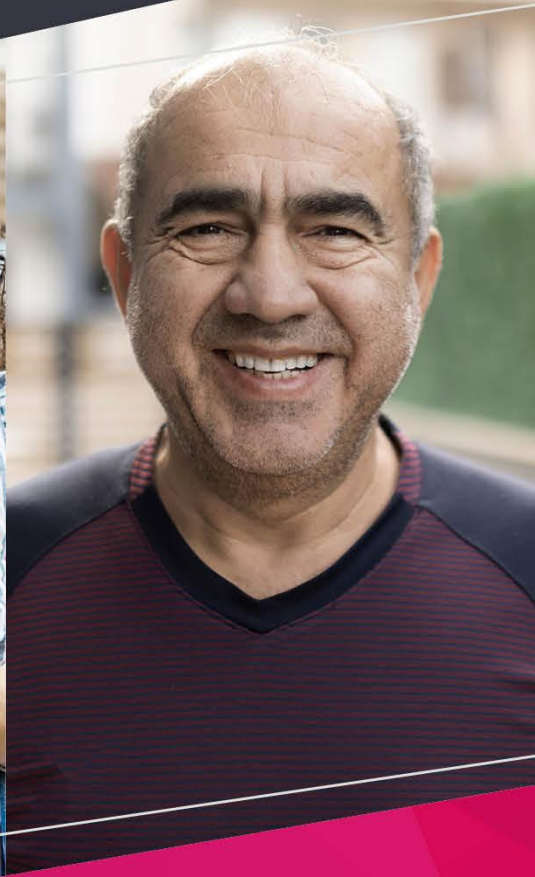
Department of Health

Annual Report 2025–26







VICTORIA State Government | Department of Health

Acknowledgement of country

The department acknowledges the strength of Aboriginal and Torres Strait Islander peoples across the country and the power and resilience that is shared as members of the world's oldest living culture.

We acknowledge Aboriginal and Torres Strait Islander peoples as Australia's First People and recognise the richness and diversity of all Traditional Owners across Victoria.

We recognise that Aboriginal and Torres Strait Islander 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. We acknowledge that the entrenched systemic injustices experienced by Aboriginal and Torres Strait Islander people endure, including in our health system, and that Victoria's ongoing treaty and truth-telling processes provide an opportunity to right these wrongs and ensure Aboriginal and Torres Strait Islander people have the freedom and power to make the decisions that affect their communities.

We express our deepest gratitude and pay our deepest respect 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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Where the term 'Aboriginal' is used it refers to both Aboriginal and Torres Strait Islander people. Indigenous, First Peoples or Koori/Koorie is retained when it is part of the title of a report, program or quotation.

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Section 1: Year in review



Secretary's Foreword

It is my privilege to present the *Department of Health's Annual Report 2025–26*.

This year has been one of delivery, reform and renewal across Victoria's health system. Demand for healthcare remains high as Victorians live longer, and have more complex health needs, including a growing prevalence of chronic disease. At the same time, opportunities to deliver care that is more accessible, connected and digitally enabled continue to emerge. Across the state, significant investment in infrastructure, workforce capability and how services are delivered is helping to strengthen the health system and improve outcomes for Victorians now and into the future.

Over the course of the year, the department has remained focused on the progress that matters most – strengthening prevention, improving access to care, advancing key reforms, working in partnership with the sector and supporting a sustainable health system. This report reflects the work of people across the department and the broader health system in all these areas and highlights their key achievements in 2025–26.

Victoria's public hospitals delivered 218,000 planned surgeries throughout 2025–26, the highest annual result on record and the third consecutive year of record planned surgery activity. The *Planned Surgery Reform Blueprint,* which underpins this achievement, has also enabled better theatre use and the extension of same-day surgical models and non-surgical care pathways, helping more patients receive support sooner.

We continued to broaden care beyond traditional hospital settings. The Virtual Emergency Department, Urgent Care Clinics, residential in-reach services and community-based care pathways are all helping more Victorians receive timely support closer to home.

In 2025–26, residential in-reach services provided more than 47,000 episodes of clinical care to more than 24,000 older Victorians living in residential aged care, avoiding unnecessary hospital transfers.

In addition, as part of the Virtual Hospital Pilot, more Victorians are receiving care and completing their recovery at home while also enabling paramedics to use real-time emergency department and ambulance data to identify the right hospital for each patient.

We continued to advance other major reforms to improve how care is delivered. The *Specialist care reform blueprint* provides a statewide framework for improving access to specialist care by identifying ways to streamline referral pathways and create more connected, equitable and consistent experiences for patients and clinicians.

Significant progress was made in mental health and alcohol and other drug services, with a focus on providing support earlier, integrated pathways, harm reduction and safer, more advanced care. Seven additional Mental Health and Wellbeing Locals and five new Youth Prevention and Recovery Care facilities were opened, while the Victorian Pill Testing Service and the Take Home Naloxone program are strengthening Victoria's response to alcohol and other drugs.

Digital transformation remained a key enabler of safer, more integrated care. The rollout of Electronic Medical Records continued across public health services, allowing for more connected, accessible patient information, and CareSync Exchange has now been implemented at 19 public health services, giving more than 9,000 clinical users secure access to almost 4.3 million patient records.

We have also invested in digital infrastructure and cybersecurity to ensure the digital resilience of the healthcare system and its ability to deliver care safely and sustainably. Through the Safer Digital Healthcare program, the department continued its provision of statewide cybersecurity services and monitoring, strengthened the disaster recovery capability of critical systems, and supported the replacement of high-risk and end-of-life technology infrastructure. This work is helping health services better prevent, manage and respond to cyber incidents while maintaining safe and reliable care for patients.

Investment in capital works has improved access to care in growing communities around the state. Flagship projects, including the new Footscray Hospital and major works in the Frankston and Peninsula health precincts, will help expand capacity, improve patient and staff experience, and support the most advanced models of care across metropolitan, outer suburban and regional Victoria.

Our work in partnership with Aboriginal communities, and the Aboriginal health sector, including with Aboriginal community-controlled health organisations, supports better health and wellbeing outcomes for Aboriginal Victorians. Key priorities this year have been on improving cultural safety in mainstream health services, investing in the Aboriginal health workforce, and increasing Aboriginal representation on health service boards, all of which are supported variously by targeted funding, training programs and scholarships.

A sustained focus on accessibility and responsiveness has helped ensure services better reflect the diverse needs of Victorian communities. Through women's health reforms, public fertility care, cancer screening, and rural and regional workforce pathways, the department prioritised people and communities that may experience barriers to care. These initiatives are helping such people to access services earlier, in more appropriate settings, and allow their input to be considered in future models of care.

Collaboration remained central to a strong and sustainable health system. In 2025–26, the *Health services plan* moved from design to implementation and on 1 July 2025, an important milestone was reached with the establishment of Victoria's 12 local health service networks, which are already delivering more collaborative care closer to home for all Victorians and laying the foundations for truly transformative improvements.

Health service sites across Victoria now have a clearer understanding of the scope, scale and complexity of the care they deliver, with the release of the *Victorian role delineation framework* on 29 July 2025. Together, the networks and framework are helping health services plan more consistently, align care to community needs and provide a more seamless patient experience across the system.

As health system steward, the department has also partnered with health services to strengthen financial management, improve accountability and ensure effective use of resources.

None of this work would be possible without the commitment, expertise and empathy of Victoria's health workforce. In 2025–26, the department continued to advance the *Victorian health workforce strategy*, a 10-year plan with a focus on growing and supporting the workforce across metropolitan, regional and rural Victoria. These efforts included expanding training pathways and supporting priority workforces, with such programs as the Victorian Rural Generalist Program and the Speech Pathology and Occupational Therapy Students grant program.

I thank our staff, those who work in health services and community organisations, and the many Victorians whose experiences and insights help shape our work. Together, we are building a stronger, more connected and more sustainable health system that supports people to stay healthy, access care when they need it and enjoy the best possible health outcomes throughout their lives.

Responsible Body's declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Department of Health's Annual Report for the year ending 30 June 2026.



Jenny Atta PSM
Secretary
Department of Health
19 October 2026

Vision, mission and values

Vision

For Victorians to be the healthiest people in the world.

> To make this vision a reality, the department has seven strategic directions:
> Keeping people healthy and safe in the community
> Providing care closer to home
> Keep innovating and improving care
> Improving Aboriginal health and wellbeing
> Moving from competition to collaboration
> A stronger and more sustainable workforce
> A safe and sustainable health, wellbeing and care system

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 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 public sector 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 is to help Victorians stay safe and healthy and deliver a world-class health system that leads to better health outcomes for all Victorians.

Aboriginal health and wellbeing

Aboriginal and Torres Strait Islander people have the right to access culturally safe, responsive and equitable healthcare that meets their needs and supports their physical, social, emotional, cultural and spiritual wellbeing. The department works in partnership with Aboriginal communities, Aboriginal Community Controlled Organisations and other stakeholders to support accessible, high-quality health services to improve Aboriginal health and wellbeing and close the gap in health outcomes. The department's role includes providing system stewardship, policy leadership, funding, monitoring and accountability.

Acute health services

The public health system provides all Victorians with access to high-quality public hospitals, in-person services and virtual care 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.

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

Ageing and aged care

Older Victorians should be able to access safe, high-quality services that respond and are appropriate to their needs. Through its acute health, community and aged care services, the department seeks to support older Victorians to maintain their independence and wellbeing.

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

Ambulance services

Victorians expect timely access to emergency healthcare that is responsive to their needs. Emergency and non-emergency ambulance services contribute to integrated and accessible health and community services for all Victorians.

The department supports Ambulance Victoria to deliver ambulance services through leadership, governance responsibility, policy development and the advancement of quality and safety.

Alcohol and drugs

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.

Corporate services, governance and investment

Effective public administration supports the delivery of Victoria's health priorities and services. The department provides corporate, governance and investment functions, including financial management, budget oversight, workforce and industrial relations, infrastructure planning and investment, digital and information services, risk management, legal services and performance reporting. These functions support accountability, stewardship and the effective operation of the Victorian health system.

Health regulation

Effective regulation helps keep Victorians safe and healthy. The Health Regulator is the department's main regulatory oversight branch, regulating thousands of professionals, organisations and businesses across Victoria to ensure compliance with health laws and regulations and prevent serious harm to the health and wellbeing of Victorians. The department also performs other regulatory functions, including in relation to mental health and community health centres, and cemeteries and crematoria. The department also supports the Victorian Pharmacy Authority as an external regulator.

Health system stewardship and planning

Victorians expect a health system that is accessible, safe, sustainable and responsive to community needs. The department provides stewardship of Victoria's health system through statewide planning, policy leadership, governance and performance oversight. Working with health services, government partners and communities, the department supports system reform, manages strategic risks and helps ensure health services are delivered effectively across Victoria.

Mental health and wellbeing

Mental health and wellbeing 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, and services that deliver prevention, early intervention, treatment and support. The department is leading the implementation of the recommendations made by the Royal Commission into Victoria's Mental Health System.

Primary and community 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 community health care services (including counselling, allied health and nursing), dental services, maternal and child health, and early parenting services.

Public health

The department works to improve health outcomes and prevent harm for all Victorians by protecting the community from communicable diseases, environmental hazards, and other public health risks. It provides statewide stewardship, leadership, and governance of the public health network, supporting local public health units and delivering coordinated programs and initiatives. Drawing on scientific, regulatory, epidemiological and policy expertise, the department identifies and responds to emerging health threats, manages statewide system risks, and leads public health promotion, prevention, and emergency preparedness in partnership with government service providers and communities.

Rural health

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.

Women's health

The department leads the planning and development of statewide policies and programs to improve the health and wellbeing of Victorian women, including in relation to maternal and child health, early parenting, and priority women's health initiatives. The department works with communities and partners to deliver culturally safe and responsive services, focusing on prevention, equity, and access. By addressing the unique needs of women, it ensures better health outcomes and supports women across all life stages.

Changes to the department

In 2025–26, the department made some changes to its objective indicators, as detailed in the table below. The department did not make changes to its departmental outputs. No machinery of government changes took place.

The following indicators were updated:

Table 1

Updated departmental objective	Previous departmental objective	Reason for change
Excess deaths as a result of COVID (reported as excess deaths in 2024–25)	NA	Measure discontinued. This measure was relevant when COVID-19 was managed as a pandemic with additional reporting and public health controls in place.

Direct costs attributable to machinery of government changes

There were no direct costs attributable to machinery of government changes for the department during the 2025–26 financial year.

Subsequent events

No events occurred after 30 June 2026 which might significantly affect the department's operations or finances in subsequent reporting periods.

Portfolio performance reporting – non-financial

Victorian Government's Resource management framework

The Department of Treasury and Finance's Resource management framework assists Victorian Government departments in understanding the legislative and policy framework for government and public sector planning, budgeting, service delivery, accountability and review in accordance with the *Financial Management Act 1994*.

The department is required to report against its performance statement, as set out in the 2025–26 State Budget – Department Performance Statement, and against its priorities, as published in the department's Strategic plan 2023–27 (2025 update). This requirement includes reporting on progress against the department's strategic directions (objectives).

The strategic directions set out what the department is doing to support Victorians to be the healthiest people in the world. Each strategic direction has priority initiatives and priority outcomes to measure our impact.

Together, these can be understood as follows:

> strategic directions – what we want our health, wellbeing and care system to move towards over the next four years
> priority initiatives – what we need to focus on to drive the strategic directions
> outcomes – how we measure our success.

The following table outlines our strategic directions, the priority initiatives we committed to for 2025–26 that supported them, and the outcomes.

Table 2

Strategic direction	Keeping people healthy and safe in the community	Providing care closer to home	Keep innovating and improving care	Improving Aboriginal health and wellbeing	Moving from competition to collaboration	A stronger and more sustainable health workforce	A safe and sustainable health, wellbeing and care system
Priority initiatives	• Local public health units • 10-year digital health vision and roadmap (10-year eHealth and digital health plan) • Harm reduction initiatives • Strengthening public sector residential aged care • Victorian cancer plan 2024–2028	• Priority infrastructure projects • Virtual care expansion (Virtual Emergency Department and Hospital Pilot)	• Access to planned surgery • Maternal and child health reform • Progressing the mental health and wellbeing reform	• Delivery of cultural safety priorities	• National Health Reform Agreement • Health services plan	• Victorian 10-year health workforce strategy • Building the mental health workforce (8,000 mental health workers by 2030)	• Health sector financial sustainability • Departmental financial sustainability • Response to the Victorian Maternity Taskforce • Safer digital healthcare

Strategic direction	Keeping people healthy and safe in the community	Providing care closer to home	Keep innovating and improving care	Improving Aboriginal health and wellbeing	Moving from competition to collaboration	A stronger and more sustainable health workforce	A safe and sustainable health, wellbeing and care system
Outcomes	**Population health** Health and wellbeing across the lifespan: • All Victorians live healthy and meaningful lives across all stages of their lifespan Emerging health issues: • The health system is responsive to local and global emerging issues and regulatory challenges	**Individual experience of care** Accessible care: • Victorians can rely on their healthcare system to deliver care when and as they need it Safety and quality: • Victorians have confidence that their healthcare is safe and high quality Experience of care: • Victorians have a positive experience of person-centred care	**Individual experience of care** Accessible care: • Victorians can rely on their healthcare system to deliver care when and as they need it • Safety and quality: • Victorians have confidence that their healthcare is safe and high quality Experience of care: • Victorians have a positive experience of person-centred care **Equity** System that addresses disparities: • Services address health inequality and respond to the needs and circumstances of all Victorians. • Health and wellbeing of Aboriginal and Torres Strait Islander people living in Victoria: Aboriginal people living in Victoria experience greater physical, social, emotional, cultural, and spiritual wellbeing	**Equity** System that addresses disparities: • Services address health inequality and respond to the needs and circumstances of all Victorians Health and wellbeing of Aboriginal and Torres Strait Islander people living in Victoria: • Aboriginal people living in Victoria experience greater physical, social, emotional, cultural and spiritual wellbeing	**Sustainable healthcare** Sustainable system: • Health resources are well managed, maintaining the system into the future Affordable care: • High-value care is delivered efficiently and affordably for Victorians	**Healthcare workforce** Healthcare worker wellbeing: • Healthcare workers feel safe, engaged and valued in the workplace Workforce capability and capacity: • Workers are well trained and supported to do their jobs effectively	**Sustainable healthcare** Sustainable system: • Health resources are well managed, maintaining the system into the future Affordable care: • High-value care is delivered efficiently and affordably for Victorians

Strategic direction 1: Keeping people healthy and safe in the community

The status and progress updates of the priority initiatives associated with this direction are outlined below.

Local public health units

Victoria's nine local public health units (LPHUs) continued to respond to local and global public health issues and deliver population health initiatives and frontline health protection services across the state.

During 2025–26, LPHUs received 22,665 public health event notifications. LPHUs responded to 99.44% of urgent public health event notifications within 24 hours during the 2025–26 financial year.

LPHUs also delivered targeted public health programs to proactively identify, prevent and reduce health risks in their communities. One of these programs included work to address declining vaccination rates by improving access to, and uptake of, adult measles, mumps and rubella (MMR) vaccinations. Targeted programs delivered 36,260 MMR vaccinations to Victorians during the 2025–26 financial year.

10-year digital health vision and roadmap

The department continues to work with health sector stakeholders to deliver initiatives that enable more connected care, reduce reliance on paper-based processes, and improve the safety and efficiency of clinical decision making. In 2025–26, the department worked with the sector to develop a 10-year digital health vision and the next Victorian digital roadmap, setting the direction for the next phase of digital transformation.

Health information-sharing

The rollout of the Electronic Medical Records system across Victoria's public health services continued in 2025–26, with most metropolitan services now using the system while further expansion is underway in regional Victoria. This system is replacing paper-based records and computer systems that did not connect with each other with a more connected approach to managing patient records.

In parallel, CareSync Exchange is a secure platform which allows authorised clinicians to access and share patient information, such as past test results, diagnoses and discharge summaries, among participating services. Since its launch in August 2025, CareSync has been implemented at 19 public health services, enhancing access to almost 4.3 million patient records by more than 9,000 clinical users. Already, clinicians have reported significant improvements in access to timely patient information, supporting safer care and reducing duplication of testing.

My Health Record

The secure sharing of health information between Victorian public health services and the broader Australian health system via the national My Health Record platform continued in 2025–26 with the following initiatives:

> BreastScreen Victoria began uploading breast screening reports to My Health Record, improving access to information to inform treatment and continuity of care.

> Victorian health services rolled out the national Share by Default initiative, making pathology and diagnostic imaging reports available through My Health Record unless a consumer chooses not to participate. This gives patients and clinicians better access to health information and reduces the need for repeat tests.

Harm-reduction initiatives

In December 2025, the department launched the Alcohol and other drugs strategy 2025–35. The strategy provides the department with clear direction to develop and deliver comprehensive alcohol and other drug (AOD) reform, including initiatives outlined in the Statewide Action Plan to save lives and reduce drug harms.

Considerable progress in harm reduction and AOD treatment has been made through initiatives such as the Victorian Pill Testing Service (VPTS), Take Home Naloxone (THN) program, naloxone dispensing machines and support services.

In 2025–26, the VPTS continued to operate fixed and mobile services, providing pill testing, early warning systems, harm-reduction education, and preparation for emerging drug threats. The fixed VPTS site in metropolitan Melbourne offers a free, walk-in service, and during 2025–26 the service received more than 2,460 people, conducted more than 2,000 harm-reduction conversations, tested more than 4,250 samples, and issued 31 public notifications and event notices relating to dangerous or unexpected substances. During the summer festival season in 2025–26, the mobile VPTS service attended five major events, testing 1,090 samples and conducting more than 870 harm-reduction conversations, which enabled timely alerts about the circulation of potentially dangerous substances.

The THN program provides free, life-saving medication that temporarily reverses opioid overdose. In August 2025, the program expanded across two new service types, including the VPTS and mental health and wellbeing locals, distributing over 16,595 units between July 2025 and June 2026. Distribution of this medication has been further strengthened through the introduction of naloxone dispensing machines, with eight machines now fully operational.

The department is partnering with the Alfred Hospital, cohealth and the Salvation Army to deliver health and social support services through a fixed clinic in Bourke Street. Cohealth and the Salvation Army also continued to deliver the mobile outreach service operating across the CBD, Footscray and St Kilda.

Strengthening public sector residential aged care services

Victoria's public sector residential aged care services (PSRACS) continued to deliver high-quality care across the state in 2025–26. PSRACS provide care to older people with more complex care needs, including older people with a mental illness or cognitive, emotional or behavioural issues.

Work has progressed on the implementation of the *Aged Care Act 2024* (Cth), which commenced operation in November 2025. As of July 2026, all PSRACS remained accredited and compliant with the Aged Care Quality Standards, reflecting continued service safety and quality.

Under the Commonwealth's Aged Care Star Ratings system, PSRACS achieved an average rating of four out of five stars. This result was higher than the ratings for non-government aged care providers and reflects the sector's commitment to and performance in caring for older Victorians, including people with complex care needs. The department provided supplementary funding to maintain these high standards and ensure the provision of safe, quality care, delivering positive outcomes for residents and enabling them to access care closer to home.

Key achievements of the PSRACS capital program

Considerable progress has been made across the PSRACS capital program, which supports the delivery of modern, safe, and fit-for-purpose residential facilities across Victoria to continue providing high-quality care in the community.

In metropolitan Melbourne, the Victorian Government has delivered new public sector residential aged care facilities, including a 150-bed facility at Heatherton.

In regional Victoria, construction of the new 36-bed facility in Camperdown, the new 50-bed facility in Rutherglen and the new 38-bed facility in Orbost have been completed. In addition, 16 aged care beds and eight acute care hospital beds have been delivered in a purpose-built facility at Cohuna, and residents have moved into the new 30-bed Mansfield facility.

Work is underway on new facilities in Maffra and Numurkah. These facilities are supporting older Victorians in rural and regional communities to access care closer to home.

Victorian cancer plan 2024–2028

The Victorian cancer plan 2024–2028 sets out a strategy for improving access to cancer prevention, screening, treatment and care for all Victorians, ensuring Victoria continues to have some of the best cancer survival outcomes in the world.

Cancer screening programs

Cancer Council Victoria was funded to extend the Laurie campaign to increase participation in the National Bowel Cancer Screening Program among Victorians aged 45–74, with a particular focus on younger participants (45–59 years) and multicultural communities. The campaign went live from 22 February to 30 May 2026. During the campaign, 10,140 requests for a bowel screening test kit were received from the Cancer Council Victoria webform, which resulted in a 172 per cent increase in fulfilled kit orders across Victoria.

The State and Commonwealth government support the BreastScreen Victoria program which provides breast screening to detect breast cancer early. These services are provided through screening clinics, mobile vans and assessment services.

In 2025–26, BreastScreen Victoria exceeded its screening target of 292,000 women, with a record 292,416 women.

Screening programs for Aboriginal women

Led by the Victorian Aboriginal Community Controlled Health Organisation (VACCHO) in partnership with BreastScreen Victoria, Aboriginal Community Controlled Organisations (ACCOs) and other Aboriginal-led services, the Beautiful Shawl Project provides culturally empowering screening shawls to Aboriginal and Torres Strait Islander women to wear during their breast screening. Custom designed by Aboriginal and Torres Strait Islander women and artists, the shawls are also used as an incentive to encourage participation in screening, as they are gifted to participants to take home after screening. In 2025–26, the Beautiful Shawl Project screened 324 Aboriginal and Torres Strait Islander women, and the mobile screening service visited 11 ACCOs.

