

Statement of Priorities

2025-26 Agreement between the Minister for Mental Health and Victorian
Institute of Forensic Mental Health

OFFICIAL



Department
of Health

OFFICIAL

The department proudly acknowledges Victoria's Aboriginal communities and their rich culture and pays respect to their Elders, past and present.

We acknowledge Aboriginal people as Australia's first peoples and as the Traditional Owners and custodians of the land and water on which we rely.

We recognise and value the ongoing contribution of Aboriginal people and communities to Victorian life and how this enriches us.

We embrace the spirit of reconciliation, working towards the equality of outcomes and ensuring an equal voice.

To receive this document in an accessible format, phone using the National Relay Service 13 36 77 if required, or [Commissioning and System Improvement; Accountability on](#) <Accountability@health.vic.gov.au>

Authorised and published by the Victorian Government, 1 Treasury Place, Melbourne.

© State of Victoria, Australia, Department of Health, July 2025.

This publication is copyrighted. Apart from any use permitted under the *Copyright Act 1968* (Cth), no part may be reproduced by any process, nor may any other exclusive right be exercised without the permission of the Department of Health, 2025.

2206-7523 (online/PDF/Word)

Available at [The Department of Health Statements of Priorities](#)

<<https://www.health.vic.gov.au/funding-performance-accountability/statements-of-priorities>>

Contents page

| | |
|--|-----------|
| Contents page | 3 |
| Background | 4 |
| Ministerial Priorities..... | 5 |
| Part A: Department of Health Strategic Plan | 7 |
| Part B: Performance Priorities | 11 |
| Part C: Activity and Funding | 13 |
| Part D: Commonwealth Funding Contribution | 14 |
| Accountability and funding requirements | 15 |
| Signing Page | 16 |

Background

Statement of Priorities are key accountability agreements between the Victorian State Government and Victorian publicly funded health, mental health, and ambulance services. The content and process for preparing and agreeing on the annual Statement of Priorities are consistent with section 634 of the *Mental Health and Wellbeing Act 2022*.

Statement of Priorities are consistent with the health services' strategic plans and aligned to government policy directions and priorities. For 2025-26, the Statement of Priorities continues to refer to the *Department of Health Strategic Plan 2023-27* (Strategic Plan), which is refreshed on an annual basis. The annual agreements support the delivery of, or substantial progress towards, the key shared objectives of quality and safety, good governance and leadership, access and timeliness, and financial sustainability.

Statement of Priorities consists of four main parts:

- Part A provides the strategic priorities for the health service to contribute to in the year ahead.
- Part B lists the performance priorities and agreed targets.
- Part C lists funding and associated activity.
- Part D forms the service agreement between each health service and the state of Victoria for the purposes of the National Health Reform Agreement.

Performance expectations and mechanisms used by the Department of Health (the department) to monitor and manage performance are described in the *Victorian Health Service Performance Monitoring Framework 2025-26* (The Framework).

High standards of governance, transparency and accountability are essential. In this context, the Victorian Government commits to publishing the Statements of Priorities each year and presenting data on the performance of our health system in the public domain.

Ministerial Priorities

Statements of Priorities are aligned to government policy directions and priorities. Ministerial priorities are reflected in the Statements of Priorities and the Department of Health Strategic Plan 2023-27 (Strategic Plan).

In 2025-26, these include the following Ministerial priorities:

For the **overall health system**:

