

D. 2022 (continued) – Outputs 14–26 and total of outputs 1–26

Year ended 30 June 2022 Output ⁽ⁱ⁾	14 \$M	15 \$M	16 \$M	17 \$M	18 \$M	19 \$M	20 \$M	21 \$M	22 \$M	23 \$M	24 \$M	25 \$M	26 \$M	Total \$M
Revenue and income from transactions														
Output appropriations	126.1	529.8	255.4	142.5	–	2,587.8	87.7	13.6	260.1	56.1	4.5	16.7	–	15,909.9
Special appropriations	13.4	20.7	20.5	0.1	–	11.3	4.5	0.3	1.3	4.4	–	1.9	–	1,888.9
Grants	12.6	7.3	–	–	–	141.3	1.3	–	142.3	–	–	–	–	3,893.0
Fair value of assets and services received free of charge or for nominal consideration	–	–	–	–	–	27.9	–	–	–	–	–	–	–	29.7
Other income	–	–	–	–	–	5.8	–	2.6	(0.3)	–	–	–	64.4	91.5
Total revenue and income from transactions	152.1	557.7	275.8	142.6	–	2,774.1	93.5	16.5	403.3	60.5	4.5	18.6	64.4	21,813.1
Expenses from transactions														
Employee benefits	2.2	74.1	5.0	9.2	–	300.2	13.3	9.3	6.6	–	–	1.1	36.5	788.7
Depreciation and amortisation	–	4.7	–	–	–	3.7	0.1	–	–	–	–	–	–	38.5
Interest expense	–	–	–	–	–	–	–	–	–	–	–	–	–	14.4
Maintenance	–	–	–	–	–	–	–	–	–	–	–	–	–	0.7
Grants and other expense transfers	153.8	337.2	243.6	121.7	–	724.8	76.0	4.2	384.7	44.6	4.6	17.4	–	18,031.5
Fair value of assets provided free of charge or for nominal consideration	–	–	–	–	–	380.4	–	–	–	–	–	–	–	683.4
Other operating expenses ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	2.0	124.7	6.0	14.5	–	960.8	4.9	2.9	0.7	0.2	–	0.3	30.7	1,533.4
Total expenses from transactions	158.0	540.8	254.6	145.4	–	2,370.0	94.3	16.5	391.9	44.8	4.6	18.7	67.2	21,090.6
Net result from transactions (net operating balance)	(5.9)	16.9	21.2	(2.9)	–	404.1	(0.8)	0.1	11.4	15.7	(0.1)	(0.1)	(2.8)	722.6
Other economic flows included in net result														
Net gain/(loss) on non-financial assets ⁽ⁱⁱ⁾	–	–	–	–	–	0.1	–	–	–	–	–	–	–	(5.4)
Net gain/(loss) on financial instruments	–	–	–	–	–	(0.3)	–	–	–	–	–	–	–	(0.2)
Other gains/(losses) from other economic flows ⁽ⁱⁱⁱ⁾	–	0.8	–	0.1	–	(2.7)	0.2	0.1	–	–	–	–	–	4.9
Total other economic flows included in net result	–	0.8	–	0.1	–	(2.8)	0.2	0.1	–	–	–	–	–	(0.7)
Net result	(5.9)	17.8	21.2	(2.8)	–	401.3	(0.6)	0.2	11.4	15.7	(0.1)	(0.1)	(2.8)	721.8

Notes:

(i) Refer to Note 4.1.1(a) for output definitions.

(ii) Restatement of 2022 inventory write off movement of \$5.7 million from 'Other operating expenses' to 'Net gain/(loss) on non-financial assets'.

(iii) Restatement of 2022 release of risk margin in insurance claims of \$1.9 million from 'Other operating expenses' to 'Other gains/(losses) from other economic flows'.

4.1.3 Departmental outputs – Controlled assets and liabilities

A. 2023 – Outputs 1–13

Year ended 30 June 2023	1	2	3	4	5	6	7	8	9	10	11	12	13
Output ⁽ⁱ⁾	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Assets													
Financial assets	3,837.7	216.2	177.0	67.2	55.7	(0.1)	7.6	9.4	266.5	32.5	(0.1)	48.1	66.5
Non-financial assets	1,840.3	0.9	0.3	–	116.1	–	3.2	2.1	1.5	1.3	0.4	99.4	416.8
Total assets	5,678.0	217.1	177.3	67.2	171.8	(0.1)	10.8	11.5	268.0	33.8	0.3	147.5	483.3
Liabilities													
Financial liabilities	3,422.1	65.8	32.6	32.2	11.6	1.9	8.2	7.3	101.2	9.6	4.5	8.4	100.3
Non-financial liabilities	19.1	–	–	–	–	–	–	–	–	–	–	–	–
Total liabilities	3,441.3	65.8	32.6	32.2	11.6	1.9	8.2	7.3	101.2	9.6	4.5	8.4	100.3
Net assets	2,236.7	151.3	144.7	35.0	160.1	(2.0)	2.6	4.2	166.8	24.3	(4.3)	139.0	383.1

Note:

(i) Refer to Note 4.1.1(a) for output definitions.

B. 2023 (continued) – Outputs 14–26 and total of outputs 1–26

Year ended 30 June 2023	14	15	16	17	18	19	20	21	22	23	24	25	26	Total
Output ⁽ⁱ⁾	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Assets														
Financial assets	44.7	70.2	24.2	42.3	16.1	31.2	20.3	(1.7)	29.1	26.4	5.4	2.5	5.8	5,100.7
Non-financial assets	–	314.1	0.6	–	0.1	159.7	1.6	0.7	11.5	–	–	7.4	0.5	2,978.4
Total assets	44.7	384.3	24.8	42.3	16.2	190.9	21.9	(1.0)	40.6	26.4	5.4	9.9	6.3	8,079.1
Liabilities														
Financial liabilities	3.2	17.0	8.5	2.4	67.3	60.1	5.1	5.6	24.2	4.1	1.1	1.0	3.9	4,009.3
Non-financial liabilities	–	–	–	–	–	–	–	–	–	–	–	–	–	19.1
Total liabilities	3.2	17.0	8.5	2.4	67.3	60.1	5.1	5.6	24.2	4.1	1.1	1.0	3.9	4,028.4
Net assets	41.5	367.4	16.3	40.0	(51.1)	130.7	16.8	(6.6)	16.4	22.3	4.3	8.9	2.5	4,050.7

Note:

(i) Refer to Note 4.1.1(a) for output definitions.

C. 2022 – Outputs 1–13

Year ended 30 June

2022 Output ⁽ⁱ⁾	1 \$M	2 \$M	3 \$M	4 \$M	5 \$M	6 \$M	7 \$M	8 \$M	9 \$M	10 \$M	11 \$M	12 \$M	13 \$M
Assets													
Financial assets	2,955.2	210.3	152.1	36.6	47.4	0.9	15.4	8.5	220.3	29.2	(0.2)	42.2	286.0
Non-financial assets	1,646.5	0.7	0.3	–	113.4	–	2.6	1.9	1.4	1.3	0.4	78.4	408.5
Total assets	4,601.7	211.0	152.4	36.6	160.8	0.9	18.0	10.4	221.7	30.5	0.2	120.6	694.5
Liabilities													
Financial liabilities	2,127.0	48.8	27.2	10.7	12.6	1.8	18.2	7.8	91.2	7.9	5.6	5.9	87.9
Non-financial liabilities	8.1	–	–	–	–	–	–	–	–	–	–	–	–
Total liabilities	2,135.1	48.8	27.2	10.7	12.6	1.8	18.2	7.8	91.2	7.9	5.6	5.9	87.9
Net assets	2,466.7	162.3	125.2	25.9	148.2	(0.9)	(0.2)	2.6	130.5	22.6	(5.4)	114.7	606.6

Note:

(i) Refer to Note 4.1.1(a) for output definitions.

D. 2022 (continued) – Outputs 14–26 and total of outputs 1–26

Year ended 30 June

2022 Output ⁽ⁱ⁾	14 \$M	15 \$M	16 \$M	17 \$M	18 \$M	19 \$M	20 \$M	21 \$M	22 \$M	23 \$M	24 \$M	25 \$M	26 \$M	Total \$M
Assets														
Financial assets	37.5	71.3	36.0	33.7	–	344.7	11.0	(1.7)	29.9	22.2	4.5	2.3	2.4	4,597.7
Non-financial assets	–	310.4	0.5	3.4	–	367.0	1.9	0.6	10.3	–	–	6.6	0.8	2,957.0
Total assets	37.5	381.7	36.5	37.1	–	711.7	12.9	(1.1)	40.2	22.2	4.5	8.9	3.2	7,554.8
Liabilities														
Financial liabilities	2.6	39.6	9.5	2.5	–	137.2	6.5	5.5	21.8	3.8	1.0	1.0	(0.3)	2,683.5
Non-financial liabilities	–	–	–	–	–	–	–	–	–	–	–	–	–	8.1
Total liabilities	2.6	39.6	9.5	2.5	–	137.2	6.5	5.5	21.8	3.8	1.0	1.0	(0.3)	2,691.6
Net assets	34.9	342.2	27.0	34.6	–	574.4	6.3	(6.6)	18.3	18.4	3.5	7.9	3.5	4,863.2

Note:

(i) Refer to Note 4.1.1(a) for output definitions.

4.2 Administered (non-controlled) items

Administered income includes Commonwealth and state contributions to the Victorian State Pool Account, taxes, fees and fines and the proceeds from the sale of administered surplus land and buildings. Administered expenses include payments made on behalf of the state and payments into the consolidated fund. Administered assets include government income earned but yet to be collected. Administered liabilities include government expenses incurred but yet to be paid. Except as otherwise disclosed, administered resources are accounted for on an accrual basis using the same accounting policies adopted for recognition of the department-controlled items in the financial statements. Both the department-controlled items and these administered items are consolidated into the financial statements of the state.

The department does not gain control over assets arising from taxes, fines and regulatory fees, consequently no income is recognised in the department's financial statements. The department collects these amounts on behalf of the state. Accordingly, the amounts are disclosed as income in the schedule of Administered Items.

4.2.1 Administered income and expenses

A. 2023 – Outputs 1–13

Year ended 30 June 2023	1	2	3	4	5	6	7	8	9	10	11	12	13
Output ⁽ⁱ⁾⁽ⁱⁱ⁾	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Administered revenue and income from transactions													
Commonwealth contribution to the Victorian State Pool Account	2,959.5	700.0	326.0	214.0	–	–	–	–	–	–	–	24.7	1,107.1
State contribution to the Victorian State Pool Account	6,926.2	862.8	496.8	–	–	–	–	–	–	–	–	–	307.3
Commonwealth grants	891.4	–	–	1.5	–	69.5	–	–	–	–	–	–	0.2
Sales of goods and services	226.1	6.7	17.6	0.6	–	–	–	–	–	–	–	0.7	17.9
Appropriations – payments made on behalf of the state	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest income	2.6	–	–	–	–	–	–	–	–	–	–	–	–
Fees	–	–	–	–	–	–	–	–	–	–	1.1	–	–
Grants	147.8	–	–	–	–	–	–	–	–	–	–	–	–
Other	49.7	–	–	–	–	–	–	–	–	–	–	–	–
Fair value of assets and services received free of charge or for nominal consideration	–	–	–	–	–	–	–	–	–	–	–	–	–
Total administered revenue and income from transactions	11,203.4	1,569.4	840.4	216.1	–	69.5	–	–	–	–	1.1	25.4	1,432.4
Administered expenses from transactions													
Grants and other expense transfers	10,358.2	1,363.0	831.4	–	–	–	–	–	–	–	–	–	545.6
Employee benefits	–	–	–	–	–	–	–	–	–	–	–	–	–
Other operating expenses	–	–	–	–	–	–	–	–	–	–	–	–	–
Payments into the consolidated fund	382.0	6.7	17.6	2.1	–	69.5	–	3.9	–	18.0	1.1	0.7	0.3
Payment from the Victorian State Pool Account to the department-controlled entity	568.4	124.6	–	214.0	–	–	–	–	–	–	–	24.7	883.7
Fair value of assets provided free of charge or for nominal consideration	–	–	–	–	–	–	–	–	–	–	–	–	–
Total administered expenses from transactions	11,308.6	1,494.2	849.0	216.1	–	69.5	–	3.9	–	18.0	1.1	25.4	1,429.5
Total administered net result from transactions	(105.2)	75.2	(8.6)	–	–	–	–	(3.9)	–	(18.0)	–	–	2.9
Administered other economic flows included in net result													
Net gain/(loss) on non-financial assets	(1.4)	–	–	–	–	–	–	–	–	–	–	–	(0.1)
Other gains/(losses) from other economic flows	(0.3)	–	–	–	–	–	–	–	–	–	–	–	–
Total administered other economic flows	(1.7)	–	–	–	–	–	–	–	–	–	–	–	(0.1)
Administered net result	(106.9)	75.2	(8.6)	–	–	–	–	(3.9)	–	(18.0)	–	–	2.7

Notes:

(i) Refer to Note 4.1.1(a) for output definitions.

(ii) Output 26 Shared Services is not applicable for administered entity.

B. 2023 (continued) – Outputs 14–25 and total of outputs 1–25

Year ended 30 June 2023	14	15	16	17	18	19	20	21	22	23	24	25	Total
Output ⁽ⁱ⁾⁽ⁱⁱ⁾	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Administered revenue and income from transactions													
Commonwealth contribution to the Victorian State Pool Account	–	0.6	–	–	–	153.1	–	–	249.5	–	–	–	5,734.4
State contribution to the Victorian State Pool Account	–	–	–	–	–	70.4	–	–	–	–	–	–	8,663.4
Commonwealth grants	0.1	–	–	–	1.9	0.1	–	–	–	–	–	–	964.8
Sales of goods and services	0.1	3.9	–	0.3	–	1.0	–	–	2.4	–	–	–	277.2
Appropriations – payments made on behalf of the state	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest income	–	–	–	–	–	–	–	–	–	–	–	–	2.7
Fees	–	–	–	–	–	12.9	–	–	–	–	–	–	14.0
Grants	–	–	–	–	–	–	–	–	–	–	–	–	147.8
Other	–	–	–	–	–	–	–	–	–	–	–	–	49.6
Fair value of assets and services received free of charge or for nominal consideration	–	–	–	–	–	–	–	–	–	–	–	–	–
Total administered revenue and income from transactions	0.3	4.5	–	0.3	1.9	237.4	–	–	251.9	–	–	–	15,853.9
Administered expenses from transactions													
Grants and other expense transfers	–	–	–	–	–	–	–	–	–	–	–	–	13,098.1
Employee benefits	–	–	–	–	–	–	–	–	–	–	–	–	–
Other operating expenses	–	–	–	–	–	–	–	–	–	–	–	–	0.1
Payments into the consolidated fund	–	0.3	–	–	1.9	84.3	–	–	2.4	–	–	–	590.7
Payment from the Victorian State Pool Account to the department-controlled entity	–	0.6	–	–	–	153.1	–	–	249.5	–	–	–	2,218.5
Fair value of assets provided free of charge or for nominal consideration	–	–	–	–	–	0.5	–	–	–	–	–	–	0.5
Total administered expenses from transactions	–	0.9	–	–	1.9	237.9	–	–	251.9	–	–	–	15,907.9
Total administered net result from transactions	0.3	3.6	–	0.3	–	(0.5)	–	–	–	–	–	–	(54.0)
Administered other economic flows included in net result													
Net gain/(loss) on non-financial assets	–	–	–	–	–	(4.6)	–	–	–	–	–	–	(6.1)
Other gains/(losses) from other economic flows	–	–	–	–	–	–	–	–	–	–	–	–	(0.3)
Total administered other economic flows	–	–	–	–	–	(4.6)	–	–	–	–	–	–	(6.4)
Administered net result	0.3	3.6	–	0.3	–	(5.1)	–	–	–	–	–	–	(60.4)

Notes:

(i) Refer to Note 4.1.1(a) for output definitions.

(ii) Output 26 Shared Services is not applicable for administered entity.