The department continues to support an ongoing partnership between VACCHO and the Australian Centre for the Prevention of Cervical Cancer to deliver culturally safe cervical screening for Aboriginal and Torres Strait Islander women and people with a cervix. In 2025–26 the initiative distributed 793 Aboriginal-designed self-collection kits and 763 Aboriginal-designed coverings for clinician-collected samples, and distributed collection kits across 38 organisations.

Cancer Research Fellowships Victoria

In February 2026, the department supported the introduction of the Cancer Research Fellowships Victoria. This four-year investment will be delivered in partnership with Cancer Council Victoria and will provide Victorian-based researchers with fellowship funding to continue their work. In 2025–26, 18 fellowships were awarded for research into new immunotherapy approaches for ovarian cancer, the improvement of multiple myeloma detection, and the monitoring, treatment and prevention of blood disorders so that they do not progress into aggressive leukaemia.

Victorian Cancer Biobank

The Victorian Cancer Biobank is a consortium of five public health services led by Cancer Council Victoria and supported by the department. Biobank was established to collect, manage and provide access to high-quality biospecimens, data and services for cancer research, and it contributes to the department's cancer policy objectives. Specifically, the biospecimens are used to progress early detection, provide personalised care, and develop new technologies so that cancer can be treated more effectively and lives can be saved.

In June 2026, Biobank marked 20 years of life-saving cancer research. Over these 20 years, more than 42,000 Victorians have donated samples through Biobank, with collections continuing across 14 participating Victorian hospitals. More than 500,000 biospecimens, collected through Victorian networks, are held in Biobank and used by researchers across the globe. Since Biobank was established, these biospecimens have been used in more than 400 research projects, 355 scientific publications, and 150 clinical trials in Victoria. By providing researchers and industry partners with access to high-quality biospecimens, the Biobank has accelerated the development of innovative cancer diagnostics, including the ColoSTAT® blood test for bowel cancer and an at-home finger prick blood test for cancer monitoring, improving earlier detection and providing more accessible cancer care.

Strategic direction 2: Providing care closer to home

The status and progress updates of the priority initiatives associated with this direction are outlined below.

Priority infrastructure projects

The Victorian Health Building Authority (VHBA) collaborate on each vital infrastructure project statewide, delivering care closer to home through capital projects.

Community hospitals program

The department continues to build, upgrade and expand community hospitals in major growth areas, bringing everyday health services closer to home to people who are not critically unwell. These hospitals help ease pressure on emergency departments and inpatient beds at major hospitals by providing services tailored to local needs, including coordinated care, chronic and complex condition management, allied health support and rehabilitation.

Key infrastructure achievements in 2025–26 included:

> the opening of the new Mernda Community Hospital (formerly the City of Whittlesea Community Hospital), delivering dental, outpatient, dialysis, and mental health care to patients of the Northern Health area
> the opening of the new Cranbourne Community Hospital, delivering dialysis, pharmacy, pathology and adult mental health care, helping to divert lower-acuity demand away from Casey Hospital and other nearby facilities
> the completion of the second and final stage of works at the Phillip Island Community Hospital, creating a new space for public dental services.

In addition, main works commenced on the new Point Cook Community Hospital whilst construction continued at the new Pakenham Community Hospital.

New major hospitals

The newly built Footscray Hospital opened in February 2026, giving the residents of Melbourne's west a brand-new, modern facility with expanded service capacity. With an increase of nearly 200 beds, once fully operational the new hospital will have capacity to treat up to approximately 15,000 additional patients and enable around 20,000 additional people to be seen by the emergency department each year.

The Peninsula University Hospital (formerly Frankston Hospital) opened in January 2026. The redevelopment increased inpatient and surgical capacity through the addition of 130 new beds and 15 operating theatres. The expanded emergency department includes a dedicated paediatric zone and a specialised hub, delivering integrated mental health and alcohol and other drug services, reducing wait times and improving patient flow.

The Werribee Mercy Hospital emergency department expansion and Angliss Hospital redevelopment also reached completion in 2025–26. In April 2026, the expanded emergency department at Werribee Mercy Hospital was completed, allowing for the treatment of an extra 25,000 patients each year, doubling the Hospital's previous capacity.

The new four-storey Angliss Hospital, which was completed in June 2026, includes a new 32-bed inpatient unit and capacity to treat an additional 1,300 patients each year. Both hospitals will help to meet current and future demand.

Regional infrastructure

New and redeveloped regional facilities were completed across Victoria in 2025–26, delivering improved facilities for local communities, including:

> the Bendigo Day Rehabilitation Centre, with new green space in the heart of Bendigo Hospital
> the Maryborough Hospital redevelopment
> the Swan Hill emergency department expansion.

Virtual care expansion

Virtual Emergency Department

The Virtual Emergency Department (VED) is a way for people to access specialist healthcare through a virtual hospital. Introduced in 2020, VED is designed to deliver non-urgent emergency care remotely and improve access to specialist care across the state while reducing pressure on ambulance services and emergency departments.

In 2025–26, VED provided care through 320,144 virtual calls. Of those calls, 83.5 per cent of patients did not require transport to or care at an emergency department. The care provided by VED ensures that physical emergency department capacity is retained for Victorians who require critical care when they need it most. It also allows Victorians to access urgent care more quickly and be referred to the right healthcare professional for any further treatment.

Operating from Northern Hospital Epping, the VED not only provides services to the public, but also takes referrals from Ambulance Victoria, urgent care clinics, urgent care centres, non-emergency patient transport, NURSE-ON-CALL, remote area nurses, and aged care facilities.

VED provides support for specific conditions, including diabetes, back pain, chest pain, mental health and cancer, as well as for patients receiving at-home care. The VED also operates the Kids Urgent Concern Helpline, which expanded from a pilot to a statewide service on 1 July 2026.

Virtual Hospital Pilot

Jointly led by Royal Melbourne Hospital and Austin Health, the Virtual Hospital Pilot is enabling more Victorians to receive care and complete their recovery at home.

The model enables patients to receive specialist care from home or from local hospitals in rural and regional Victoria using digital technology that links patients with specialists at Austin Health and Royal Melbourne Hospital.

More than 600 Victorians have received care through the pilot since it was launched in December 2025. Services offered include:

> virtual wards for patients with heart failure or recovering from cardiac surgery, supporting their recovery at home across metropolitan and regional Victoria
> virtual foetal consultations for high-risk mothers in regional areas, provided by the Royal Women's Hospital, reducing the need for travel to Melbourne
> other regional virtual support services, enabling patients in rural and regional health services to access specialist care not readily available locally.

The pilot also includes a trial to improve ambulance coordination, allowing patients to get to the right hospital faster and paramedics to get back on the road sooner. To achieve this, Victorian paramedics are working in Royal Melbourne Hospital's Digital Coordination Centre and using real-time emergency department and ambulance data to make faster, better decisions about where to take patients.

Strategic direction 3: Keep innovating and improving care

The status and progress updates of the priority initiatives associated with this direction are outlined below.

Access to planned surgery

Reform blueprint

The *Planned surgery reform blueprint* remains a critical element in reshaping how surgery is delivered in Victoria, ensuring patients have access to timely, high-quality care. The blueprint has underpinned the expansion of non-surgical treatment pathways, theatre optimisation and same-day surgical models. These improvements help patients receive care sooner, enjoy a better post-surgical recovery and return home earlier. In 2025–26, 218,000 planned surgeries occurred statewide.

In May 2026, the department launched the Specialist care reform blueprint. Informed by 12 months of research and consultation with over 500 stakeholders, this blueprint aims to improve and strengthen the specialist care system through system-wide reform.

VicKey

VicKey is an innovative patient portal developed by health services to streamline administrative processes across surgery and specialist clinics by managing digital referrals, reviewing waitlists and collecting health questionnaires. Delivered by the Austin Hospital with support from the department, VicKey allows the health workforce to spend more time providing comprehensive care and improving service quality.

Elective Surgery Information System expansion

The Elective Surgery Information System (ESIS) expansion project is an initiative designed to increase the transparency and visibility of public planned surgery and waitlist activity across Victoria. In 2025–26, six rural health services began reporting through ESIS, increasing the system's coverage of statewide planned surgery activity to more than 90 per cent.

Maternal and child health reform

For over 100 years, state and local governments have worked together to deliver maternal and child health (MCH) services that support children and families during the early years of life.

In June 2026, a digital version of the *My health, learning and development record* (the 'green book') became available through the Service Victoria Parent Portal. The digital record gives parents and carers easy access to services, appointments and information about their child's health, growth and development.

In 2025–26, the department continued to support children's health, wellbeing, learning and development across 79 Victorian councils through a range of programs. The department:

- supported 250,260[3] families across Victoria through the Universal Maternal and Child Health program, and delivered 616,375[4] Key Age and Stage consultations from birth to school age
- delivered the Enhanced Maternal and Child Health program, which supported 15,279[5] families and provided 183,947[6] hours of additional targeted support

3 The Universal Maternal and Child Health consultation figures include data from nine of the 15 Aboriginal service providers that report through the statewide client record management system.

4 The Universal Maternal and Child Health consultation figures include data from nine of the 15 Aboriginal service providers that report through the statewide client record management system.

5 The Universal Maternal and Child Health consultation figures include data from nine of the 15 Aboriginal service providers that report through the statewide client record management system.

6 The Universal Maternal and Child Health consultation figures include data from nine of the 15 Aboriginal service providers that report through the statewide client record management system.

- strengthened access to culturally safe MCH services for Aboriginal children and families
- provided 24-hour advice and support to parents and carers through the Maternal and Child Health Line, answering 102,047 calls
- provided 31,373 language and interpreter services to help Victorian families access MCH services
- helped vulnerable families keep children safe by providing essential nursery equipment, including 1,294 car seats and 1,588 cots
- delivered 34,562 Baby Bundle packages to first-time parents.

Progressing the mental health and wellbeing reform program

The department continued to deliver on the recommendations of the Royal Commission into Victoria's Mental Health System in 2025–26, expanding access to community and bed-based mental health and wellbeing supports.

Mental health and wellbeing locals

In November 2025, seven additional mental health and wellbeing locals opened, bringing the network to 22 locals across 24 locations. These services support Victorians experiencing mental ill health and psychological distress, including those with co-occurring substance use or addiction.

Bed-based mental health and wellbeing services

In 2025–26, five new Youth Prevention and Recovery Care facilities were delivered in Geelong, Traralgon, Ballarat, Shepparton and Heidelberg. Traralgon and Heidelberg commenced operations during 2025–26, and Geelong, Ballarat and Shepparton will commence operations in early 2026–27.

Across Victoria, the department expanded bed-based and alternative mental health care, including the Lived Experience Residential Service trial in Moolap. Announced in September 2025, Victoria's first peer-led residential mental health service provides short-term, home-like support for adults experiencing acute mental distress or crisis.

In March 2026, 10 additional Hospital in the Home beds were set up so people living with acute mental health conditions could receive care closer to family and support networks. Delivered by Western Health, the Hospital in the Home model provides hospital-equivalent treatment in a person's home to free up hospital beds and busy emergency departments.

Strategic direction 4: Improving Aboriginal health and wellbeing

The status and progress updates of the priority initiatives associated with this direction are outlined below.

Delivery of cultural safety priorities

All Victorians have the right to a health system that is free from racism and discrimination, which is why cultural safety is a key priority for the department and a shared commitment under the Aboriginal Health and Wellbeing Partnership Forum. Victoria is improving Aboriginal health and wellbeing by strengthening cultural safety in mainstream health services and by investing in the Aboriginal health workforce and other representation initiatives.

From 1 May 2026, the *Statewide Treaty Act 2025* establishes and empowers Gellung Warl's elected Assembly to inform and advise government about specific matters that directly affect First Peoples. The Act contains provisions for First Peoples cultural safety, including for agencies and sectors, that we expect to inform cultural safety priorities as we move forward.

Cultural safety priorities in mental health

During 2025–26, the department prioritised the rollout of cultural safety training and Aboriginal community engagement activities for 13 infant, child and youth mental health and wellbeing services across metropolitan and regional Victoria. This cultural safety rollout contributed to improved access to mental health services for Aboriginal children and young people and their families.

Further cultural safety initiatives, including those relating to Aboriginal health liaison officers and Cultural Safety Standards and Accreditation activities, were led by the Victorian Aboriginal Community Controlled Health Organisation (VACCHO). Across Victoria, 21 Koori mental health liaison officers were employed in area mental health services, including 10 in infant, child and youth services and 11 in adult acute services, to ensure culturally safe care for Aboriginal and Torres Strait Islander children, families and adults.

Greater Aboriginal representation on health service boards

Applications for the First Nations Governance Scholarship Program closed in May 2026. The program responds to the Yoorrook Justice Commission's 2025 recommendations to increase Aboriginal representation on Victorian health service boards. It received 30 applications for 10 scholarships, which will be awarded to successful applicants in 2026–27.

Action plan

The *Victorian Aboriginal health and wellbeing partnership agreement action plan 2023–2025* was extended until 30 June 2026. Key outcomes from the action plan include:

> targeted new funding, including the Strengthening Lifelong Aboriginal Health and Wellbeing of Aboriginal Victorians initiative. This initiative was part of the 2023–24 Victorian State Budget, with 11 Aboriginal Community Controlled Health Organisations (ACCHO) in metro and regional Victoria receiving over $35 million in funding across four years

> legislative change allowing Aboriginal health practitioners to provide immunisations

> increased Aboriginal representation on public health boards

> work in partnership with VACCHO to strengthen government systems and processes.

The department continued to strengthen accountability for culturally safe care by requiring health services to implement cultural safety plans and Aboriginal employment plans through the statements of priorities and the Aboriginal Cultural Safety Fixed Grant program.

The delivery of cultural safety priorities will continue to be strengthened through ongoing engagement with Gellung Warl, the elected representative body for First Peoples in Victoria. This engagement will help ensure that health reforms and cultural safety priorities are guided by the voices, aspirations and leadership of First Peoples communities.

Under the action plan, as part of advancing First Peoples' self-determination through reform of the State Budget process, the department established mechanisms for ACCOs and VACCHO to provide input into Budget proposals. From conception through to submission, this input ensures Aboriginal health and wellbeing priorities are considered from the outset, and that Aboriginal community expertise and insights can help shape funding priorities and investment decisions.

See also cancer prevention measures in the section, Screening programs for Aboriginal women, above, under Strategic direction 1: Keeping people healthy and safe in the community

For programs to strengthen and develop the Aboriginal and Torres Strait Islander health workforce, see the section, Victorian 10-year health workforce strategy below, under Strategic direction 6: A stronger and more sustainable health workforce

Strategic direction 5: Moving from competition to collaboration

The status and progress updates of the priority initiatives associated with this direction are outlined below.

National Health Reform Agreement

The National Health Reform Agreement (NHRA) is an agreement between the Australian Government and all state and territory governments outlining the future direction and funding of Australia's public hospital and health system.

The NHRA provides funding to Victoria's public hospitals, including activity-based funding for hospital, emergency, specialist and mental health services, while supporting reforms that improve care, strengthen the health workforce and benefit the Victorian community.

On 30 January 2026, National Cabinet agreed on the latest addendum on the NHRA, securing Commonwealth funding of approximately $53 billion for Victoria across the next five years, commencing 1 July 2026.

Health services plan

The *Health services plan* was developed following a review of the design and governance of Victoria's health service system. The plan outlines statewide reforms to help meet growing demand, strengthen access to care, and address workforce challenges.

In 2025–26 the department continued to implement the plan's recommendations through three key reform pillars:

> establishing local health networks
> delivering the Victorian role delineation framework
> formalising relationships between each health network and a women's, a children's and a tertiary hospital.

On 1 July 2025, Victoria's 12 local health service networks were officially established, grouping health services within a geographical region. Each local health service network is responsible for ensuring collaborative care for their community is provided as close to home as possible.

On 29 July 2025, the department released the Victorian role delineation framework to support each local health service network. The framework describes the scope, scale and complexity of care delivered by each health service site and the type and size of the communities it services.

This framework will help health services to provide a seamless and consistent patient experience across the health system.

Network achievements

Other key achievements under the plan in 2025–26 included:

> the delivery of residential in-reach services, which in 2025–26 provided more than 47,000 episodes of clinical care to over 24,000 older Victorians living in residential aged care, bringing care closer to home for aged care residents
> faster access to life-saving stroke treatment for approximately 50 residents in Melbourne's north through a new rapid transfer pathway established by Northern Health and Austin Health. The pathway enables coordinated care and timely treatment for patients with severe stroke.
> implementation of the HIRAID® emergency nursing assessment framework across three emergency departments and nine urgent care centres in the Loddon Mallee Local Health Service Network. The seven-step nursing framework provides nurses with a structured approach to assess and manage emergency department patients after triage.
> launch of a new weekly oncology service delivered by Alexandra District Health in partnership with Eastern Health. The service is led by a medical oncologist and a senior oncology nurse, providing high-quality care closer to home for oncology patients. This aligns with the *Victorian cancer plan 2024–28*, which prioritises reducing health inequality and improving cancer care in rural and regional communities.
> successful integration of Seymour Health's payroll system with Northern Health's, strengthening alignment in the North Metro and Mitchell Local Health Service Network. Plans are underway to migrate human resources systems, creating consistency across services and improving efficiency so that more resources and time can be focused on improving patient care.

Strategic direction 6: A stronger and more sustainable workforce

The status and progress updates of the priority initiatives associated with this direction are outlined below.

Victorian 10-year health workforce strategy

In 2025–26, the department continued to advance the aims of the *Victorian health workforce strategy* in its 10-year plan to build a strong and sustainable health workforce across metropolitan, regional and rural Victoria.

Workforce training and development

The Victorian Medical Specialist Training Program allows health services to expand the number of high-quality medical specialist training opportunities in priority locations and specialties. In 2025–26, funding was provided for an additional 78.15 full-time equivalent specialist training positions across 26 health services in Victoria.

The Victorian Rural Generalist Program (VRGP) continued to strengthen Victoria's rural medical workforce through a statewide, end-to-end training pathway that helped doctors to train, work and live in rural communities. In 2025–26, the VRGP supported 71 trainees across 34 rural and regional health services.

In the 2025 calendar year, through the Speech Pathology and Occupational Therapy Students grant program, the department awarded 148 grants to speech pathology and occupational therapy graduates to support their transition into roles in rural and regional Victoria.

The department continued to expand workforce pathways through the Graduate Nursing and Midwifery Program, increasing the availability of graduate positions. The Making It Free to Study initiative provided scholarships and professional development opportunities to 5,127 nurses and midwives in 2025–26.

Aboriginal and Torres Strait Islander health workforce

Programs to train, strengthen and develop the Aboriginal and Torres Strait Islander health workforce continued in 2025–26. The Aboriginal Cadetship Program offers paid work experience for Aboriginal students studying nursing, midwifery and allied health courses, which helps to build a culturally diverse and skilled workforce. In 2025–26, 34 cadetships were delivered across 17 health services. In addition, the Aboriginal Nursing and Midwifery Postgraduate Scholarship Program provides opportunities for Aboriginal nurses and midwives to gain specialty skills and advance their knowledge while employed within a Victorian public health service. In 2025–26, seven scholarships were awarded across rural, regional and metropolitan health services.

The Aboriginal Social and Emotional Wellbeing Scholarship Program supports Aboriginal and Torres Strait Islander people to undertake tertiary study in a mental health aligned field. In 2025–26, the program delivered 15 new scholarships via Deakin, RMIT and La Trobe Universities across courses such as social work and psychological science. The program continues to grow a strong and skilled Aboriginal and Torres Strait Islander workforce to contribute to the delivery of culturally safe mental health and wellbeing services across Victoria. The scholarship covers full course fees, a financial stipend and additional program supports for educational and professional development activities.

Allied health workforce

In October 2025, the Victorian Centre for Advancement in Allied Health (VCAAH) was launched in partnership with Monash Health. VCAAH is a central hub, collaborating with health services, academic institutions and unions to grow Victoria's allied health workforce and support statewide system improvements.

Building the mental health workforce

Victoria's mental health and wellbeing workforce has grown in recent years due to early-career and graduate programs and the strengthening of training pathways. In 2021, there were 8,397 full-time equivalent (FTE) workers employed across public mental health and wellbeing services, increasing to 11,205 FTE workers in 2025. From 2021 to 2025, the Victorian public mental health workforce grew by 33 per cent, including 25 per cent growth in rural and regional services. More than 2,500 new early-career mental health roles were added across a range of disciplines, alongside a 125 per cent increase in the lived and living experience workforce.

There was also growth across clinical disciplines. In the 2025 training year, 656 psychiatry trainees were enrolled in Victoria, up from 455 in 2020, in the accredited training program delivered by The Royal Australian and New Zealand College of Psychiatrists. Since 2021, the Psychology Registrar Program has experienced a 44 per cent increase in the number of psychologists employed in area mental health and wellbeing services.

The department launched the Mental Health and Wellbeing Locals Graduate and Early Career Program in March 2025, with the first intake in February 2025–January 2026 and the second intake in February 2026–January 2027. This program commissioned 94.32 FTE positions across all 12 local mental health and wellbeing services to strengthen Victoria's mental health workforce pathways. In April 2026, the department launched the Pathways to Practice Incentive Grant Program to increase the number of mental health student placements in rural and regional Victoria.

Mental health workforce capability

The department continued to strengthen workforce retention and capability in the mental health sector through the statewide implementation of *Our workforce, our future* framework (previously known as the *Mental health and wellbeing workforce capability framework*). The framework guides the capability development of the mental health and wellbeing workforce while ensuring its safety and wellbeing.

From 1 July 2025, the Victorian Collaborative Centre for Mental Health and Wellbeing began leading workforce development for the sector, including by analysing current strengths, gaps and future capability needs.

Strategic direction 7: A safe and sustainable health, wellbeing and care system

The status and progress updates of the priority initiatives associated with this direction are outlined below.

Health sector financial sustainability

The department continued to work with health services to improve financial sustainability while maintaining safe and effective patient care. Through collaborative planning and performance oversight, the department supported health services to strengthen financial management, improve accountability and ensure resources were used effectively.

In 2025–26, the department assisted health services to manage non-frontline cost growth while protecting service delivery. This included reducing reliance on locum and agency labour where appropriate, lowering consultant expenditure, streamlining back-office functions and increasing shared procurement through HealthShare Victoria.

The *Victorian health services performance monitoring framework 2025–26*, statements of priorities, and the department's performance oversight, support health services to maintain performance across quality and safety, access, workforce, governance and culture, while progressing initiatives to improve financial sustainability.

Departmental financial sustainability

The department remains focused on financial sustainability. This means operating within budget while continuing to deliver key services and priorities.

In 2025–26, the department achieved savings and improved efficiency by reducing administrative costs, streamlining its workforce and structure, strengthening financial oversight, and generating system-wide efficiencies in procurement and service delivery.

Key savings and efficiency projects included:

> strengthening procurement controls by enhancing approval and assurance processes, tightening rules for engaging professional services, and improving reporting, best-practice procurement process guidance and workforce capability
> reviewing operating costs to identify savings and improve value for money
> implementing workforce reforms in response to the Independent Review of the Victorian Public Service (known as the Silver Review) to meet associated savings and workforce targets
> progressing organisational structural reforms to reduce duplication and better align with the department's strategic priorities.

Response to the Victorian Maternity Taskforce

The Victorian Maternity Taskforce was established in October 2024 to promote safe and reliable maternity and newborn care close to home for Victorian families. The Victorian Maternity Taskforce report, released on 7 November 2025, outlined nine recommendations under the four pillars of: consumer experience; access and models of care; quality and safety; and workforce. The recommendations prioritised rural and regional communities, First Nations peoples and priority populations, including young mothers, refugees, and women with complex medical, mental health or substance-use needs.