1. A reformed health system, shifting from competition to collaboration through the establishment of Local Health Service Networks, and with strengthened, formalised partnerships between health services and community and primary care services to ensure patients receive the right care closer to home.
2. A growing, skilled, and engaged workforce supported to develop professionally. This is achieved through improved workforce planning, an increased supply of priority roles, world leading employee experience, and a strategic focus on future roles, capabilities, professional development, and promoting a safe workplace.
3. A health system that is grounded in respect and safety, particularly cultural safety, and awareness, achieved through mandatory cultural safety training, anti-racism plans and actions, and employment plans that drive greater representation of First Nations people across all levels of a health service.
4. Improved health equity through a focus on:
 - a. Aboriginal health and wellbeing, achieved through identifying and closing gaps in access to care, and improved discharge planning for Aboriginal patients and building stronger relationships with local Aboriginal Community Controlled Health Organisations.
 - b. Health care models for priority populations, including people with disabilities, LGBTQIA+ communities and people from culturally and linguistically diverse backgrounds.
 - c. Improved access to health services by rural and regional patients through the establishment of patient referral pathways by Local Health Service Networks.
 - d. Women's health, including improved access to abortion, public fertility services and reduced gender health disparities across the life course, supported through the roll out of new services and better coordinated care.
5. A continued focus on improving the quality and safety of care, including through strengthening clinical governance systems and a culture of reporting and transparency under the Victorian Clinical Governance Framework.
6. Provide timely access to services by implementing strategies that connect people to the right care and improve the whole of system patient flow.
7. A financially responsible and sustainable health system, reflected in balanced health service budgets.
8. Public health and population health initiatives, including through the operation of Local Public Health Units, to contribute to better health outcomes among Victorians through prevention strategies and early interventions.

For the **mental health** system:

9. A mental health and well-being system that delivers inclusive, personalised, compassionate, integrated care so all Victorians are supported to live and experience the life they want:
 - a. Consumers have choice and agency and access to high quality and holistic care, as well as leadership roles
 - b. Carers, families, supports and kin: Are recognised, respected, and supported, including in leadership roles.
 - c. Workforces are diverse, multidisciplinary, and collaborative, and feel safe, valued, and supported.
 - d. Aboriginal communities: Self-determination and cultural safety are upheld, and physical, emotional, social, and spiritual aspects of wellbeing are central and interconnected.
 - e. Diverse communities: Are reflected and embraced in our services and models of care
10. Mental health services are focused on continuously improving performance.
11. Mental health services maintain service levels whilst transitioning to activity-based funding.

Supporting services for **older Victorians**:

12. A reformed health system that responds to the needs of older people to receive the right care in the right place through:
 - a. Initiatives that reduce avoidable hospital presentations and length of stay for older people in hospital.
 - b. Availability of public sector residential aged care.
13. A strengthened approach to the delivery of high quality and safe aged care services through:
 - a. Continued implementation of national aged care reforms arising from the Royal Commission into Aged Care Quality and Safety.
 - b. System stewardship and oversight of public aged care service delivery.

Part A: Department of Health Strategic Plan

The Statement of Priorities are aligned with the Strategic Plan¹.

Victorian Institute of Forensic Mental Health will contribute to the Strategic Plan 2023-27 by agreeing to the following priorities:

Strategic Priorities

Innovate and improve access and care

We aim for the best patient experience and care outcomes by assuring safe practice, leadership of safety, an engaged and capable workforce, and continuing to improve and innovate care.

Goal

- Align with the Victorian Clinical Governance Framework to strengthen clinical governance systems, ensuring safe, high-quality care. *(provided by SCV)* with a specific focus on building and maintaining a strong safety culture, identifying, reporting, and learning from adverse events, and early, accurate recognition and management of clinical risk to and deterioration of all consumers.
- Support the implementation of the “Next Phase of Reform” to deliver inclusive, personalised, compassionate, integrated care for mental health and wellbeing. (proposed by Mental Health)
- Develop strong and effective relationships with consumers and clinical partners to drive service improvements.
- Support consumers to access the most appropriate care for their mental illness and/or associated risk factors.
- Improve mental health and wellbeing outcomes by implementing Victoria’s new and expanded Mental Health and Wellbeing system architecture and services.