C. 2022 – Outputs 1–13

Year ended 30 June 2022 Output ⁽ⁱ⁾⁽ⁱⁱ⁾	1 \$M	2 \$M	3 \$M	4 \$M	5 \$M	6 \$M	7 \$M	8 \$M	9 \$M	10 \$M	11 \$M	12 \$M	13 \$M
Administered revenue and income from transactions													
Commonwealth contribution to the Victorian State Pool Account	3,241.6	402.3	551.8	107.4	–	–	–	–	–	–	–	14.1	785.4
State contribution to the Victorian State Pool Account	6,489.4	619.5	322.2	–	–	–	–	–	–	–	–	–	196.9
Commonwealth grants	2,514.9	–	–	2.0	–	32.4	–	35.9	–	–	–	–	–
Sales of goods and services	236.2	7.3	1.7	0.5	–	–	–	0.1	–	–	–	0.7	17.8
Appropriations – payments made on behalf of the state	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest income	–	–	–	–	–	–	–	–	–	–	–	–	–
Fees	–	–	–	–	–	–	–	–	–	–	1.0	–	–
Grants	120.5	–	–	–	–	–	–	–	–	–	–	–	–
Other	8.6	–	–	–	–	–	–	–	–	–	–	–	0.1
Fair value of assets and services received free of charge or for nominal consideration	–	–	–	–	–	–	–	–	–	–	–	–	–
Total administered revenue and income from transactions	12,611.2	1,029.1	875.7	109.9	–	32.4	–	36.0	–	–	1.0	14.8	1,000.2
Administered expenses from transactions													
Grants and other expense transfers	9,622.6	935.0	828.6	–	–	–	–	–	–	–	–	–	495.2
Employee benefits	–	–	–	–	–	–	–	–	–	–	–	–	–
Other operating expenses	0.1	–	–	–	–	–	–	–	–	–	–	–	–
Payments into the consolidated fund	271.3	–	17.4	–	–	32.4	–	36.0	–	–	1.0	0.7	17.9
Payment from the Victorian State Pool Account to the department-controlled entity	2,737.2	86.8	–	107.4	–	–	–	–	–	–	–	14.1	462.0
Fair value of assets provided free of charge or for nominal consideration	0.3	–	–	–	–	–	–	–	–	–	–	–	–
Total administered expenses from transactions	12,631.5	1,021.8	846.0	107.4	–	32.4	–	36.0	–	–	1.0	14.8	975.1
Total administered net result from transactions	(20.3)	7.3	29.7	2.5	–	–	–	–	–	–	–	–	25.1
Administered other economic flows included in net result													
Net gain/(loss) on non-financial assets	–	–	–	–	–	–	–	–	–	–	–	–	–
Other gains/(losses) from other economic flows	8.8	–	–	–	–	–	–	–	–	–	–	–	–
Total administered other economic flows	8.8	–	–	–	–	–	–	–	–	–	–	–	–
Administered net result	(11.5)	7.3	29.7	2.5	–	–	–	–	–	–	–	–	25.1

Notes:

(i) Refer to Note 4.1.1(a) for output definitions.

(ii) Output 26 Shared Services is not applicable for administered entity.

D. 2022 (continued) – Outputs 14–25 and total of outputs 1–25

Year ended 30 June 2022	14	15	16	17	18	19	20	21	22	23	24	25	Total
Output ⁽ⁱ⁾⁽ⁱⁱ⁾	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Administered revenue and income from transactions													
Commonwealth contribution to the Victorian State Pool Account	–	0.3	–	–	–	123.3	–	–	132.4	–	–	–	5,358.7
State contribution to the Victorian State Pool Account	–	–	–	–	–	–	–	–	–	–	–	–	7,628.0
Commonwealth grants	–	–	–	–	–	0.1	–	–	–	–	–	–	2,585.3
Sales of goods and services	1.3	4.5	–	–	–	2.6	0.1	–	3.6	–	–	–	276.4
Appropriations – payments made on behalf of the state	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest income	–	–	–	–	–	–	–	–	–	–	–	–	–
Fees	–	–	–	–	–	11.0	–	–	–	–	–	–	12.0
Grants	–	–	–	–	–	–	–	–	–	–	–	–	120.5
Other	–	–	–	–	–	–	0.1	–	–	–	–	–	8.8
Fair value of assets and services received free of charge or for nominal consideration	–	–	–	–	–	–	–	–	–	–	–	–	–
Total administered revenue and income from transactions	1.3	4.8	–	–	–	137.0	0.2	–	136.0	–	–	–	15,989.7
Administered expenses from transactions													
Grants and other expense transfers	–	–	–	–	–	–	–	–	–	–	–	–	11,881.4
Employee benefits	–	–	–	–	–	–	–	–	–	–	–	–	–
Other operating expenses	–	–	–	–	–	–	–	–	–	–	–	–	0.1
Payments into the consolidated fund	1.3	4.5	–	–	–	13.8	0.2	–	3.6	–	–	–	400.1
Payment from the Victorian State Pool Account to the department-controlled entity	–	0.3	–	–	–	123.3	–	–	132.4	–	–	–	3,663.5
Fair value of assets provided free of charge or for nominal consideration	–	–	–	–	–	–	–	–	–	–	–	–	0.3
Total administered expenses from transactions	1.3	4.8	–	–	–	137.1	0.2	–	136.0	–	–	–	15,945.4
Total administered net result from transactions	–	–	–	–	–	(0.1)	–	–	–	–	–	–	44.3
Administered other economic flows included in net result													
Net gain/(loss) on non-financial assets	–	–	–	–	–	–	–	–	–	–	–	–	–
Other gains/(losses) from other economic flows	–	–	–	–	–	–	–	–	–	–	–	–	8.8
Total administered other economic flows	–	–	–	–	–	–	–	–	–	–	–	–	8.8
Administered net result	–	–	–	–	–	(0.1)	–	–	–	–	–	–	53.1

Notes:

(i) Refer to Note 4.1.1(a) for output definitions.

(ii) Output 26 Shared Services is not applicable for administered entity.

4.2.2 Administered assets and liabilities

	2023 \$M	2022 \$M
Administered assets		
Financial assets		
Receivables ⁽ⁱ⁾	1,404.6	1,056.6
Total administered assets	1,404.6	1,056.6
Administered liabilities		
Financial liabilities		
Amounts payable to the consolidated fund	5.9	59.8
Payables ⁽ⁱⁱ⁾	1,398.8	996.8
Total administered liabilities	1,404.6	1,056.6
Total administered net assets	–	–

Notes:

- (i) The increase in receivables primarily relates to the state repayment to the Victorian State Pool Account for the National Health Reform Agreement and the National Partnership on COVID-19 Response funding not earned.
- (ii) The increase in payables primarily relates to the funding payable by the Victorian State Pool Account to the Commonwealth for unearned funding relating to COVID-19 response and activity-based funding.

4.2.3 Administered grants and other expense transfers

	2023 \$M	2022 \$M
Public health services, public and denominational hospitals ⁽ⁱ⁾⁽ⁱⁱ⁾		
Monash Health	1,797.0	1,579.7
Western Health	976.9	871.6
Alfred Health	964.5	829.1
Eastern Health	959.2	877.2
Melbourne Health	881.7	832.3
Austin Health	836.9	766.9
Northern Health	661.0	565.3
Barwon Health	637.4	552.8
Peninsula Health	566.4	536.0
St Vincent's Hospital (Melbourne) Limited	552.2	535.6
The Royal Children's Hospital	549.7	525.0
Grampians Health	414.8	399.6
Mercy Health	414.3	401.7
Bendigo Health	358.1	335.0
Goulburn Valley Health	267.0	237.5
The Royal Women's Hospital	239.5	237.1
Latrobe Regional Hospital	218.1	211.6
Peter MacCallum Cancer Centre	181.4	172.8
Albury Wodonga Health	167.3	154.2
South West Healthcare	155.6	150.8
Northeast Health Wangaratta	150.4	137.7
Mildura Base Public Hospital	123.9	120.6
The Royal Victorian Eye and Ear Hospital	112.0	104.7
West Gippsland Health Care Group	97.0	93.7
Bairnsdale Regional Health Service	82.1	79.7
Echuca Regional Health	76.5	70.0
Bass Coast Health	75.5	66.1

	2023 \$M	2022 \$M
Central Gippsland Health Service	69.9	67.2
Western District Health Service	49.6	49.4
Swan Hill District Health	48.3	46.8
Colac Area Health	33.9	33.0
Other public health services, public and denominational hospitals with payments totalling less than \$30 million	200.3	190.0
	12,918.2	11,830.8
Commonwealth Government		
National Medical Stockpile (Personal Protective Equipment and Rapid Antigen Tests)	6.9	–
COVID-19 Rapid Test Concessional Access Program (CRTCAP)	93.0	–
	99.8	–
Other		
Cross Border with other jurisdictions	81.8	48.7
Other organisations with payments totalling less than \$10 million	(1.8)	1.8
	80.0	50.6
Total grants and other expense transfers	13,098.1	11,881.4

Notes:

- (i) As defined in schedules 1, 2 and 5 of the *Health Services Act 1988*.
- (ii) Funds are contributed into the Victorian State Pool Account by the Commonwealth and the state in accordance with the National Health Reform Agreement (refer to Note 3.1.2).

4.3 Restructuring of administrative arrangements

The Victorian Government issued an administrative order on 5 December 2022 restructuring some of its activities via machinery of government change. As part of the machinery of government restructure:

The Department of Jobs, Skills, Industry and Regions (as transferor) transferred the Medical Research function to the Department of Health (as transferee) effective from 1 January 2023. The net assets transferred to the department are at the carrying amount of those assets in the department's balance sheet immediately after the transfer:

Function	Transferor	Transferee	\$M
Medical Research	Department of Jobs, Skills, Industry and Regions	Department of Health	1.3

The net asset transfer was treated as a contribution of capital by the state.

	2023 Transfer in \$M	2023 Transfer out \$M	2023 Net transfer \$M
Assets			
Cash and deposits	1.3	–	1.3
Receivables	0.8	–	0.8
Property, plant and equipment	–	–	–
Liabilities			
Borrowings	–	–	–
Employee-related provisions	(0.8)	–	(0.8)
Net assets recognised/(transferred)	1.3	–	1.3
Net capital contribution from the Crown			1.3

5. Key assets available to support output delivery

Introduction

The department controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to the department to be utilised for delivery of its outputs.

Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 8.3 in connection with how those fair values were determined.

Structure

- 5.1 Total property, plant and equipment
 - 5.1(a) Total right-of-use assets
 - 5.1(b) Total service concession assets
 - 5.1.1 Depreciation and amortisation
 - 5.1.2 Reconciliation of movements in carrying values of property, plant and equipment
- 5.2 Intangible assets

5.1 Total property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2023 \$M	2022 \$M	2023 \$M	2022 \$M	2023 \$M	2022 \$M
Land at fair value	671.1	660.8	–	–	671.1	660.8
Buildings at fair value	650.4	604.1	(25.2)	(94.9)	625.2	509.2
Plant, equipment and vehicles at fair value	35.7	37.0	(31.7)	(32.8)	4.0	4.2
Motor vehicles at fair value	3.3	3.3	(1.4)	(1.5)	1.9	1.8
Assets under construction at cost	1,168.4	582.1	–	–	1,168.4	582.1
Net carrying amount	2,528.9	1,887.3	(58.3)	(129.2)	2,470.7	1,758.1

5.1(a) Total right-of-use assets

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2023 \$M	2022 \$M	2023 \$M	2022 \$M	2023 \$M	2022 \$M
Buildings at fair value	11.4	12.5	(6.5)	(4.8)	4.9	7.7
Plant and equipment at fair value	9.6	8.8	(7.4)	(6.0)	2.2	2.8
Motor vehicles at fair value	3.3	3.3	(1.4)	(1.5)	1.9	1.8
Net carrying amount	24.3	24.6	(15.3)	(12.3)	9.0	12.3

	Land \$M	Buildings \$M	Plant and equipment \$M	Motor vehicles \$M	Total \$M
Opening balance – 1 July 2022	–	7.7	2.8	1.8	12.3
Additions	–	–	–	0.9	0.9
Transfers	–	–	–	0.2	0.2
Lease modifications	–	(1.1)	0.7	–	(0.3)
Disposals	–	–	–	(0.5)	(0.5)
Depreciation	–	(1.7)	(1.4)	(0.4)	(3.5)
Closing balance – 30 June 2023	–	4.9	2.2	1.9	9.0
Opening balance – 1 July 2021	9.0	59.5	3.2	26.5	98.2
Removal of DFFH-related June 2021 closing balance ⁽ⁱ⁾	(9.0)	(49.8)	–	(24.5)	(83.3)
Adjusted balance at 1 July 2021	–	9.6	3.2	1.9	14.7
Additions	–	–	–	0.7	0.7
Lease modifications	–	(0.2)	0.6	–	0.5
Disposals	–	–	–	(0.3)	(0.3)
Depreciation	–	(1.7)	(0.9)	(0.6)	(3.2)
Closing balance – 30 June 2022	–	7.7	2.8	1.8	12.3

Note:

- (i) Removal of the 30 June 2021 closing balances of DFFH, the Victorian Disability Worker Commission and the Director of Housing, which were included in the department's 2020–21 financial statements under s. 53(1)(b) of the FMA. The transactions which were related to these entities were reported in DFFH's 2021–22 financial statements.

5.1(b) Total service concession assets

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2023 \$M	2022 \$M	2023 \$M	2022 \$M	2023 \$M	2022 \$M
Land at fair value	487.7	487.7	–	–	487.7	487.7
Buildings at fair value	618.9	571.7	–	(71.9)	618.9	499.8
Net carrying amount	1,106.6	1,059.4	–	(71.9)	1,106.6	987.5

Initial recognition

Items of property, plant and equipment 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 consideration, the cost is the asset's fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The cost of leasehold improvements is capitalised and depreciated over the shorter of the remaining term of the leases or their estimated useful lives.

Right-of-use asset acquired by lessees – Initial measurement

The department recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date, plus
- any initial direct costs incurred, and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Service concession assets (under AASB 1059 Service Concession Arrangements: Grantors)

– Initial measurement

The department initially recognises service concession assets and service concession assets under construction, including land, buildings, equipment and intangible assets, at current replacement cost in accordance with the cost approach to fair value in AASB 13 *Fair Value Measurement*. Where existing assets and assets under construction, including land, buildings, equipment and intangible assets, meet the definition of service concession assets under AASB 1059, the department reclassifies the existing assets as service concession assets and measures the assets at current replacement cost in accordance with the cost approach to fair value in AASB 13 as at the date of reclassification.

Subsequent measurement

Property, plant and equipment, as well as right-of-use assets under leases and service concession assets, are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised below by asset category.

Right-of-use asset – Subsequent measurement

The department depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Service concession assets – Subsequent measurement

Service concession assets are subject to revaluation as required by Financial Reporting Direction (FRD) 103 *Non-financial physical assets*. The FRD requires a managerial revaluation to be performed in the non-scheduled revaluation years, where the cumulative movement in indexed valuations is material (greater than 10% but not greater than 40%). Where the cumulative movement is greater than 40% and exceptionally material, an interim valuation would be required. As at 30 June 2023, the cumulative movement based on assessment performed with the Valuer-General Victoria (VGV)-issued indices, the department's buildings asset class, which includes service concession building assets, increased by 11.43% since the last scheduled revaluation, and was therefore subject to a managerial revaluation.

When revalued, the fair value of service concession assets will be determined as follows:

Non-specialised land and non-specialised buildings are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

Specialised land and specialised buildings: The market approach is used for specialised land, although it may be adjusted for a community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants.

For the majority of the department's specialised buildings, the current replacement cost method is used, adjusting for the associated depreciation.

Vehicles are valued using the current replacement cost method. The department acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in the department who set the relevant depreciation rates during use to reflect the utilisation of the vehicles.

Fair value for **plant and equipment** is determined using the current replacement cost method.

Refer to Note 8.3.2 for additional information on fair value determination of property, plant and equipment.

Impairment of property, plant and equipment

The recoverable amount of primarily non-cash generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 *Impairment of Assets* does not apply to such assets that are regularly revalued.

5.1.1 Depreciation and amortisation

Charge for the period

	2023 \$M	2022 \$M
Buildings	0.6	0.6
Health and Welfare	0.6	0.6
Plant, equipment and vehicles	0.5	1.6
Health and Welfare	0.5	1.6
Intangible assets	5.7	8.4
Health and Welfare	5.7	8.4
Right-of-use assets	3.5	3.2
Buildings	1.7	1.7
Plant and equipment	1.4	0.9
Motor vehicles	0.4	0.6
Service concession assets	27.4	24.6
Buildings	27.4	24.6
Aggregate depreciation and amortisation allocated	37.7	38.5
Total depreciation and amortisation	37.7	38.5

All buildings, plant, equipment, vehicles and other non-current physical assets that have finite useful lives are depreciated. The exceptions to this rule include items under assets held for sale and land.

Depreciation is calculated on a straight-line basis at rates that allocate the asset value over its estimated useful life.

Typical estimated useful lives for the different asset classes for the current and prior year are included in the table below:

Asset class	2023	2022
Buildings	5 to 55 years	5 to 55 years
Plant, equipment and vehicles	3 to 15 years	3 to 10 years
Intangible assets	3 to 20 years	3 to 20 years

The estimated useful lives were reviewed and adjusted on 1 July 2022 to reflect the expected useful life of each asset class. The previous and revised useful lives are disclosed in the above table. The residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments are made where appropriate.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life or the lease term. Where the department obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

Leasehold improvements are depreciated over the shorter of the lease term or their useful lives.