Since the release of the report, the department has progressed reform, including the release of Safer Care Victoria's *Respectful maternity and newborn care framework* in January 2026 and the appointment of Victoria's first Chief Midwife in June 2026. Safer Care Victoria has also commenced the My Maternity Journey project, developing a consumer-facing resource to guide women and their families through every stage of pregnancy and birth, with content co-designed through six workshops involving more than 80 consumers, clinicians and allied health professionals. Work will continue with stakeholders to implement the remaining recommendations, strengthening trauma-informed care, providing statewide clinical leadership, and helping women and families to navigate the maternity system and make informed decisions throughout pregnancy and birth.

Local health service networks continue to help connect women and families to the right maternity services. Each network is developing a service plan to outline the roles and responsibilities for every hospital in maternity and newborn care. The service plans will inform how services work together to improve levels of care and equitable access. The department is working with the networks to respond to growing demand for maternity and newborn care in Melbourne's western suburbs.

Safer Digital Healthcare

The Safer Digital Healthcare program continued to strengthen cybersecurity and digital infrastructure across Victoria's health services to ensure a more secure, resilient and reliable health system.

The program has three core streams:

> centralised procurement and provision of cyber tools and services to detect, prevent and respond to cyber threats
> implementation of information and communications technology and cyber projects that address emerging risks and strengthen operational resilience
> rollout of cyber assurance and training activities that improve cyber maturity, preparedness and governance across the health sector.

Key achievements in 2025–26 included:

> continued delivery of statewide cybersecurity services and monitoring to protect Victorian public health services from cyber threats
> implementation of Disaster Recovery as a Service to strengthen recovery capability for critical clinical and operational systems
> funding for the replacement of high-risk and end-of-life technology infrastructure across the health sector
> expansion of medical device security and cyber assurance activities to improve patient safety and operational resilience
> cybersecurity training, preparedness exercises and coordinated incident response for health services.

These initiatives strengthened the health sector's cyber resilience and preparedness, helping health services better prevent, manage and recover from cyber incidents while maintaining safe and reliable care for patients.

Summary of Objective indicators and progress against output performance measures

The department's objective indicators and output performance measures are set out in the 2025–26 State Budget Paper Departmental Performance Statement, and the four-year results against these are presented in the tables at Appendix 2 and Appendix 3 respectively.

Objective indicators

Each departmental objective requires a set of indicators to monitor progress and demonstrate achievement of that objective. Trends in objective indicators help to demonstrate that the department's outputs are contributing to long-term government objectives.

Output performance measures

Output performance measures specify a department's expected service delivery performance each year. Performance measures are the building blocks of the accountability system that drives continuous improvement and are the basis for the certification of departmental revenue.

The measures allow meaningful comparison and benchmarking within the portfolio and provide transparency to the Victorian Parliament and the public.

In 2025–26 the department had 175 output performance measures, divided into Quantity, Quality and Timeliness categories. Most of these measures (112) achieved target.

While some measures did not achieve target, there were notable improvements in performance compared to the previous year. Both '*Non-urgent (Category 3) planned surgery patients admitted within 365 days*' and '*Semi-urgent (Category 2) planned surgery patients admitted within 90 days*' have demonstrated year-on-year improvements since COVID-19 pandemic, indicating continued recovery in planned surgery performance. Improvements were also observed in 'Clinical placement student days (nursing and midwifery)' and 'Clinical placement student days (medicine)' reflecting increased capacity to support and train the future healthcare workforce.

However, some departmental output measures have been affected by client complexity, access constraints and workforce pressures.

Table 3: Summary of output performance measure results

	Quality	Quantity	Timeliness	Overall
Achieved[(i)]	40	55	17	112
Not achieved	18	32	11	61
Not rated	1	1	-	2
Overall	**59**	**88**	**28**	**175**

(i) Achieved measures are both the 'performance target achieved or exceeded' group and the 'not achieved but within 5 percent variance' group.

Portfolio performance reporting – financial

Table 4: Departmental five-year financial summary

Five-year financial summary ($ millions)	2026	2025	2024	2023	2022
Income from government	21,520.60	20,070.20	17,816.70	17,746.20	17,798.80
Total revenue and income from transactions	22,796.60	21,615.30	19,083.00	20,280.30	21,831.10
Total expenses from transactions	-22,115.90	-21,060.00	-18,832.00	-20,695.70	-21,090.60
Net result from transactions	**680.70**	**555.30**	**250.90**	**-415.50**	**722.60**
Net result for the period	654.30	443.10	118.50	-914.10	721.80
Net cash flow from operating activities	760.20	249.40	-66.40	543.20	60.10
Total assets	10,075.20	10,647.30	8,591.50	8,079.10	7,554.80
Total liabilities	**4,553.90**	**5,591.00**	**4,108.90**	**4,028.40**	**2,691.60**

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, the Victorian Collaborative Centre for Mental Health and Wellbeing and the Mental Health and Wellbeing Commission are included in the department's 2025–26 financial statements in accordance with determinations made by the Assistant Treasurer under section 53(1)(b) of the *Financial Management Act 1994*.

Financial performance and business review

The following details relate to the department's consolidated financial statements, including those for the Mental Health Tribunal, the Victorian Collaborative Centre for Mental Health and Wellbeing and the Mental Health and Wellbeing Commission.

In 2025–26, the department recorded a net gain from transactions of $654.3 million. The surplus is mainly due to an increase in annual appropriations from government policy decisions, an increase in funding provided by the Commonwealth in relation to an addendum to the National Health Reform Agreement, and an increase in revenue from the Mental Health Wellbeing Levy and from gaming revenue.

Financial position – balance sheet

Total net assets increased by $464.9 million in 2025–26 compared to the previous financial year, mainly due to an increase in property, plant and equipment held by the department as a result of the increase in capital works for the new Melton Hospital public private partnership project.

Cash flows

The overall cash position at the end of the 2025–26 financial year is $109.3 million, which is an increase of $4.7 million compared to the beginning of the financial year. The overall increase is mainly due to a decrease in net expense from cross-border payments and receipts.

Capital Projects

Table 5: Capital projects reaching practical completion during the financial year ended 30 June 2026

Project name	Original completion date[i]	Latest approved completion date	Practical completion date	Reason for variance in completion dates	Original approved TEI[ii] budget ($M)	Latest approved TEI budget ($M)	Actual expenditure as at 30 June 2026 ($M)	Variation between expenditure as at 30 June 2026 and latest approved TEI budget ($M)	Reason for variance from latest approved TEI budget
Building a world class hospital in Maryborough	Dec 2024	Jun 2026	Nov 2025	Regional market conditions	100.000	115.000	110.200	4.800	Balance of funding is required for financial closeout of the project, expected in the next financial year.
Additional acute mental health beds in Warrnambool	Jun 2024	Dec 2025	Dec 2025	Project was delivered by health service. Completion dates are often required to be adjusted on the advice of health services, reflecting health services working through design, scope and cost alignment of proposals, and then implementation within a live operating environment.	10.872	10.872	10.872	0.000	Not applicable
More help for mums and dads	Dec 2023	Dec 2025	Dec 2025	Delays associated with land acquisition and planning approvals	123.000	124.565	124.565	0.000	Not applicable
Swan Hill District Hospital emergency department upgrade	Jun 2025	Dec 2026	Mar 2026	Regional market conditions	48.700	65.700	63.700	2.000	Balance of funding is required for financial closeout of the project, expected in the next financial year.

Project name	Original completion date[i]	Latest approved completion date	Practical completion date	Reason for variance in completion dates	Original approved TEI[ii] budget ($M)	Latest approved TEI budget ($M)	Actual expenditure as at 30 June 2026 ($M)	Variation between expenditure as at 30 June 2026 and latest approved TEI budget ($M)	Reason for variance from latest approved TEI budget
Building a better hospital for Melbourne's inner west (Footscray)	Jun 2025	Dec 2025	Dec 2025	Alignment with public private partnership deed	1,495.000	1,998.610	1,987.900	10.710	Balance of funding is required for financial closeout of the project, expected in the next financial year.
Building a new rehabilitation centre for Bendigo	Jun 2023	Mar 2026	Mar 2026	Regional market conditions	59.500	63.500	63.500	0.000	Not applicable
Rural residential aged care facilities renewal 2020–21 (regional various)	Jun 2022	Jun 2026	May 2026	Delivery of grants programs is led by health services. Completion dates are often required to be adjusted on the advice of health services, reflecting health services working through design, scope and cost alignment of proposals, and then implementation within a live operating environment.	10.000	10.000	9.700	0.300	Grant programs operate with a small contingency reserve. Victorian Health Building Authority (VHBA) will seek approval to use any surplus to offer additional support to other projects.
Rural residential aged care facilities renewal 2019–20 (regional various)	Jun 2020	Jun 2026	Jun 2026	Delivery of grants programs is led by health services. Completion dates are often required to be adjusted on the advice of health services, reflecting health services working through design, scope and cost alignment of proposals, and then implementation within a live operating environment.	10.000	10.000	9.100	0.900	Grant programs operate with a small contingency reserve. VHBA will seek approval to use any surplus to offer additional support to other projects.

Project name	Original completion date[i]	Latest approved completion date	Practical completion date	Reason for variance in completion dates	Original approved TEI[ii] budget ($M)	Latest approved TEI budget ($M)	Actual expenditure as at 30 June 2026 ($M)	Variation between expenditure as at 30 June 2026 and latest approved TEI budget ($M)	Reason for variance from latest approved TEI budget
Expanding mental health treatment facilities for Victoria's youth (statewide)	Jun 2025	Jun 2026	Jun 2026	Delays associated with land acquisition and planning approvals.	141.000	141.000	111.300	29.700	Balance of funding is required for financial closeout of the project, expected in the next financial year.
Mental health and alcohol and other drugs facilities renewal fund 2022–23 (statewide)	Jun 2023	Jun 2023	Jun 2023	Delivery of grants programs is led by health services. Completion dates are often required to be adjusted on the advice of health services, reflecting health services working through design, scope and cost alignment of proposals, and then implementation within a live operating environment.	10.000	10.000	9.700	0.300	Grant programs operate with a small contingency reserve. VHBA will seek approval to use any surplus to offer additional support to other projects.
More hospital and aged care beds for Melbourne's east (Angliss Hospital expansion, Stage 2)	Jun 2027	Jun 2027	Jun 2026	Project was delivered ahead of schedule	103.420	112.000	101.400	10.600	Balance of funding is required for financial closeout of the project, expected in the next financial year.

(ii) Taken from when project was first funded for construction

(iii) TEI = total estimated investment

Table 6: Capital projects reaching financial completion during the financial year ended 30 June 2026

Project name	Practical completion date	Financial completion date	Original approved TEI Budget ($M)	Latest approved TEI budget ($M)	Actual final cost ($M)	Variation between actual cost and latest approved TEI budget ($M)	Reason for variance from latest approved TEI budget
A proudly multicultural Victoria	Dec 2024	Dec 2025	21.750	21.750	19.300	2.450	Project was completed within budget.
Mental health and alcohol and other drugs facility renewal fund 2022–23 (statewide)	June 2026	June 2026	10.000	10.000	9.700	0.300	Project was completed within budget.
Modernisation of metropolitan Melbourne public sector residential aged care services (PSRACS) strategy: Stage 3 Kingston Project (Cheltenham)	May 2025	June 2026	134.600	139.600	133.300	6.300	Project was completed within budget
Providing additional bed capacity through modular facilities (metropolitan various)	June 2025	June 2026	54.900	44.900	44.700	0.200	Project was completed within budget.
Rural and regional PSRACS revitalisation strategy, Stage 1 (regional various)	May 2025	June 2026	65.000	65.000	65.000	0.000	Not applicable

Section 2: Governance and organisational structure

The department's ministers

As at 10 Aug 2026



Ingrid Stitt MP

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

Ingrid Stitt MP was appointed Minister for Mental Health in October 2023 and was appointed Special Minister of State in April 2026. In August 2026, she was appointed as Minister for Health and Minister for Ambulance Services



The Hon Lizzie Blandthorn MP

Minister for Children
Minister for Disability
Deputy Leader of the Government in the Legislative Council

The Hon. Lizzie Blandthorn MP has served as Deputy Leader of the Government in the Legislative Council since December 2022. In October 2023, she was appointed Minister for Children and Minister for Disability.

As at 30 June 2026, the department supported four ministers across six portfolios:

Minister	Role
Hon. Harriet Shing	Minister for Health Minister for Ambulance Services
Ingrid Stitt	Minister for Ageing Minister for Mental Health
The Hon. Lizzie Blandthorn	Minister for Children
The Hon. Melissa Horne	Minister for Health Infrastructure

The department's senior executives

As of 30 June 2026

Jenny Atta PSM

Secretary

Jenny Atta PSM was appointed as Secretary of the Department of Health in March 2025.

The Secretary leads the department in all aspects of its vision for Victorians to be the healthiest people in the world. As the accountable officer, the Secretary is responsible for the department's operations and the provision of impartial advice to the government of the day, as well as for ensuring the accountability, service delivery and performance of Victoria's public health system.

Siva Sivarajah

Chief Executive Officer, Hospitals Victoria

Siva Sivarajah was appointed as the inaugural Chief Executive Officer of Hospitals Victoria in August 2024. Hospitals Victoria oversees health service sustainability and performance through system-level funding, financial governance and accountability.

Naomi Bromley

Deputy Secretary, Health System Reform and Partnerships

Naomi Bromley was appointed as Deputy Secretary, Health System Reform and Partnerships (formerly Hospitals and Health Services) in August 2025. The Health System Reform and Partnerships Division leads the commissioning, stewardship and oversight of Victoria's hospitals and health services, with a focus on improving integration, equity and outcomes for priority communities.

Pam Anders

Deputy Secretary, Mental Health and Wellbeing

Pam Anders was appointed as Deputy Secretary, Mental Health and Wellbeing in August 2025. The Mental Health and Wellbeing Division leads the commissioning, stewardship and oversight of Victoria's mental health and wellbeing services and alcohol and other drugs services. It is also responsible for quality and safety in clinical services through the Office of the Chief Psychiatrist.

Lauren Kaerger

Deputy Secretary, Community and Public Health

Lauren Kaerger was appointed as Deputy Secretary, Community and Public Health in May 2026. The Community and Public Health Division provides system-wide leadership on public and community health policy, protection, prevention, regulation and promotion. It also leads emergency management preparedness and response.

Katherine Whetton

Deputy Secretary, eHealth

Katherine Whetton was appointed as Deputy Secretary, eHealth in July 2025. The eHealth Division leads the department's digital health, data, information and communications technology, as well as its cybersecurity functions. These responsibilities include shared services for the department and the Department of Families, Fairness and Housing.

Catherine Rooney

Deputy Secretary, Budget Finance and Investment

Catherine Rooney was appointed as Deputy Secretary, Budget Finance and Investment in July 2025. The Budget, Finance and Investment Division provides system-wide financial governance, control and strategic advice. It also oversees budgeting, appropriations, financial reporting and procurement frameworks.

Ryan Phillips PSM

Deputy Secretary, Corporate Strategy and Operations

Ryan Phillips PSM was appointed as Deputy Secretary, Corporate Strategy and Operations (formerly People, Operations, Legal and Regulation) in June 2025. The Corporate Strategy and Operations Division leads communications, public affairs and health regulation, provides legal and governance advice, and oversees audit, risk and integrity functions. It also provides people, industrial relations and workforce support.

Nicole McCartney

Chief Aboriginal Health and Wellbeing Adviser

Nicole McCartney was appointed as the inaugural Chief Aboriginal Health and Wellbeing Adviser in August 2019 and concluded her tenure in August 2026. The Aboriginal Health and Wellbeing Division works in partnership with the Aboriginal community, health and wellbeing sectors to improve outcomes for First Peoples in Victoria. In addition, the division has responsibilities related to Treaty preparedness and implementation.

Louise McKinlay

Chief Executive Officer, Safer Care Victoria

Louise McKinlay was appointed as Chief Executive Officer of Safer Care Victoria in July 2024 and serves as Victoria's Chief Quality and Safety Officer. Safer Care Victoria is an administrative office of the department and is the state lead for quality and safety in publicly funded health services and across the health sector.

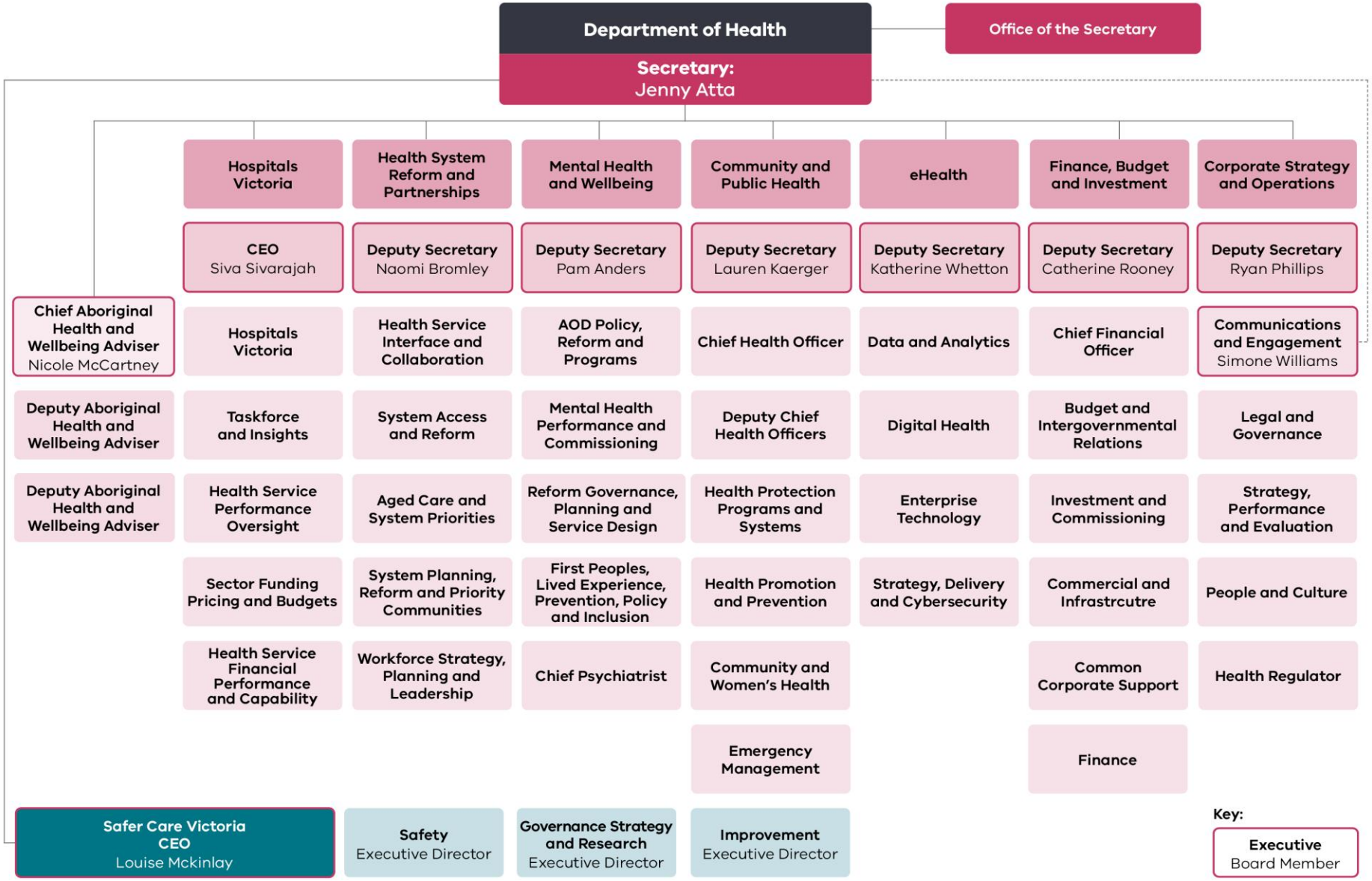
Simone Williams

Chief Communications Officer

Simone Williams was appointed Chief Communications Officer, Communications and Engagement in June 2021. The Communications and Engagement Branch leads stakeholder and community engagement, strategic communications, media, digital services and events across the department.

Organisational chart

As at 30 June 2026



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 and the following departmental representatives: all deputy secretaries, the chief executive officer of Hospitals Victoria, the Chief Communications Officer and the Chief Aboriginal Health Adviser. The chief executive officer of Safer Care Victoria, an administrative office of the department, is also a member of the executive board.

The following subcommittees report to the executive board:

> Quality, Safety and Performance Subcommittee
> Budget Committee.

Stand-alone committees

In addition, two stand-alone committees support the Secretary with statutory assurance responsibilities and may include independent or non-executive members who provide expertise and advice.

Audit and Risk Management Committee

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

Under its charter, the committee must include independent members with no departmental responsibility. At 30 June 2026, these independent members were:

> Kate Hughes, Chair
> Jon Marcard
> Mark Toohey
> Leigh Berrell

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:

> internal audit
> annual financial statements
> financial management compliance
> external audit
> recommendations and actions monitoring
> risk management and internal controls
> fraud and corruption control.

Executive Remuneration Committee

The Executive Remuneration Committee supports the attraction and retention of executives to deliver the department's strategic priorities and to ensure that a consistent and rigorous approach is taken to setting and adjusting executive remuneration by the department and Safer Care Victoria.

The committee oversees and manages executive employment and remuneration matters in relation to Senior Executive Service (SES), Senior Medical Adviser (SMA) and Senior Technical Specialist (STS) classified positions.

The committee operates under terms of reference and comprises the Secretary, three executive board members and an independent board member.

Section 3: Workforce data

Public sector values and employment principles

The *Public Administration Act 2004 (*PAA*)* outlines the values and employment principles that apply across the Victorian public sector. The department adopts these public sector values, as described in the Vision, mission and values section, and is committed to applying merit and equity principles across its employment policies, programs and practices. These values are embedded throughout the department, including through performance planning and employee recognition processes.

The department's policies and practices align with the Victorian Public Sector Commission's (VPSC) employment standards and support fair treatment, career development and the timely resolution of workplace issues. Employees are provided with guidance on managing conflicts of interest, responding to offers of gifts, and addressing misconduct.

Departmental employees

The department's employees work across a broad range of areas, including hospitals and health services, aged care, mental health and wellbeing, public health and prevention, community health, and health regulation. Corporate and executive support functions provide critical enabling services in areas such as human resources, communications, information technology, finance, legal services, and business operations. The *department's Strategic plan 2023-27* (updated most recently in 2026) outlines the priorities and directions that guide its work and service delivery.

Employee recognition

The department's Employee Recognition Awards celebrate the achievements and contributions of employees and teams who demonstrate the department's values and contribute to a positive, inclusive and high-performing workplace. During 2025–26, achievements were recognised across six categories spanning collaboration; creativity and innovation; diversity, equity and inclusion; Aboriginal self-determination and community collaboration; integrity; and cultivating connection.

The program provides an important opportunity to acknowledge the contributions of our people while reinforcing the behaviours that foster inclusion and belonging, psychological safety, collaboration and connection across the department.

Culture

The wellbeing, inclusion and engagement of the department's employees remain an ongoing commitment. A capable, engaged and high-performing workforce is critical to the effective delivery of the department's vision and strategic priorities. The department remains committed to fostering a safe, inclusive and values-led workplace where employees are respected and supported, have opportunities to contribute and develop, and work with integrity towards shared organisational goals.

Capability development

In 2025–26, the department's efforts to develop and enhance workforce capability focused on the priorities outlined in the following sections.

Induction training

The department recorded 347 completions of its facilitated induction program and 336 completions of its online induction program.