Forensicare deliverables:

- Demonstrate high quality care in which consumer engagement and input is actively sought, facilitated and used to drive system change to improve consumer experience and outcomes
- Ensure that health service reporting, reviews and decision-making are underpinned by a safety culture and systems that are transparent, accurate and fair for staff and consumers
- Health services are able to show evidence of a comprehensive training program approach that includes performance management, accountable, and continuous improvement.
- Partner with Safer Care Victoria (SCV) Mental Health Improvement Unit on reform including working toward the elimination of restrictive practices.
- Work with SCV in areas of clinical improvement to ensure Thomas Embling Hospital delivers best care, including working together on hospital acquired complications, low value care and targeting preventable harm to ensure that limited resources are optimised without compromising clinical care and outcomes.

¹ Link to [Strategic Plan 2023-27](https://www.health.vic.gov.au/our-strategic-plan-2023-27). <<https://www.health.vic.gov.au/our-strategic-plan-2023-27>>

- Participate in mental health and wellbeing reform work related to forensic mental health system design to achieve continuity of care for consumers. Collaborate with mental health and wellbeing stakeholders to inform models of care that address forensic interface issues.
- Work in partnership with Area Mental Health and Wellbeing Services and Mental Health and Wellbeing Locals to develop, establish and deliver community forensic mental health services across the State.
- Implement newly funded forensic mental health services in accordance with the Victorian Clinical Governance Framework, focusing on trauma-informed, recovery-oriented, and culturally safe care for consumers.
- Refine operating models to ensure they deliver safe, effective, and person-centred care which provides support to consumers, families, supporters, and carers across various levels of the mental health system.
- Engage Forensicare clinical staff in research activities and ensure clinical education and training remains evidence based and up-to-date.
- Develop an appropriate under 26 years model for Forensic Mental Health across Forensicare services. Engage with the Department of Health, the Department of Justice and Community Safety and specialist Infant, Child and Youth Mental Health and Wellbeing Services in the development of an appropriate Forensic Youth Mental Health state-wide system.
- Deliver initiatives and document partnerships that meet the Mental Health and Wellbeing Act 2022 objectives and document partnerships with local mental health services for reform with emphasis on promoting human rights, supported decision-making, accountability, and the inclusion of people with lived experience, including those with forensic experience, in all aspects of service delivery and planning.

Prudent, sustainable and effective use of resources

We are innovative and resourceful in balancing improved patient care, operational performance, and system management to ensure a financially secure health system. We invest in a skilled and future-ready workforce, maintaining a modern, safe, and resilient healthcare system for all Victorians.

Goal

Develop and implement initiatives to strengthen financial sustainability. By delivering sustainable, responsible budgets, we can ensure a well-managed, viable, and sustainable health system for the future.

Forensicare deliverables:

- Utilise data analytics and performance metrics to identify areas of inefficiency and waste and make evidence-based decisions to improve financial sustainability and operational performance.
- Work in collaboration with the Department of Health to review budget drivers, changes, and options around funding models. Continue to refine approach for sustainability and alignment with outcomes at the consumer, and community level, across service expansions and further reform.
- Implement actions to improve Business Intelligence, data sharing and integration with partner agencies and the Department of Health in line with the Victorian Digital Strategy 2021-2026 and Victoria's Digital Health Roadmap 2021-2025, and key Royal Commission recommendations around contemporary IT systems.

A stronger workforce

We strive to foster an equitable, skilled and supported workforce that builds professional capabilities to meet current and future roles.

Goals

- Position Victoria as a leader in employee experience, capability and capacity by focusing on future roles and professional development and continue to support implementation of initiatives to build and retain mental health workforce.
- Deliver programs to improve employee experience across four initial focus areas: leadership, health and safety, flexibility, and career development and agility.
- Support Forensicare's Strategic Plan 2021-26 to prioritise its vision as a workplace of choice.

Forensicare deliverables:

- Continue to support the implementation of medium and long-term priorities of the *Mental Health Workforce Strategy*.
- Prioritise wellbeing of healthcare workers and implement local strategies to address key issues.