5.1.2 Reconciliation of movements in carrying values of property, plant and equipment

	Land at fair value \$M	Buildings at fair value \$M	Plant, equipment and vehicles at fair value \$M	Motor vehicles at fair value \$M	Assets under construc- tion at cost \$M	Total \$M
Balance at 1 July 2022	660.8	509.2	4.2	1.8	582.1	1,758.1
Additions	5.1	–	1.4	0.8	638.1	645.5
Disposals	–	(0.1)	(0.5)	(0.5)	–	(1.1)
Net revaluation increments/(decrements)	–	63.5	–	–	36.9	100.4
Depreciation and amortisation	–	(29.7)	(1.8)	(0.4)	–	(32.0)
Fair value of assets received free of charge or for nominal consideration	–	–	–	0.1	–	0.1
Fair value of assets provided free of charge or for nominal consideration	–	–	–	–	–	–
Transfers in/(out) of assets under construction	5.2	83.5	–	–	(88.7)	–
Other changes	–	(1.1)	0.7	–	–	(0.3)
Balance at 30 June 2023	671.1	625.2	4.0	1.9	1,168.4	2,470.7
Balance at 1 July 2021	23,079.2	9,746.5	6.3	26.5	906.0	33,764.5
Removal of DFFH-related June 2021 closing balance ⁽ⁱ⁾	(22,505.5)	(9,211.3)	(0.5)	(24.5)	(685.0)	(32,426.6)
Adjusted balance at 1 July 2021	573.7	535.2	5.8	2.0	221.0	1,337.9
Additions	15.5	0.3	0.7	0.7	348.7	365.9
Disposals	–	–	–	(0.3)	–	(0.3)
Net revaluation increments/(decrements)	71.5	–	–	–	14.0	85.5
Depreciation and amortisation	–	(27.0)	(2.5)	(0.6)	–	(30.1)
Fair value of assets received free of charge or for nominal consideration	–	–	–	0.1	–	0.1
Fair value of assets provided free of charge or for nominal consideration	–	(0.8)	(0.3)	–	–	(1.1)
Transfers in/(out) of assets under construction	–	1.6	–	–	(1.6)	–
Other changes	–	(0.2)	0.6	(0.1)	–	0.3
Balance at 30 June 2022	660.8	509.2	4.2	1.8	582.1	1,758.1

Note:

- (i) Removal of the 30 June 2021 closing balances of DFFH, the Victorian Disability Worker Commission and the Director of Housing, which were included in the department's 2020–21 financial statements under s. 53(1)(b) of the FMA. The transactions which were related to these entities were reported in DFFH's 2021–22 financial statements.

5.2 Intangible assets

	2023 \$M	2022 \$M
Gross carrying amount		
Opening balance	113.3	351.1
Removal of DFFH-related June 2021 closing balance ⁽ⁱ⁾	–	(181.1)
Write off ⁽ⁱⁱ⁾	–	(72.9)
Adjusted balance at 1 July 2022	113.3	97.1
Administrative instrument transfers	–	–
Additions from internal development	12.1	17.4
Disposals or classified as held for sale	(6.0)	(1.2)
Closing balance	119.4	113.3
Accumulated amortisation and impairment		
Opening balance	(77.8)	(175.2)
Removal of DFFH-related June 2021 closing balance ⁽ⁱ⁾	–	93.6
Write off ⁽ⁱⁱ⁾	–	12.3
Adjusted balance at 1 July 2022	(77.8)	(69.3)
Amortisation of intangible produced assets	(5.7)	(8.4)
Closing balance	(83.5)	(77.8)
Net book value at end of financial year	35.9	35.5

Notes:

- (i) Removal of the 30 June 2021 closing balances of DFFH, the Victorian Disability Worker Commission and the Director of Housing, which were included in the department's 2020–21 financial statements under s. 53(1)(b) of the FMA. The transactions which were related to these entities were reported in DFFH's 2021–22 financial statements.
- (ii) During 2021–22, the department revised its accounting policy in relation to the treatment of upfront configuration and customisation costs incurred in implementing Software-as-a-Service (SaaS) arrangements in response to the International Financial Reporting Interpretations Committee (IFRIC) agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements. As a result, a net amount of \$60.5 million was written off, compromising the total gross carrying amount of \$72.9 million and the total accumulated amortisation of \$12.3 million.

Initial recognition

An **internally generated intangible asset** arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- an intention to complete the intangible asset and use or sell it
- the ability to use or sell the intangible asset
- the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent measurement

Intangible produced assets with finite useful lives, are amortised as an 'expense from transactions' on a straight-line basis over their useful lives. Produced intangible assets have useful lives of between 3 and 20 years.

Service concession intangible assets recognised by applying AASB 1059 *Service Concession Arrangements: Grantors* are subsequently measured at fair value (current replacement cost).

Impairment of intangible assets

Intangible assets with finite useful lives are tested annually for impairment whenever an indication of impairment is identified.

6. Other assets and liabilities

Introduction

This section sets out those assets and liabilities that arose from department-controlled operations.

Structure

- 6.1 Receivables
- 6.2 Loans
 - 6.2.1 Ageing analysis of contractual loans
- 6.3 Other non-financial assets
- 6.4 Payables
 - 6.4.1 Maturity analysis of contractual payables
- 6.5 Other provisions
 - 6.5.1 Reconciliation of movements in other provisions
- 6.6 Inventories
- 6.7 Other non-financial liabilities

6.1 Receivables

	2023 \$M	2022 \$M
Current receivables		
<i>Contractual</i>		
Other receivables ⁽ⁱ⁾	857.7	1,147.5
<i>Less allowance for impairment losses of contractual receivables</i>	(5.0)	(20.1)
	852.7	1,127.4
<i>Statutory</i>		
Amounts owing from Victorian Government	958.8	823.2
GST input tax credit recoverable	14.6	26.7
	973.4	849.9
Total current receivables	1,826.1	1,977.3
Non-current receivables		
<i>Statutory</i>		
Amounts owing from Victorian Government	2,679.6	2,438.9
	2,679.6	2,438.9
Total non-current receivables	2,679.6	2,438.9
Total receivables	4,505.7	4,416.2

Note:

- (i) The decrease in 2023 is primarily due to the reversal of 2022 accruals for funding receivable from the Victorian State Pool Account to the state for services relating to the COVID-19 response and the decrease in funds held for COVID-19 inventory purchases.

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The department holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments for disclosure purposes. The department applies AASB 9 *Financial Instruments* for initial measurement of the statutory receivables and, as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction costs. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the consolidated fund as the commitments fall due.

Details about the department's impairment policies, the department's exposure to credit risks and the calculation of the loss allowance are set out in Note 8.1.3.

6.2 Loans

	2023 \$M	2022 \$M
Current loans		
<i>Contractual</i>		
Loans	8.7	11.8
Total current loans	8.7	11.8
Non-current loans		
<i>Contractual</i>		
Loans	54.7	63.4
Total non-current loans	54.7	63.4
Total loans	63.4	75.2

The department has loans and advances to health agencies. Loans are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.

Defaults and breaches: The department has had no defaults or breaches on any of its loans during 2022–23.

6.2.1 Ageing analysis of contractual loans

	Carrying amount \$M	Not past due \$M	Past due			
			Less than 1 month \$M	1–3 months \$M	3 months – 1 year \$M	1–5 years \$M
2023						
Loans	63.4	63.4	–	–	–	–
Total	63.4	63.4	–	–	–	–
2022						
Loans	75.2	75.2	–	–	–	–
Total	75.2	75.2	–	–	–	–

6.3 Other non-financial assets

	2023 \$M	2022 \$M
Prepayments	135.2	143.1
Total other non-financial assets	135.2	143.1

Prepayments represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period.

6.4 Payables

	2023 \$M	2022 \$M
Current payables		
<i>Statutory</i>		
Fringe benefits tax payable	(0.2)	–
<i>Contractual</i>		
Employee benefits payable	5.8	27.7
Supplies and services	52.0	122.2
Amounts payable to government agencies	1,457.5	647.0
Capital works	0.6	0.9
Other	(0.6)	19.6
Total current payables	1,515.1	817.5
Non-current payables		
<i>Contractual</i>		
Amounts payable to government agencies	1,234.9	1,078.2
Total non-current payables	1,234.9	1,078.2
Total payables	2,750.1	1,895.7

Payables consist of:

- **contractual payables**, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the department prior to the end of the reporting period that are unpaid, and
- **statutory payables**, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and are not included in financial liabilities at amortised cost, because they do not arise from a contract.

Payables for supplies and services have an average credit period of 30 days.

The terms and conditions of amounts payable to the government and agencies vary according to the particular agreements and as they are not legislative payables, they are not classified as financial instruments.

The value of loans and other amounts guaranteed by the Treasurer is disclosed in contingent liabilities.

6.4.1 Maturity analysis of contractual payables ⁽ⁱ⁾

	Carrying amount \$M	Nominal amount \$M	Maturity dates				
			Less than 1 month \$M	1–3 months \$M	3 months – 1 year \$M	1–5 years \$M	5+ years \$M
2023							
Payables	2,750.3	2,750.3	147.4	70.1	1,297.9	–	1,234.9
Total	2,750.3	2,750.3	147.4	70.1	1,297.9	–	1,234.9
2022							
Payables	1,895.7	1,895.7	254.6	150.7	412.2	–	1,078.2
Total	1,895.7	1,895.7	254.6	150.7	412.2	–	1,078.2

Note:

(i) Maturity analysis is presented using the contractual undiscounted cash flows.

6.5 Other provisions

	2023 \$M	2022 \$M
Current provisions		
Make-good provision	–	1.2
Insurance claims	7.8	11.7
Early retirement package	–	18.9
Total current provisions	7.8	31.8
Non-current provisions		
Make-good provision	2.2	2.0
Insurance claims	12.2	27.2
Total non-current provisions	14.4	29.2
Total other provisions	22.1	61.1

Other provisions are recognised when the department has a present obligation, the future 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 reporting date, 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.

6.5.1 Reconciliation of movements in other provisions

	Make- good 2023 \$M	Insurance claims 2023 \$M	Early retirement package 2023 \$M	Total 2023 \$M
Opening balance	3.2	38.9	18.9	61.1
Additional/(reduced) provisions recognised	(1.1)	–	(18.9)	(20.0)
Reductions arising from payments/claims handling expenses/other sacrifices of future economic benefits	–	(7.7)	–	(7.7)
Actuarial revaluations of insurance claims liability inclusive of risk margin	–	(12.2)	–	(12.2)
Unwinding of discount and effect of changes in the discount rate	–	0.9	–	0.9
Closing balance	2.2	20.0	–	22.1

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

The **make-good provision** is recognised in accordance with the lease agreement over the building facilities. The department must remove any leasehold improvements from the leased building and restore the premises to its original condition at the end of the lease term.

Insurance claims: The department engaged the Victorian Managed Insurance Authority (VMIA) under a claims administration agreement to manage non-medical indemnity claims resulting from public healthcare incidents occurring on or after 1 July 2005. These claims are managed by VMIA on behalf of the department under a service level agreement. VMIA has engaged an independent actuary to determine these liability provisions in accordance with the Institute of Actuaries of Australia's professional standard PS300. The estimation of outstanding claims liabilities is based on actuarial modelling including analysis of claims experience, loss trends, risk exposure data and industry data.

In April 2022, the department offered an expression of interest to staff who wished to nominate for an Early Retirement Package (ERP) as part of the Early Retirement Scheme. The **early retirement package provision** recognised the estimated payout to the staff who had accepted the ERP offers as of June 2022. The ERP was finalised and paid out by November 2022.

6.6 Inventories

	2023 \$M	2022 \$M
Inventories held for distribution:		
Opening balance – at cost	1,020.2	638.4
Additions	144.7	1,093.0
Distributed as resources given free of charge	(305.9)	(705.5)
Loss of service potential	(522.4)	(5.7)
Total inventories ⁽ⁱ⁾	336.6	1,020.2

Note:

- (i) Reduction in COVID-19 inventories impairment due to expiration, obsolescence and adjustments to current replacement cost under AASB 102 *Inventories*.

Inventories held for distribution to public health agencies, other state government departments and not-for-profit organisations include personal protective equipment and rapid antigen test kits to assist in response to the COVID-19 pandemic.

The inventories are initially recognised at purchase cost, distributed as resources given free of charge using the weighted average cost formula, and adjusted for any loss of service potential due to expired stock.

The bases used in assessing loss of service potential for inventories held for distribution include technical or functional obsolescence and are measured at current replacement cost. Technical obsolescence occurs when an item still functions for some or all of the tasks it was originally acquired to do, but no longer matches existing technologies. Functional obsolescence occurs when an item no longer functions in the same way as when it was first acquired, becomes obsolete or unfit for purpose, loses the ability to be used, loses the ability to be distributed, or is only able to provide less than its full usefulness to the receiving party.

6.7 Other non-financial liabilities

	2023 \$M	2022 \$M
PPP-related non-financial liabilities	19.1	8.1
Total other non-financial liabilities	19.1	8.1

The non-financial liabilities relate to the New Footscray Hospital Project.

7. How we financed our operations

Introduction

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

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances).

Notes 8.1 and 8.3 provide additional, specific financial instrument disclosures.

Structure

- 7.1 Borrowings
 - 7.1.1 Maturity analysis of borrowings
 - 7.1.2 Interest expense
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 - 7.2.1 Leases
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- 7.5 Commitments for expenditure
 - 7.5.1 Total commitments payable
 - 7.5.2 Public private partnership commitments
 - 7.5.3 AASB 1059 *Service Concession Arrangements: Grantors*

7.1 Borrowings

	2023 \$M	2022 \$M
Current borrowings		
Advances from Victorian Government	14.7	68.2
Lease liabilities	3.3	3.3
Total current borrowings	18.0	71.5
Non-current borrowings		
Advances from Victorian Government	46.2	9.1
PPP-related financial liabilities	1,029.0	490.1
Lease liabilities	3.5	5.8
Total non-current borrowings	1,078.7	505.0
Total borrowings	1,096.8	576.5

Borrowings are classified as financial instruments. All interest-bearing liabilities are initially recognised at the fair value of the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether the department has categorised its interest-bearing liabilities as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'. The classification depends on the nature and purpose of the interest-bearing liabilities. The department determines the classification of interest-bearing liabilities at initial recognition.

Defaults and breaches: During the current and previous financial year, there were no defaults or breaches of required conditions in relation to any of the borrowings.

Advances from Victorian Government are advances from the Department of Treasury and Finance. These advances are non-interest bearing.

Lease liabilities are secured by the assets leased. Leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

PPP-related financial liabilities arise on uncommissioned PPPs where either a service concession asset or an item of property, plant and equipment is in construction.

7.1.1 Maturity analysis of borrowings

	Carrying amount \$M	Nominal amount \$M	Maturity dates				
			Less than 1 month \$M	1–3 months \$M	3 months – 1 year \$M	1–5 years \$M	5+ years \$M
2023							
Advances from Victorian Government	60.9	60.9	12.2	–	2.5	46.2	–
PPP-related financial liabilities	1,029.0	1,654.8	1.3	–	7.2	573.9	1,072.5
Lease liabilities	6.8	7.3	0.7	0.5	2.5	3.6	–
Total	1,096.8	1,723.0	14.2	0.6	12.2	623.6	1,072.5
2022							
Advances from Victorian Government	77.2	77.2	24.3	–	43.9	9.1	–
PPP-related financial liabilities	490.1	824.5	–	–	–	271.6	552.8
Lease liabilities	9.1	9.6	0.7	0.6	3.0	5.3	–
Total	576.5	911.3	25.0	0.6	46.9	286.0	552.8

7.1.2 Interest expense

	2023 \$M	2022 \$M
Interest on lease liabilities	0.1	0.2
Interest on PPP-related financial liabilities ⁽ⁱ⁾	37.4	14.2
Total interest expense	37.5	14.4

Note:

- (i) Interest is recognised in relation to capital payments for the Frankston Hospital Redevelopment and the New Footscray Hospital Project. As the financial liability builds up during the construction period, the interest accrued on the liability will increase accordingly.

'Interest expense' includes costs incurred in connection with the borrowing of funds and includes interest on bank overdrafts and short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings and interest components of finance lease repayments.

Interest expense is recognised in the period in which it is incurred.

The department recognises borrowing costs immediately as an expense, even where they are directly attributable to the acquisition, construction or production of a qualifying asset.

7.2 Leases

7.2.1 Leases

Information about leases for which the department is a lessee is presented below.

The department's leasing activities

The department leases various IT data centres, equipment and motor vehicles. The lease contracts are typically made for fixed periods of 1 to 5 years. The department leases some office accommodation which are short-term leases of 12 months or less. The department has elected not to recognise right-of-use assets and lease liabilities for these leases.

The department entered into various printing contracts. The payments are based on consumption. The department considers these printing payments as variable lease payments.

Leases at significantly below-market terms and conditions

The department entered into a number of land leases with lease terms ranging from 5 years to indefinite. These lease contracts specified lease payments of \$1 per annum. In accordance with FRD 103 *Non-financial physical assets*, the below-market leases were recognised at cost.