Mandatory compliance training

The department supported its statutory compliance obligations through the ongoing delivery of its compliance training framework. In 2025–26, 1,504 staff completed mandatory training modules in:

- Aboriginal cultural safety
- Charter of Human Rights and Responsibilities
- *Code of Conduct for Victorian public sector employees*
- Security awareness training
- Emergency procedures
- Health, safety and wellbeing
- Creating an inclusive, respectful, culturally and psychologically safe workplace
- Privacy awareness
- Integrity
- Understanding family violence

Leadership development

The department continues to strengthen leadership capability at all levels by:

> continuing a group coaching program for executives to strengthen their leadership impact, lead crucial conversations, enhance strategic thinking and decision making, and to allow for a consistent and structured approach to executive development. In 2025–26, 34 executives participated in the program.
> facilitating the delivery of the Manager 101 program, which aims to lift capability and improve behaviours so that people leaders can be more visible and effective. In 2025–26, 122 staff participated in this program.
> delivering the Elevate Leadership course, which targets capability development gaps identified in specific areas. In 2025–26, 16 staff participated in this program.
> providing peer and experiential learning opportunities through structured mentoring and coaching engagements across all employee levels.

Professional development

The department maintained its focus on all-staff professional development skills training.

In 2025–26 the following numbers of staff completed professional development in:

> Writing for government – 529
> Charter leadership briefings – 25
> Respectful workplaces – 487
> Health, safety and wellbeing – 221
> Digital and AI – 1,256
> Systems and technology – 498

Through the department's membership with the Institute of Public Administration Australia (IPAA), 54 employees attended a range of skill development courses across topics such as strategic thinking and leading through change and uncertainty. In addition, staff participated in the following developmental opportunities provided by the IPAA:

> Gain the Policy Edge program – 12 staff
> Free public seminars and workshops across a variety of topics, including analysing and presenting data, how modern government works, project management, contract management, policy skills, managing budgets, writing briefs for decision makers, systems thinking and systems leadership and public sector procurement – 690 staff.

Comparative workforce data

Departmental employment levels

The following tables disclose, by head count and full-time staff equivalent (FTE), the number of all active departmental public service employees 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.

The department's recent organisational review and related executive and VPS workforce reductions reflect the recommendations of the Independent Review of the Victorian Public Service (Silver Review), as well as ongoing savings and efficiency requirements including the General Efficiency Dividend (GED).

Table 7: Summary of employment levels in June of 2026 and 2025

	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 2026	2,161	2,051.6	1,566	261	1,741.7	334	309.9
June 2025	2,410	2,279.4	1,737	299	1,937.1	374	342.3

Table 8: Departmental employment levels in June 2026 and 2025

		June 2026							June 2025						
		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
Demographic data	**Gender**														
	Women	1,415	1,318.7	946	234	1,102.6	235	216.2	1,583	1,469.7	1,059	269	1,240.8	255	228.9
	Men	694	683.9	584	17	596.2	93	87.7	770	756.2	637	20	648.4	113	107.8
	Self-described	52	48.9	36	10	42.9	6	6.0	57	53.4	41	10	47.8	6	5.6
	Age														
	15–24	39	38.6	25	1	25.6	13	13.0	35	33.3	27	1	27.1	7	6.2
	25–34	419	406.5	316	34	338.6	69	67.9	455	439.1	355	35	376.9	65	62.2
	35–44	674	638.7	451	112	532.7	111	106.0	778	734.3	519	124	607.3	135	126.9
	45–54	600	577.0	455	60	496.7	85	80.4	645	620.2	472	74	525.5	99	94.6
	55–64	352	331.5	274	33	293.2	45	38.3	415	385.7	313	46	339.7	56	46.0
	65+	77	59.3	45	21	55.0	11	4.3	82	66.8	51	19	60.5	12	6.3
Classification data	**VPS Grades 1-6**														
	VPS 1	16	16.0	2	0	2.0	14	14.0	7	5.4	0	0	0	7	5.4
	VPS 2	53	51.6	48	4	50.6	1	1.0	44	40.3	39	4	39.3	1	1.0
	VPS 3	173	166.8	147	20	160.8	6	6.0	179	172.3	153	19	165.3	7	7.0
	VPS 4	377	361.5	292	47	324.6	38	36.8	368	353.1	283	43	312.8	42	40.3
	VPS 5	784	755.0	627	88	688.4	69	66.6	843	805.1	670	110	747.9	63	57.2
	VPS 6	537	522.1	422	56	464.9	59	57.2	706	684.1	556	74	611.9	76	72.1

	June 2026							June 2025						
	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
Senior employees														
STS[(i)]	14	13.4	9	0	9.0	5	4.4	18	18.0	10	0	10.0	8	8.0
SMA[(ii)]	19	11.8	1	2	2.2	16	9.6	12	8.8	1	0	1.0	11	7.8
Executives	108	107.4	0	0	0.0	108	107.4	139	137.5	0	0	0.0	139	137.5
Other [(iii)]	80	45.9	18	44	39.1	18	6.8	94	54.9	25	49	48.9	20	5.9
Total employees	**2,161**	**2,051.6**	**1,566**	**261**	**1,741.7**	**334**	**309.9**	**2,410**	**2,279.4**	**1,737**	**299**	**1,937.1**	**374**	**342.3**

(i) STS = Senior Technical Specialist

(ii) SMA = Senior Medical Adviser

(iii) ‘Other’ classification group may include solicitors, nurses and scientists.

Notes:

- Reduction of staff (total employees) in June 2026 compared to June 2025 is attributable to the department implementing accepted recommendations from the Independent Review of the Victorian Public Service.
- Totals may not be exact in FTE tables due to data being rounded to one decimal place

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. For non-executive classifications, reported amounts exclude employer superannuation contributions. For executive classifications, total remuneration packages are reported, which include superannuation and any other contracted benefits.

Table 9

Income band (salary)	Executives	STS[(i)]	PS[(ii)]	SMA[(iii)]	SRA[(iv)]	Other
< $160,000	0	0	0	0	0	0
$160,000–$179,999	0	0	0	0	0	0
$180,000–$199,999	0	3[(v)]	0	3[(vi)]	0	0
$200,000–$219,999	0	7	0	2[(vii)]	0	0
$220,000–$239,999	34	2	0	1	0	0
$240,000–$259,999	20[(viii)]	1	0	0	0	0
$260,000–$279,999	12[(ix)]	1	0	1[(x)]	0	0
$280,000–$299,999	16	0	0	0	0	0
$300,000–$319,999	4	0	0	0	0	0
$320,000–$339,999	4	0	0	0	0	0
$340,000–$359,999	1	0	0	1[(xi)]	0	0
$360,000–$379,999	4	0	0	5[(xii)]	0	0
$380,000–$399,999	2	0	0	4[(xiii)]	0	0
$400,000–$419,999	2	0	0	0	0	0
$420,000–$439,999	2	0	0	0	0	0
$440,000–$459,999	3	0	0	0	0	0
$460,000–$479,999	1	0	0	1	0	0
$480,000–$499,999	0	0	0	1[(xiv)]	0	0
$500,000–$519,999	0	0	0	0	0	0
$520,000–$539,999	0	0	0	0	0	0
$540,000–$559,999	1	0	0	0	0	0
$560,000–$579,999	0	0	0	0	0	0
$580,000–$599,999	0	0	0	0	0	0
$600,000–$619,999	0	0	0	0	0	0
$620,000–$639,999	1	0	0	0	0	0
$640,000–$659,999	0	0	0	0	0	0
$660,000–$679,999	0	0	0	0	0	0
$680,000–$699,999	0	0	0	0	0	0
$700,000–$719,999	1	0	0	0	0	0
Total	**108**	**14**	**0**	**19**	**0**	**0**

(i) STS = Senior Technical Specialist

(ii) PS = Principal Scientist

(iii) SMA = Senior Medical Adviser

(iv) SRA = Senior Regulatory Analyst

(v) There is one employee employed at 0.4 FTE rate.

(vi) There is one employee employed at 0.4 FTE rate and one at 0.8 FTE rate.

(vii) There is one employee employed at 0.5 FTE rate and one at 0.6 FTE rate.

(viii) There are two employees employed at 0.9 FTE rate.

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

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

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

(xii) There are two employees employed at 0.2 FTE rate, one at 0.5 FTE rate and one at 0.6 FTE rate.

(xiii) There are two employees employed at 0.7 FTE rate, one at 0.2 FTE rate and one at 0.6 FTE rate.

(xiv) There is one employee employed at 0.4 FTE rate.

Safer Care Victoria employment levels

The following tables disclose, by head count and 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.

Table 10: Summary of employment levels in June 2026 and 2025

	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 2026	141	129.5	90	16	102.0	35	27.5
June 2025	181	167.4	110	26	129.9	45	37.5

Table 11: Safer Care Victoria employment levels in June of 2026 and 2025

		June 2026							June 2025						
		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
Demographic data	**Gender**														
	Women	114	106.2	73	16	85.0	25	21.2	146	135.9	86	26	105.9	34	30.0
	Men	27	23.3	17	0	17.0	10	6.3	35	31.5	24	0	24.0	11	7.5
	Self-described	0	0	0	0	0	0	0	0	0.0	0	0	0.0	0	0.0
	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	32	31.1	22	4	25.1	6	6.0	35	33.5	23	3	25.1	9	8.4
	35–44	59	56.9	40	7	45.2	12	11.7	71	68.3	46	12	55.9	13	12.4
	45–54	33	29.4	20	3	22.2	10	7.2	42	38.6	23	6	27.4	13	11.2
	55–64	14	11.0	8	2	9.5	4	1.5	27	22.8	15	5	18.5	7	4.2
	65+	3	1.1	0	0	0	3	1.1	6	4.3	3	0	3.0	3	1.3
Classification data	**VPS Grades 1–6**														
	VPS 1	0	0.0	0	0	0.0	0	0.0	0	0.0	0	0	0.0	0	0.0
	VPS 2	0	0.0	0	0	0.0	0	0.0	0	0.0	0	0	0.0	0	0.0
	VPS 3	1	1.0	1	0	1.0	0	0.0	1	1.0	1	0	1.0	0	0.0
	VPS 4	29	27.7	21	5	24.7	3	3.0	27	25.4	18	4	20.8	5	4.6
	VPS 5	64	61.7	47	8	52.9	9	8.8	93	88.5	63	17	76.0	13	12.5
	VPS 6	28	27.3	20	3	22.4	5	4.9	39	37.8	28	5	32.1	6	5.7

	June 2026							June 2025						
	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
Senior employees														
STS [(i)]	1	1.0	1	0	1.0	0	0.0	5	3.7	0	0	0.0	5	3.7
SMA [(ii)]	9	1.8	0	0	0.0	9	1.8	6	1.5	0	0	0.0	6	1.5
Executives	9	9.0	0	0	0.0	9	9.0	10	9.5	0	0	0.0	10	9.5
Other								0	0.0	0	0	0.0	0	0.0
Total employees	**141**	**129.5**	**90**	**16**	**102**	**35**	**27.5**	**181**	**167.4**	**110**	**26**	**129.9**	**45**	**37.5**

(i) STS = Senior Technical Specialist

(ii) SMA = Senior Medical Adviser

Notes:

- There may be rounding errors in FTE tables due to data being formatted to one decimal place. Minor discrepancies in totals may occur because FTE figures have been rounded to one decimal place.

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. For non-executive classifications, reported amounts exclude employer superannuation contributions. For executive classifications, total remuneration packages are reported, which include superannuation and any other contracted benefits.

Table 12

Income band (salary)	Executives	STS[(i)]	PS[(ii)]	SMA[(iii)]	SRA[(iv)]	Other
< $160,000	0	0	0	0	0	0
$160,000–$179,999	0	0	0	0	0	0
$180,000–$199,999	0	1	0	0	0	0
$200,000–$219,999	0	0	0	0	0	0
$220,000–$239,999	4	0	0	0	0	0
$240,000–$259,999	0	0	0	0	0	0
$260,000–$279,999	1	0	0	0	0	0
$280,000–$299,999	1	0	0	0	0	0
$300,000–$319,999	2	0	0	0	0	0
$320,000–$339,999	0	0	0	2[(v)]	0	0
$340,000–$359,999	0	0	0	7[(vi)]	0	0
$360,000–$379,999	0	0	0	0	0	0
$380,000–$399,999	0	0	0	0	0	0
$400,000–$419,999	0	0	0	0	0	0
$420,000–$439,999	1	0	0	0	0	0
$440,000–$459,999	0	0	0	0	0	0
$460,000–$479,999	0	0	0	0	0	0
$480,000–$499,999	0	0	0	0	0	0
$500,000–$519,999	0	0	0	0	0	0
Total	**9**	**1**	**0**	**9**	**0**	**0**

(i) STS = Senior Technical Specialist

(ii) PS = Principal Scientist

(iii) SMA = Senior Medical Adviser

(iv) SRA = Senior Regulatory Analyst

(v) There is one employee employed at 0.4 FTE rate and one at 0.6 FTE rate.

(vi) The seven employees are employed on a casual basis and worked during the last full pay period in June 2026.

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 2026:

> 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 9.5 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. Figures in brackets indicate the decrease in numbers since 2024–25

Table 13: Total number of SES for the department, broken down by gender

	All		Women		Men		Self-described	
Class	**No.**	**Var.**	**No.**	**Var.**	**No.**	**Var.**	**No.**	**Var.**
Secretary	1	0	1	0	0	0	0	0
SES-3	7	2	5	2	2	0	0	0
SES-2	27	(14)	20	(12)	6	(2)	1	0
SES-1	73	(19)	48	(7)	25	(12)	0	0
Total	**108**	**(31)**	**74**	**(17)**	**33**	**(14)**	**1**	**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 9.5 in the financial statements lists the actual number of SES and the total remuneration paid to SES over the course of the reporting period. It 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 14: Reconciliation of executive numbers for the department

	2026	**2025**
Executives (Note 9.5 in the financial statements)	161	160
Accountable officer (Secretary)	1	1
Less separations	(54)	(22)
Less executives employed by other departments	(0)	(0)
Total executive numbers at 30 June	**108**	**139**

Table 15: Total number of SES for Safer Care Victoria, broken down by gender

	All		Women		Men		Self-described	
Class	**No.**	**Var.**	**No.**	**Var.**	**No.**	**Var.**	**No.**	**Var.**
Secretary	0	0	0	0	0	0	0	0
SES-3	1	(1)	1	0	0	(1)	0	0
SES-2	3	(1)	3	(1)	0	0	0	0
SES-1	5	1	4	0	1	1	0	0
Total	**9**	**(1)**	**8**	**(1)**	**1**	**0**	**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 9.5 in the financial statements lists the actual number of SES and the total remuneration paid to SES over the course of the reporting period. Note 9.5 in the financial statements 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 16: Reconciliation of executive numbers for Safer Care Victoria

	2026	2025
Executives (Note 9.5 in the financial statements)	11	11
Accountable officer (Chief Executive Officer)	1	1
Less separations	(3)	(2)
Less executives employed by other departments	(0)	(0)
Total executive numbers at 30 June	**9**	**10**

Table 17: Number of SES for the department's portfolio agencies

	2025				2026				Variance			
Organisation name	Women	Men	Prefer not to say	Total	Women	Men	Prefer not to say	Total	Women	Men	Prefer not to say	Total
Albury Wodonga Health	3	3	0	6	3	2	0	5	0	-1	0	-1
Alexandra District Health	0	0	0	0	0	0	0	0	0	0	0	0
Alfred Health	5	3	0	8	0	0	0	0	-5	-3	0	-8
Alpine Health	0	0	0	0	0	0	0	0	0	0	0	0
Ambulance Victoria	3	3	0	6	6	3	0	9	3	0	0	3
Austin Health	2	2	0	4	3	3	0	6	1	1	0	2
Bairnsdale Regional Health Service	3	0	0	3	3	0	0	3	0	0	0	0
Ballarat General Cemeteries Trust	0	0	0	0	0	0	0	0	0	0	0	0
Barwon Health	4	3	0	7	4	3	0	7	0	0	0	0
Bayside Health	0	0	0	0	5	5	0	10	5	5	0	10
Beaufort and Skipton Health Service	0	0	0	0	0	0	0	0	0	0	0	0
Beechworth Health Service	0	0	0	0	0	0	0	0	0	0	0	0
Benalla Health	0	0	0	0	0	0	0	0	0	0	0	0
Bendigo Health Care Group	6	4	0	10	8	4	0	12	2	0	0	2
Boort District Health	0	0	0	0	0	0	0	0	0	0	0	0
BreastScreen Victoria	2	1	0	3	3	1	0	4	1	0	0	1
Central Gippsland Health Service	0	1	0	1	0	0	0	0	0	-1	0	-1
Central Highlands Rural Health	0	0	0	0	0	0	0	0	0	0	0	0
Cohuna District Hospital	0	0	0	0	0	0	0	0	0	0	0	0
Colac Area Health	0	0	0	0	0	0	0	0	0	0	0	0

	2025				2026				Variance			
Organisation name	Women	Men	Prefer not to say	Total	Women	Men	Prefer not to say	Total	Women	Men	Prefer not to say	Total
Corryong Health	0	0	0	0	0	0	0	0	0	0	0	0
Dental Health Services Victoria	2	2	0	4	2	2	0	4	0	0	0	0
Dhelkaya Health	0	1	0	1	0	1	0	1	0	0	0	0
East Grampians Health Service	0	0	0	0	0	0	0	0	0	0	0	0
East Wimmera Health Service	0	0	0	0	0	0	0	0	0	0	0	0
Eastern Health	4	4	0	8	4	4	0	8	0	0	0	0
Echuca Regional Health	1	0	0	1	2	0	0	2	1	0	0	1
Geelong Cemeteries Trust	0	0	0	0	0	0	0	0	0	0	0	0
Goulburn Valley Health Services	4	5	0	9	4	3	0	7	0	-2	0	-2
Grampians Health	7	5	0	12	9	7	0	16	2	2	0	4
Great Ocean Road Health	0	0	0	0	0	0	0	0	0	0	0	0
Greater Metropolitan Cemeteries Trust	2	4	0	6	2	4	0	6	0	0	0	0
Health Purchasing Victoria	2	3	0	5	3	3	0	6	1	0	0	1
Heathcote Health	0	0	0	0	0	0	0	0	0	0	0	0
Hesse Rural Health Service	0	0	0	0	0	0	0	0	0	0	0	0
Heywood Rural Health	0	0	0	0	0	0	0	0	0	0	0	0
Inglewood and Districts Health Service	0	0	0	0	0	0	0	0	0	0	0	0
Kerang District Health	0	0	0	0	0	0	0	0	0	0	0	0
Kyabram and District Health Service	0	0	0	0	0	0	0	0	0	0	0	0
Latrobe Regional Hospital	2	5	0	7	3	4	0	7	1	-1	0	0
Mallee Track Health and Community Service	0	0	0	0	0	0	0	0	0	0	0	0

	2025				2026				Variance			
Organisation name	Women	Men	Prefer not to say	Total	Women	Men	Prefer not to say	Total	Women	Men	Prefer not to say	Total
Mansfield District Hospital	0	0	0	0	0	0	0	0	0	0	0	0
Maryborough District Health Service	0	0	0	0	0	1	0	1	0	1	0	1
Melbourne Health	8	3	0	11	7	5	0	12	-1	2	0	1
Mental Health and Wellbeing Commission	2	2	0	4	1	0	0	1	-1	-2	0	-3
Mildura Base Public Hospital	0	1	0	1	0	1	0	1	0	0	0	0
Monash Health	23	8	0	31	26	13	0	39	3	5	0	8
Moyne Health Services	0	0	0	0	0	0	0	0	0	0	0	0
NCN Health	0	0	0	0	0	0	0	0	0	0	0	0
Northeast Health Wangaratta	3	2	0	5	2	2	0	4	-1	0	0	-1
Northern Health	6	3	0	9	6	3	0	9	0	0	0	0
Omeo District Health	0	0	0	0	0	0	0	0	0	0	0	0
Orbost Regional Health	0	0	0	0	0	0	0	0	0	0	0	0
Parkville Youth Mental Health and Wellbeing Service	0	0	0	0	5	1	0	6	5	1	0	6
Peninsula Health	3	2	0	5	0	0	0	0	-3	-2	0	-5
Peter MacCallum Cancer Centre	2	4	0	6	2	4	0	6	0	0	0	0
Portland District Health	0	0	0	0	0	0	0	0	0	0	0	0
Remembrance Parks Central Victoria	0	0	0	0	0	0	0	0	0	0	0	0
Robinvale District Health Services	0	0	0	0	0	0	0	0	0	0	0	0
Rochester and Elmore District Health Service	0	0	0	0	0	0	0	0	0	0	0	0
Royal Children's Hospital	2	4	0	6	4	4	0	8	2	0	0	2

	2025				2026				Variance			
Organisation name	Women	Men	Prefer not to say	Total	Women	Men	Prefer not to say	Total	Women	Men	Prefer not to say	Total
Royal Victorian Eye and Ear Hospital	1	2	0	3	2	1	0	3	1	-1	0	0
Royal Women's Hospital	6	3	0	9	6	3	0	9	0	0	0	0
Rural Northwest Health	0	0	0	0	0	0	0	0	0	0	0	0
Seymour Health	0	0	0	0	0	0	0	0	0	0	0	0
South Gippsland Hospital	0	0	0	0	0	0	0	0	0	0	0	0
South West Healthcare	3	3	0	6	4	3	0	7	1	0	0	1
Southern Metropolitan Cemeteries Trust	0	5	0	5	0	3	0	3	0	-2	0	-2
Swan Hill District Health	0	1	0	1	1	1	0	2	1	0	0	1
Tallangatta Health Service	0	0	0	0	0	0	0	0	0	0	0	0
Terang and Mortlake Health Service	0	0	0	0	0	0	0	0	0	0	0	0
The Queen Elizabeth Centre	0	0	0	0	0	0	0	0	0	0	0	0
Timboon and District Healthcare Service	0	0	0	0	0	0	0	0	0	0	0	0
Tweddle Child and Family Health Service	0	0	0	0	0	0	0	0	0	0	0	0
Victorian Collaborative Centre for Mental Health and Wellbeing	0	1	0	1	1	2	0	3	1	1	0	2
Victorian Health Promotion Foundation	4	1	0	5	3	1	0	4	-1	0	0	-1
Victorian Institute of Forensic Mental Health	4	4	0	8	4	3	0	7	0	-1	0	-1
Victorian Pharmacy Authority	0	0	0	0	0	0	0	0	0	0	0	0
West Gippsland Healthcare Group	0	1	0	1	4	0	0	4	4	-1	0	3

Organisation name	2025 Women	2025 Men	2025 Prefer not to say	2025 Total	2026 Women	2026 Men	2026 Prefer not to say	2026 Total	Variance Women	Variance Men	Variance Prefer not to say	Variance Total
West Wimmera Health Service	3	1	0	4	3	1	0	4	0	0	0	0
Western District Health Service	0	0	0	0	1	2	0	3	1	2	0	3
Western Health	4	3	0	7	4	3	0	7	0	0	0	0
Yarram and District Health Service	0	0	0	0	0	0	0	0	0	0	0	0
Yarrawonga Health	0	0	0	0	0	0	0	0	0	0	0	0
Yea and District Memorial Hospital	0	0	0	0	0	0	0	0	0	0	0	0

Notes:

- 2025–26 Executive officers by organisation and portfolio (preliminary numbers) – Department of Health
- For the purposes of this table, executive officers are defined as SES-1, SES-2, SES-3, PESES-1, PESES-2 and PESES-3 employees who have significant management responsibility AND receive a total remuneration package of $225,000 or more.
- All figures reflect executive employment levels as at last pay in June 2026
- Excluded are those on leave without pay or absent on secondment, external contractors / consultants and temporary staff employed by employment agencies.
- Data is based on the data provided to the department by the Victorian Public Sector Commission on 03/09/2026.
- Validation of this data is still in progress and subject to change.
- As specified in point 5.3 of Financial Reporting Direction 15, *Executive officer disclosures in the report of operation by departments*, reporting of executive officers should exclude accountable officers (department heads, chief executive officers or equivalent).