Develop an approach, in conjunction with the Department of Health, on Core Forensic Mental Health Capabilities, that builds on previous work relating to workforce and leadership development.
- Design and implement workforce strategies relating to gender equality, cultural safety and inclusion in the workplace.
- Develop programs to improve employee experience during onboarding and initial twelve months of employment.

Improving Aboriginal health and wellbeing

Strengthen cultural safety in Victoria's health service system by fostering strong connections to Aboriginal culture, creating a holistic, accessible, and empowering health system.

Goals

- Enhance Delivery and Access to Culturally Safe Services, fostering strong connections to culture as determined by Aboriginal people, embedding the principles of self-determination.
- Address racism and provide Aboriginal people with culturally safe healthcare and referral pathways between mainstream and community-controlled health services

Forensicare deliverables:

- Deliver high-quality cultural safety training to all executives and staff using independent, expert, community-controlled organisations or a registered Aboriginal business.
- Health services actively and regularly engage and establish consultation processes with Aboriginal community-controlled organisations or Aboriginal leaders in local catchments to support the health and wellbeing needs of consumers from that community

- Strengthen relationships and work in collaboration with Aboriginal Community Controlled Health Organisations (ACCHO), Aboriginal Community Controlled Organisations (ACCO) and Justice-related orgs, such as the Aboriginal Justice Forum, to support enhanced connection with community and improve Aboriginal consumer experiences of culturally safe care.
- Ensure culturally appropriate systems for identifying Aboriginal and Torres Strait Islander consumers and implement responsive discharge plans and referral pathways.
- Implement strategies and processes to actively increase employment opportunities for Aboriginal and Torres Strait Islander people.

Moving from Competition to Collaboration

We are committed to transforming Victoria's health system by partnering with care providers and health services to share knowledge, information, and resources.

Goal

- Collaborate with other organisations and health services within the Local Health Service Network to enhance integration through coordinated planning, service design, and robust clinical governance. This partnership aims to ensure seamless, sustainable healthcare delivery pathways while fostering deep sector collaboration.

Forensic care deliverables:

- Partner with mental health and wellbeing services across the state to support the implementation of the Department's mental health reform agenda.
- Forensic care to build partnerships, via the North East Metropolitan Health Service Partnership Mental Health Reform Stream network, and collaboratively work on agreed transformation actions, with local implementation of state-wide forensic mental health programs.
- Forensic care to work in partnership with Area Mental Health and Wellbeing Services and Mental Health and Wellbeing Locals across Victoria to develop, establish and deliver regional community forensic mental health teams, to deliver community-based forensic mental health care in communities where people live.

Part B: Performance Priorities

The *Victorian Health Services Performance Monitoring Framework* (PMF) outlines the Government's approach to overseeing the performance of Victorian health services. Further information is available at the [Funding, Performance and Accountability webpage](https://www.health.vic.gov.au/funding-performance-accountability/performance-monitoring-framework) <<https://www.health.vic.gov.au/funding-performance-accountability/performance-monitoring-framework>>.

As the PMF states, while the Statement of Priorities sets out the annual high level strategic performance priorities, health services remain comprehensively accountable for quality and safety, good governance and leadership, access and timeliness, and financial sustainability, as defined in relevant legislation. This means that performance against these broader accountabilities will continue to be monitored based on a comprehensive set of quantitative metrics and qualitative intelligence and managed and raised with health services as needed.

High quality and safe care:

| Key Performance Measure | Target |
|--|---|
| Infection prevention and control | |
| Percentage of healthcare workers immunised for influenza | 94% |
| Adverse events | |
| Percentage of reported sentinel events for which a root cause analysis (RCA) report was submitted within 30 business days from notification of the event | All RCA reports submitted within 30 business days |
| Mental Health | |
| Mental Health Patient Experience | |
| Percentage of consumers who rated their overall experience with a service in the last three months as positive ² | 80% |
| Percentage of families/carers reporting a 'very good' or 'excellent' overall experience of the service | 80% |
| Percentage of families/carers who report they 'always' or 'usually' felt their opinions as a carer were respected | 90% |
| Percentage of mental health consumers reporting they 'usually' or 'always' felt safe using this service | 90% |
| Mental Health follow-ups, readmissions, and seclusions | |
| Rate of seclusion episodes per 1,000 occupied bed days - inpatient ³ | ≤ 6 or 5% improvement from the same time last year. |

² The department acknowledges that Forensicare is unlikely to meet this key performance measure in 2025-26 due to the changes in the survey collection process. These changes have introduced impracticalities within the context of a forensic mental health service.