7.2.1(a) Right-of-use assets

Right-of-use assets are presented in Note 5.1(a).

7.2.1(b) Amounts recognised in the comprehensive operating statement

The following amounts relating to leases are recognised in the comprehensive operating statement:

	2023 \$M	2022 \$M
Amounts recognised in the comprehensive operating statement		
Interest expense on lease liabilities	0.1	0.2
Expenses relating to short-term leases	–	0.1
Variable lease payments, not included in the measurement of lease liabilities	0.4	0.4
Total amount recognised in the comprehensive operating statement	0.5	0.7

7.2.1(c) Amounts recognised in the cash flow statement

The following amounts relating to leases are recognised in the cash flow statement:

	2023 \$M	2022 \$M
Total cash outflow for leases	4.1	3.9

For any new contracts entered into, the department considers whether a contract is or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the department assesses whether the contract meets three key evaluations:

- whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the department and for which the supplier does not have substantive substitution rights
- whether the department has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract, and the department has the right to direct the use of the identified asset throughout the period of use, and
- whether the department has the right to make decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Recognition and measurement of leases as a lessee

Lease liability – initial measurement

Lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the department's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments)
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee, and
- payments arising from purchase and termination options reasonably certain to be exercised.

Lease liability – subsequent measurement

Subsequent to initial measurement, the lease liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short-term leases and leases of low-value assets

The department has elected to account for short-term leases and leases of low-value assets using practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these types of leases are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term.

Below-market/peppercorn leases

Right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable the department to further its objectives, are initially and subsequently measured at cost. These right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful lives of the assets.

Presentation of right-of-use assets and lease liabilities

The department presents right-of-use assets as 'property, plant and equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

7.3 Cash flow information and balances

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 are readily convertible to known amounts of cash with an insignificant risk of changes in value.

	2023 \$M	2022 \$M
Total cash and deposits disclosed in the balance sheet		
Cash at bank ⁽ⁱ⁾	9.8	14.2
Funds held in trust ⁽ⁱⁱ⁾	521.8	92.1
Balance as per cash flow statement	531.7	106.3

Notes:

- (i) Cash balance includes the Casey Hospital Escrow Account of \$3.1 million (2022: \$4 million) which is used to facilitate state government funding and payments to the project company for the Casey Hospital Project and Expansion Project, and the timing of payments.
- (ii) Refer to Note 7.4.1 for the trust account balances.

Due to the state's investment policy and funding arrangements, the department does not hold a large cash reserve in its bank accounts. Cash received from generation of income is generally paid into the state's bank account ('public account'). Similarly, payments made to suppliers and creditors are made via the public account.

7.3.1 Reconciliation of net result for the period to net cash flow from operating activities

	2023 \$M	2022 \$M
Net result for the period	(914.1)	721.8
Non-cash movements		
(Gain)/loss on sale of non-financial assets	522.0	(0.3)
Depreciation and amortisation	37.7	38.5
Change in net market values of VMIA liability	(4.4)	(0.7)
Other income from investing activities	0.1	1.5
Net gain/(loss) on financial instruments	(1.7)	0.2
Other gains or losses from other economic flows	(21.7)	(2.9)
Resources (received)/provided free of charge	298.7	653.7
Movements in assets and liabilities		
(Increase)/decrease in receivables	(76.3)	(475.1)
(Increase)/decrease in prepayments	7.9	(12.1)
Increase/(decrease) in payables	871.0	126.1
Increase/(decrease) in provisions	(38.4)	44.8
(Increase)/decrease in inventories	(137.6)	(1,035.5)
Net cash flows from/(used in) operating activities	543.2	60.1

7.4 Trust account

7.4.1 Trust account balances

The department has responsibility for transactions and balances relating to trust funds held on behalf of third parties external to the department. Funds managed on behalf of third parties are not recognised in these financial statements as they are managed on a fiduciary and custodial basis, and therefore are not controlled by the department.

Any earnings on the funds held pending distribution are also applied to the trust funds under management as appropriate.

The following is a listing of trust account balances relating to trust accounts controlled and administered by the department. No trust accounts were closed during 2022–23.

	2023						2022						
	Opening balance as at 1 July 2022 \$M	Machinery of Government – transfer in/(out) \$M	Total receipts \$M	Total payments \$M	Non-cash movement \$M	Closing balance as at 30 June 2023 \$M	Opening balance as at 1 July 2021 \$M	Removal of DFFH-related June 2021 closing balance ⁽ⁱ⁾ \$M	Machinery of Government – transfer in/(out) \$M	Total receipts \$M	Total payments \$M	Non-cash movement \$M	Closing balance as at 30 June 2022 \$M
Controlled trusts													
Casey Hospital Escrow Account ⁽ⁱⁱ⁾	4.0	–	–	–	(0.9)	3.1	5.3	–	–	–	–	(1.3)	4.0
Health State Managed Fund	2.2	–	2,089.1	2,066.8	(22.3)	2.2	2.2	–	–	2,077.3	2,077.3	–	2.2
Hospitals and Charities Fund	11.0	–	1,987.7	1,961.8	(11.0)	25.9	1.8	–	–	1,602.0	1,597.9	5.2	11.0
Intellectually Handicapped Children's Amenities Fund ⁽ⁱⁱⁱ⁾	–	–	–	–	–	–	0.1	(0.1)	–	–	–	–	–
Mental Health Fund ⁽ⁱⁱⁱ⁾	–	–	–	–	–	–	2.1	(2.1)	–	–	–	–	–
Public Health Fund	0.2	–	1,032.7	2,272.6	1,623.1	383.4	63.1	–	–	5,173.8	4,351.8	(884.9)	0.2
Treasury Trust	66.0	–	60.0	80.6	33.3	78.6	86.6	(21.9)	–	62.3	44.2	(16.8)	66.0
Inter-Departmental Transfer Trust	11.6	1.3	248.7	252.8	21.5	30.3	(0.3)	(37.1)	–	260.4	267.2	55.8	11.6
Vehicle Lease Trust Account	1.0	–	0.5	0.1	–	1.4	11.7	(10.6)	–	0.3	0.3	–	1.0
Victorian Health Promotion Fund	–	–	43.2	43.2	–	–	–	–	–	42.1	42.1	–	–
Departmental Suspense Account	–	–	–	–	–	–	1.6	(1.6)	–	–	–	–	–
Victorian Veterans Fund ⁽ⁱⁱⁱ⁾	–	–	–	–	–	–	0.4	(0.4)	–	–	–	–	–
Anzac Day Proceeds Fund ⁽ⁱⁱⁱ⁾	–	–	–	–	–	–	0.3	(0.3)	–	–	–	–	–
Total controlled trusts	96.1	1.3	5,461.9	6,677.9	1,643.7	524.9	174.9	(74.1)	–	9,218.2	8,380.8	(842.0)	96.1

	2023						2022						
	Opening balance as at 1 July 2022 \$M	Machinery of Government – transfer in/(out) \$M	Total receipts \$M	Total payments \$M	Non-cash movement \$M	Closing balance as at 30 June 2023 \$M	Opening balance as at 1 July 2021 \$M	Removal of DFFH-related June 2021 closing balance ⁽ⁱ⁾ \$M	Machinery of Government – transfer in/(out) \$M	Total receipts \$M	Total payments \$M	Non-cash movement \$M	Closing balance as at 30 June 2022 \$M
Administered trusts													
National Health Funding Pool – Victorian State Pool Account	–	–	15,250.4	15,316.6	66.2	–	–	–	–	15,611.1	15,544.9	(66.3)	–
Public Service Commuter Club	(0.1)	–	0.1	0.1	–	(0.1)	(0.1)	0.1	–	0.1	0.1	–	(0.1)
Revenue Suspense Account	4.2	–	–	–	0.6	4.8	4.0	–	–	0.2	–	0.1	4.2
Victorian Natural Disasters Relief Fund	–	–	–	–	–	–	(0.6)	0.6	–	–	–	–	–
Total administered trusts	4.1	–	15,250.5	15,316.7	66.8	4.7	3.3	0.7	–	15,611.4	15,545.0	(66.2)	4.1

Notes:

- (i) Removal of the 30 June 2021 closing balances of DFFH, the Victorian Disability Worker Commission and the Director of Housing, which were included in the department's 2020–21 financial statements under s. 53(1)(b) of the FMA. The transactions which were related to these entities were reported in DFFH's 2021–22 financial statements.
- (ii) Casey Hospital Escrow Account balances are included in the 'Cash at bank'. Refer to Note 7.3.
- (iii) The department no longer has access to the trusts as they were transferred to DFFH as part of the machinery government changes effective 1 February 2021. The numbers are disclosed for comparative purpose only.

7.4.2 Trust account – Legislative references and nature

Controlled trusts

Casey Hospital Escrow Account

Established to manage and control payments to the contractor for the completion of the Casey Hospital refurbishment.

Health State Managed Fund

Established under the *Health (Commonwealth State Funding Arrangements) Act 2012* for the purpose of receiving funding for block grants, teaching, training and research.

Hospitals and Charities Fund

Established under the *Health Services Act 1988* to record funding for health service agencies. Monies are paid into the fund from the *Gambling Regulation Act 2003*, *Casino Control Act 1991* and s. 10 of the FMA.

Intellectually Handicapped Children's Amenities Fund

Established under the *Intellectually Disabled Persons Act 1986* which was then repealed by the *Disability Act 2006*. The trust was established to meet the cost of the provision of amenities for children under the age of 16 years in the care of the department. This trust was transferred to DFFH as part of the machinery of government changes in 2020–21.

Mental Health Fund

Established under the *Gaming Regulation Act 2003* for the establishment and maintenance of mental health services and residential institutions and facilities, for the administration of the *Mental Health Act 1986* and for the administration of the *Disability Act 2006*. This trust was transferred to DFFH as part of the machinery of government changes in 2020–21.

Public Health Fund

Established by the Assistant Treasurer in accordance with the National Health Reform Agreement to allow the department to access public health funding contributions paid by the Commonwealth through the Victorian State Pool Account and to apply the funding to deliver public health activities managed by the state.

Treasury Trust

Established to record the receipt and disbursement of unclaimed monies and other funds held in trust. Utilisation of the trust balance or any material variations to budgeted expenditure in subsequent years requires formal approval from the relevant Cabinet committee or the Treasurer.

Inter-Departmental Transfer Trust

Established under s. 19 of the FMA by the Assistant Treasurer to record inter-departmental transfers when no other trust arrangement exists. Utilisation of the trust balance or any material variations to budgeted expenditure in subsequent years requires formal approval from the relevant Cabinet committee or the Treasurer.

Vehicle Lease Trust Account

Established to record transactions relating to the government's vehicle pool and fleet management business.

Victorian Health Promotion Fund

Established under s. 32 of the *Tobacco Act 1987*, prior to the abolition by the High Court in July 1997 of taxes on tobacco products. Following the High Court decision, the Act was amended and the source of funding was specified by the Treasurer under s. 32(3a).

Departmental Suspense Account

Short-term clearing account pending correct identification of payments.

Victorian Veterans Fund

Established under s. 20 of the *Veterans Act 2005* to educate Victorians about Victoria's involvement in Australia's war and service history, to honour or commemorate the service or sacrifice of veterans, to assist the education of veterans' dependants and any other purpose agreed in writing by the Minister for Veterans. The Victorian Veterans Council may invest any part of the Victorian Veterans Fund not immediately required for the purposes of the Victorian Veterans Fund in any manner approved by the Treasurer. This trust was transferred to DFFH as part of the machinery of government changes in 2020–21.

Anzac Day Proceeds Fund

Established under s. 4A of the *ANZAC Day Act 1958* to receive funds as required to be paid by the *ANZAC Day Act 1958* and the *Racing Act 1958* and to be credited to the Victorian Veterans Fund. This trust was transferred to DFFH as part of the machinery of government changes in 2020–21.

Administered trusts

National Health Funding Pool – Victorian State Pool Account

Established under the *Health (Commonwealth State Funding Arrangements) Act 2012* to record funding made available by the Commonwealth and the state under the National Health Reform Agreement.

Public Service Commuter Club

Established to record the receipt of amounts associated with the Public Service Commuter Club Scheme and deductions from club members' salaries as well as to record payment to the Public Transport Corporation.

Revenue Suspense Account

Short-term clearing account pending correct identification of receipts.

Victorian Natural Disasters Relief Fund

Established for the purpose of granting assistance to persons who suffer losses as a result of flood, bushfires and other natural disasters.

7.5 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet. The following commitments have not been recognised as liabilities in the financial statements.

7.5.1 Total commitments payable ⁽ⁱ⁾

	2023 \$M	2022 \$M
(a) Capital expenditure commitments ⁽ⁱⁱ⁾		
Less than 1 year	1,172.6	1,043.6
Longer than 1 year and not longer than 5 years	775.3	846.1
Longer than 5 years	–	57.6
Total capital commitments	1,947.9	1,947.3
(b) Accommodation expenses payable ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾		
Less than 1 year	36.7	46.3
Total accommodation expenses payable	36.7	46.3
(c) Other expenditure commitments ⁽ⁱⁱ⁾		
Less than 1 year	201.2	466.5
Longer than 1 year and not longer than 5 years	112.2	169.5
Longer than 5 years	–	38.4
Total other expenditure commitments	313.3	674.3
Total commitments other than PPP	2,297.9	2,668.0
(d) Commissioned PPP funding commitments		
1. The Royal Women's Hospital		
Less than 1 year	52.2	49.4
Longer than 1 year and not longer than 5 years	244.4	227.3
Longer than 5 years	294.6	342.9
Total The Royal Women's Hospital commitments	591.2	619.5

	2023 \$M	2022 \$M
2. Monash Health		
Less than 1 year	39.8	25.9
Longer than 1 year and not longer than 5 years	135.4	137.3
Longer than 5 years	49.2	77.7
Total Monash Health commitments	224.5	240.9
3. The Royal Children's Hospital		
Less than 1 year	169.5	164.2
Longer than 1 year and not longer than 5 years	747.5	676.0
Longer than 5 years	1,874.2	1,934.1
Total The Royal Children's Hospital commitments	2,791.2	2,774.3
4. Peter MacCallum Cancer Centre		
Less than 1 year	164.6	152.4
Longer than 1 year and not longer than 5 years	648.2	687.0
Longer than 5 years	1,395.7	1,429.8
Total Peter MacCallum Cancer Centre commitments	2,208.6	2,269.2
5. Bendigo Health		
Less than 1 year	81.3	82.0
Longer than 1 year and not longer than 5 years	378.2	373.4
Longer than 5 years	1,526.6	1,593.6
Total Bendigo Health commitments	1,986.0	2,049.0
Total commissioned PPP funding commitments	7,801.5	7,952.8
(e) Uncommissioned PPP commitments		
1. New Footscray Hospital		
Longer than 1 year and not longer than 5 years	651.4	694.2
Longer than 5 years	4,150.1	5,014.9
Total New Footscray Hospital commitments	4,801.5	5,709.1
2. Frankston Hospital Redevelopment		
Longer than 1 year and not longer than 5 years	140.8	102.4
Longer than 5 years	4,349.5	4,565.4
Total Frankston Hospital Redevelopment commitments	4,490.3	4,667.8
Total uncommissioned PPP commitments	9,291.8	10,376.9
Total commitments for expenditure (inclusive of GST)	19,391.2	20,997.7
Less GST recoverable from the ATO	1,755.6	1,722.2
Total commitments for expenditure (exclusive of GST)	17,635.6	19,275.5

Notes:

- (i) For future finance lease and non-cancellable operating lease payments that are recognised on the balance sheet, refer to Note 7.2.
- (ii) GST is not included in some of the above commitments as they relate to either input taxed or exempt goods and services.
- (iii) The department has an occupancy agreement (ending in June 2024) with the Department of Treasury and Finance Shared Service Provider for office accommodation at various locations across Victoria and other related services, including management fee, repairs and maintenance, cleaning, security, utilities, etc. A significant judgement was made that the occupancy agreement is a service contract (rather than a 'lease' as defined in AASB 16 *Leases*). The cost for the accommodation and other related services is expensed (refer to Note 3.1.4) based on the agreed payments as per the occupancy agreement.

Commissioned public private partnership funding commitments

The Minister for Health entered into six long-term contracts with various private sector consortiums for the design, construction, maintenance and financing of hospital infrastructure assets, one for the Royal Women's Hospital, the Royal Children's Hospital, the Victorian Comprehensive Cancer Centre (Peter MacCallum Cancer Centre), and Bendigo Hospital (Bendigo Health), and two for Casey Hospital (Monash Health). These arrangements are referred to as public private partnerships (PPPs).

The respective health agency is the operator of the PPP infrastructure assets and consequently recognises the associated assets, finance lease liabilities, transactions and commitments to the private sector provider in their own financial statements. For additional information relating to these balances, transactions and commitments (including present value information) refer to the relevant health agencies' financial reports.