Workforce inclusion policy

The department is committed to building a diverse, equitable and inclusive workforce that reflects the Victorian community it serves. It continues to improve representation, remove barriers and embed inclusive practices across the organisation.

Key achievements and areas of work in 2025–26 included:

> developing the department's second *Gender equality action plan 2026–2029*, building on the achievements of the previous inaugural plan and setting priorities for the next four years
> achieving Australian Workplace Equality Index (AWEI) Silver Employer status for the second consecutive year, recognising the department's sustained commitment to creating an inclusive workplace for LGBTIQA+ employees
> attaining a disability workforce representation rate of 9.04 per cent. While this is a slight decrease compared to last year's rate of 9.7 per cent the department continues to aspire to the Victorian Public Service target of 12 per cent.
> continuing to expand employment pathways through whole of government programs, including onboarding 13 graduates through the Victorian Government Graduate Program and 14 participants through the Youth Employment Scheme (YES); supporting one Aboriginal and Torres Strait Islander student through the CareerTrackers internship program; and providing placements for 11 students through the Student Placement Program
> establishing the Diversity, Equity and Inclusion Employee Reference Group, chaired by the Deputy Secretary, Corporate Strategy and Operations. The group brings together executive champions and employees from across divisions, classifications and diverse lived experiences to help inform departmental culture and inclusion initiatives.

Health, safety and wellbeing

The department is committed to safeguarding the health, safety and wellbeing of all its employees and other people when they are conducting work on behalf of the department or in a department workplace. The department aspires to create a safe and healthy workplace while also minimising the impact of work-related injury and illness. To achieve this, the department's primary focus is on the core occupational health and safety principles of prevention, early intervention, response and recovery.

Occupational health and safety

The Occupational Health and Safety team helps the department identify, assess and control workplace hazards and incidents to reduce the risk of injury or illness. The team provides specialist knowledge, advice and support to ensure that health and safety legislation and standards are integrated into operational practice.

Key achievements in 2025–26 included:

> continued development, implementation and review of the department's health and safety management system so that it aligns with the International Organisation for Standardisation standard, ISO 45001
> progression of a range of risk assessments aligned to the department's psychosocial risk profile, at both team and organisational level, and informed by structured staff consultation and facilitated workshops
> development of a hazard control library to support management and ensure the consistent identification, selection and implementation of effective controls to eliminate or minimise workplace hazards and associated risk
> Development of a 'connect and consult' form to capture insights from health and safety representatives and designated management representatives in instances where concerns are not reported through standard channels
> Facilitation of nine events for October 2025 Health and Safety month.

Injury management

The primary focus of the Injury Management team is to minimise the impact and duration of emerging symptoms of ill health and/or actual injury or illness. This is achieved by identifying suitable duties and/or implementing workplace adjustments that enable employees to remain at or return to work. Key achievements in 2025–26 included:

> 494 employees being assisted with a work or non-work-related injury or illness
> 91.9 per cent of injured employees returning to work in either a full or part-time capacity
> only 2.3 per cent of early intervention matters being converted to a WorkCover claim
> 35 employees being supported to access timely, proactive care, including physiotherapy, psychological support, and general practitioner services, through the continued provision of an early intervention medical triage service.

In addition, the team developed a Power-BI dashboard to monitor key risk indicators, trends and workforce wellbeing metrics, enabling data-driven decision making.

Employee wellbeing

The department offers a range of specialised support services and programs designed to cover all areas of wellbeing to ensure employees have access to the right resources at the right time. Key achievements in 2025–26 included:

> access for employees and their immediate family to free and confidential advice via the department's Employee Wellbeing and Support Program. There is a high level of uptake and engagement with this program, with an annual utilisation rate of 53.4 per cent.
> growth of the Peer Support Network, which is enhancing access to informal, confidential support provided by trained volunteer employees
> the annual influenza vaccination program, which 1,148 staff accessed on site in departmental offices
> incorporation of neurodiversity support as an additional stream within the Employee Wellbeing and Support Program.

Table 18: Performance against occupational health and safety management measures

Measure	Key performance indicator (KPI)	2023–24	2024–25	2025–26
Hazards	No. of hazards	42	54	49
	Rate per 100 FTE (full time equivalent)	1.93	2.37	2.39
Incidents	No. of incidents	116	129	180
	Rate per 100 FTE	5.34	5.66	8.77
	No. of incidents requiring first aid and/or further medical treatment	59	18	14
WorkCover claims	No. of standard claims	23	19	27
	Rate per 100 FTE	1.06	0.83	1.32
	No. of lost time claims	16	6	8
	Rate per 100 FTE	0.74	0.26	0.39
	No. of claims exceeding 13 weeks	14	5	3
	Rate per 100 FTE	0.64	0.22	0.15
	Average cost per standard claim	$394,223	$110,900	$130.189
Meetings	Number of OHS Committee meetings	4	4	4
Prosecutions	Total number of prosecutions	0	0	0
Fatalities	No. of fatalities	0	0	0

Measure	KPI	Performance
Management commitment	OHS policy statement and OHS criteria	The department has a health, safety and wellbeing (HSW) policy demonstrating its commitment to providing employees with a work environment that supports wellbeing and mitigates risk to physical and psychological safety. Accountability for HSW is built into every stage of the employee lifecycle and forms an inherent part of every employee's role. Specific accountabilities for all employees and additional accountabilities for managers and leaders are defined and documented in the department's HSW accountabilities framework. The department actively participates in Victorian Public Sector Commission OHS committees, forums and communities of practice, contributing to whole of government and inter-departmental HSW initiatives.
Consultation and participation	Designated work group structures and issue resolution procedures	The department has an extensive network of 29 designated work groups with 30 health and safety representatives (HSRs) and 27 designated management representatives (DMRs). To support DMRs and HSRs in their roles, the department has established a health and safety consultation structure, including a Health and Safety Committee which meets quarterly. Four meetings were held in 2025–26. The department has a model issue resolution process for managers and employees to resolve health and safety issues arising in department workplaces.
Risk management	Conduct of regular internal audits, identification and actioning of issues	The department has an online employee health and safety incident reporting system (ReportSafe). This system enables timely investigation, follow-up and resolution of reported incidents and hazards. Regular performance reporting and internal quality assurance allow for close monitoring of incidents and hazards and identification of emerging themes, trends and risks. The department has a health and safety management system which provides comprehensive procedures, guidance and tools for identifying, assessing and managing key risks, including by conducting regular workplace inspections and assessments of work-related hazards and risks.
Training	Training of managers, health and safety representatives and other staff	In 2025–26, the department delivered a wide range of mandatory and recommended HSW training programs and webinars to people managers and employees, with approximately 9,055 participants. Key areas of focus included training in: • Your Health, Safety and Wellbeing, with 2,470 participants • Leading Safely Every Day – HSW Accountabilities for Managers, with two participants • Return to Office Working, with 16 participants • Creating an Inclusive, Respectful, Culturally and Psychologically Safe Workplace, with 3,246 participants • Emergency Procedures, with 1,078 participants • Foundations of Mental Health and Wellbeing workshop, with two participants • Standard Mental Health First Aid, with 75 participants • Understanding Family Violence, with 1,836 participants • Vicarious Trauma Awareness and Prevention, with 13 participants • ReportSafe, with 315 participants. All newly elected HSRs were encouraged and supported by the department to undertake the initial five-day HSR training program. Existing HSRs were encouraged to complete the annual one-day refresher training.

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) policy 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.

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

Projects commenced – Local Jobs First standard projects

During 2025–26, the department commenced one Local Jobs First Standard project totalling $5.21 million. The project is based statewide with a commitment of 97 per cent of local content.

The commitments made as part of the Local Jobs First policy for the project are as follows:

> a total of 19.3 jobs (Annualised Employee Equivalent – AEE) were committed, including the creation of 16 new jobs and the retention of three existing jobs (AEE)
> the number of small to medium-sized enterprises that prepared a local industry development plan (LIDP) was not available in the 2025–26 data set at the time of reporting.

Projects completed – Local Jobs First standard projects

During 2025–26, the department reported no Local Jobs First standard projects as completed.

Projects commenced – Local Jobs First strategic projects

During 2025–26, the department commenced one Local Jobs First Strategic Project, valued at $60 million. The project is based statewide with a commitment of 81.3 per cent of local content.

The commitments made as part of the Local Jobs First policy for these projects are as follows:

> A total of 3 (AEE) positions were committed, including the creation of 1 new job and the retention of 2 existing jobs (AEE)
> 22 small to medium-sized businesses were engaged through the supply chain on commenced standard projects.

Projects completed – Local Jobs First strategic projects

During 2025–26, the department reported no Local Jobs First strategic projects as completed.

Reporting requirements – all projects

Data included in disclosures is subject to rationalisation and review by the Department of Jobs, Skills, Industry and Regions, and is anticipated to be reflected in that department's Local Jobs First annual report.

Data available to individual departments in 2025–26 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 2025–26.

Disclosure of social procurement activities under the Social Procurement Framework

Victoria's Social Procurement Framework establishes requirements for government to use its buying power to generate social value above and beyond the value of the goods, services or construction being procured. This approach aims to maximise social, economic and environmental benefits for all Victorians and opportunities for Victorian Jobs.

The Social Procurement Framework applies to the procurement of all goods, services and construction undertaken by, or on behalf of, entities subject to the Standing Directions 2018 under the *Financial Management Act 1994*.

Social procurement framework

The Social Procurement Framework (SPF) establishes seven social procurement objectives and three sustainable procurement objectives that support positive social, economic and environmental outcomes through Victorian Government procurement.

Consistent with the department's Social Procurement Strategy 2025–28, the department prioritised the following SPF objectives where procurement opportunities existed:

- Opportunities for Victorian Aboriginal people
  - Purchasing from Victorian Aboriginal businesses
  - Employment of Victorian Aboriginal people by suppliers to the Victorian Government
- Women's equality and safety
  - Promoting gender equality within Victorian Government supplier organisations
- Sustainable Victorian regions
  - Supporting job readiness and employment opportunities in regions experiencing entrenched disadvantage

While these objectives represented the department's primary areas of focus, the department also considered opportunities to advance the remaining SPF objectives through its procurement activities where relevant and achievable.

These objectives include opportunities for Victorians with disability, opportunities for Victorian priority jobseekers, safe and fair workplaces, sustainable Victorian social enterprises and Aboriginal business sectors, environmentally sustainable outputs, environmentally sustainable business practices, and implementation of climate change policy objectives.

Social procurement achievements

During 2025–26 the department:

- engaged 17 social benefit suppliers with a total spend of $293,280 with certified social enterprises, Aboriginal businesses and disability enterprises during the reporting period.
- engaged 7 Aboriginal business representing 1.4 per cent of total suppliers

During 2025-26, the Department also implemented several initiatives to support its Social Procurement Strategy which included:

- strengthening the integration of social procurement requirements across procurement planning, sourcing and contract management through updates to templates, guidance materials and approach-to-market documentation
- enhancing guidance and information on social procurement and Local Jobs First available to staff through the Department's intranet
- providing advice and support to business areas to identify and pursue social procurement opportunities through procurement activities
- delivering education and training to procurement staff to build awareness and capability in social procurement.

Competitive neutrality policy

Competitive neutrality requires government businesses to ensure that where services compete, or potentially compete, with the private sector, any net advantage arising from government ownership is accounted for if it is not in the public interest. Government businesses that undertake significant business activities are required to implement competitive neutrality measures (such as setting competitive neutral prices), which accounts for any net advantage that comes from public ownership.

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 removing resource allocation distortions.

The Department ensures Victoria fulfils its requirements on competitive neutrality reporting as required under the Intergovernmental Agreement on National Competition Policy and Competition and Infrastructure Reform Agreement.

Consultancy expenditure

Consultancies ($10,000 or greater)

In 2025–26 there were 49 consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2025-26 in relation to these consultancies is $6.84 million (excluding GST). Details of individual consultancies are outlined below.

Table 19: Details of consultancies (valued at $10,000 or greater)

Consultant	Purpose of consultancy	Start Date	End date	Sum of total approved project fee[7] excl. GST	Sum of expenditure 2025–26 excl. GST	Sum of future expenditure[8] excl. GST
Acil Allen Consulting Pty Ltd	Analysis, Drugs, poisons and controlled substances regulations 2017	17/06/2026	29/01/2027	$105,800	$31,740	$74,060
Aspex Consulting Pty Ltd	Review, Doctors in training	14/05/2025	30/09/2025	$131,693	$40,285	nil
Aurecon Australia Pty Ltd	Assessment, Climate change, cemeteries and health	23/08/2024	25/08/2025	$90,326	$40,647	nil
Aurecon Australia Pty Ltd	Assessment, Climate risk – Aboriginal Community-Controlled Health Organisations	4/11/2024	27/02/2026	$176,082	$81,226	nil
Biruu Pty Ltd	Strategy, Framework for health infrastructure	3/06/2025	20/12/2025	$120,904	$111,813	nil
Capability Network Pty Ltd	Planning, Mental health ICT systems	15/01/2026	27/03/2026	$191,000	$191,000	nil

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

8 Figures of $0 indicate that the contract expired in the 2025–26 financial year, or is no longer managed by the department, noting instances where expenditure occurred in previous financial years. Non-zero figures where the contract end date has passed indicate the contract has not been acquitted and final payment may be due.

Consultant	Purpose of consultancy	Start Date	End date	Sum of total approved project fee[7] excl. GST	Sum of expenditure 2025–26 excl. GST	Sum of future expenditure[8] excl. GST
Corporate Value Associates Australia Pty Ltd	Strategy, Digital health roadmap	13/02/2026	30/06/2026	$376,967	$208,271	$168,696
Courtheath Consulting Pty Ltd	Design, Supporting aboriginal women on their journey to motherhood initiative	30/10/2025	30/04/2026	$24,000	$16,300	nil
Cube Group	Evaluation, Economic evaluation of social inclusion action groups	5/06/2026	30/08/2026	$63,135	$63,135	nil
Deakin University	Planning, Digital health maturity model	25/06/2026	31/03/2027	$168,720	$69,360	$99,360
Deloitte Touche Tohmatsu	Strategy, Public pathology capability framework	2/03/2026	30/06/2026	$259,200	$51,840	$207,360
Deloitte Touche Tohmatsu	Planning, Palliative care enhancement project	21/07/2025	31/08/2025	$167,481	$167,481	nil
Deloitte Touche Tohmatsu	Analysis, Optimisation opportunities for Victorian health services	22/07/2025	13/10/2025	$174,919	$174,919	nil
Ernst & Young Services Pty Ltd	Assessment, Cybersecurity risk assessment	15/05/2026	31/05/2027	$135,368	$135,368	nil
Felicity A Topp	Advice, Expert advisory committee on rare and highly specialised care	1/04/2025	31/03/2028	$109,091	$3,525	$104,816
Healthconsult	Analysis, Cost centre and transfer pricing	12/01/2026	10/04/2026	$270,182	$270,182	nil
Impact Collaborative Pty Ltd	Support, Victorian medicines formulary	5/06/2026	31/08/2026	$30,872	$15,436	$15,436
Kordamentha Pty Ltd	Design, Strategy and cybersecurity operating model	19/05/2026	10/07/2026	$135,412	$46,601	$88,811
Kordamentha Pty Ltd	Advice, Finance and performance functions advice	28/04/2025	27/05/2025	$191,850	$55,650	nil
Kordamentha Pty Ltd	Review, Peninsula home hospice	3/06/2025	25/06/2025	$128,205	$69,027	nil
Kordamentha Pty Ltd	Review, Specialist cancer centre – Peter MacCallum Cancer Centre	6/11/2025	19/12/2025	$172,474	$172,065	nil
KPMG	Review, Funding model	7/02/2024	30/04/2024	$180,000	$15,000	nil
KPMG	Analysis, VCDC to NHCDC transition	3/06/2025	28/08/2025	$114,575	$61,822	nil

Consultant	Purpose of consultancy	Start Date	End date	Sum of total approved project fee[7] excl. GST	Sum of expenditure 2025–26 excl. GST	Sum of future expenditure[8] excl. GST
KPMG	Strategy, Prevention and health promotion	18/03/2026	12/06/2026	$154,913	$154,913	nil
KPMG	Planning, Mental health and wellbeing local improvement projects	12/05/2025	8/08/2025	$301,056	$121,796	nil
KPMG	Analysis, Portable long service scheme for NEPT workers	27/01/2026	26/06/2026	$258,429	$219,609	$38,820
KPMG	Design, Minor capital and operational readiness	2/10/2025	29/05/2026	$264,323	$264,323	nil
KPMG	Review, Rural ICT alliance policy and joint venture agreements	30/05/2025	19/12/2025	$318,535	$313,990	nil
KPMG	Analysis, Health service labour cost	26/05/2025	4/07/2025	$348,452	$339,499	nil
KPMG	Review, Workforce planning and integrated models of care	19/01/2026	30/06/2026	$356,970	$356,970	nil
Nous Group Pty Ltd	Advice, Delivery of organisational design	22/10/2025	24/12/2025	$68,182	$68,637	nil
Nous Group Pty Ltd	Review, Community health services and residential aged care services	18/05/2026	30/09/2026	$268,867	$174,764	$94,104
Nous Group Pty Ltd	Strategy, Electronic health record strategy	29/04/2025	28/02/2026	$445,455	$335,909	nil
Nous Group Pty Ltd	Analysis, Victorian health services	10/11/2025	30/10/2026	$738,500	$519,000	$219,500
Right Lane Consulting Pty Ltd	Planning, Mental health and wellbeing	15/06/2026	30/11/2026	$27,002	$13,501	$13,501
Right Lane Consulting Pty Ltd	Review, Ways of working review	18/05/2026	30/06/2026	$189,070	$56,721	$132,349
Rixstewart	Analysis, VCCC reviewable services cost analysis and benchmarking	5/11/2025	30/06/2026	$29,900	$29,900	nil
Rixstewart	Support, Footscray Hospital contract administration manual	13/11/2025	30/06/2026	$90,351	$67,763	$22,588
Scyne Advisory Pty Ltd	Review, Eastern health EMR expansion	10/03/2025	30/06/2026	$87,399	$36,072	$26,840
Scyne Advisory Pty Ltd	Review, CareSync exchange	1/02/2026	30/04/2026	$67,765	$67,765	nil

Consultant	Purpose of consultancy	Start Date	End date	Sum of total approved project fee[7] excl. GST	Sum of expenditure 2025–26 excl. GST	Sum of future expenditure[8] excl. GST
Scyne Advisory Pty Ltd	Planning, HealthShare Victorian Business Improvement	7/07/2025	30/09/2025	$249,339	$249,339	nil
Scyne Advisory Pty Ltd	Planning, Metropolitan food strategy implementation	3/11/2025	1/05/2026	$325,295	$325,295	nil
Scyne Advisory Pty Ltd	Assessment, Efficiency opportunities in health services	9/02/2026	30/06/2026	$449,000	$395,754	$53,246
Shannon M. Macdonald	Assessment, Proton beam therapy	16/01/2026	5/02/2026	$35,000	$35,000	nil
Siecap Pty Ltd	Planning, HealthShare Victoria logistics	25/05/2026	10/07/2026	$125,913	$37,774	$88,139
Taylor Fry	Review, AOD treatment funding	29/09/2025	30/06/2027	$489,163	$484,618	$4,546
Wallace Health Advisory	Advice, Health safeguards for people born with variations in sex characteristics	5/01/2026	30/06/2027	$45,455	$16,000	$29,455
Wallace Health Advisory	Review, Assisted reproductive treatment	7/07/2025	19/09/2025	$43,750	$40,000	nil
Workwell Consulting Pty Ltd	Strategy, Safer care Victoria	4/06/2026	31/08/2026	$45,455	$22,727	$22,727

Consultancies (under $10,000)

In 2025-26, there was one consultancy engaged during the year where the total fees payable to the individual consultancy was less than $10,000. The total expenditure incurred during 2025-26 in relation to this consultancy was $6,750 (excl. GST).

Reviews and studies expenditure

Details of reviews and studies

During 2025–26, there were 26 reviews and studies undertaken with the total estimated cost of $2,111,025. Details of individual reviews and studies are outlined below.