³ The department acknowledges that Forensicare is unlikely to meet this key performance measure in 2025-26 due to its unique issue with rates of seclusion. Noting the target is < 6, Forensicare should also aim for a 5% improvement compared to same time last year.

Strong governance, leadership, and culture

| Key Performance Measure | Target |
|---|--------|
| Organisational culture | |
| People matter survey – Percentage of staff with an overall positive response to safety culture survey questions | 80% |

Timely access to care

| Key Performance Measure ⁴ | Target |
|--|--|
| Mental Health | |
| Percentage of male security patients admitted to Thomas Embling Hospital within 7 days of recommendation for compulsory treatment ⁵ | 80% or 5-percentage point improvement from the same time last year |
| Percentage of male security patients discharged from Thomas Embling Hospital to a correctional centre within 21 days ⁶ | 80% or 5-percentage point improvement from the same time last year |
| Percentage of male security patients discharged within 7 days of becoming a civil client | 80% |
| Percentage of female security patients admitted to Thomas Embling Hospital within 7 days of recommendation for compulsory treatment. | 80% |
| Percentage of female security patients discharged from Thomas Embling Hospital to a correctional centre within 28 days | 80% |

Effective financial management

| Key Performance Measure | Target |
|--|---|
| Operating result (\$M) | To be confirmed |
| Adjusted current asset ratio | 0.7 or 3% improvement from health service base target |
| Variance between the forecast and actual operating result (OR) as a percentage of the forecast OR for the current financial year ending 30 Jun | 5% movement in forecast revenue and expenditure forecasts |

⁴ The department acknowledges that Forensicare is unlikely to meet these key performance measures in 2025-26 due to the continuing high demand for Forensicare services. Timely access to care key performance measures will be reviewed ahead of 2026-27, in the context of new capacity anticipated to come online.

⁵ The department acknowledges that Forensicare is unlikely to meet this key performance measure in 2025-26 due to the continuing high demand for Forensicare services. Noting the target is 80%, Forensicare should also aim for a 5-percentage point improvement compared to same time last year.

⁶ The department acknowledges that Forensicare is unlikely to meet this key performance measure in 2025-26 due to the continuing high demand for Forensicare services. Noting the target is 80%, Forensicare should also aim for a 5-percentage point improvement compared to same time last year.

Part C: Activity and Funding

The performance and financial framework within which state government-funded organisations operate is described in *The Policy and Funding Guidelines – Funding Rules*. The Funding Rules detail funding and pricing arrangements and provide modelled budgets and targets for a range of programs. The [Policy and Funding Guidelines](https://www.health.vic.gov.au/policy-and-funding-guidelines-for-health-services) webpage <<https://www.health.vic.gov.au/policy-and-funding-guidelines-for-health-services>>.

Period 1 July 2025 – 30 June 2026

Table 1 Victorian Institute of Forensic Mental Health funding summary for 1 July 2025 – 30 June 2026

| Funding Type | Activity | Budget (\$'000) |
|--|----------|-----------------|
| Consolidated Activity Funding | | |
| Acute admitted, subacute admitted, emergency services, non-admitted NWAU | | 4,804 |
| Mental Health and Drug Services | | |
| Mental health acute inpatient | | 61,893 |
| Mental health ambulatory | 14,492 | 17,387 |
| Mental health service system capacity | | 1,556 |
| Mental health workforce | | 7,372 |
| Mental health other | | 19,103 |
| Other | | |
| Other specified funding | | 19,688 |
| Total Funding | | 131,803 |