In the table above, the department has disclosed the total nominal amounts due to the private sector consortiums, as the department has agreed to fund these amounts on behalf of the relevant health sector agencies to satisfy the terms of the PPP arrangements. These amounts include the principal, interest, maintenance and ancillary services payments required over the remaining terms of the contracts. These payments will be funded via appropriation revenue and will be recognised as a grant expense to the health agency.

7.5.2 Public private partnership commitments

The department sometimes enters into arrangements with private sector participants to design and construct or upgrade assets used to provide public services. These arrangements usually include the provision of operational and maintenance services for a specified period of time. These arrangements are often referred to as public private partnerships (PPP).

A PPP usually takes one of two main forms. In the more common form, the department pays the operator over the arrangement period, subject to specified performance criteria being met. At the date of commitment to the principal provisions of the arrangement, these estimated periodic payments are allocated between a component related to the design and construction or upgrading of the asset and components related to the ongoing operation and maintenance of the asset. The former component is accounted for as either a lease, a service concession arrangement or construction of an item of property, plant and equipment. The remaining components are accounted for as commitments for operating costs, which are expensed in the comprehensive operating statement as they are incurred. The other, less common form of PPP is one in which the department grants to an operator, for a specified period of time, the right to collect fees from users of the PPP asset, in return for which the operator constructs the asset and has the obligation to supply agreed-upon services, including maintenance of the asset for the period of the concession. These private sector entities typically lease land, and sometimes state works, from the department and construct infrastructure. At the end of the concession period, the land and state works, together with the constructed facilities, will be returned to the department.

AASB 1059 Service Concession Arrangements: Grantors applies to arrangements where an operator provides public services, using a service concession asset, on behalf of the state and importantly, the operator manages at least some of the public service at its own discretion. The state must also control the asset for AASB 1059 to apply. This means that certain PPP arrangements will not be within the scope of AASB 1059 and will continue to be accounted for as either leases or assets being constructed by the state and conversely, certain arrangements that are not PPP (such as certain external service arrangements) could be captured within the scope of AASB 1059. The department has determined which arrangements should be accounted for under AASB 1059 and details of these are included in Note 7.5.3 below.

PPP commitments ⁽ⁱ⁾

	2023				2022			
	Liability	Capital contribution	Other commitments	Total commitments	Liability	Capital contribution	Other commitments	Total commitments
	Discounted value	Nominal value	Present value	Nominal value	Discounted value	Nominal value	Present value	Nominal value
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Uncommissioned PPPs ^{(ii)(iii)(iv)}								
New Footscray Hospital ^{(v)(vi)}	1,019.7	573.0	1,055.1	4,801.5	1,343.1	573.0	1,055.6	5,709.1
Frankston Hospital Redevelopment ^(vii)	916.8	–	995.6	4,490.3	1,125.2	–	937.3	4,667.8
Subtotal	1,936.5	573.0	2,050.7	9,291.8	2,468.2	573.0	1,992.9	10,376.9
Total commitments for PPPs	1,936.5	573.0	2,050.7	9,291.8	2,468.2	573.0	1,992.9	10,376.9

Notes:

- (i) The discounted values of the minimum lease payments for uncommissioned PPPs have been discounted to the projects' expected dates of commissioning, and the present values of other commitments have been discounted to 30 June of the respective financial years. After adjusting for GST, the discounted values of minimum lease payments reflect the expected impact on the balance sheet when the PPPs are commissioned.
- (ii) The discounted values of the minimum lease payments have not been totalled for the uncommissioned PPPs due to individual PPPs having different expected dates of commissioning.
- (iii) The total commitments will not equal the sum of the PPP-related liabilities and other commitments because they are discounted, whereas total commitments are at nominal value.
- (iv) For uncommissioned PPPs relating to service concessions or recognised as assets under construction under AASB 116 *Property, Plant and Equipment*, the asset and liability are recognised progressively during the construction term and therefore not recognised in the table above.
- (v) On 10 March 2021, the State Government of Victoria entered into a PPP contract with Plenary Health to deliver the New Footscray Hospital Project. The contract expires on 9 September 2050. The department will be reimbursed by Victoria University for the state contribution relating to the construction of the Victoria University project components. It has been determined that this arrangement represents the construction of an item of property, plant and equipment in the scope of AASB 116 because the private sector consortium will not operate the hospital once constructed. The hospital will be operated by Western Health.
- (vi) The liability discounted value is the total discounted capital commitments in relation to hospital assets, less amounts recorded in the balance sheet as liability.
- (vii) On 13 April 2022, the State Government of Victoria entered into a PPP contract with Exemplar Health to deliver the Frankston Hospital Redevelopment Project. The contract expires on 16 January 2051. It has been determined that this arrangement represents the construction of an item of property, plant and equipment in the scope of AASB 116 because the private sector consortium will not operate the hospital once constructed. The hospital will be operated by Peninsula Health.

7.5.3 AASB 1059 Service Concession Arrangements: Grantors

For arrangements within the scope of AASB 1059, at initial recognition the department records a service concession asset (SCA) at current replacement cost in accordance with the cost approach to fair value under AASB 13 *Fair Value Measurement*, with a related liability, which could be a financial liability, an accrued revenue liability (referred to as the 'Grant of a Right to the Operator' or GORTO liability) or a combination of both.

The nature of the liability and subsequent accounting depends on the consideration exchanged in the arrangement between the department and the operator.

The department initially recognised the liability at the same amount as the SCA, adjusted by the amount of any consideration from the department to the operator, or from the operator to the department.

Exception to this occurs when the department reclassifies an existing asset to an SCA. When this occurs, no liability is recognised unless additional consideration is provided to the operator. Instead, the department recognises an SCA and a corresponding liability for the amounts spent on the upgrade/expansion work.

A **financial liability** is recognised where the department has a contractual obligation to pay the operator for providing the SCA. It is measured in accordance with AASB 9 *Financial Instruments* and is recognised as a borrowing (Note 7.1). The liability is increased by interest charges (Note 7.1.2), based on the interest rate implicit in the arrangement. Where the interest rate is not specified in the arrangement, the prevailing market rate of interest for a similar instrument with similar credit ratings is used. The liability is reduced by any payments made by the department to the operator as required by the contract.

The department has arrangements in place with two private hospitals and other non-public entities, where the private hospitals and non-public entities operate the department-owned assets, including land, buildings and equipment, to deliver health services to the general public. The department maintains the ownership and control of the assets throughout the arrangements and does not incur any related liability.

8. Risks, contingencies and valuation judgements

Introduction

The department is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information (including exposures to financial risks), as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the department relates mainly to fair value determination.

Structure

- 8.1 Financial instrument specific disclosures
 - 8.1.1 Financial instruments: Categorisation
 - 8.1.2 Financial instruments: Net holding gain/(loss) on financial instruments by category
 - 8.1.3 Financial risk management objectives and policies
- 8.2 Contingent assets and contingent liabilities
- 8.3 Fair value determination
 - 8.3.1 Fair value determination of financial assets and liabilities
 - 8.3.2 Fair value determination of non-financial physical assets

8.1 Financial instrument specific disclosures

Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the department's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of a financial instrument in AASB 132 *Financial Instruments: Presentation*.

Guarantees issued on behalf of the department are financial instruments because, although authorised under statute, terms and conditions for each financial guarantee may vary and are subject to an agreement.

Categories of financial assets

Financial assets at amortised cost are recognised if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the department to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The department recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables)
- term deposits
- loan receivables.

Categories of financial liabilities

Financial liabilities at amortised cost 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 initially 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. The department recognises the following liabilities in this category:

- payables (excluding statutory payables)
- borrowings (including lease liabilities).

Offsetting financial instruments: Financial instrument assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the department has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where the department does not have a legally enforceable right to offset recognised amounts, because the right to offset

is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

Derecognition of financial assets: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the right to receive cash flows from the asset has expired, or
- the department retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement, or
- the department has transferred its right to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset, or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the department has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the department's continuing involvement in the asset.

Derecognition of financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

8.1.1 Financial instruments: Categorisation

	Cash and deposits \$M	Financial assets at amortised cost \$M	Financial liabilities at amortised cost \$M	Total \$M
2023				
Contractual financial assets				
Cash and deposits	531.7	–	–	531.7
Receivables ⁽ⁱ⁾	–	852.7	–	852.7
Loans	–	63.4	–	63.4
Total contractual financial assets	531.7	916.1	–	1,447.8
Contractual financial liabilities				
Payables ⁽ⁱ⁾	–	–	2,750.3	2,750.3
Borrowings ⁽ⁱ⁾	–	–	1,084.6	1,084.5
Total contractual financial liabilities	–	–	3,834.9	3,834.8

	Cash and deposits \$M	Financial assets at amortised cost \$M	Financial liabilities at amortised cost \$M	Total \$M
2022				
Contractual financial assets				
Cash and deposits	106.3	–	–	106.3
Receivables ⁽ⁱ⁾	–	1,127.3	–	1,127.3
Loans	–	75.2	–	75.2
Total contractual financial assets	106.3	1,202.5	–	1,308.8
Contractual financial liabilities				
Payables ⁽ⁱ⁾	–	–	1,895.7	1,895.7
Borrowings ⁽ⁱ⁾	–	–	552.2	552.2
Total contractual financial liabilities	–	–	2,447.9	2,447.9

Note:

- (i) The total amounts disclosed here exclude statutory amounts, for example, amounts owing to/from Victorian Government and GST input tax credits recoverable and taxes payable. Refer to Note 6.1 for the breakdown of contractual and statutory receivables, Note 6.4 for the breakdown of contractual and statutory payables, and Note 7.1 for the breakdown of borrowings.

8.1.2 Financial instruments: Net holding gain/(loss) on financial instruments by category

	Total interest income/ (expense) \$M	Total \$M
2023		
Contractual financial assets		
Cash and deposits	–	–
Receivables ⁽ⁱ⁾	–	–
Loans	–	–
Total contractual financial assets	–	–
Contractual financial liabilities		
Payables ⁽ⁱ⁾	–	–
Borrowings	(37.5)	(37.5)
Total contractual financial liabilities	(37.5)	(37.5)
2022		
Contractual financial assets		
Cash and deposits	–	–
Receivables ⁽ⁱ⁾	–	–
Loans	–	–
Total contractual financial assets	–	–
Contractual financial liabilities		
Payables ⁽ⁱ⁾	–	–
Borrowings	(14.4)	(14.4)
Total contractual financial liabilities	(14.4)	(14.4)

Note:

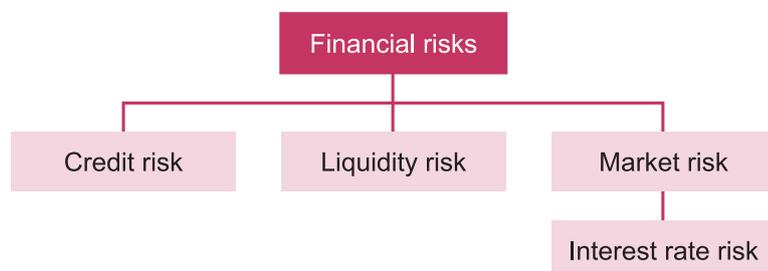
(i) The total amounts disclosed here exclude statutory amounts, for example, amounts owing to/from Victorian Government and GST input tax credits recoverable and taxes payable.

The net holding gains or losses disclosed above are determined as follows:

- for cash and cash equivalents, loans and receivables, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest income, and minus any impairment recognised in the net result
- for financial liabilities measured at amortised cost, the net gain or loss is the interest expense.

8.1.3 Financial risk management objectives and policies

The department is exposed to a number of financial risks, including:



As a whole, the department's financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability, are disclosed in Note 8.3.1.

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

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

The department uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the accountable officer of the department.

8.1.3.1 Financial instruments: credit risk

Credit risk refers to the possibility that a borrower will default on their financial obligations as and when they fall due. The department's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the department. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the department's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Victorian Government, it is the department's policy to only deal with entities with high credit ratings of a minimum triple-B rating and to obtain sufficient collateral or credit enhancements, where appropriate.

In addition, the department does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, the department's policy is to only deal with banks 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, or based on the assumptions about risk of default and expected credit loss rates.

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial report statements, net of any allowances for losses, represents the department's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to the department's credit risk profile in 2022–23.

Credit quality of contractual financial assets

	Financial institutions double-A credit rating \$M	Government agencies double-A credit rating \$M	Credit ratings not disclosed \$M	Total \$M
2023				
Cash and deposits (not assessed for impairment due to materiality)	9.8	521.8	–	531.7
Contractual receivables applying the simplified approach for impairment ⁽ⁱ⁾	–	826.4	26.4	852.7
Loans	–	63.4	–	63.4
Statutory receivables (with no impairment loss recognised)	14.6	3,638.4	–	3,653.0
Total financial assets	24.4	5,050.0	26.4	5,100.8
2022				
Cash and deposits (not assessed for impairment due to materiality)	14.2	92.1	–	106.3
Contractual receivables applying the simplified approach for impairment ⁽ⁱ⁾	–	1,116.8	10.6	1,127.4
Loans	–	75.2	–	75.2
Statutory receivables (with no impairment loss recognised)	26.7	3,262.2	–	3,288.9
Total financial assets	40.9	4,546.3	10.6	4,597.8

Note:

(i) The total amounts disclosed here exclude statutory amounts, for example, amounts owing from Victorian Government, GST input tax credits recoverable and other taxes payable.

Impairment of financial assets under AASB 9 *Financial Instruments*

The department records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9, impairment assessment includes the department's contractual receivables and statutory receivables.

Contractual receivables at amortised cost

The department applies the AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. The department has grouped contractual receivables on shared credit risk characteristics and days past due and selected the expected credit loss rate based on the department's past history, existing market conditions, as well as forward-looking estimates at the end of financial year.

On this basis, the department determines the loss allowance at the end of the financial year as follows:

	Gross amount \$M	Not past due and not impaired ⁽ⁱ⁾ \$M	Past due			Total \$M
			Less than 1 month \$M	1–3 months \$M	3 months – 1 year \$M	
2023						
Expected loss rate		0%	18%	0%	33%	49%
Gross carrying amount of contractual receivables	857.7	836.1	10.1	3.8	4.2	3.5
Loss allowance		–	1.8	–	1.4	1.7
2022						
Expected loss rate		0%	0%	0%	5%	91%
Gross carrying amount of contractual receivables	1,147.5	1,095.6	1.3	1.2	28.9	20.5
Loss allowance		–	–	–	1.5	18.6
						20.1

Note:

(i) The amounts disclosed here include repayments of borrowings that are not scheduled to be repaid in the next 12 months.

The average credit period for receivables is 30 days.

Reconciliation of movement in the loss allowance for contractual receivables is shown as follows:

	2023 \$M	2022 \$M
Balance at beginning of the year	(20.1)	(27.7)
Increase in provision recognised in the net result	13.0	7.6
Reversal of provision of receivables written off during the year as uncollectible	2.1	–
Balance at the end of the year	(5.0)	(20.1)

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

Statutory receivables at amortised cost

The department's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

Both statutory receivables and investments in debt instruments are considered to have low credit risk, taking into account the counter party's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses. No loss allowance has been recognised.

8.1.3.2 Financial instruments: liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. The department operates under the government's fair payments policy of settling financial obligations within 30 days and, in the event of a dispute, of making payments within 30 days from the date of resolution.

The department is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. The department manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations
- holding investments and other contractual financial assets that are readily tradeable in the financial markets
- careful maturity planning of its financial obligations based on forecasts of future cash flows
- a high credit rating for the State of Victoria (Moody's Investor Services, Standard & Poor's double-A, which assists in accessing debt market at a lower interest rate).

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

The carrying amount detailed in Notes 6.4.1 and 7.1.1, of contractual financial liabilities recorded in the financial statements, represents the department's maximum exposure to liquidity risk.

8.1.3.3 Financial instruments: market risk

The department's exposure to market risk is primarily through interest rate risk. The department's exposure to other price risks is insignificant. Objectives, policies and processes used to manage the risk are disclosed below.

Sensitivity disclosure analysis and assumptions

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

- A shift of +2% and -2% (2022: +1% and -1%) in market interest rates (AUD) from year-end cash deposits.

The loans include loans and advances provided to the health services. These loans are not subject to the consumer price index (CPI), therefore, CPI sensitivity analysis is not required.

The tables that follow show the impact on the department's net result and equity for each category of financial instrument held by the department at the end of the reporting period if the above movements were to occur.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The department does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value 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. The department has minimal exposure to cash flow interest rate risks through cash and deposits and term deposits.

Exposure to interest rate risk is insignificant and might arise primarily through the department's interest-bearing assets. Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest-bearing financial instruments. For financial liabilities, the department mainly incurs financial liabilities with relatively even maturity profiles.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and the department's sensitivity to interest rate risk are set out in the table that follows.

