Statement of Priorities

2026-27 Agreement between the Minister of Mental Health and Victorian Institute of Forensic Mental Health (Forensicare)

OFFICIAL

VICTORIA State Government | Department of Health

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.

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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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Background

Statement of Priorities (SoPs) 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 sections 40G, 65ZFA, 65ZFB, and section 26 of the *Health Services Act 1988*.

SoPs are consistent with the health services' strategic plans and aligned to government policy directions and priorities. For 2026-27, the SoP continues to reference the *Department of Health Strategic Plan 2023-27* (Strategic Plan), which is refreshed annually. These annual agreements support the delivery of, or substantial progress towards, key shared objectives of high quality and safe care, strong governance leadership and culture, timely access to care, and effective financial management.

Statement of Priorities consists of three main parts:

- Part A outlines the strategic priorities and deliverables the health service will contribute to delivering in the year ahead.
- Part B sets out key performance measures and agreed targets.
- Part C details funding and associated activity.

The SoP, Policy and Funding Guidelines (PFG) and the *Victorian Health Service Performance Monitoring Framework (PMF) 2026-27* establish the conditions, expectations and oversight arrangements for health services.

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

The SoP is aligned with government policy directions and priorities. Ministerial priorities are reflected in the SoP and the Department of Health Strategic Plan 2023-27 (Strategic Plan).

In 2026-27, these include the following Ministerial priorities:

For the **overall health system**:

1. A reformed health system, shifting from competition to collaboration through the embedding of Local Health Service Networks, and with strengthened, formalised partnerships between health 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, and ensuring a safe workplace by reducing the impact of occupational violence and promoting a 'speak-up' culture.

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, including virtual and digitally enabled care, and improved discharge planning for Aboriginal patients and building stronger relationships with local Aboriginal Community Controlled Health Organisations.

    b. Health care models, including appropriate virtual and digitally enabled 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, and appropriate use of virtual and digitally enabled care models.

    d. Women's health, including improved access to abortion, and reduced gender health disparities across the life course, supported through the roll out of new services, better coordinated care and implementation of the Women's Pain Standard.

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, leveraging Local Health Service Network opportunities to collaborate and identify opportunities through shared services.

8. Public health and population health initiatives, including through the operation of Local Public Health Units, contribute to better health outcomes among Victorians through prevention strategies and early interventions.

9. More effective technology-enabled patient care and efficient administration through coordinated ICT planning, investment and delivery across Local Health Service Networks and Rural ICT Alliances, aligned to the Digital Health Roadmap.

10. Develop strategies to reduce the health service's climate and environment impact.

For the **mental health** system:

11. A mental health and well-being system that delivers inclusive, personalised, compassionate, integrated and safe 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,

    b. Carers, families, supports and kin: Are recognised, respected, and supported.

    c. Workforces are diverse, multidisciplinary, and collaborative, and feel safe, valued, and supported, including lived and living experience workforce in leadership roles,

    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.

12. Mental health services are focused on continuously improving performance to align with the Royal Commission recommendations.

13. Mental health services maintain service levels following the transition to activity-based funding.

14. Continue to grow and transform community mental health services with a focus on diverting demand away from crisis and inpatient care and supporting treatment in the community, closer to home.

Supporting services for **older Victorians**:

15. 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.

16. 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 SoP is aligned with the Strategic Plan[1]. Forensicare 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.

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.
- Show evidence of a comprehensive training program approach that includes performance management, accountability, and continuous improvement.
- 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
- 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.

Goal

Improve health outcomes and experiences for women across the Victorian public health system by strengthening system-wide focus on women's health and wellbeing, including equity of access, quality of care, and responsiveness to women's needs across the life course.

Forensicare deliverables:

- Align service planning and delivery with statewide women's health reform priorities, including the Victorian Women's Health and Wellbeing Program, to support a consistent system-wide focus on women's health and wellbeing.
- Support improved access to, and experiences of, care for women by contributing to system-wide efforts to address identified gaps, promote culturally safe and person-centred care, and embed learnings from women's health initiatives across broader service delivery.

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

Goal

Support the implementation of the "Next Phase of Reform" to deliver inclusive, personalised, compassionate, integrated mental health and wellbeing care in the community.

Forensicare deliverables:

- Progress the delivery of reformed mental health services in accordance with the *Mental Health and Wellbeing Act 2022* and by implementing services consistent with departmental guidelines and key initiatives. This includes establishing and strengthening partnerships with local community-based providers to deliver reforms, improving access across the community and enhancing integration across the service system, subject to funding, in alignment with Victoria's next phase of mental health and wellbeing reform.
- Partner with Safer Care Victoria in one or more mental health improvement programs: elimination of restrictive intervention, improving sexual safety, implementation of the zero-suicide framework and reducing compulsory treatment.
- Progress partnerships, whether through a formal partnership, MoU or exchange of letters, with local community based mental health services and deliver initiatives that align with the objectives of the *Mental Health and Wellbeing Act 2022*, and in accordance with the priorities outlined in Victoria's next phase of reform for Mental Health and Wellbeing.
- Improve access to admitted and non-admitted mental health services by meeting agreed access and activity targets and demonstrating sustained improvement in service delivery.
- Collaborate with the department to strengthen the mental health and wellbeing workforce by supporting sustainable workforce growth toward the target to double and diversify the workforce by 2031, while improving employee experience and safety.
- Continue the delivery of the regional community forensic mental health program, including workforce recruitment, establishment across priority regions, and achievement of agreed activity and access targets.
- Deliver the opening and operationalisation of newly funded beds at Thomas Embling Hospital in alignment with the agreed opening schedule.