Table 20

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for review/study	Terms of reference/scope	Timeline	Anticipated outcomes	Estimated cost for the year (excl. GST)	Final cost if completed (excl. GST)	Publicly available (Y/N) and URL. If no, why
Australian Medicinal Cannabis Data Collection and Research	To provide a patient monitoring system to assist the Department of Health to oversee the Medicinal Cannabis Compassionate Access Scheme.	Bi-annual reports on the Medicinal Cannabis Compassionate Access Scheme and Open Label Study.	14 April 2022 – 30 June 2026	Delivery of 5 bi-annual reports on the Compassionate Access Scheme, plus an Open Label Study.	$159,495	$398,372	N, Internal reporting
Evaluation of the Mental health and Wellbeing Workforce Scholarship Program	To examine implementation and delivery of the program against intended objectives and to inform future program design and implementation.	The evaluation examined implementation and delivery of the Program and progress towards its intended objectives and outcomes.	May to September 2025	The evaluation examined implementation and delivery of the Program and progress towards its intended objectives and outcomes.	$134,593	$134,593	N, Internal policy and investment planning
Kruk Review Recommendation 19 Multidisciplinary Workforce Planning and Integrated Models of Care	To develop a technical guide and best practice framework for multidisciplinary workforce planning.	Multidisciplinary workforce planning and streamlined models of care.	November 2025 – June 2026	Technical guide to best practice for use of multidisciplinary teams.	$356,970	$356,970	Y Multidisciplinary Workforce Planning – Technical Guide[9]

9 https://www.health.gov.au/committees-and-groups/health-workforce-taskforce-hwt?language=en#reports-and-publications

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for review/study	Terms of reference/scope	Timeline	Anticipated outcomes	Estimated cost for the year (excl. GST)	Final cost if completed (excl. GST)	Publicly available (Y/N) and URL. If no, why
Reporting Consistency for Common Chart of Accounts	To support consistent reporting and improved financial performance across health services contributes to a sustainable and high-performing health system.	Review and streamline Common Chart of Accounts (CCOA) business rules to improve consistency, accuracy, comparability, and financial reporting across health services.	January – April 2026	Established clearer and more consistent CCOA reporting requirements, supporting improved financial data comparability, governance, and sector-wide reporting practices.	$270,182	$270,182	N, Internal operational guidance
Own-source revenue analysis and optimisation opportunities for Victorian health services	To provide insights to enhance third-party revenue opportunities, and support sector-wide health service improvements.	Review third-party revenue streams across health services, analysing historical data and additional information to identify opportunities for revenue growth.	July – October 2025	Supported informed decision-making through identification of revenue opportunities, barriers, and reforms to maximise third-party revenue.	$174,919	$174,919	N, Internal policy and investment planning
Social Prescribing Trials Evaluation	To develop evidence of program efficiency and effectiveness.	Evaluate trial of social prescribing initiative in Mental Health and Wellbeing Locals.	April 2023 – October 2025	To improve program delivery and identify promising practices and models for social prescribing that would improve outcomes in community.	$130,958	$523,833	Y Social prescribing in mental health and wellbeing services[10]
Evaluation of Social Inclusion Action Groups	Evaluation of implementation and early outcomes to support program improvement.	Evaluation of establishment and early delivery of statewide initiative.	June 2024 – June 2026	Program development and improvement.	$126,614	$431,614	N, Evaluation findings still under review

10 https://www.health.vic.gov.au/mental-health-services/social-prescribing

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for review/study	Terms of reference/scope	Timeline	Anticipated outcomes	Estimated cost for the year (excl. GST)	Final cost if completed (excl. GST)	Publicly available (Y/N) and URL. If no, why
Independent Project Assurance Review services – Barwon Health Core Community EMR	Provide independent assurance for the Barwon Health Core Community EMR project, supporting departmental oversight and compliance with the Victorian Government ICT Project Quality Assurance Framework.	Assess Barwon Health Core Community EMR project delivery risks, governance, resourcing, stakeholder engagement, change management and benefits realisation to support successful project outcomes.	August 2022 – March 2026	Provide assurance that key risks are identified and mitigated, governance and controls are effective, business case alignment is maintained, and the Barwon Health Core Community EMR project remains positioned to deliver intended benefits.	$48,662	$183,443	N, Stakeholder Guidance
Independent Project Assurance Review services – Eastern Health EMR Expansion and Mobility project	Provide independent assurance for the Eastern Health EMR Expansion and Mobility project, supporting departmental oversight and compliance with the Victorian Government ICT Project Quality Assurance Framework.	Assess Eastern Health EMR Expansion and Mobility project delivery risks, governance, resourcing, stakeholder engagement, change management and benefits realisation to support successful project outcomes.	March 2025 – June 2026	Provide assurance that key risks are identified and mitigated, governance and controls are effective, business case alignment is maintained, and the Eastern Health EMR Expansion and Mobility project remains positioned to deliver intended benefits.	$36,072	$96,139	N, Stakeholder Guidance
Project Assurance Review services - Health Information Exchange Project	Provide independent assurance of the Health Information Exchange project to identify delivery risks, improve project outcomes, and ensure compliance with the DGS ICT Project Quality Assurance Framework.	Conduct independent reviews of Health Information Exchange project delivery, governance, resourcing, stakeholder engagement, risk management and benefits realisation, identifying risks and mitigations to support successful project outcomes.	May 2024 – December 2025	Provide independent assurance that key risks are identified and mitigated, governance and delivery are strengthened, and the Health Information Exchange project achieves its approved scope, benefits and business objectives.	$0	$72,686	N, Stakeholder Guidance

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for review/study	Terms of reference/scope	Timeline	Anticipated outcomes	Estimated cost for the year (excl. GST)	Final cost if completed (excl. GST)	Publicly available (Y/N) and URL. If no, why
SS-4264 CareSync Exchange – Operating Model Review	Confirm the best approach to supporting ongoing concurrent implementations over the remainder of the project lifecycle while building the capacity and capability of the operational team.	Assess and design CareSync Exchange's operating model, identifying capability and capacity gaps, defining future-state operations, and developing a transition roadmap to support sustainable business-as-usual service delivery.	February – April 2026	Establishment of a scalable operating model that supports CareSync Exchange's transition from project delivery to business-as-usual operations, enabling sustainable growth, future deployments, and effective knowledge transfer.	$67,765	$67,765	N, Internal operational guidance
SS-3668 – Cyber Incident Exercise Event	Conduct three cybersecurity exercises to test response plans and validate the department and health sector's capability to respond to a cyber crisis event and to align the department's cyber incident response documentation.	Conduct three cybersecurity exercises to test response plans and validate the department and health sector's capability to respond to a cyber crisis event and to align the department's cyber incident response documentation.	June – December 2025	Improved cyber incident response capability through the development of a consolidated response handbook, delivery of cyber incident exercises, and identification of improvements to departmental and sector response arrangements.	$199,255	$199,255	N, Internal operational guidance
Independent Project Assurance Review services – Dental Health Services Victoria (DHSV) Electronic Oral Health Record (EOHR) project.	Provide independent assurance for the DHSV EOHR project, supporting departmental oversight and compliance with the Victorian Government ICT Project Quality Assurance Framework.	Assess DHSV EOHR delivery risks, governance, resourcing, stakeholder engagement, change management and benefits realisation to support successful project outcomes.	May 2023 – March 2026	Provide assurance that key risks are identified and mitigated, governance and controls are effective, business case alignment is maintained, and the DHSV EOHR project remains positioned to deliver intended benefits.	$51,550	$222,250	N, Stakeholder Guidance

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for review/study	Terms of reference/scope	Timeline	Anticipated outcomes	Estimated cost for the year (excl. GST)	Final cost if completed (excl. GST)	Publicly available (Y/N) and URL. If no, why
Review of Rural ICT Alliance Policy and Joint Venture Agreements	Periodic review of Rural Health ICT Alliance arrangements to ensure they remain fit-for-purpose and aligned to contemporary health service requirements.	Review the current Rural Health ICT Alliance Policy and Joint Venture Agreements and provide recommendations for future governance, operating arrangements and sustainability.	May – December 2025	Recommendations to modernise the ICT Alliance governance framework, clarify roles and accountabilities, support health service transitions, and strengthen the sustainability and consistency of Alliance arrangements.	$313,990	$366,743	N, Review not finalised
Project Assurance Review - Hume Rural Health Alliance (HRHA) Patient Administration System (PAS) projects	Provide independent assurance for the HRHA PAS projects, supporting departmental oversight and compliance with the Victorian Government ICT Project Quality Assurance Framework.	Assess HRHA PAS project delivery risks, governance, resourcing, stakeholder engagement, change management and benefits realisation to support successful project outcomes.	September 2019 – December 2025	Provide assurance that key risks are identified and mitigated, governance and controls are effective, business case alignment is maintained, and the HRHA PAS projects remain positioned to deliver intended benefits.	$0	$452,111	N, Stakeholder Guidance
National Review of Assisted Reproductive Treatment (ART) conducted by the Victorian Government on behalf of Australian Health Ministers[11]	Requested by Australian Health Ministers following concerns about safety, oversight and transparency in the ART sector.	Rapid review of the regulatory and accreditation environment for the ART and IVF sectors to identify opportunities for improvement and action.	July – September 2025	Published review with associated recommendations	$40,000	$40,000	Y Rapid Review of Assisted Reproductive Technology and In Vitro Fertilisation Regulation and Accreditation in Australia[12]

11 The National Review of Assisted Reproductive Treatment was funded by The Australian Government, with contract delivery undertaken by the Victorian Department of Health.

12 https://www.health.gov.au/resources/publications/rapid-review-of-assisted-reproductive-technology-and-in-vitro-fertilisation-regulation-and-accreditation-in-australia?language=en

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for review/study	Terms of reference/scope	Timeline	Anticipated outcomes	Estimated cost for the year (excl. GST)	Final cost if completed (excl. GST)	Publicly available (Y/N) and URL. If no, why
Diabetes Connect	Assist with evaluation report back to federal government.	Evaluation of reach, design and implementation, outcomes and return on investment.	December 2024 – November 2025	Enhanced understanding of program effectiveness	N/A	N/A	N, Internal Evaluation
Hamilton Centre	Understand how effectively the Hamilton Centre supports integrated care.	Evaluation to assess implementation, outcomes achieved and efficient resource use.	May – September 2025	Continuous service improvement	N/A	N/A	N, Internal Evaluation
Drug Checking	To assess the implementation, early-stage effectiveness and efficiency of Victoria's Drug Checking (Pill Testing) trial.	Evaluation of first stage of service to assess its effectiveness and efficiency.	March – October 2025	Continuous service improvement	N/A	N/A	N, Internal Evaluation
Public Fertility Care	Lapsing program evaluation as per RMF requirements.	Conducted in accordance with DTF guidance.	May – August 2025	Enhanced understanding of program effectiveness	N/A	N/A	N, Internal Evaluation
Virtual Hospital Pilot	Lapsing program evaluation as per RMF requirements.	Evaluation of pilot program to assess feasibility, effectiveness and scaling.	February – June 2026	Enhanced understanding of program effectiveness	N/A	N/A	N, Internal Evaluation
Psychiatry Workforce Program Evaluation	Lapsing program evaluation as per RMF requirements.	Conducted in accordance with DTF guidance.	July – November 2025	Enhanced understanding of program effectiveness	N/A	N/A	N, Internal Evaluation
Allied Health Evaluation	Lapsing program evaluation as per RMF requirements.	Limited scope lapsing program evaluation focusing on assessing effectiveness and efficiency of the program.	October – December 2025	Enhanced understanding of program effectiveness	N/A	N/A	N, Internal Evaluation
Better at Home	Lapsing program evaluation as per RMF requirements.	Evaluate the expansion of home-based and virtual hospital care funded by the Better at Home initiative.	July – December 2025	Enhanced understanding of program effectiveness	N/A	N/A	N, Internal Evaluation

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for review/study	Terms of reference/scope	Timeline	Anticipated outcomes	Estimated cost for the year (excl. GST)	Final cost if completed (excl. GST)	Publicly available (Y/N) and URL. If no, why
Safer Digital Healthcare Evaluation	Lapsing program evaluation as per RMF requirements.	Evaluate the department's capacity to prevent cyber-attacks in community and public health settings and build sector capability and resilience.	September – December 2025	Enhanced understanding of program effectiveness	N/A	N/A	N, Internal Evaluation
Psychology Registrar Program	Lapsing program evaluation as per RMF requirements.	Conducted in accordance with DTF guidance.	August – November 2025	Enhanced understanding of program effectiveness	N/A	N/A	N, Internal Evaluation

Note:

- Table does not include reviews or studies that may be Commercial-in-Confidence or commercially sensitive, or where the release may be detrimental to Government operations (e.g. by pre empting the finalisation of policy decisions prior to their announcement by Government).
- This table includes reviews and studies completed by 30 June 2026. Reviews and studies that were still in progress at the reporting date are not included. Estimated costs for the year may not be reported where expenditure occurred in another financial year.

Disclosure of Emergency procurement

In 2025–26, the department activated its Emergency Procurement Plan four times in accordance with the requirements of government policy and accompanying guidelines. Four new contracts, each valued at or more than $100,000 (GST inclusive) were awarded in connection with the emergency. A total of $15,538,564 (GST inclusive) was expended on goods and services in response to the emergencies. Details of the department's emergency procurements are disclosed below.

Table 21

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	Number of new contracts awarded valued at $100,000 (inc. GST) or more
Mpox	14 August 2025	Emergency supply of mpox vaccine	$13,774,377	1
Mpox	20 November 2025	Emergency supply of mpox vaccine	$1,764,187	3
Rabies	19 February 2026	Emergency supply of rabies immunisation products	Nil*	0
Hepatitis B	15 June 2026	Emergency supply of hepatitis B vaccine	Nil*	0

This is the total of all expenditure incurred in 2025–26, including contracts under and over $100,000 (GST inclusive).

*Contracting activities ongoing. No expenditure incurred in 2025–26.

Disclosure of major contracts

In accordance with the requirements of government policy and accompanying guidelines, the department has disclosed all contracts greater than $10 million in value entered into during the financial year ended 30 June 2026. Details of contracts that have been disclosed in the Victorian Government contracts publishing system can be viewed at the Buying for Victoria Tenders Portal[13]

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

Specific contract information has not been disclosed for contracts where such information is withheld under the *Freedom of Information Act 1982* (Vic) (FOI Act) or other laws or government policies.

Disclosure of procurement complaints

Under the Governance Policy of the Victorian Government Purchasing Board (VGPB), the department must disclose any formal complaints relating to the procurement of goods and services received through its procurement complaints management system.

The department received no formal complaints through its procurement complaints management system in 2025–26.

13 https://www.tenders.vic.gov.au/

Information and communication technology expenditure

For the 2025–26 reporting period, the department incurred total information and communication technology (ICT) expenditure(i) of $389,662,856. The details are shown below.

Table 22

($'000)

All operational ICT expenditure	ICT expenditure related to projects to create or enhance ICT capabilities		
Business as usual (BAU) ICT expenditure(ii)	**Non-BAU ICT expenditure(iii)**	**Operational expenditure**	**Capital expenditure**
(Total)	(Total = operational expenditure and capital expenditure)		
278,620	**111,043**	**72,278**	**38,765**

(i) 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.

(ii) BAU ICT expenditure is all remaining ICT expenditure that primarily relates to ongoing activities to operate and maintain the current ICT capability.

(iii) Non-BAU ICT expenditure relates to extending or enhancing the department's current ICT capabilities. It also includes ICT expenditure associated with department-funded health sector projects.

Notes:

For reporting purposes, all ICT expenditure relating to shared services for the Department of Health and the Department of Families, Fairness and Housing is disclosed in the *Department of Health annual report 2025–26.*

Government advertising expenditure

For the 2025–26 reporting period, the department conducted nine government advertising campaigns with total media spend of $100,000 or greater (exclusive of GST). The details of these campaigns are outlined below.

Table 23: Details of government advertising expenditure (campaigns with a media spend of $100 000 or greater)

			2025–26						
Name of campaign	**Campaign summary**	**Start/end date**	**Advertising (media) expenditure (excl. GST)**	**Creative and campaign development expenditure (excl. GST)**	**Research expenditure (excl. GST)**	**Post campaign evaluation expenditure (excl. GST)**	**Print and collateral expenditure (excl GST)**	**Other campaign expenditure (excl GST)**	**Total**
Gambler's Help – Easier Access to Support Campaign	Empower more Victorians experiencing gambling harm to seek help and access the support services.	24 May 2026 – 30 June 2026	Approved: $750,000	Planned: $175,000	Planned: $0	Planned: $50,000	Planned: $0	Planned: $50,000	Planned: $1,025,000.00
			Actual: $626,333.72	Actual: $175,140	Actual: $0	Actual: $49,900	Actual: $0	Actual: $45,100	Actual: $896,473.72
Mental Health & Wellbeing Locals Campaign	Increase awareness and drive uptake of free Mental Health and Wellbeing Local services across Victoria.	14 January 2026 – 27 June 2026	Approved: $700,000	Planned: $0	Planned: $0	Planned: $35,000	Planned: $0	Planned: $0	Planned: $735,000.00
			Actual: $691,609.90	Actual: $0	Actual: $0	Actual: $31,818.18	Actual: $0	Actual: $0	Actual: $723,428.08
Women's Health & Wellbeing Campaign	Raise awareness and drive uptake of Victoria's free women's health services.	14 April 2026 – 30 June 2026	Approved: $950,000	Planned: $601,930	Planned: $0	Planned: $50,000	Planned: $0	Planned: $0	Planned: $1,601,930.00
			Actual: $940,491	Actual: $601,929.20	Actual: $0	Actual: $40,000	Actual: $0	Actual: $0	Actual: $1,582,420.20
Community Pharmacy Campaign	Increase awareness of the services and treatments chemists can provide Victorians without a need for a visit to the GP.	17 November 2025 – 7 June 2026	Approved: $1,000,000	Planned: $502,971.86	Planned: $0	Planned: $80,000	Planned: $0	Planned: $0	Planned: $1,582,971.86
			Actual: $997,434.90	Actual: $502,971.86	Actual: $0	Actual: $72,727.27	Actual: $0	Actual: $0	Actual: $1,573,134.03
Winter Vaccination Campaign	Encourage Victorians to get vaccinated against influenza and help protect themselves and their families from serious illness.	4 April 2026 – 30 June 2026	Approved: $200,000	Planned: $4,180	Planned: $0	Planned: $0	Planned: $0	Planned: $10,000	Planned: $210,000.00
			Actual: $199,617	Actual: $4,180	Actual: $0	Actual: $0	Actual: $0	Actual: $0	Actual: $203,796.60

Name of campaign	Campaign summary	Start/end date	2025–26 Advertising (media) expenditure (excl. GST)	Creative and campaign development expenditure (excl. GST)	Research expenditure (excl. GST)	Post campaign evaluation expenditure (excl. GST)	Print and collateral expenditure (excl GST)	Other campaign expenditure (excl GST)	Total
Seasonal Public Health Messaging Campaign	Raise awareness of seasonal public health risks and encourage preventative action.	17 October 2025 – 31 March 2026	Approved: $300,000	Planned: $3,615	Planned: $0	Planned: $50,000	Planned: $0	Planned: $0	Planned: $350,000.00
			Actual: $222,622.73	Actual: $3,615	Actual: $0	Actual: $63,879.98	Actual: $0	Actual: $0	Actual: $290,117.71
Public Fertility Care	Increase awareness and uptake of free Public Fertility Care services and encourage egg and sperm donations.	19 January 2026 – 30 June 2026	Approved: $400,000	Planned: $30,000	Planned: $0	Planned: $40,000	Planned: $0	Planned: $30,000	Planned: $500,000.00
			Actual: $398,346.12	Actual: $41,243.50(i)	Actual: $0	Actual: $31,818.18	Actual: $0	Actual: $0	Actual: $471,407.80
Right Care, Right Time	Increase awareness and use of Victoria's urgent care services for non-life-threatening health concerns.	1 August 2025 – 27 June 2026	Approved: $2,000,000	Planned: $380,000	Planned: $0	Planned: $120,000	Planned: $0	Planned: $0	Planned: $2,500,000.00
			Actual: $1,995,864.22	Actual: $307,490	Actual: $0	Actual: $26,720	Actual: $0	Actual: $0	Actual: $2,330,074.22
Emergency Management Campaigns	Provide timely public health information to help Victorians stay safe during emergencies and periods of elevated risks.	26 October 2025 – 30 January 2026	Approved: $300,000	Planned: $0	Planned: $0	Planned: $0	Planned: $0	Planned: $0	Planned: $300,000.00
			Actual: $106,559.36	Actual: $0	Actual: $0	Actual: $0	Actual: $0	Actual: $0	Actual: $106,559.36

(i) **Actual creative and campaign development expenditure for** the Public Fertility Campaign was higher than planned, to allow for an expansion in the number of multicultural communities targeted by the campaign, leading to an increase in translation and creative development costs.

Notes:

- **Approved 'Advertising (media) expenditure'** is the amount approved for each campaign by the Advertising Approval Group (AAG).
- **Actual 'Advertising (media) expenditure'** has been reported based on the reconciliation report provided by Optimum Media Direction Pty Ltd (OMD) in July 2026. Final end-of-year reporting from OMD is not expected until the end of September 2026; therefore, the reported expenditure is subject to change and may vary from the final reconciled amounts.
- **Planned 'Creative and campaign development expenditure' (excl. GST)** is the amount included in the campaign strategy form submitted to the AAG for review.

Compliance with DataVic Access Policy

In 2025–26, the department supported the goals of the DataVic Access Policy through a significant program of work to make data accessible to the public, the public sector, and the research community.

Information included in this annual report will also be available at DataVic in electronic readable format.

In 2025–26, 45 health datasets were made available to the general public on the DataVic website. Beyond this, a significant amount of data about the health of the population and the services delivered by Victorian public health services was also made available on departmental websites, including:

> Victorian health services performance data (released quarterly)[14]
> Victorian Population Health Survey dashboards (updated annually) and deep-dive reports[15]
> a range of reports refreshed either quarterly or monthly on mental health and alcohol and other drug services[16]
> Victorian public health and wellbeing outcomes dashboard | health.vic.gov.au[17]
> Victorian respiratory surveillance report (released fortnightly) | health.vic.gov.au[18]
> Department of Health – Publications[19]

The department also makes data available to public sector users and to researchers through the Centre for Victorian Data Linkage[20]

In 2025–26, CVDL supported 75 new data linkage projects, of which 23 were from the research sector and 52 were government projects. In addition, CVDL also approved the reporting of results generated from linked data in 41 manuscripts from researchers.

The department also enables Victorian health data to be made available to researchers and the public by other agencies, such as:

> Cancer Council Victoria[21]
> Australian Institute of Health and Welfare[22]
> Hospitals – AIHW[23]
> Productivity Commission Report on Government Services (ROGS)[24]
> Independent Health and Aged Care Pricing Authority (IHACPA) National Benchmarking Portal[25]
> National Health Funding Body[26]
> Victorian Injury Surveillance Unit[27]
> Public Health Information Development Unit (PHIDU)[28]
> Turning Point AODStats[29]

During 2025–26, the department received five Freedom of Information (FOI) requests relating to data. Of these, two requests were completed, with one request resulting in documents being released in full and the other resulting in no documents being identified for release. The remaining three requests are currently in progress and are being managed in accordance with FOI requirements.

Data made available by the department in these ways supports:

> evidence-based policy and planning in government and public sector organisations
> clinical improvement and benchmarking in health sector organisations
> accessibility of public information about the performance of health services
> a wide range of research and development activities, including clinical research, which contributes to the knowledge economy and supports innovation and improvement in health care.

14 https://vahi.vic.gov.au/reports/victorian-health-services-performance
15 https://vahi.vic.gov.au/reports/population-health
16 https://vahi.vic.gov.au/reports/mental-health-alcohol-drug-treatment
17 https://www.health.vic.gov.au/victorian-public-health-and-wellbeing-outcomes-dashboard
18 https://www.health.vic.gov.au/infectious-diseases/victorian-respiratory-surveillance-report
19 https://www.health.vic.gov.au/about/our-publications
20 https://vahi.vic.gov.au/ourwork/data-linkage
21 https://www.cancervic.org.au
22 https://www.aihw.gov.au/reports-data
23 https://www.aihw.gov.au/hospitals>
24 https://www.pc.gov.au/ongoing/report-on-government-services/2025/data-downloads
25 https://www.ihacpa.gov.au
26 https://www.publichospitalfunding.gov.au/public-hospital-funding-reports
27 https://www.monash.edu/muarc/research/visu
28 https://phidu.torrens.edu.au/
29 https://aodstats.org.au/

Freedom of information

The purpose of the *Freedom of Information Act 1982* (the Act) is to extend as far as possible the right of the community to access information held by government departments, local councils, ministers and other bodies subject to the Act.

A member of the public has a right to apply for access to documents held by a department. This comprises documents both created by the department or supplied to the department by an external organisation or individual and may also include instant messenger records from chat applications, text messages and handwritten notes, maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes. Information about the type of material produced by the department is available on the department's website under its Part II Information Statement.[30]

The Act allows a 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 information provided to a department in confidence and information that is confidential under another Act.

The Act provides for FOI requests to be processed within 30 calendar days from the date they are received. However, when external consultation is required under sections 29, 29A, 31, 31A, 33, 34 or 35 of the Act, an automatic 15-day extension applies. Processing time may also be extended by periods of up to 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

If an applicant is not satisfied by a decision made by the department, they have the right, under section 49A of the Act, 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 FOI Unit, pursuant to section 17 of the Act.

In summary, the requirements for making a request are that it:

- must be in writing
- should provide such information concerning the document as is reasonably necessary to enable identification of the document
- should be accompanied by the application fee of $33.60 (the fee may be waived in certain circumstances).

Access charges may also be payable in some instances, for example if the request requires the creation of a document under section 19 of the Act or if the document pool is large.

If at any time an applicant is unsure of the process or how they should request information, the FOI Unit will always respond to questions or queries via the contact details below.

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[31]

Enquiries can be made by emailing the Freedom of Information Unit[32], or telephone 1300 020 360.

30 https://www.health.vic.gov.au/freedom-of-information-part-ii-information-statements

31 https://online.foi.vic.gov.au/s/login/

32 foi@health.vic.gov.au

FOI statistics/timeliness

During 2025–26, the department received 695 FOI applications. Of these requests, 36 were from members of parliament, 18 from the media, and the remainder from the general public.

During 2025–26, the department processed 654 requests for access. Of these, 81 applicants were granted access to documents in full, 90 were granted access in part and 25 were denied access in full. Fifty requests resulted in 'No Documents' decisions. The remaining 408 requests were variously subject to section 17 closures (invalid requests), withdrawn or transferred to other agencies.

There were 159 decisions made within the statutory time periods. Of the decisions made outside these periods, 26 were made within a further 45 days and 61 decisions were made after more than 45 days. Of requests finalised, the average number of days over/under the statutory time (including extended timeframes) to decide the request was 30 days.