Interest rate exposure of financial instruments

	Weighted average effective interest rate %	Carrying amount \$M	Interest rate exposure		
			Fixed interest rate \$M	Variable interest rate \$M	Non- interest bearing \$M
2023					
Financial assets					
Cash and deposits	1.6%	531.7	–	3.1	528.6
Receivables ⁽ⁱ⁾		852.7	–	–	852.7
Loans	0.0%	63.4	–	–	63.4
Total financial assets		1,447.8	–	3.1	1,444.7
Financial liabilities					
Payables ⁽ⁱ⁾		2,750.3	–	–	2,750.3
Borrowings ⁽ⁱ⁾	3.0%	1,084.5	829.8	206.1	48.6
Total financial liabilities		3,834.8	829.8	206.1	2,798.9
2022					
Financial assets					
Cash and deposits	0.3%	106.3	–	4.0	102.3
Receivables ⁽ⁱ⁾		1,127.3	–	–	1,127.3
Loans	0.0%	75.2	–	–	75.2
Total financial assets		1,308.8	–	4.0	1,304.8
Financial liabilities					
Payables ⁽ⁱ⁾		1,895.7	–	–	1,895.7
Borrowings ⁽ⁱ⁾	3.0%	552.2	428.9	70.3	53.0
Total financial liabilities		2,447.9	428.9	70.3	1,948.7

Note:

(i) The carrying amounts disclosed here exclude statutory amounts, for example, amounts owing to/from Victorian Government and GST input tax credits recoverable and taxes payable.

Interest rate risk sensitivity analysis

	Carrying amount \$M	Interest rate risk	
		-2% Net result \$M	+2% Net result \$M
2023			
Contractual financial assets			
Cash and deposits ⁽ⁱ⁾⁽ⁱⁱ⁾	531.7	(0.1)	0.1
Receivables ^{(iii)(iv)}	852.7	–	–
Loans ^(iv)	63.4	–	–
Total impact	1,447.8	(0.1)	0.1
Contractual financial liabilities			
Payables ^(iv)	2,750.3	–	–
Borrowings ^{(iv)(v)}	1,084.5	(4.1)	4.1
Total impact	3,834.8	(4.1)	4.1

	Carrying amount \$M	Interest rate risk	
		-1% Net result \$M	+1% Net result \$M
2022			
Contractual financial assets			
Cash and deposits ⁽ⁱ⁾⁽ⁱⁱ⁾	106.3	–	–
Receivables ^{(iii)(iv)}	1,127.3	–	–
Loans	75.2	–	–
Total impact	1,308.8	–	–
Contractual financial liabilities			
Payables ^(iv)	1,895.7	–	–
Borrowings ^{(iv)(v)}	552.2	(0.7)	0.7
Total impact	2,447.9	(0.7)	0.7

Notes:

- (i) All cash and deposits are held in Australian dollars and were held on deposits at fixed and variable interest rates. This item is not subject to any other identified risk sensitivities.
- (ii) Majority of cash and deposits are funds held in trust, which are not subject to the interest rate risk.
- (iii) The carrying amount is denominated in Australian dollars and is non-interest bearing. This item is not subject to the identified risk sensitivities.
- (iv) The total amounts disclosed here exclude statutory amounts, for example, amounts owing to/from Victorian Government and GST input tax credits recoverable and taxes payable.
- (v) Borrowings are denominated in Australian dollars. \$6.8 million (2022: \$9.1 million) relates to lease liabilities and \$1,029 million (2022: \$490.1 million) relates to PPP financial liabilities.

8.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a disclosure and, if quantifiable, are stated at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

There were no contingent assets as at 30 June 2023.

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations, or
 - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

	2023 \$M	2022 \$M
Quantifiable contingent liabilities		
The department has estimated that potential liability exists in respect of a number of legal actions instigated by clients and their representatives, employees and others, and other contractual liabilities.	18.8	61.5
Total	18.8	61.5

Non-quantifiable contingent liabilities

In response to the concerns of some health services, the department has undertaken to provide certain health services adequate cash flow support to enable these health services to meet their current and future obligations as and when they fall due in the 2023–24 financial year, should this be required. In line with processes already established by the department, it is expected that each health service that has been pledged this support will:

- continue to provide monthly advice on its financial position, including the likelihood of any short-term liquidity issues
- commit to achieve the agreed budget targets, and all other requirements of their service agreements or statement of priorities in 2023–24.

The department has other potential obligations which arise from legal actions and that are non-quantifiable at this time.

8.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of the department.

This section sets out information on how the department determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through ‘other comprehensive income’
- land, buildings, plant and equipment.

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

The department determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Fair value hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The department determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer-General Victoria (VGV) is the department’s independent valuation agency. The department, in conjunction with VGV, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value)
- which level of the fair value hierarchy was used to determine the fair value
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
 - a reconciliation of the movements in fair values from the beginning of the year to the end
 - details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for financial instruments (refer to Note 8.3.1) and non-financial physical assets (refer to Note 8.3.2).

8.3.1 Fair value determination of financial assets and liabilities

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

- Level 1 – the fair value of financial instruments with standard terms and conditions and traded in active markets are 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 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The department currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair values, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2022–23 reporting period.

The fair value of the financial instruments is the same as the carrying amounts.

8.3.2 Fair value determination of non-financial physical assets

Fair value measurement hierarchy

2023	Carrying amount \$M	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾ \$M	Level 2 ⁽ⁱ⁾ \$M	Level 3 ⁽ⁱ⁾ \$M
Land at fair value				
Non-specialised land	19.4	–	19.4	–
Specialised land	651.7	–	90.6	561.0
Total land at fair value	671.1	–	110.1	561.0
Buildings at fair value				
Non-specialised buildings	12.1	–	7.2	4.9
Specialised buildings	611.8	–	1.8	610.0
Total buildings at fair value	623.9	–	9.0	614.9
Plant, equipment and vehicles at fair value				
Plant and equipment	4.0	–	–	4.0
Total plant, equipment and vehicles at fair value	4.0	–	–	4.0

2022	Carrying amount \$M	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾ \$M	Level 2 ⁽ⁱ⁾ \$M	Level 3 ⁽ⁱ⁾ \$M
Land at fair value				
Non-specialised land	19.4	–	19.4	–
Specialised land	641.4	–	90.6	550.7
Total land at fair value	660.8	–	110.0	550.7
Buildings at fair value				
Non-specialised buildings	15.6	–	7.9	7.7
Specialised buildings	492.0	–	0.9	491.1
Total buildings at fair value	507.6	–	8.8	498.9
Plant, equipment and vehicles at fair value				
Plant and equipment	4.2	–	–	4.2
Total plant, equipment and vehicles at fair value	4.2	–	–	4.2

Note:

(i) Classified in accordance with the fair value hierarchy. The department, in conjunction with the VGV, monitors the changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

Non-specialised land and non-specialised buildings are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

Specialised land and specialised buildings: The market approach is used for specialised land, although this may be adjusted for a community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement and takes into account the use of the asset that is physically possible, legally permissible and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land with a CSO adjustment would primarily be classified as Level 3 assets.

For the majority of the department's specialised buildings, the current replacement cost method is used, adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are primarily classified as Level 3 fair value measurements.

A managerial revaluation of the department's buildings asset class was undertaken in 2022–23 in accordance with FRD103 *Non-financial physical assets*, which specifies that '... a managerial revaluation will be performed in non-scheduled years, where the cumulative movement in indexed valuations is material (greater than 10% but not greater than 40%)'. The cumulative movement for the department's buildings asset class since the last scheduled revaluation was an increase of 11.43%. The revaluation was performed using the VGV-issued indices. The effective date of the valuation was 30 June 2023. The cumulative movement in the department's land asset class since the last revaluation in 2022–23 was under 10%, therefore a managerial revaluation was not required.

Vehicles are valued using the current replacement cost method. The department acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in the department who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2023.

For all assets measured at fair value, the current use is considered the highest and best use.

Reconciliation of Level 3 fair value movements

	Specialised land \$M	Non- specialised buildings \$M	Specialised buildings \$M	Plant and equipment \$M	Motor vehicles \$M	Total \$M
2023						
Opening balance	550.7	7.7	491.1	4.2	–	1,053.8
Additions	5.1	–	–	2.2	–	7.3
Capitalisation of work in progress	5.2	–	83.1	–	–	88.3
Disposals	–	(1.1)	–	(0.5)	–	(1.6)
Gains or losses recognised in net result						
Depreciation	–	(1.7)	(26.8)	(1.8)	–	(30.3)
Subtotal of gains or losses recognised in net result	–	(1.7)	(26.8)	(1.8)	–	(30.3)
Gains or losses recognised in other economic flows – other comprehensive income						
Net revaluation increments/(decrements)	–	–	62.5	–	–	62.5
Subtotal of gains or losses recognised in other economic flows	–	–	62.5	–	–	62.5
Closing balance	561.0	4.9	610.0	4.0	–	1,179.9

	Specialised land \$M	Non- specialised buildings \$M	Specialised buildings \$M	Plant and equipment \$M	Motor vehicles \$M	Total \$M
2022						
Opening balance	646.5	–	644.2	2.7	0.3	1,293.8
Removal of DFFH-related June 2021 closing balance ⁽ⁱ⁾	(167.2)	–	(130.7)	(0.5)	–	(298.4)
Right of use opening balance	–	9.6	–	3.1	–	12.7
Adjusted balance at 1 July 2022	479.3	9.6	513.5	5.3	0.3	1,008.0
Additions	15.3	(0.2)	–	1.4	–	16.5
Capitalisation of work in progress	–	–	1.6	–	–	1.6
Disposals	–	–	–	–	(0.3)	(0.3)
Gains or losses recognised in net result						
Depreciation	–	(1.7)	(24.0)	(2.5)	–	(28.2)
Subtotal of gains or losses recognised in net result	–	(1.7)	(24.0)	(2.5)	–	(28.2)
Gains or losses recognised in other economic flows – other comprehensive income						
Net revaluation increments/(decrements)	56.2	–	–	–	–	56.2
Subtotal of gains or losses recognised in other economic flows	56.2	–	–	–	–	56.2
Closing balance	550.7	7.7	491.1	4.2	–	1,053.8

Note:

- (i) Removal of the 30 June 2021 closing balances of DFFH, the Victorian Disability Worker Commission and the Director of Housing, which were included in the department's 2020–21 financial statements under s. 53(1)(b) of the FMA. The transactions which were related to these entities were reported in DFFH's 2021–22 financial statements.

Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant unobservable inputs
Non-specialised land	Market approach	Not applicable
Specialised land	Market approach	Community Service Obligation (CSO) adjustment (rate 10–40%)
Non-specialised buildings	Market approach	Not applicable
Specialised buildings	Current replacement cost	Direct cost per square metre Useful life of specialised buildings
Plant and equipment	Current replacement cost	Useful life of equipment
Vehicles	Current replacement cost	Useful life of vehicles

Significant unobservable inputs have remained unchanged since June 2022.

9. Other disclosures

Introduction

This section includes additional material disclosures required by accounting standards or otherwise for the understanding of this financial report.

Structure

- 9.1 Ex-gratia expenses
- 9.2 Other economic flows included in net result
- 9.3 Non-financial physical assets held for sale
- 9.4 Reserves
- 9.5 Responsible persons
- 9.6 Remuneration of executives
- 9.7 Related parties
- 9.8 Remuneration of auditors
- 9.9 Subsequent events
- 9.10 Other accounting policies
- 9.11 Australian Accounting Standards issued that are not yet effective
- 9.12 Glossary of technical terms
- 9.13 Style conventions

9.1 Ex-gratia expenses

Ex-gratia expenses are the voluntary payments of money or other non-monetary benefit that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability of or claim against the entity.

	2023 \$	2022 \$
Compensation for economic loss	21,403	431
Total ex-gratia expenses	21,403	431

9.2 Other economic flows included in net result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

- inventories impairment due to expiration, obsolescence and adjustments to current replacement cost under AASB 102 *Inventories*
- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates and the effects of changes in actuarial assumptions
- other revaluations on the value of outstanding insurance claims and liabilities
- bad debt expenses.

	2023 \$M	2022 \$M
(a) Net gain/(loss) on non-financial assets		
Revenue from disposal of non-financial physical assets		
Motor vehicles	1.0	0.6
Total revenue from disposal of non-financial physical assets	1.0	0.6
Costs on disposal of non-financial physical assets		
Motor vehicles	0.5	0.3
Total costs on disposal of non-financial physical assets	0.5	0.3
Write down of inventory ⁽ⁱ⁾⁽ⁱⁱ⁾	(522.4)	(5.7)
Net gain/(loss) on non-financial assets	(522.0)	(5.4)
(b) Net gain/(loss) on financial instruments		
Net gain/(loss) on financial instruments and statutory receivables/payables	1.7	(0.2)
Total net gain/(loss) on financial instruments	1.7	(0.2)
(c) Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	1.7	11.4
Revaluation and adjustments of insurance claims ⁽ⁱⁱⁱ⁾	6.9	(7.7)
Net (increase)/decrease in provision for doubtful debts and bad debts	13.0	1.2
Total other gains/(losses) from other economic flows	21.7	4.9

Notes:

- Increase in 2023 is due to COVID-19 inventories impairment due to expiration, obsolescence and adjustments to current replacement cost under AASB 102 *Inventories*.
- Restatement of 2022 inventory write off movement of \$5.7 million from 'Other operating expenses' to 'Net gain/(loss) on non-financial assets'.
- Restatement of 2022 release of risk margin in insurance claims of \$1.9 million from 'Other operating expenses' to 'Other gains/(losses) from other economic flows'.

9.3 Non-financial physical assets held for sale

In addition to the assets and liabilities disclosed above, the following non-financial physical assets held for sale exist at the reporting date:

	2023 \$M	2022 \$M
Non-financial physical assets classified as held for sale		
Plant, equipment and vehicles	–	0.1
Total non-financial physical assets classified as held for sale	–	0.1

Measurement of non-financial physical assets

Non-financial physical assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

This condition is regarded as met only when:

- the asset is available for immediate sale in the current condition
- the sale is highly probable and the asset sale is expected to be completed within 12 months from the date of classification.

These non-financial physical assets, related liabilities and financial assets are measured at the lower of carrying amount and fair value less costs to sell, and are not subject to depreciation or amortisation.

9.4 Reserves

	2023 \$M	2022 \$M
(a) Accumulated surplus/(deficit)		
Balance at beginning of financial year	4,269.8	3,714.0
Removal of DFFH-related June 2021 closing balance ⁽ⁱ⁾	–	(106.7)
Adjusted balance at 1 July 2022	4,269.8	3,607.3
Prior period adjustments ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	1.2	(59.3)
Restated balance at beginning of financial year	4,271.1	3,548.0
Net result for the year	(914.1)	721.8
Balance at the end of financial year	3,357.0	4,269.8
(b) Physical asset revaluation surplus		
Balance at beginning of financial year	497.2	4,877.9
Removal of DFFH-related June 2021 closing balance ⁽ⁱ⁾	–	(4,466.3)
Adjusted balance at 1 July 2022	497.2	411.6
Revaluation increments/(decrements) of land and buildings ^(iv)	100.4	85.6
Balance at the end of financial year	597.6	497.2
(c) Contributed capital		
Balance at beginning of financial year	96.2	28,684.1
Removal of DFFH-related June 2021 closing balance ⁽ⁱ⁾	–	(28,586.4)
Adjusted balance at 1 July 2022	96.2	97.7
Machinery of government transfer in/(out)	1.3	–
Capital contributions to health agencies	(11.0)	(11.3)
Capital contributions by Victorian State Government	16.3	11.3
Capital transferred to administered entity	(6.6)	(1.5)
Balance at the end of financial year	96.2	96.2
Total equity	4,050.7	4,863.2
Physical asset revaluation surplus – represented by:		
– Land	266.5	266.7
– Buildings	331.1	230.7
Total physical assets revaluation surplus	597.6	497.2

Notes:

- (i) Removal of the 30 June 2021 closing balances of DFFH, the Victorian Disability Worker Commission and the Director of Housing, which were included in the department's 2020–21 financial statements under s. 53(1)(b) of the FMA. The transactions which were related to these entities were reported in DFFH's 2021–22 financial statements.
- (ii) The prior period adjustments in 2022 relate to:
- the intangible assets write off of \$60.5 million, due to change in policy in relation to the accounting treatment on the upfront configuration and customisation costs incurred in implementing the Software-as-a-Service (SaaS) arrangements by applying the agenda decision issued by the International Financial Reporting Interpretations Committee (IFRIC)
 - the capitalisation of land purchases that had been previously expensed, which results in an increase to land of \$1.2 million.
- (iii) The prior period adjustment in 2023 relates to the capitalisation of expenditure to land for Ambulance Victoria on 13 Sustainable Drive, Craigieburn.
- (iv) Movements in the physical asset revaluation reserve arise from the revaluation of land and buildings and the impairment of land and buildings that were previously revalued.