Please note:

- Base level funding, related services and activity levels outlined within the Policy and Funding Guidelines are subject to change throughout the year. Further information about the department's approach to funding and price setting for specific clinical activities and funding policy changes is also available from [Health Services](https://www.health.vic.gov.au/policy-and-funding-guidelines-for-health-services) <<https://www.health.vic.gov.au/policy-and-funding-guidelines-for-health-services>>
- Each funding type row (e.g., "emergency services") comprises a mix of activity-based funding and block grants. Funding depends on the service profile. For further details, refer to the Policy and funding guidelines for health services (see the above point for the link).
- In situations where a change is required to Part C, changes to the agreement will be actioned through an exchange of letters between the department and the health service's Chief Executive Officer.

Part D: Commonwealth Funding Contribution

Commonwealth funding contribution is provided by the 2025-26 Commonwealth budget, which is based on estimates. This is updated throughout the year based on updated activity levels by the Administrator of the National Health Funding Pool.

Commonwealth funding is based on actual activity; there may be adjustments to funding throughout the year as a result of reconciliations and other factors.

Table 2 Commonwealth contribution for the period 1 July 2025 – 30 June 2026

| Funding Type | Number of services (NWAU) | Funding allocation (\$) |
|---|---------------------------|-------------------------|
| Activity based funding allocation (National Health Reform Agreement in-scope services) | | |
| Admitted mental health | 8,528 | 61,892,608 |
| Total activity based funding allocation | 8,528 | 61,892,608 |
| Block funding allocation | | |
| Teaching, training, and research | | 4,582,137 |
| Other mental health ¹ | | 18,749,071 |
| Total block funding allocation | | 23,331,207 |
| Total NHRA in-scope funding allocation | | 85,223,815 |

¹ Health Service classified in National Efficient Cost Determination as a standalone hospital providing specialist mental health services (Community mental health services only).

Please note:

- In situations where a change is required to Part D, changes to the agreement will be actioned through an exchange of letters between the department and the Health Service Chief Executive Officer. Letters will be made publicly available.
- Numbers may differ from systems due to rounding.
- As funding paid through the pool includes price and non-price grants, the funding allocated is not wholly the product of price multiplied by the activity.

Accountability and funding requirements

The health service must comply with:

- All laws applicable to it.
- The *National Health Reform Agreement*.
- All applicable requirements, policies, terms, or conditions of funding specified or referred to in the Department of Health *Policy and Funding Guidelines 2025-26*.
- Policies, procedures, and appropriate internal controls to ensure the accurate and timely submission of data to the Department of Health.
- All applicable policies and guidelines issued by the Department of Health from time to time and notified to the health service.
- Where applicable, all terms and conditions specified in an agreement between the health service and the Department of Health relating to the provision of health services are in force at any time during the 2025-26 financial year.
- Relevant standards for programs that have been adopted, e.g., the International Organisation for Standardisation standards and AS/NZS 4801:2001, Occupational Health and Safety Management Systems, or an equivalent standard.
- Where applicable, this includes the National Safety and Quality Health Service Standards ('NSQHS standards') as accredited through the Australian Health Service Safety and Quality Accreditation Scheme.
- Specific to DHSV: in relation to the School Dental Project Plan, as agreed and specified by both parties, including meeting the requirements outlined in the School Licence Agreement.
- Any other relevant, applicable statutory, regulatory or accountability rules, policies, plans, procedures, or publications.

Signing Page

The Minister for Mental Health and the health service board chairperson agree that funding will be provided to enable the health service to meet its service obligations and performance requirements as outlined in this Statement of Priorities.



The Hon Ingrid Stitt MP
Minister for Mental Health
Minister for Ageing
Minister for Multicultural Affairs

Date: 6/8/2025



Ms Penny Armytage
Board Chair
Victorian Institute of Forensic
Mental Health (Forensicare)

Date: 6/8/2025