During 2025–26, 13 requests were subject to a complaint and 11 were subject to a review by Office of the Victorian Information Commissioner. Appeals were lodged at the Victorian Civil and Administrative Tribunal in four matters.

Further information

Further information regarding the operation and scope of FOI can be obtained from the Act, regulations made under the Act and ovic.vic.gov.au.[33]

Compliance with the *Public Interest Disclosures Act 2012*

The *Public Interest Disclosures Act 2012* (PID Act) encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The PID Act provides protection to people who make disclosures in accordance with the PID 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 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 departmental personnel:

- the Secretary
- a public interest disclosure coordinator[34]
- the manager or supervisor of the discloser
- the manager or supervisor of the person who is the subject of the disclosure
- a person acting in any of the above roles.

Alternatively, disclosures may also be made directly to the Independent Broad-based Anti-corruption Commission:

Level 3, 2 Lonsdale Street
Melbourne VIC 3000

Phone: 1300 735 135
Internet: Independent Broad-based Anti-corruption Commission[35]
Email IBAC.[36]

33 https://dhhsvicgovau-my.sharepoint.com/personal/fiona_best_health_vic_gov_au/Documents/Reporting%20and%20Data%20Analysis%20POLAR%20team/AR%20template%20docs/ovic.vic.gov.au

34 publicinterestdisclosure@health.vic.gov.au

35 https://www.ibac.vic.gov.au

36 info@ibac.vic.gov.au

Further information

The public interest disclosures procedures, which outline the system for reporting disclosures of improper conduct or detrimental action by the department or any of its employees and/or officers, are available:

> on the department's public interest disclosures web page[37]
> by emailing the public interest disclosure coordinators[38]
> by phoning a department public interest disclosure coordinator on the department's integrity hotline: 1300 024 324.

Table 24: Disclosures under the *Public Interest Disclosures Act 2012*

	2024–25 number	2025–26 number
The number of disclosures made by an individual to the Department of Health and notified to the Independent Broad-based Anti-corruption Commission	10	7

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 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 the relevant regulations.

The department undertook major capital projects in 2025–26 in collaboration with the Victorian Health Building Authority (VHBA). VHBA undertakes project delivery on behalf of the department with an aggregate investment value of approximately $15.5 billion as at 30 June 2026.

VHBA's projects and programs may be delivered directly by its capital delivery teams or by health services, funded via a grants program.

VHBA's capital program worked on 60 major projects[39] over the 2025–26 financial year while also overseeing 219 grants-funded projects with an investment value of more than $50,000 being delivered by health services statewide.[40]

VHBA engages qualified contractors and consultants through approved state panels in line with the VHBA procurement processes.

VHBA ensures work has been undertaken in line with the National Construction Code and relevant Victorian regulations and has the relevant artefacts, including the certificate of practical completion and the certificate of occupancy as evidence of acceptable work standards.

During 2025–26, 150 building permits and 57 occupancy permits or certificates of final inspection were issued for works delivered by VHBA on behalf of the department. A number of these certificates represent amendments to previous permits or relate to separable portions of work rather than entire building or project completion.

The department spent $998,640.00 on maintenance activities for buildings it owns in 2025–26.

The department completed 47 assessment projects in 2025–26 to understand the condition of buildings owned and controlled by the department and to ensure they complied with current building standards. As a result, eight minor works projects which relate to compliance issues were completed.

The department did not receive any new emergency or building orders in relation to building assets in 2025–26.

The work to rectify non-compliant cladding at Hamilton Base Hospital is now completed.

37 https://www.health.vic.gov.au/public-interest-disclosure

38 publicinterestdisclosure@health.vic.gov.au

39 Some of these projects are delivering separate elements of a program of work at a single location (for example works at Thomas Embling Hospital and The Alfred are counted as two projects for each hospital, as they are funded through separate initiatives in the *2025–26 State Budget Paper No. 4 – State Capital Program*).

40 These figures do not include asset maintenance or other works being delivered by the department or via grants programs run by the department directly (for example Minor Capital Works Renewal Program – public sector residential aged care). They also do not include works funded by health services.

Compliance with the *Carers Recognition Act 2012*

The department has taken practical measures to comply with its obligations under the *Carers Recognition Act 2012* (CR Act). These include:

> promoting the principles of the CR Act to people in care relationships who receive departmental services as well as to the wider community through providing access to information and resource materials on the department's website
> ensuring the department's employees have an awareness and understanding of the care relationship principles set out in the CR Act
> considering the care relationship principles set out in the CR Act when setting policies and providing services, including by ensuring that departmental employment policies on personal/carer leave and flexible working arrangements comply with the Act, and by providing opportunities for carers from all identities, ages and circumstances to give lived and living experience feedback
> implementing the priority actions in the *Victorian carer strategy 2025–26.* The refreshed strategy, which is coordinated by the Victorian Department of Families, Fairness and Housing (DFFH), focuses on four key areas to help guide support for carers:
  – awareness, recognition and respect
  – quality services in the right place, at the right time
  – participation, connection and opportunity
  – recognition of and support for First Nations care relationships.

DFFH holds portfolio responsibility for the CR Act and further information may be found in that department's 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.

The department remains committed to the purposes of the Disability 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.

As required by the Disability Act, the department reports annually on the implementation of its disability action plan in its annual report.

The department has implemented *Getting to work: Victorian public sector disability employment action plan 2018–2025* through the *Disability employment implementation plan*. Further information on how the employment action plan is being implemented can be found in the Workforce inclusion policy section of this report.

In the final quarter of 2025, the department participated in a Victorian Public Sector Commission review of diversity, equity and inclusion initiatives across the public sector, including those related to disability, neurodiversity and carers. The review informed the development of the *Victorian Public Sector Diversity, Equity and Inclusion Action Plan 2026–2028*, which is expected to be launched by the end of 2026, following endorsement by the Victorian Secretaries Board. The department is developing an implementation plan to support delivery of the action plan, including actions to advance disability inclusion as a key focus area.

The department also continues to support *Inclusive Victoria: state disability plan (2022–2026)*, which was published in March 2022 and which commits all departments to embedding 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

The *Cemeteries and Crematoria Act 2003* (Cemeteries and Crematoria Act) requires Class A cemetery trusts to pay a levy. The levy is set at three per cent of the gross earnings of each Class A cemetery trust from the previous financial year. It may be adjusted to a rate determined by the Minister for Health up to a maximum of five per cent.

The levy is intended to assist in defraying the cost of administering the Cemeteries and Crematoria Act, to make improvements to cemetery trust governance and administration, and to provide services to the community. The following table details the amount paid as levy, the amount appropriated, and the matters on which the appropriated money was expended.

Table 25

Collection of levy	2025–26
Metropolitan trusts	5,693,000
Regional trusts	779,002
Total amount collected	**6,472,002**

Table 26

Departmental expenditure (category)	2025–26
Governance support	886,741
Sector grants	2,389,783
Sector policy, development and coordination	851,966
Insurance premiums	3,114,072
Total expenditure	**7,242,562**

Drugs, Poisons and Controlled Substances Act 1981

Section 60S of *the Drugs, Poisons and Controlled Substances Act 1981* (DPCS Act) states that the Chief Commissioner of Police is to provide the following report on actions under the DPSC 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	3

(b) the number of searches without warrant under section 60F conducted during the financial year

Total amount collected	2

(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

Aerosol duster can	18
Deodorant can	0

(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

(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

(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)	0
Aerosol spray cans	0

(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

(h) the number of persons apprehended and detained without warrant under section 60L during the financial year

Persons (under 18 years) apprehended and detained	0
Persons (irrespective of age) apprehended and detained	0
Male	0
Female	0
Indigenous	0
Non-Indigenous	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.

Public Health and Wellbeing Act 2008

The *Public Health and Wellbeing Act 2008* (PHW Act) 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 PHW Act promotes and protects public health and wellbeing in Victoria.

Under section 21 of the PHW Act, the Chief Health Officer has functions and powers, including:

> 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 the PHW Act or any other Act or under any regulations made under the PHW Act or any other Act.

Under the PHW Act, the Chief Health Officer is also empowered to make certain orders that may impact on individuals 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.

Table 27: Orders made by the Chief Health Officer from 1 July 2025–30 June 2026

Section	Order type	Number	Reason
113	Examination and testing order	0	
117	Public health order	1	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	

Reporting of environmental data

In 2025–26, the department continued its work to improve its environmental performance and that of the broader health system by focusing on climate change adaptation and mitigation initiatives. Some highlights are detailed below.

> On 1 July 2025, department offices, cemetery trusts and large-scale health facilities, such as hospitals and large non-acute health services, transitioned to using 100 per cent renewable electricity through new purchasing agreements with the State Electricity Commission (SEC). Electricity is one of the biggest sources of carbon emissions in Victoria. Switching to renewable electricity will greatly reduce the health system's carbon footprint and support Victoria's efforts to achieve net zero greenhouse gas emissions by 2045.
> The department continued to implement the *Health and human services climate change adaptation action plan 2022–2026*[41] in partnership with the Department of Families, Fairness and Housing and the Victorian Health Building Authority.[42]

41 https://www.health.vic.gov.au/publications/health-and-human-services-climate-change-adaptation-action-plan-2022-26

42 https://www.health.vic.gov.au/publications/health-and-human-services-climate-change-adaptation-action-plan-2022-26

This work included continued engagement on the following projects with funding from Emergency Management Victoria:

- the development of a climate risk toolkit for Victorian health services to identify and assess climate change risks to their operations and infrastructure
- climate risk assessments of Aboriginal Community Controlled Organisations (ACCO) facilities in partnership with the Victorian Aboriginal Community Controlled Health Organisation. This project builds sector-wide knowledge of resilience measures and supports future infrastructure investments to improve ACCO capacity and health outcomes for Aboriginal communities.
- a climate change assessment of 11 Victorian cemeteries to identify potential sector-wide threats and opportunities to strengthen the sector's resilience in the face of climate change. The project was undertaken in partnership with Victoria's five Class A cemetery trusts.

> Work continued on the Sustainable and Quality Use of Diagnostics in Emergency Departments project to reduce unnecessary testing in Victorian emergency departments. This project is being delivered by Safer Care Victoria in partnership with the University of Melbourne. The project aims to reduce low-value pathology, diagnostic imaging and interventions to enhance care quality for consumers, produce lower carbon emissions, and deliver financial savings. To date, this project has had the following results:
  - avoidance of more than 295,000 unnecessary procedures
  - savings of $3.91 million
  - prevention of more than 98,000 kg of CO_2 emissions.

> Your Community Health won the 'Creating a sustainable and climate resilient health system' category at the Victorian Public Healthcare Awards[43] 2025 for their initiative *Our climate, our health: embedding sustainability and equity in community healthcare*. Your Community Health launched a whole-of-organisation climate action plan using a cross-functional, evidence-based approach. Staff, clients and communities were engaged in innovative actions, including fleet electrification, rooftop solar retrofitting, waste reduction reform, and a Climate Champions program. This initiative reduced organisational emissions by 33 per cent, improved climate resilience, and empowered staff and communities to take meaningful climate-health action.

  The two finalists in this category were:
  - The Royal Children's Hospital (RCH) Kitchen Garden Program, which fosters climate resilience and child health through a hands-on, nature-based care model. This program tackles the growing disconnect between food systems and produce origins by incorporating fresh produce grown on site into RCH's inpatient menu.
  - South West Healthcare, which created the Gloves On, Gloves Off campaign to raise awareness of unnecessary use of non-sterile gloves to improve understanding of hand hygiene and decrease clinical and landfill waste. The program led to a 17 per cent reduction in glove use over a 12-month period, kept 400,000 gloves from landfill, avoided associated emissions and reduced hospital-acquired infection rates.

43 https://www.google.com/goto?url=CAESYwHrOzAVdb44idCKAkfdyN7xnz6MjX-mSEyneZMiTraiPEfBaaKEeXAtK8NtF5bZmCU9D_fczB9UuuKeh0xPK-HiOXTPW_3VdfBZXVmVXv_u6NovGvAQNa8lKhk3uOECTbHjzg

The department's environmental management system

The department's environmental management system (EMS) was developed by the (former) Department of Health and Human Services. The EMS is a structured approach to managing the department's environmental impacts and improving its environmental performance. It is based on the national standard *AS/NZS ISO 14001:2016: Environmental Management Systems* and provides a framework for the department to improve its environmental sustainability.

The EMS was last externally audited in 2020 and was reported to have no significant findings. The department is working with the Department of Families Fairness and Housing to review the EMS's continued suitability. The EMS objectives include:

- reducing greenhouse gas emissions resulting from the department's operational activities
- reducing the amount of waste and maximising the amount of reused and recycled resources in procurement
- ensuring new capital works incorporate environmentally sustainable principles in design, construction and operation
- encouraging staff to reduce environmental impacts through behaviour change
- communicating environmental performance through regular internal and public reporting.

Organisational boundary

For the purposes of this report, the department's associated agencies and their categorisation under Financial Reporting Direction 24 *Reporting of environmental data by government entities* (FRD 24) are 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, multipurpose and statewide health services) are classified as Tier 3a.
- office-based: this category includes all department offices and offices occupied by statutory and department agencies. Agencies in this reporting category include:
  - Collaborative Centre for Mental Health and Wellbeing
  - Health Complaints Commissioner
  - Mental Health and Wellbeing Commission
  - Mental Health Tribunal
  - National Health Practitioner Ombudsman
  - Safer Care Victoria

The department's office-based activities are classified as Tier 1 under FRD 24. Classifications for agencies vary, with many being Tier 4. Data for Tier 4 has been incorporated into the overall Tier 1 reporting for the department.

- cemeteries: this category refers to Class A cemeteries only. Class A cemeteries are categorised as Tier 3a under FRD 24. This report captures the environmental data and performance of Ballarat General Cemeteries Trust, Geelong Cemeteries Trust, Southern Metropolitan Cemeteries Trust, Remembrance Parks Central Victoria 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.

Climate-related risk disclosure statement

The department has identified the key climate change risks and challenges facing the Victorian health system as those related to public health, infrastructure and sector capability. Specific risks include:

- overall warmer temperatures and the increased severity and frequency of climate-related hazardous events, such as heatwaves**,** bushfires and floods, which have direct and indirect impacts on health and wellbeing. These and other climate-related events or changes can also lead to such risks as:
  - soil contraction, which can cause shifting foundations
  - smoke damage
  - an increase in other pathogens and microbes
- threats to the ability of the health system to adequately prepare for and respond to more frequent and severe emergencies, which may require increased staffing, infrastructure investment and ongoing supports to understand and respond to risks and build resilience to minimise climate impacts.

As part of the *Health and human services climate change adaptation action plan 2022–26* the department is continuing to:

- improve its understanding of the risks and impacts of climate change on public health, and on its assets, operations and services
- respond to risks to minimise future impacts and increase the resilience of the Victorian health system.

Risk governance

The executive board has incorporated climate change into the department's strategic risk profile. Climate change is also referenced in some divisional risk profiles.

The department's executive-level Climate Change Action Group continues to champion and elevate climate change priorities across the organisation and monitors progress against relevant actions in the *Health and human services climate change adaptation action plan 2022–2026*. The group met five times in 2025–26.

Risk strategy

The department's *Strategic plan 2023–27* https://www.health.vic.gov.au/our-strategic-plan-2023-27[44] addresses climate-related risks and recognises sustainability of the health system and guarding against the impacts of climate change as important key focus areas.

The *Victorian public health and wellbeing plan 2023–27*[45], which provides a comprehensive approach for delivering improved public health and wellbeing outcomes for all Victorians, includes 'tackling climate change and its impacts on health' as a key priority.

Risk management

The approach to risk management aligns with the risk standard *AS ISO 31000:2018 Risk management – guidelines*, which requires the department to consider its operational context in assessing and managing risks.

The department identifies, assesses and manages climate-related risks at strategic, operational and project levels. It draws on the latest information in identifying, assessing and managing risks, with processes in place for reporting and review.

The department supports entities in the health sector to conduct climate-related risk assessments to help identify key vulnerabilities. With funding from Emergency Management Victoria, the department continued the implementation of three health sector climate risk projects during 2025–26.
These included:

- a toolkit to support health services assess their own climate risk
- climate risk assessments of six Aboriginal Community Controlled Organisations' facilities
- climate risk assessments of 11 cemeteries.

The outcomes of these and other projects have informed the development of the next adaptation action plan, to be released in late 2026.

44 https://www.health.vic.gov.au/our-strategic-plan-2023-27

45 https://www.health.vic.gov.au/victorian-public-health-and-wellbeing-plan-2023-27

Metrics and targets

The department reports climate-related metrics in line with the requirements of FRD 24.

The department continued to manage the environmental data management system (EDMS) to assist health services, statutory authorities and other health sector entities meet their environmental reporting requirements. During May 2026 the department held four training sessions for EDMS users with approximately 100 health sector staff attending.

Environmental data and performance

The following information has been prepared in accordance with FRD 24 *Reporting of environmental data by government entities*. FRD 24 specifies a range of environmental indicators that the department and associated agencies must report against.

FRD 24 reporting capability by the department and its entities continues to improve, however, there may be some data gaps. These gaps are unlikely to be significant within the context of the broader portfolio impacts.

The department's environmental data management system is the preferred method for collecting environmental performance data. Most health services, Class A cemeteries and office-based data is collected through this system, however, there are some indicators where collection methods may differ.

Scope 1, 2 and 3 emissions are specified in the Australia National Greenhouse and Energy Reporting Scheme.

Departmental reporting timelines

This report provides environmental data for the fringe benefits tax year 1 April 2025 to 31 March 2026.

Greenhouse gas emissions

Health Services

In 2025–26, Victorian health services observed a decrease in their Scope 1 emissions and a slight increase in indirect Scope 2 emissions relative to the past three years[46]. For Scope 1 emissions, the decrease since 2023 is largely due to the decrease in natural gas consumption.

Total electricity consumption (EL1) has slightly increased since 2023, with on-site generation of electricity from solar increasing and cogeneration decreasing (EL2). A total of 19,921 megawatt-hours (MWh) of electricity was generated and used from on-site solar at 68 health services. In 2025–26, 1,101 MWh of solar electricity was exported.

The amount of on-site solar capacity (EL3) increased by approximately three megawatt-peak (MWp) to 24 MWp.

Total electricity offsets (EL4) increased fourfold to 527,204 MWh in 2025–26.

The proportion of waste sent to landfill increased to 69 per cent, while the recycling rate decreased to 17 per cent. Overall greenhouse gas emissions from waste increased by 18 per cent in 2025–26.

The department continued to implement the $40 million energy efficiency and solar program. In 2025–26, through the Victorian Health Building Authority (VHBA), the department:

> achieved practical completion for building management system, solar and lighting works in the Barwon South West region, lighting and solar works in the Loddon Mallee region, building management system works in the Hume region, and heating ventilation and air conditioning, domestic hot water, energy efficiency, and reverse osmosis works in the Grampians region
> completed the installation of 95 kilowatt-peak of solar, 161 kilowatt-hours of battery storage, and heating ventilation and air conditioning and domestic hot water upgrades at 13 bush nursing centres

46 On 1 July 2025, Victorian public health services moved to 100 per cent renewable electricity. The reported indirect Scope 2 emissions represents gross Scope 2 emissions (which excludes offsets). The increase to Scope 2 emissions is driven by new health service sites (fully electric early parenting centres, youth prevention and recovery centres, and alcohol and other drugs units), additional electrification works through Greener Government Buildings, and the reopening of Rupanyup Nursing Home, managed by West Wimmera Health Service, after reconstruction.

> approved $0.349 million in funding for the installation of solar batteries, and heating, ventilation and air conditioning and domestic hot water upgrades at Ramahyuck District Aboriginal Corporation, Moogji Aboriginal Council East Gippsland Inc., Lake Tyers Aboriginal Trust and Rumbalara Aboriginal Cooperative.

The department continued to implement the Greener Government Buildings program through progressing energy performance contracts at Barwon Health and Northeast Health Wangaratta; through progressing detailed facility studies for Western District Health Service, Central Gippsland Health Service, Swan Hill District Health and Mildura Base Public Hospital; and through issuing an expression of interest for an energy performance contract at Eastern Health.

Office-based

For office-based activities, Scope 1, 2 and 3 emissions decreased over the three-year period. This decrease can partly be attributed to the consolidation of office floorspace.

In 2025–26, total office waste decreased significantly, although recycling volumes declined faster than landfill waste, resulting in a lower recycling rate.

The Cercle program was introduced at 50 Lonsdale St and surrounding buildings in April 2024 to combat one of the lead contaminants in mixed recycling, disposable coffee cups. Over the 2025–26 reporting period, the program diverted almost 200 kg or approximately 10,000 cups from landfill. This program is supported by retailers in the immediate area.

The container deposit scheme was introduced at 50 Lonsdale Street in December 2023. Containers with a 10-cent refund label are collected, with financial rebates from the scheme donated to charitable organisations. Over 9,600 containers were collected from 1 April 2025 to 31 March 2026 from departmental tea rooms. This initiative further enhances departmental recycling while giving back to the community.

Cemeteries

In 2025–26, cemetery trusts observed an increase in Scope 1, 2 and 3 emissions. The increases in emissions can be attributed to improved data collection and the onboarding of waste data for Southern Metropolitan Cemetery Trust. On-site solar-generated electricity has increased fourfold. The proportion of cemetery waste sent to landfill decreased from 89 per cent to 59 per cent, while the recycling rate increased from 11 per cent to 41 per cent. Net greenhouse gas emissions from cemetery operations increased significantly in 2025–26, primarily due to higher reported waste emissions and increases in operational fuel use. Improved reporting coverage also contributed to the increase.

Geelong Cemeteries Trust continued to progress its sustainability initiatives during 2025–26, including the transition from fossil-fuelled groundskeeping equipment to electric alternatives. Six electric ride-on mowers, four electric utility carts and a growing range of battery-powered equipment are now operating across its cemeteries, reducing fuel use, emissions and operational noise. The trust also continued to expand renewable energy generation and progressed the redevelopment of its cremation infrastructure, including the acquisition of Australia's first high-efficiency electric-hybrid cremator. These initiatives form part of the trust’s net zero emissions reduction plan and support the transition to lower-emission cemetery and cremation operations.

Remembrance Parks Central Victoria Trust (RPCV) continued to progress its environmental sustainability priorities during 2025–26, including transitioning its electricity supply to renewable energy supported through the State Electricity Commission, increasing its on-site solar generation, and strengthening its waste and resource recovery practices. RPCV is also developing an environmental management plan to further embed a framework for biodiversity, Indigenous planting and sustainable procurement into future development projects and operations across its remembrance parks.

A key focus for Greater Metropolitan Cemeteries Trust was electrification, with the installation of 380 kW of solar across five sites, six new electric vehicles on fleet, heat-pump hot water system upgrades across three sites, and the first public electric vehicle charger at Northern Memorial. There is now nearly 600 kW of solar across all sites. More efficient cremators were installed at Fawkner which will reduce gas use. Variable speed drive fans were installed in Altona to improve the efficiency of existing cremators. To promote environmental cooling and habitat restoration, the Blue Wren Den micro forest was installed at Fawkner Cemetery.

Greater Metropolitan Cemeteries Trust also implemented the first year of their 2026–2030 sustainability strategy, which included the development of a waste management action plan, a climate data framework, and a greenhouse gas inventory plan.

Over the past 12–18 months at Southern Metropolitan Cemeteries Trust, almost 300 kW of solar power has been installed at Bunurong Memorial Park and Springvale Botanical Cemeteries. This has significantly increased the amount of renewable electricity generated and used on site, reducing reliance on grid-supplied power and supporting lower emissions.