9.5 Responsible persons

In accordance with the Directions of the Assistant Treasurer under the FMA, the following disclosures are made for the responsible persons for the reporting period.

Names

The persons who held the positions of ministers and accountable officer in the department were as follows:

Relevant office	Minister or accountable officer	From	To
Minister for Health	The Hon Mary-Anne Thomas MP	1 Jul 2022	30 Jun 2023
Minister for Health Infrastructure	The Hon Mary-Anne Thomas MP	5 Dec 2022	30 Jun 2023
Minister for Medical Research	The Hon Mary-Anne Thomas MP	5 Dec 2022	30 Jun 2023
Minister for Ambulance Services	The Hon Mary-Anne Thomas MP	1 Jul 2022	5 Dec 2022
	The Hon Gabrielle Williams MP	5 Dec 2022	30 Jun 2023
Minister for Mental Health	The Hon Gabrielle Williams MP	1 Jul 2022	30 Jun 2023
Minister for Disability, Ageing and Carers	The Hon Colin Brooks MP	1 Jul 2022	5 Dec 2022
	The Hon Lizzie Blandthorn MP	5 Dec 2022	30 Jun 2023
Secretary, Department of Health	Euan Wallace	1 Jul 2022	30 Jun 2023

The persons who acted in the positions of ministers and of accountable officer in the department were as follows:

Relevant office	Acting minister or accountable officer	From	To
Minister for Health	The Hon Gabrielle Williams MP	26 Dec 2022	29 Dec 2022
	The Hon Colin Brooks MP	30 Dec 2022	13 Jan 2023
	The Hon Lizzie Blandthorn MP	14 Jan 2023	20 Jan 2023
	The Hon Gabrielle Williams MP	30 Jun 2023	30 Jun 2023
Minister for Health Infrastructure	The Hon Gabrielle Williams MP	26 Dec 2022	29 Dec 2022
	The Hon Colin Brooks MP	30 Dec 2022	13 Jan 2023
	The Hon Lizzie Blandthorn MP	14 Jan 2023	20 Jan 2023
	The Hon Gabrielle Williams MP	30 Jun 2023	30 Jun 2023
Minister for Medical Research	The Hon Gabrielle Williams MP	26 Dec 2022	29 Dec 2022
	The Hon Colin Brooks MP	30 Dec 2022	13 Jan 2023
	The Hon Lizzie Blandthorn MP	14 Jan 2023	20 Jan 2023
	The Hon Gabrielle Williams MP	30 Jun 2023	30 Jun 2023
Minister for Mental Health	The Hon Colin Brooks MP	30 Sep 2022	5 Dec 2022
	The Hon Lizzie Blandthorn MP	2 Jan 2023	31 Jan 2023
Minister for Ambulance Services	The Hon Lizzie Blandthorn MP	2 Jan 2023	31 Jan 2023
Minister for Disability, Ageing and Carers	The Hon Ros Spence	25 Mar 2023	2 Apr 2023
	The Hon Colin Brooks MP	3 Apr 2023	10 Apr 2023
Secretary, Department of Health	Jacinda de Witts	1 Jul 2022	3 Jul 2022
	Jodie Geissler	4 Jul 2022	7 Jul 2022
	Katherine Whetton	8 Jul 2022	9 Jul 2022
	Jacinda de Witts	10 Jul 2022	12 Jul 2022
	Nicole Brady	18 Sep 2022	26 Sep 2022
	Katherine Whetton	21 Jan 2023	31 Jan 2023

Remuneration

Remuneration received or receivable by the accountable officer (Secretary) in connection with the management of the department during the reporting period was in the range of \$650,000 – \$659,999 (2022: \$640,000 – \$649,999).

9.6 Remuneration of executives

The numbers of executive officers, other than ministers and accountable officer, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalent provides a measure of full-time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefit or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

Remuneration of executive officers (including key management personnel disclosed in Note 9.7)	Total remuneration	
	2023 \$M	2022 \$M
Short-term employee benefits	50.7	44.8
Post-employment benefits	4.8	4.2
Other long-term benefits	1.3	1.1
Termination benefits	0.1	0.7
Total remuneration ⁽ⁱ⁾⁽ⁱⁱ⁾	56.9	50.8
Total number of executives ⁽ⁱⁱ⁾	276	285
Total annualised employee equivalent ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	218.4	197.3

Notes:

(i) Remuneration of key management personnel seconded from other departments is not included.

(ii) Total figures include the Chief Finance Officer (CFO), who delivered services as an executive officer to the department but was employed by the Department of Treasury and Finance.

(iii) Annualised employee equivalent is based on the time fraction worked over the reporting period.

9.7 Related parties

The department is a wholly owned and controlled entity of the State of Victoria.

The following Administrative Office has been consolidated into the department's financial statements under s. 45(4) of the FMA:

- Safer Care Victoria.

The following entities have been consolidated into the department's financial statements pursuant to the determination made by the Assistant Treasurer under s. 53(1)(b) of the FMA:

- Mental Health Tribunal
- Victorian Collaborative Centre for Mental Health and Wellbeing.

Related parties of the department and the abovementioned administrative office and entity include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over)
- all cabinet ministers and their close family members
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

Significant transactions with government-related entities

The department received funding and made payments to the consolidated fund of \$17,746.2 million (2022: \$17,798.8 million) and \$590.7 million (2022: \$400.1 million) respectively.

Refer to Note 3.1.2 for other government-related entity transactions.

Key management personnel of the department include the Portfolio Ministers, The Hon Mary-Anne Thomas MP, The Hon Gabrielle Williams MP, The Hon Lizzie Blandthorn MP, The Hon Colin Brooks MP; the Secretary, Euan Wallace; and members of the senior executive team, which includes:

Entity	Key management personnel	Position title	From	To
Department of Health	Jodie Geissler	Deputy Secretary, Commissioning and System Improvement	1 Jul 2022	3 Feb 2023
Department of Health	Louise McKinlay	Acting Deputy Secretary, Commissioning and System Improvement	4 Feb 2023	30 Jun 2023
Department of Health	Katherine Whetton	Deputy Secretary, Mental Health and Wellbeing	1 Jul 2022	30 Jun 2023
Department of Health	Zoe Wainer	Deputy Secretary, Public Health	1 Jul 2022	30 Jun 2023
Department of Health	Chris Hotham	Deputy Secretary, Health Infrastructure	1 Jul 2022	30 Jun 2023
Department of Health	Nicole Brady	Deputy Secretary, Reform and Planning	1 Jul 2022	30 Jun 2023
Department of Health	Daen Dorazio	Deputy Secretary, Corporate Services	20 Mar 2023	30 Jun 2023
Department of Health	Beth Gubbins	Acting Deputy Secretary, Corporate Services	1 Jul 2022	19 Mar 2023
Department of Health	Jacinda de Witts	Deputy Secretary, Regulatory, Risk, Integrity and Legal ⁽ⁱ⁾	1 Jul 2022	30 Jun 2023
Department of Health	Olivia Goodman	Deputy Secretary, Regulatory, Risk, Integrity and Legal ⁽ⁱ⁾	1 Jul 2022	31 Jan 2023
Department of Health	Lance Emerson	Chief Executive Officer, Victorian Agency for Health Information	1 Jul 2022	30 Jun 2023
Department of Health	Nicole McCartney	Chief Aboriginal Health Advisor	1 Jul 2022	30 Jun 2023
Department of Health	Simone Williams	Chief Communications and Engagement Officer	1 Jul 2022	30 Jun 2023
Department of Health	Karen Olesnicky	Chief Finance Officer	17 Oct 2022	30 Jun 2023
Department of Health	Beth Gubbins	Acting Chief Finance Officer	1 Jul 2022	16 Oct 2022

Note:

- (i) The Deputy Secretary, Regulatory, Risk, Integrity and Legal role was shared under twinning arrangements previously established to support the response to the COVID-19 pandemic.

Key management personnel of the Administrative Office consolidated pursuant to s. 45(4) of the FMA into the department's financial statements include:

Entity	Key management personnel	Position title	From	To
Safer Care Victoria	Michael Roberts	Chief Executive Officer	1 Jul 2022	30 Jun 2023

Key management personnel of the entity consolidated pursuant to s. 53(1)(b) of the FMA into the department's financial statements include:

Entity	Key management personnel	Position title	From	To
Mental Health Tribunal	Matthew Carroll	President	1 Jul 2022	30 Jun 2023
Victorian Collaborative	Rebecca Power	Acting Chief Executive Officer	1 Sep 2022	26 May 2023
Centre for Mental Health and Wellbeing ⁽ⁱ⁾	Kate O'Neill	Acting Chief Executive Officer ⁽ⁱⁱ⁾	26 May 2023	18 Jun 2023
	Katie Jones	Acting Chief Executive Officer ⁽ⁱⁱ⁾	26 May 2023	18 Jun 2023
	Eleanor Williams	Acting Chief Executive Officer	19 Jun 2023	30 Jun 2023

Notes:

- (i) The Victorian Collaborative Centre for Mental Health and Wellbeing commenced operations from 1 September 2022.
(ii) The role was shared by two executives during the same time period.

Remuneration of key management personnel

The compensation detailed below excludes the salaries and benefits the Portfolio Ministers received. The Ministers' remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and are reported in the state's Annual Financial Report.

Compensation of KMPs	Department of Health ⁽ⁱ⁾		Administrative Offices ⁽ⁱⁱ⁾		Other section 53 ⁽ⁱⁱⁱ⁾	
	2023 \$M	2022 \$M	2023 \$M	2022 \$M	2023 \$M	2022 \$M
Short-term employee benefits	4.6	5.5	0.3	0.4	0.5	0.3
Post-employment benefits	0.3	0.4	–	–	–	–
Other long-term benefits	0.1	0.1	–	–	–	–
Total ^{(iv)(v)}	5.0	6.0	0.3	0.4	0.5	0.3

Notes:

- (i) Remuneration of KMPs seconded from other departments is not included.
(ii) The figures include remuneration of KMPs for Safer Care Victoria.
(iii) The figures include remuneration of KMPs for the Mental Health Tribunal and the Victorian Collaborative Centre for Mental Health and Wellbeing.
(iv) Total figures include the remuneration of the CFO, who delivered services as an executive officer to the department but was employed by the Department of Treasury and Finance.
(v) Note that KMPs are also reported in the disclosure of remuneration of accountable officers (refer to Note 9.5) and in the disclosure of remuneration of executive officers (refer to Note 9.6).

Transactions and balances with key management personnel and other related parties

Given the breadth and depth of state government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public, for example in paying stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occurs on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen-type transactions, there were no material related party transactions that involved key management personnel, their close family members and their personal business interests with the department, the Administrative Office or its s. 53(1)(b) entity.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

9.8 Remuneration of auditors

	2023 \$	2022 \$
Victorian Auditor-General's Office – audit of the financial report	465,000	440,000

9.9 Subsequent events

No matters or circumstances have arisen since 30 June 2023 that significantly affect the information disclosed in the 2022–23 financial statements.

9.10 Other accounting policies

Contributions by owners

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the department.

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

9.11 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2022–23 reporting period. These accounting standards have not been applied to the financial statements.

AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

AASB 2022-10 amends AASB 13 *Fair Value Measurement* by adding authoritative implementation guidance and illustrative examples for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.

Among other things, the standard:

- specifies that an entity needs to consider whether an asset's highest and best use differs from its current use only when it is held for sale or held for distributions to owners under AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* or if it is highly probable that it will be used for an alternative purpose
- clarifies that an asset's use is 'financially feasible' if market participants would be willing to invest in the asset's service capacity, considering both the capacity to provide needed goods or services and the resulting costs of those goods and services
- specifies that if both market selling price and some market participant data required to fair value the asset are not observable, an entity needs to start with its own assumptions and adjust them to the extent that reasonably available information indicates that other market participants would use different data
- provides guidance on the application of the cost approach to fair value, including the nature of costs to be included in a reference asset and identification of economic obsolescence.

This standard applies prospectively to annual periods beginning on or after 1 January 2024, with earlier application permitted.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2022-6 Amendments to Australian Accounting Standards – Non-Current Liabilities with Covenants

AASB 2020-1 amended AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current and was applicable to annual reporting periods beginning on or after 1 January 2022.

AASB 2020-6 subsequently amended AASB 2020-1, deferring the mandatory effective date of AASB 2020-1 from 1 January 2022 to 1 January 2023. AASB 2022-6 was applicable for annual reporting periods beginning on or after 1 January 2022.

AASB 2022-6 amends and clarifies the requirements contained in AASB 2020-1. Among other things, it:

- clarifies that only those covenants that an entity must comply with at or before the reporting date affect a liability's classification as current or non-current, and
- requires additional disclosures for non-current liabilities that are subject to an entity complying with covenants within twelve months after the reporting date.

AASB 2022-6 applies to annual reporting periods beginning on or after 1 January 2023.

The department is currently in the process of assessing the potential impact of these standards and amendments.

A number of other standards and amendments have also been issued that apply to future reporting periods, however they are not expected to have any significant impact on the financial statements in the period of initial application.

9.12 Glossary of technical terms

The following is a summary of the major technical terms used in this report.

Actuarial gains or losses on superannuation defined benefit plans are changes in the present value of the superannuation defined benefit liability resulting from:

- (a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred)
- (b) the effects of changes in actuarial assumptions.

Administered item generally refers to a department lacking the capacity to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

Amortisation is the expense that results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an 'other economic flow'.

Borrowings refers to interest-bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, finance leases and other interest-bearing arrangements. Borrowings also include non-interest-bearing advances from government that are acquired for policy purposes.

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Comprehensive result is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

Controlled item generally refers to the capacity of a department to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

Current grants are amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

Effective interest method is the method used to calculate the amortised cost of a financial asset or liability and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or, where appropriate, a shorter period.

Employee benefits expenses includes all costs related to employment including salaries and wages, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Ex-gratia expenses mean the voluntary payment of money or other non-monetary benefit (for example a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

Finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

Financial asset is any asset that is:

- (a) cash
- (b) an equity instrument of another entity
- (c) a contractual or statutory right:
 - to receive cash or another financial asset from another entity, or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity, or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments, or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial liability is any liability that is:

- (a) a contractual or statutory obligation:
 - (i) to deliver cash or another financial asset to another entity, or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity, or
- (b) a contract that will or may be settled in the entity's own equity instruments and is:
 - (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments, or
 - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements comprise:

- (a) a balance sheet as at the end of the year
- (b) a comprehensive operating statement for the year
- (c) a statement of changes in equity for the year
- (d) a statement of cash flows for the year
- (e) notes comprising a summary of significant accounting policies and other explanatory information
- (f) comparative information in respect of the preceding year as specified in paragraphs 38 of AASB 101 *Presentation of Financial Statements*
- (g) a balance sheet as at the beginning of the preceding year when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraph 41 of AASB 101.

Grants and other expense transfers are transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return.

Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

General government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those that are mainly non-market in nature, those that are largely for collective consumption by the community and those that involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

Grants for on-passing are grants paid to one institutional sector (for example a state general government entity) to be passed on to another institutional sector (for example local government or a private non-profit institution).

Intangible assets represent identifiable non-monetary assets without physical substance.

Interest expense represents costs incurred in connection with borrowings. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of lease repayments, service concession financial liabilities and amortisation of discounts or premiums in relation to borrowings.

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Investment properties are properties held to earn rentals or for capital appreciation or both. Investment properties exclude properties held to meet service delivery objectives of the State of Victoria.

Leases are rights conveyed in a contract, or part of a contract, to use an asset (the underlying asset) for a period of time in exchange for consideration.

Net acquisition of non-financial assets (from transactions) is the purchase (and other acquisition) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. It includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write offs, impairment write downs and revaluations.

Net financial liabilities are calculated as liabilities less financial assets, other than equity in public non-financial corporations (PNFC) and public financial corporations (PFC). This measure is broader than net debt as it includes significant liabilities, other than borrowings (for example accrued employee liabilities such as superannuation and long service leave entitlements). For the PNFC and PFC sectors, it is equal to negative net financial worth.

Net financial worth is equal to financial assets minus liabilities. It is a broader measure than net debt as it incorporates provisions made (such as superannuation, but excluding depreciation and bad debts) as well as holdings of equity. Net financial worth includes all classes of financial assets and liabilities, only some of which are included in net debt.

Net operating balance or **net result from transactions** is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as other economic flows – other comprehensive income.

Net worth is calculated as assets less liabilities, which is an economic measure of wealth.

Non-financial assets are all assets that are not financial assets. It includes inventories, land, buildings, plant and equipment, and intangible assets.

Non-financial public sector represents the consolidated transactions and assets and liabilities of the general government and PNFC sectors. In compiling statistics for the non-financial public sector, transactions and debtor/creditor relationships between sub-sectors are eliminated to avoid double counting.

Non-produced assets are assets needed for production that have not themselves been produced. They include land, subsoil assets, and certain intangible assets. Non-produced intangibles are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

Operating result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner movements in equity'. Refer also to 'net result'.