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.
- Use funding efficiently and effectively to optimise patient facing services. Undertake programs to reduce the cost-of-service delivery, improve safety, capacity and reduce unnecessary waiting.
- Proactively manage activity to ensure optimal mix of activities to funded levels through active monitoring and control mechanisms that link clinical activity, service planning, and financial oversight.

Goal

Strengthen the safety, reliability and resilience of critical ICT and clinical technologies to minimise clinical and operational risk and support continuity of care.

Forensicare deliverables:

- Develop and implement prioritised investment and remediation plans for legacy and end-of-life ICT infrastructure, clinical systems and connected medical technologies.
- Provide timely and accurate reporting to the Department on ICT and cyber incidents, including escalation in line with Departmental incident management policies.

A stronger workforce

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

Goal

Position Victoria as a leader in employee experience, capability, and capacity by focusing on future roles and professional development in line with the Victorian Health Workforce Strategy to ensure a regenerative and sustainable workforce.

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 worforce and leadership development
- Improve employee experience, including through meeting obligations under the Gender Equality Act 2020, implementing actions to eliminate bullying, harassment and discrimination supported by evidence such as PMS results and pulse surveys.
- Collaborate with the department to improve workforce data analytics, generate actionable insights, and enhance strategic planning.
- Collaborate with the department to improve prevention of and responses to occupational violence.
- Strengthen workforce digital skills and capabilities to support delivery of the Digital Health Roadmap, and new and evolving models of care.

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.

Goal

Enhance Delivery and Access to Culturally Safe Services, fostering strong connections to culture. 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 service executives and senior leaders establish and maintain strong, ongoing partnerships with Aboriginal community-controlled organisations and/or recognised Aboriginal leaders within their local catchments. These partnerships must be based on regular, proactive engagement that prioritises the voices, self-determined priorities, and cultural knowledge of Aboriginal communities in the design, delivery, and evaluation of health and wellbeing services.
- Ensure culturally appropriate systems for identifying Aboriginal and Torres Strait Islander patients and implement responsive discharge plans and referral pathways.

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 within the Local Health Service Network to build a more integrated health system, with better access and experience for patients, strengthened workforce, consistently high-quality care, and more sustainable healthcare delivery.

Forensicare deliverables:

- Partner with mental health and wellbeing services across the state to support the implementation of the Department’s mental health reform agenda.

Goal

Use the Digital Health Roadmap to guide coordinated digital investment and delivery, strengthening digital capability to support integrated, safe, and efficient models of care.

Forensicare deliverables:

- Align local digital planning and investment with the Digital Health Roadmap and participate in shared governance and coordinated delivery of agreed statewide priority initiatives.

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>.

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 report (RCA) or similar approved methodology, was submitted within 30 business days from notification of the event	100%
Mental Health	
Mental Health Patient Experience[2]	
Percentage of consumers who rated their overall experience with a service in the last three months as positive	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.

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%

[2] The department acknowledges that Forensicare is unlikely to meet this key performance measure in 2026–27 due to changes in the survey collection process. These changes have introduced impracticalities within the context of forensic mental health.
[3] The department acknowledges that Forensicare is unlikely to meet this key performance measure in 2026-27 due to its unique issue with rates of seclusion.

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	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	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
Statement of Priorities operating result ($M)	0.0
Variance between the forecast and actual operating result (OR) as a percentage of the forecast OR for the current financial year ending 30 June	4% movement in forecast revenue and expenditure forecasts
Average number of days to pay trade creditors	60 days

[4] The department acknowledges that Forensicare is unlikely to meet these key performance measures in 2026-27 due to the continuing high demand for Forensicare services. Timely access to care key performance measures will be reviewed ahead of 2027-28, in the context of new capacity anticipated to come online.

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 webpage <https://www.health.vic.gov.au/policy-and-funding-guidelines-for-health-services>.

Period 1 July 2026 – 30 June 2027

Funding Type	Activity	Budget ($'000)
Consolidated Activity Funding		
Acute admitted, subacute admitted, emergency services, non-admitted NWAU		32
Mental Health and Drug Services		
Mental health acute inpatient		69,502
Mental health ambulatory	21,947	21,189
Mental health service system capacity		5,970
Mental health workforce		6,529
Mental health other		21,646
Other		
Other specified funding		25,543
Total Funding		**150,440**

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.
- 'PYA' denotes 'prior year adjustment'. PYA can apply to both under and over activity as recall and throughput respectively, and as well as reconciled to actual activity and/or cost. PYA is not restricted to activity-based funding, block funded grants may also be subject to PYA. Refer to the Policy and Funding Guidelines – Funding Rules for more information on PYA.
- Funding rows labelled as 'aggregated funding' 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.

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 2026-27.
- 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 2026-27 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 Oral Health Victoria: 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 Victorian Institute of Forensic Mental Health (Forensicare) 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.

Ingrid Stitt MP

Minister for Health
Minister for Mental Health
Minister for Ambulance
Special Minister of State

Date: 16/10/2026

Allison Smith

Acting Chairperson
Victorian Institute of Forensic Mental Health (Forensicare)

Date: 23 /10 /2026