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. In simple terms, other economic flows are changes arising from market remeasurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; actuarial gains and losses arising from defined benefit superannuation plans; fair value changes of financial instruments.

Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards. They include changes in physical asset revaluation surplus; share of net movement in revaluation surplus of associates and joint ventures; and gains and losses on remeasuring available-for-sale financial assets.

Other operating expenses generally represent the cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the department.

Payables include short and long-term accounts payable, grants, taxes and interest payable.

Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films and research and development costs (which do not include the start-up costs associated with capital projects).

Public financial corporations are bodies primarily engaged in the provision of financial intermediation services or auxiliary financial services. They are able to incur financial liabilities on their own account (for example by taking deposits, issuing securities or providing insurance services). Estimates are not published for the public financial corporation sector.

Public non-financial corporation sector comprises bodies mainly engaged in the production of goods and services (of a non-financial nature) for sale in the market place at prices that aim to recover most of the costs involved (for example water and port authorities). In general, PNFCs are legally distinguishable from the governments which own them.

Receivables includes amounts owing from government through appropriation receivable, short and long-term accounts receivable, accrued investment income, grants, taxes and interest receivable.

Rental income and income from services includes rental income under operating leases and income from the provision of services.

Service Concession Arrangement is a contract effective during the reporting period between a grantor and an operator in which:

- (a) the operator has the right of access to the service concession asset (or assets) to provide public services on behalf of the grantor for a specified period of time
- (b) the operator is responsible for at least some of the management of the public services provided through the asset and does not act merely as an agent on behalf of the grantor, and
- (c) the operator is compensated for its services over the period of the service concession arrangement.

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity, such as depreciation, where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (for example assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

9.13 Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

- – zero, or rounded to zero
- (xxx.x) negative numbers
- 20xx year end
- 20xx–xx year period.

The financial statements and notes are presented based on the illustration for a government department in the 2022–23 model report for Victorian Government departments. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the department's annual reports.

Appendices

Appendix 1: Budget portfolio outcomes

The budget portfolio outcomes provide comparisons between the actual financial statements of all general government sector entities in the portfolio and the forecast financial information (initial budget estimates) published in 2023–24 *Budget Paper No. 5 – Statement of Finances* (BP5).

The budget portfolio outcomes comprise the comprehensive operating statement, balance sheet, statement of cash flows, statement of changes in equity, and administered items statement for the financial year 2022–23.

The budget portfolio outcomes have been prepared on a consolidated basis and include all general government sector entities within the portfolio. Financial transactions and balances are classified into either controlled or administered categories consistent with the published statements in BP5.

The budget portfolio outcomes statements are not subject to audit by the Victorian Auditor-General's Office and are not prepared on the same basis as the department's financial statements as they include the consolidated financial information of the following entities:

- > the Department of Health
- > public hospitals and public health services
- > multipurpose services
- > Ambulance Victoria
- > HealthShare Victoria
- > Victorian Assisted Reproductive Treatment Authority
- > Victorian Institute of Forensic Mental Health
- > Mental Health Tribunal
- > Tweddle Child and Family Health Service
- > The Queen Elizabeth Centre
- > Victorian Health Promotion Foundation.

The budget portfolio outcomes statements include funding from the Commonwealth Government and revenue from the sale of services attributed to the department from the state government. They also include income and expenses associated with funding for the National Health Reform Agreement and the National Partnership on COVID-19 Response, which are reported in the department's administered accounts. The National Partnership Agreement on COVID-19 Response ceased on 31 December 2022.

Funding arrangements under the National Health Reform Agreement

The 2022–23 administered items statement reflects the funding contributions from the state and Commonwealth through the Victorian State Pool Account under the arrangements of the National Health Reform Agreement (NHRA).

NHRA arrangements provide Victorian and Commonwealth activity-based funding directly to health services from the Victorian State Pool Account, which is overseen by the Administrator of the National Health Funding Pool. This is reported in the department's administered accounts.

The administered accounts include the state and Commonwealth contributions to activity-based funding, cross-border contributions, payment to the department's controlled entity of Commonwealth contributions for block-funded health agencies, as well as NHRA public health funding.

Funding arrangements under the National Partnership on COVID-19 Response

The National Partnership on COVID-19 Response (NPCR) utilises funding mechanisms of the National Health Reform Agreement to provide Commonwealth contributions for the response to the COVID-19 pandemic. The NPCR provides for Commonwealth funding to be paid through the Victorian State Pool Account and overseen by the Administrator of the National Health Funding Pool. This is reported in the department's administered accounts. The NPCR ceased on 31 December 2022.

Funding under the NPCR includes Hospital Services Payments, State Public Health Payments, Vaccine Dose Delivery Payments, Vaccine Roll-out Support Payments, Aged Care Response Payments, and Private Hospital Financial Viability Payments.

All Commonwealth contributions for NPCR funding are included in the administered accounts and are paid from the National Health Funding Pool to the department's controlled entity.

Financial performance – operating statement

In 2022–23, the portfolio recorded an actual net result from transactions of a \$210 million deficit compared with a 2022–23 published budgeted deficit of \$127 million.

The variance between the budgeted and actual deficit is mainly due to increased payments to non-government organisations such as denominational hospitals and community health services. In addition, there was an increase in health service costs for outsourced services.

Financial position – balance sheet

Total assets are \$1,432 million higher than the published budget. This is mostly attributed to the managerial revaluation of building assets across the portfolio in accordance with Financial Reporting Direction FRD103 *Non-financial physical assets* during the year.

Total liabilities are \$959 million higher than the published budget. This is primarily due to repayments to the Victorian State Pool Account for funding not being earned under the National Health Reform Agreement and National Partnership on COVID-19.

Cash flows

The overall cash position at the end of the 2022–23 financial year is \$4,244 million, which is \$510 million higher than the published budget for 2022–23.

The variance is mainly driven by cash held in portfolio health agencies as at 30 June 2023.

Detailed financial results for the 2022–23 portfolio budget and actual results are included in the following pages.

Comprehensive operating statement for the financial year ended 30 June 2023

	2022–23 Actual \$M	2022–23 Revised budget \$M	2022–23 Published budget \$M	Variation to published budget %	Notes
Net result from continuing operations					
Income from transactions					
Output appropriations	14,784	14,113	12,566	17.7	(a)
Special appropriations	2,962	2,899	2,752	7.6	
Interest	121	128	49	149.8	
Sales of goods and services	1,884	2,012	2,012	(6.4)	
Grants	9,185	8,615	8,651	6.2	
Fair value of assets and services received free of charge or for nominal consideration	12	–	–	–	
Other income	987	822	819	20.5	(b)
Total income from transactions	29,935	28,589	26,848	11.5	
Expenses from transactions					
Employee benefits	17,099	17,435	16,412	4.2	
Depreciation and amortisation	1,346	1,470	1,452	(7.3)	
Interest expense	204	206	166	22.5	
Grants and other transfers	2,178	1,452	1,354	60.9	(c)
Other operating expenses	9,319	8,397	7,591	22.8	(d)
Total expenses from transactions	30,145	28,960	26,975	11.8	
Net result from transactions (net operating balance)	(210)	(371)	(127)	64.6	
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	(560)	1	1	(93,433.3)	(e)
Net gain/(loss) on financial instruments and statutory receivables/payables	(21)	(26)	(26)	(17.5)	
Other gains/(losses) from other economic flows	(99)	(8)	(8)	1,149.4	
Share of net profits/(losses) of associates and joint venture entities, excluding dividends	–	–	–	–	
Total other economic flows included in net result	(679.9)	(33.0)	(33.0)	1,960.3	
Net result	(890)	(404)	(160)	454.6	
Other economic flows – other comprehensive income					
Adjustment to accumulated surplus/(deficit) due to a change in accounting policy	(79)	–	–	–	
Changes in non-financial asset revaluation surplus	1,415	41	37	3,775.3	(f)
Financial assets available-for-sale reserve	0	–	–	–	
Other	97	–	–	–	
Total other economic flows – other comprehensive income	1,433	41	37	3,825.8	
Comprehensive result	543	(363)	(124)	(538.5)	

(a) The actual output appropriation increase from the published budget reflects funding released from central contingency and additional funding for new policy initiatives approved by government.

(b) Other income was higher than the published budget mainly due to additional revenue earned from private activities, research revenue and commercial revenue recognised from hospitals and public health services.

- (c) The actual grants and other transfers were higher than the published budget due to repayments to the Victorian State Pool Account for funding not being earned under the National Health Reform Agreement and National Partnership on COVID-19 Response. In addition, there were higher grants paid to private sector businesses due to uplift in activities.
- (d) Other operating expenses were higher than published budgets due to increased payments to non-government organisations such as denominational hospitals and community health services. In addition, there was an increase in health service costs for outsourced services.
- (e) Net loss on non-financial assets was higher than the published budget due to impairment from expiration, obsolescence and value related to write-downs of personal protective equipment and rapid antigen tests inventory.
- (f) The changes in revaluation surplus were higher than the published budget due to the managerial and interim revaluation of land and building assets across the portfolio in accordance with Financial Reporting Direction FRD103 *Non-financial physical assets*.

Balance sheet as at 30 June 2023

	2022–23 Actual \$M	2022–23 Revised budget \$M	2022–23 Published budget \$M	Variation to published budget %	Notes
Assets					
Financial assets					
Cash and deposits	4,245	3,695	3,734	13.7	(a)
Receivables	4,470	4,769	4,608	(3.0)	
Other financial assets	489	443	443	10.4	
Investments accounted for using equity method	1	1	1	19.6	
Total financial assets	9,205	8,908	8,786	4.8	
Non-financial assets					
Inventories	483	675	763	(36.7)	
Property, plant and equipment	23,719	22,481	22,415	5.8	(b)
Investment properties	146	151	151	(3.1)	
Intangible assets	237	321	301	(21.4)	
Other	357	299	299	19.4	
Total non-financial assets	24,943	23,926	23,930	4.2	
Total assets	34,148	32,834	32,716	4.4	
Liabilities					
Payables	3,786	2,737	2,873	31.8	(c)
Borrowings	3,760	4,144	4,031	(6.7)	
Provisions	4,676	4,359	4,358	7.3	
Total liabilities	12,222	11,240	11,263	8.5	
Net assets	21,926	21,594	21,453	2.2	
Equity					
Accumulated surplus/(deficit)	3,952	4,763	5,006	(21.1)	
Reserves	12,587	11,177	11,172	12.7	
Contributed capital	5,387	5,655	5,275	2.1	
Total equity	21,926	21,594	21,453	2.2	

- (a) Cash and deposits are higher than budget due to the cash surplus held in the Public Health Trust Fund, which reflects unearned revenue received by the department from the Victorian State Pool Account for the National Health Reform Agreement and National Partnership on COVID-19 Response.
- (b) Property, plant and equipment have increased due to the managerial and interim revaluation of building assets across the portfolio in accordance with Financial Reporting Direction FRD103 *Non-financial physical assets* this year.
- (c) Higher payables compared to budget primarily relate to the repayments to the Victorian State Pool Account for funding not being earned under the National Health Reform Agreement and National Partnership on COVID-19 Response.

Statement of cash flows for the financial year ended 30 June 2023

	2022–23 Actual \$M	2022–23 Revised budget \$M	2022–23 Published budget \$M	Variation to published budget %
Cash flows from operating activities				
Receipts				
Receipts from government	19,022	17,627	16,591	(2.2)
Receipts from other entities	9,098	9,155	9,191	(1.0)
Goods and Services Tax recovered from the ATO	5	(6)	(6)	(183.9)
Interest received	121	127	48	152.9
Dividends received	7	9	9	(20.0)
Other receipts	1,649	1,380	879	87.6
Total receipts	29,901	28,292	26,711	1.5
Payments				
Payments of grants and other transfers	(2,160)	(1,452)	(1,354)	59.5
Payments to suppliers and employees	(25,134)	(25,375)	(23,499)	7.0
Goods and Services Tax paid to the ATO	1	1	1	49.9
Capital asset charge	0	0	0	0.0
Interest and other costs of finance	(203)	(206)	(166)	22.4
Other payments	0	0	0	0.0
Total payments	(27,497)	(27,032)	(25,019)	9.9
Net cash flows from/(used in) operating activities	2,405	1,260	1,693	(123.2)
Cash flows from investing activities				
Net investment	64	6	6	973.9
Payments for non-financial assets	(1,515)	(1,536)	(1,534)	(1.2)
Proceeds from sale of non-financial assets	13	3	3	328.0
Net loans to other parties	0	0	0	0.0
Net (purchase)/disposal of investments – policy purposes	(0)	0	0	0.0
Net cash flows from/(used in) investing activities	(1,438)	(1,527)	(1,525)	(5.7)
Cash flows from financing activities				
Owner contributions by state government	(61)	585	206	(129.8)
Repayment of finance leases	0	0	0	0.0
Repayment of right of use leases	(205)	(243)	(236)	(13.1)
Net borrowings	(70)	5	(18)	295.2
Net cash flows from/(used in) financing activities	(336)	347	(48)	600.2
Net increase (decrease) in cash and cash equivalents	630.3	80.7	119.9	(1,907.5)
Cash and cash equivalents at the beginning of the financial year	3,614	3,614	3,614	0.0
Cash and cash equivalents at the end of the financial year	4,244	3,695	3,734	(61.2)

Statement of changes in equity for the financial year ended 30 June 2023

	2022–23 Actual \$M	2022–23 Revised budget \$M	2022–23 Published budget \$M	Variation to published budget %
Accumulated funds	5,166	5,166	5,166	0.0
Adjustment due to change in accounting policy	(79)	–	–	–
Transactions with owners in their capacity as owners	(247)	–	–	–
Comprehensive result	(890)	(404)	(160)	454.4
Accumulated surplus/(deficit)	3,952	4,763	5,006	(21.1)
Net contributions by owners	5,070	5,070	5,070	0.0
Transactions with owners in their capacity as owners	318	585	206	54.4
Contributions by owners	5,387	5,655	5,275	2.1
Physical asset revaluation reserve	10,481	10,481	10,481	0.0
Transactions with owners in their capacity as owners	1,359	41	36	3,627.2
Comprehensive result	–	–	–	–
Physical asset revaluation reserve	11,840	10,522	10,517	12.6
Financial assets available-for-sale reserve	655	655	655	0.0
Other reserves	92	–	–	–
Other reserves	747	655	655	14.1
Changes in equity	21,926	21,594	21,453	2.2

Administered items statement for the financial year ended 30 June 2023

	2022–23 Actual \$M	2022–23 Revised budget \$M	2022–23 Published budget \$M	Variation to published budget %	Notes
Administered income					
Interest	3	3	3	(11.5)	
Sales of goods and services	291	277	296	(1.7)	
Grants	15,510	14,772	13,299	16.6	(a)
Other income	50	54	54	(8.8)	
Total administered income	15,854	15,106	13,652	16.1	
Administered expenses					
Grants and other transfers	14,329	13,534	12,178	17.7	(b)
Payments into consolidated fund	591	592	427	38.2	
Expenses on behalf of the state	988	1,050	1,049	(5.8)	
Total administered expenses	15,908	15,176	13,654	16.5	
Income less expenses	(54)	(70)	(2)	3,506.9	
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	(6)	2	2	(506.2)	
Net gain/(loss) on financial instruments and statutory receivables/payables	(0)	0	0	–	
Total other economic flows included in net result	(6)	2	2	(528.8)	
Net result	(61)	(68)	0	0.0	
Total other economic flows – other comprehensive income	414	107	0	0.0	
Comprehensive result	353	39	0	0.0	
Administered assets					
Cash and deposits	5	4	4	14.6	
Receivables	1,400	418	1,050	33.3	(c)
Other financial assets	0	0	0	–	
Total administered assets	1,405	422	1,054	33.2	
Administered liabilities					
Payables	1,399	430	994	40.7	(d)
Provisions	0	0	0	–	
Total administered liabilities	1,399	430	994	40.7	
Net assets	6	(8)	60	(90.2)	

- (a) Administered grants income was higher than the published budget due to Commonwealth reconciliation payments for COVID-19 hospital activity from prior year adjustments, additional state government contribution to meet the reduction in Commonwealth activity-based funding entitlements through the National Health Reform Agreement, and additional Victorian Government investment in hospital activity following the 2022–23 Budget.
- (b) Administered grant expenses are higher than the published budget due to additional funding to Victorian hospitals and health services for activity delivered through the National Health Reform Agreement.
- (c) Administered receivables were higher than budget due to the state repayment to the Victorian State Pool Account for the National Health Reform Agreement and the National Partnership on COVID-19 Response funding not being earned.
- (d) Administered payables are higher than budget due to the funding payable by the Victorian State Pool Account to the Commonwealth for unearned funding relating to COVID-19 response and activity-based funding.

Appendix 2: Disclosure index

This annual report is prepared in accordance with all relevant Victorian legislation and pronouncements. This index facilitates identification of the department's compliance with statutory disclosure requirements.

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