Summary of greenhouse gas emissions

The portfolio delivered a significant reduction in greenhouse gas emissions in 2025–26, with whole-of-portfolio net emissions falling 46.4 per cent to 405,184 tonnes CO_2-e. This result reflects the transition to renewable electricity through the State Electricity Commission and substantially increased electricity offsets.

Scope 1 emissions decreased by 7.3 per cent, driven by lower stationary fuel consumption across health services. Improvements in reporting coverage also contributed to a more complete understanding of the portfolio's environmental footprint.

The portfolio continues to make progress in reducing emissions, improving energy efficiency and strengthening environmental data quality. More complete environmental data is enhancing performance monitoring and helping identify opportunities to improve efficiency, while investment in renewable energy and emission reduction initiatives supports sustainable and cost-effective services for Victorians.

The following table is a summary of greenhouse gas emissions across the department's portfolio. Additional data explanations are available in the more detailed tables. Estimates have been used where data was not available at the time of reporting or data quality issues were identified. Estimates are calculated in the department's environmental data management system, using data reported from previous years. The environmental data tables below provide data on the fringe benefits tax year from 1 April to 31 March for all reportable years. Data presented in the tables below may change, however, as validations occur in the environmental data management system over time. Data is based on information available up to August 2026.

Table 28

Total greenhouse gas emissions associated with:	2025–26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
Scope 1 (direct)			
Health services	195,673	211,725	213,416
Office-based	384	368	484
Cemeteries	4,279	4,069	3,232
Scope 2 (indirect electricity)			
Health services	430,883	411,477	426,983
Office-based	1,677	1,942	2,400
Cemeteries	2,833	2,780	2,815
Scope 3 (other indirect)			
Health services	149,863	142,563	146,639

Total greenhouse gas emissions associated with:	2025–26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
Office-based	422	666	780
Cemeteries	3,963	1,598	1,280
Gross total (G1+G2+G3)			
Health services	776,419	765,765	787,038
Office-based	2,483	2,976	3,664
Cemeteries	11,075	8,447	7,327
Offsets			
Health services	-380,646	-18,093	-16,509
Office-based	-930	-12	-54
Cemeteries	-3,217	-3,696	-3,095
Net emissions			
Health services	395,773	747,672	770,529
Office-based	1,553	2,964	3,610
Cemeteries	**7,858**	**4,751**	**4,232**

Notes:

- CO_2 e = carbon dioxide equivalent
- Scope 1, 2 and 3 emissions are specified in the Australian National Greenhouse and Energy Reporting Scheme <https://cer.gov.au/schemes/national-greenhouse-and-energy-reporting-scheme>.
- Health service offsets (reduction measures) which reduce allocated CO_2 are electricity based and include Large-Scale Generation Certificates, purchased GreenPower and electricity for road vehicles.
- Five Class A cemeteries have been included in data from 2023–24 onwards.

Greenhouse gas emissions breakdown

Gross portfolio greenhouse gas emissions increased by 1.6 per cent in 2025–26, largely due to higher Scope 2 electricity use emissions and increased reported emissions from cemetery operations.

A major milestone was achieved on 1 July 2025, when health services, department offices and cemeteries transitioned to renewable electricity through the State Electricity Commission (SEC).

Although overall electricity consumption remained largely unchanged, renewable electricity purchases and certificates offset most electricity-related emissions, reducing net Scope 2 emissions across the portfolio by 87.2 per cent and with a 46.4 per cent reduction in net portfolio greenhouse gas emissions in 2025–26.

Office-based emissions continued to decline, supported by lower electricity use, reduced transport emissions and a more efficient fleet.

Cemetery trust emissions increased alongside higher operational activity and reported waste emissions. Cemeteries also continued to invest in renewable energy generation and electricity offsets.

Health services

Table 29: G1 Total Scope 1 (direct) greenhouse gas emissions

Emission source	2025–26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
GHG emissions from stationary fuel (F2)	141,265	161,091	165,938
GHG emissions from vehicle fleet (T3)	31,274	33,885	37,560
F2 and T3 by greenhouse gas			
Carbon dioxide	171,945	194,316	202,803
Methane	285	324	335
Nitrous Oxide	309	336	360
Total F2 and T3	**172,539**	**194,976**	**203,498**
Medical/refrigerant gases			
Desflurane	74	111	86
Isoflurane	34	32	10
Methoxyflurane whistles	16	17	18
Nitrous oxide	18,543	12,580	7,427
Sevoflurane	2,303	1,390	1,026
Refrigerant gases	2,164	2,619	1,351
Total medical/refrigerant gases	**23,134**	**16,749**	**9,918**
Total Scope 1 (direct) greenhouse gas emissions	**195,673**	**211,725**	**213,416**

Notes:

- T3 value reported at G1 excludes GHG emissions related to vehicle fleet electricity usage (indirect energy).
- To improve data accuracy, from 2023 onwards, nitrous oxide data has been obtained from direct supplier procurement records (state purchasing agreements).
- Emissions factors used: Desflurane: 2590; Isoflurane: 539; Sevoflurane:195
- Figures for medical gases have been adjusted for multiple reporting years to accommodate revised emissions factors and liquid to mass conversion factors.

Table 30: G2 Total Scope 2 (indirect electricity) greenhouse gas emissions

Emission source	2025–26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
Cogenerated electricity	0	0	0
Electricity	430,878	411,457	426,973
Electricity for road vehicles from public or private chargers	5	20	10
Steam	0	0	0
Total Scope 2 (indirect electricity) greenhouse gas emissions	**430,883**	**411,477**	**426,983**

Notes:

- Due to changes in the department's cogeneration energy procurement service agreement in October 2021, cogenerated electricity and steam are no longer reported under G2.

Table 31: G3 Total Scope 3 (other indirect) greenhouse gas emissions associated with commercial air travel, waste disposal and other indirect emissions

Emission source	2025–26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
Commercial air travel	4,295	2,796	2,959
Waste emissions	50,491	42,731	46,812
Indirect emissions from stationary energy	70,910	68,601	67,636
Indirect emissions from transport energy	15,882	20,027	20,823
Paper emissions	958	522	471
Any other Scope 3 emissions	7,327	7,886	7,938
Total Scope 3 greenhouse gas emissions	**149,863**	**142,563**	**146,639**
Total reported greenhouse gas emissions	**776,419**	**765,765**	**787,038**
Total reported gross greenhouse gas emissions per bed day (t CO2-e/bed day)	**0.10**	**0.10**	**0.10**

Notes:

- Any other Scope 3 emissions refer to water emissions.
- Total reported greenhouse gas emissions per bed day is the sum of Total G1, Total G2 and Total G3 divided by the sum of occupied bed day

Table 32: Net greenhouse gas emissions (t CO2-e)

Emission source	2025–26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
Total reported greenhouse gas emissions	776,419	765,765	787,038
GreenPower electricity	-8,041	-7,976	-6,489
LGCs (separately purchased)	-12,709	-10,107	-10,017
Purchased LGCs	-359,896	-10	-3
Total offsets purchased	-380,646	-18,093	-16509
Net greenhouse gas emissions (t CO2-e)	**395,773**	**747,672**	**770,529**
Net emissions by bed day (t CO2-e/bed day)	**0.05**	**0.10**	**0.10**

Notes:

- LGC = Large-Scale Generation Certificate
- Purchased LGCs include electricity offsets purchased from the State Electricity Commission (SEC)
- SEC contracts started on 1 July 2025, three months into this reporting period.
- Not all sites have transitioned to SEC contracts.
- Total reported net greenhouse gas emissions per bed day is the sum of Total G1, Total G2 and Total G3, less offsets, divided by the sum of occupied bed day

Office-based (department and statutory agencies)

Table 33: G1 Total Scope 1 (direct) greenhouse gas emissions

Emission source	2025–26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
Scope 1 GHG emissions from stationary fuel (F2)	173	109	257
Scope 1 GHG emissions from vehicle fleet (T3)	211	259	227
F2 and T3 by greenhouse gas			
Carbon dioxide	383	367	482
Methane	0.39	0.3	0.56
Nitrous Oxide	0.89	0.7	1
Total F2 and T3	**384**	**368**	**484**
Total Scope 1 (direct) greenhouse gas emissions	**384**	**368**	**484**

- T3 value reported at G1 excludes GHG emissions related to vehicle fleet electricity usage (indirect energy)

Table 34: G2 Total Scope 2 (indirect electricity) greenhouse gas emissions

Emission source	2025–26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
Electricity	1,673	1,942	2,400
Electricity for road vehicles from public or private chargers	4	NA	NA
Total Scope 2 (indirect electricity) greenhouse gas emissions	**1,677**	**1,942**	**2,400**

Notes:

- Electricity for road vehicles from public or private chargers was not captured in 2024–25 and 2023–24.

Table 35: G3 Total Scope 3 (other indirect) greenhouse gas emissions associated with commercial air travel, waste disposal and other indirect emissions

Emission source	2025–26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
Commercial air travel	103	146	169
Waste emissions (WR5)	16	16	47
Indirect emissions from stationary energy	241	266	320
Indirect emissions from transport energy	47	215	227
Any other Scope 3 emissions	15	23	17
Total Scope 3 greenhouse gas emissions	**422**	**666**	**780**

Notes:

- Any other Scope 3 emissions includes water.

Cemeteries

Table 36: G1 Total Scope 1 (direct) greenhouse gas emissions

Emission source	2025–26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
Scope 1 GHG emissions from stationary fuel (F2)	3,429	3,421	2,797
Scope 1 GHG emissions from vehicle fleet (T3)	851	648	436
F2 and T3 by greenhouse gas			
Carbon dioxide	4,263	4,054	3,221
Methane	7	7	6
Nitrous oxide	9	8	5
Total F2 and T3	**4,279**	**4,069**	**3,232**
Total Scope 1 (direct) greenhouse gas emissions	**4,279**	**4,069**	**3,232**

Table 37: G2 Total Scope 2 (indirect electricity) greenhouse gas emissions

Emission source	2025–26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
Electricity	2,833	2,780	2,815
Total Scope 2 (indirect electricity) greenhouse gas emissions	**2,833**	**2,780**	**2,815**

Table 38: G3 Total Scope 3 (other indirect) greenhouse gas emissions associated with commercial air travel, waste disposal and other indirect emissions

Emission source	2025–26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
Commercial air travel	59	26	43
Waste emissions (WR5)	2,570	229	138
Indirect emissions from stationary energy	787	787	627
Indirect emissions from transport energy	186	174	121
Any other Scope 3 emissions	361	382	351
Total Scope 3 greenhouse gas emissions	**3,963**	**1,598**	**1,280**

Notes:

- Any other Scope 3 emissions includes water.
- The increase in waste emissions is due to Southern Metropolitan Cemetery Trust initiating data entry for waste; Greater Metropolitan Cemetery Trust improving data quality; and Geelong Cemeteries Trust's infrastructure upgrades.

Electricity production and consumption

Portfolio electricity consumption remained relatively stable in 2025–26.

Health services and cemeteries recorded increases in overall electricity use, while office electricity consumption fell by 14.6 per cent following continued consolidation of office accommodation.

Renewable energy generation continued to expand across the portfolio, with health services increasing solar generation and cemeteries more than quadrupling on-site solar generation.

From 1 July 2025, health services, offices and cemeteries transitioned to renewable electricity supplied through the State Electricity Commission (SEC). This significantly increased renewable electricity certificates and offsets across the portfolio. As a result, electricity-related emissions were substantially reduced, with net Scope 2 emissions falling by 87.2 per cent across the portfolio, and the greatest reductions observed in health services and office operations.

Health services

Table 39: EL1 Total electricity consumption

Electricity source	2025–26 MWh	2024–25 MWh	2023–24 MWh
Purchased	645,639	624,530	642,377
Self-generated	32,227	48,944	43,883
EL1 Total electricity consumption	**677,866**	**673,474**	**686,260**

Notes:

- MWh = megawatt hours

Table 40: EL2 On-site electricity generated

Electricity generation	2025–26 MWh	2024–25 MWh	2023–24 MWh
Consumption behind-the-meter			
Solar electricity	19,921	18,209	15,155
Cogeneration electricity	12,306	30,735	28,728
Total consumption behind-the-meter	**32,227**	**48,944**	**43,883**
Electricity exported			
Solar electricity	1,101	274	250
Cogeneration electricity	952	3,465	5,142
Total electricity exported	**2,053**	**3,739**	**5,392**
EL2 Total on-site electricity generated	**34,280**	**52,683**	**49,275**

Notes:

- 68 health services reported solar data from over 327 devices (from 403 solar devices in total).
- Electricity offsets purchased from the State Electricity Commission (SEC) are accounted for under LGCs voluntarily retired on the entity's behalf.
- SEC contracts started on 1 July 2025, three months into this reporting period.

Table 41: EL3 On-site installed generation capacity

Generation source	2025–26 MWp	2024–25 MWp	2023–24 MWp
Cogeneration plant	12	36	42
Diesel generator	201	203	203
Photovoltaic solar system	24	21	19
EL3 Total on-site installed generation capacity	**237**	**260**	**264**

Notes:

- MWp = megawatt-peak

Table 42: EL4 Total electricity offsets

Offset type	2025–26 MWh	2024–25 MWh	2023–24 MWh
LGCs voluntarily retired on the entity's behalf	405,007	11,025	11,012
GreenPower	8,740	8,740	7,037
Renewable power percentage in the grid	113,457	115,563	120,767
EL4 Total electricity offsets	**527,204**	**135,328**	**138,816**

Notes:

- Alfred Health, Barwon Health and Melbourne Health cogeneration plants ceased operation during 2025–26.
- Bendigo Health remains an active cogeneration site.

Office-based (department and statutory agencies)

Table 43: EL1 Total electricity consumption

Electricity source	2025–26 MWh	2024–25 MWh	2023–24 MWh
Purchased	2,513	2,942	3,602
Self-generated	0	0	0
EL1 Total electricity consumption	**2,513**	**2,942**	**3,602**

EL2 On-site electricity generated

Nil

EL3 On-site installed generation capacity

Nil

Table 44: EL4 Total electricity offsets

Offset type	2025–26 MWh	2024–25 MWh	2023–24 MWh
LGCs voluntarily retired on the entity's behalf	1,011	NA	NA
GreenPower	0	99	58
Renewable power percentage in the grid	442	544	677
EL4 Total electricity offsets	**1,453**	**643**	**735**

Notes:

- GreenPower data for 2025–26 was not available at the time of reporting.

Cemeteries

Table 45: EL1 Total electricity consumption

Electricity source	2025–26 MWh	2024–25 MWh	2023–24 MWh
Purchased	4,245	4,215	4,232
Self-generated	429	94	135
EL1 Total electricity consumption	**4,674**	**4,309**	**4,367**

Table 46: EL2 On-site electricity generated

Electricity generation	2025–26 MWh	2024–25 MWh	2023–24 MWh
Consumption behind-the-meter			
Solar electricity	429	94	135
Total consumption behind-the-meter	**429**	**94**	**135**
Exports			
Solar electricity	67	85	118
Total electricity exported	**67**	**85**	**118**
EL2 Total on-site electricity generated	**496**	**179**	**253**

Table 47: EL3 On-site installed generation capacity

Generation source	2025–26 MW	2024–25 MW	2023–24 MW
Photovoltaic solar system	0.51	0.17	0.17
EL3 Total on-site installed generation capacity	**0.51**	**0.17**	**0.17**

Table 48: EL4 Total electricity offsets

Offset type	2025–26 MWh	2024–25 MWh	2023–24 MWh
LGCs voluntarily retired on the entity's behalf	2,253	N/A	N/A
GreenPower	1,505	4,028	3,382
Renewable Power Percentage in the grid	747	780	796
EL4 Total electricity offsets	**4,245**	**4,216**	**4,178**

Notes:

- Electricity offsets purchased from the State Electricity Commission (SEC) are accounted for under LGCs voluntarily retired on the entity’s behalf
- SEC contracts started on 1 July 2025, three months into this reporting period.
- Many cemetery trusts had transitioned to green energy prior to the SEC contracts (2025–26).
- EL4 offset is capped at maximum of EL1 total purchased electricity consumed.

Stationary fuel use

Portfolio stationary fuel use fell by 12 per cent in 2025–26, driven primarily by lower natural gas consumption in health services.

Natural gas remained the portfolio’s largest stationary fuel source and accounted for most of the reduction. While office and cemetery gas use increased slightly, these changes were offset by the significant reduction in gas use across health services.

Health services reduced natural gas consumption by 12.6 per cent and LPG use by 5.6 per cent, contributing substantially to the portfolio-wide improvements.

Cemeteries recorded a modest increase in natural gas use, partly offset by lower LPG consumption.

Health Services

Table 49: F1 Total fuels used in buildings and machinery segmented by fuel type

Fuel type	2025–26 TJ	2024–25 TJ	2023–24 TJ
Natural gas	2,647	3,029	3,124
LPG	67	71	76
Diesel	12	9	5
Petrol	0.01	0.02	0.03
Green and air-dried wood	1.73	1.81	1.04
F1 Total fuels used in buildings	**2,728**	**3,111**	**3,206**

Notes:

- TJ = terajoules

Table 50: F2 Greenhouse gas emissions from stationary fuel consumption

Fuel type	2025–26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
Natural gas	136,396	156,108	161,003
LPG	4,040	4,329	4,615
Diesel	825	650	317
Petrol	1	2	2
Green and air-dried wood	2	2	1
F2 Greenhouse gas emissions from stationary fuel consumption	**141,264**	**161,091**	**165,938**

Notes:

- Diesel data is from emergency diesel generators at public hospital sites where data is available.
- Green and air-dried wood use is associated with the biomass boiler installed at Beaufort and Skipton Hospitals.

Office-based (department and statutory agencies)

Table 51: F1 Total fuels used in buildings and machinery

Fuel type	2025–26 MJ	2024–25 MJ	2023–24 MJ
Natural gas	3,365,097	2,121,750	4,996,582
F1 Total fuels used in buildings	**3,365,097**	**2,121,750**	**4,996,582**

Notes:

- MJ = megajoules

Table 52: F2 Greenhouse gas emissions from stationary fuel consumption

Fuel type	2025–26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
Natural gas	173	109	257
F2 Greenhouse gas emissions from stationary fuel consumption	**173**	**109**	**257**

Cemeteries

Table 53: F1 Total fuels used in buildings and machinery

Fuel type	2025–26 MJ	2024–25 MJ	2023–24 MJ
Natural gas	53,610,779	52,207,601	49,841,532
LPG	4,489,628	5,368,851	3,766,610
Diesel	4,565,041	4,967,820	-
Petrol	1,085,750	847,014	-
F1 Total fuels used in buildings	**63,751,198**	**63,391,286**	**53,608,142**

Table 54: F2 Greenhouse gas emissions from stationary fuel consumption

Fuel type	2025–26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
Natural gas	2,763	2,690	2,568
LPG	272	325	228
Diesel	320	349	-
Petrol	74	57	-
F2 Greenhouse gas emissions from stationary fuel consumption	**3,429**	**3,421**	**2,796**

Transportation

Portfolio transport energy use fell by 6.8 per cent in 2025–26, mainly due to lower fuel consumption across health services and office-based operations. This contributed to the overall reduction in portfolio energy use and reflects continued efforts to improve fleet efficiency and reduce reliance on fossil fuels.

Office transport energy fell by 18 per cent, while commercial air travel fell by 10.7 per cent. The decrease in transport energy is reflected through lower petrol and diesel consumption, a growing share of hybrid and electric-assisted vehicles, and improved capture of electric vehicle charging data. Hybrid, plug-in hybrid and range-extended electric vehicles increased from 49 per cent of the fleet mix in 2023–24 to 56 per cent in 2025–26.

Cemeteries reported higher transport energy use, reflecting increased operational activity, while several trusts continued to invest in lower-emission vehicles and electric equipment to support longer-term emissions reduction.

Health services

Table 55: T1 Total energy used in transportation within the entity

Fuel type and vehicle category	2025–26 MJ	2024–25 MJ	2023–24 MJ
Hospital emergency transport			
Diesel – road vehicles	159,822,085	156,851,475	212,496,868
Gasoline/petrol – road vehicles	4,510,406	4,672,551*	26,297,098
Aviation fuel	153,584,244	167,109,539	163,467,955
Total hospital emergency transport	**317,916,735**	**328,633,565**	**402,261,921**
Health services vehicle fleet			
Diesel – road vehicles	42,051,693	53,874,213	38,605,366
Gasoline/petrol – road vehicles	79,022,532	95,793,456	94,934,491
E10 ethanol blend – road vehicles	10,318,907	7,291,988	3,327,603
LPG – road vehicles	0	25,351	33,643
Electricity (transport energy)	401,806	408,149	247,407
Total health service vehicle fleet	**131,794,938**	**157,393,157**	**137,148,510**
Total energy used in transportation	**449,711,673**	**486,026,722**	**539,410,431**

Notes:

- LPG – road vehicles: no data was provided for the reporting period 2025–26.
- Hospital emergency transport includes Ambulance Victoria.
- Improvements in data quality have led to the reduction in 2024–25 in Gasoline/petrol – road vehicles for hospital emergency transport consumption/emissions data. These improvements were due to a multi-year revision of data provided by Ambulance Victoria. Reductions were also observed in non-published 2023–24 data.
- Data for Electricity (Transport Energy) was only collected from 2025–26 onwards.

T2 Number and proportion of vehicles

N/A

Table 56: T3 Greenhouse gas emissions from vehicle fleet

Fuel type and vehicle category	2025–26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
Hospital emergency transport			
Diesel – road vehicles	11,253	11,044	14,962
Gasoline/petrol – road vehicles	305	316	1,778
Aviation fuel	10,783	11,733	11,477
Total hospital emergency transport	**22,341**	**23,093**	**28,217**
Health services vehicle fleet			
Diesel – road vehicles	2,961	3,793	2,719
Gasoline/petrol – road vehicles	5,344	6,478	6,419
E10 ethanol blend – road vehicles	628	444	203
LPG – road vehicles	–	2	2
Electricity (transport energy)	74	75	45
Total health services vehicle fleet	**9,007**	**10,792**	**9,388**
Total greenhouse gas emissions in transportation	**31,348**	**33,885**	**37,605**

Notes:

- LPG – road vehicles: no data was provided for the reporting period 2025–26.
- Improvements in data quality have led to the reduction in 2024–25 data for hospital emergency transport for Gasoline/petrol – road vehicles.
- Vehicle fleet data includes data from approximately two-thirds of public hospitals and health services.

Table 57: T4 Total distance travelled by commercial air travel

Travel type	2025–26 pkm	2024–25 pkm	2023–24 pkm
Commercial air travel for business purposes by entity staff on commercial or charter aircraft	20,967,987	10,107,421	11,269,466

Notes:

- pkm = passenger kilometres
- Air travel data includes data from 22 health services.

Office-based (department and statutory agencies)

Table 58: T1 Total energy used in transportation (vehicle fleet) within the entity

Engine/fuel type and vehicle category	2025–26 MJ	2024–25 MJ	2023–24 MJ
Petrol			
Non-executive fleet – gasoline/petrol	325,396	667,557	1,170,071
Executive fleet – gasoline/petrol	761,627	1,053,606	N/A
Non-executive fleet – hybrid gasoline/petrol	343,037	755,915	769,072
Executive fleet – hybrid gasoline	422,538	NA	NA
Non-executive fleet – State Government Vehicle Pool gasoline/petrol	678,521	541,085	770,858
Total petrol	**2,531,119**	**3,018,163**	**2,710,001**

Engine/fuel type and vehicle category	2025–26 MJ	2024–25 MJ	2023–24 MJ
Diesel			
Non-executive fleet – diesel	247,619	266,857	619,804
Executive fleet – diesel	301,597	446,023	N/A
Non-executive fleet – State Government Vehicle Pool diesel	14,274	68,392	N/A
Total diesel	**563,490**	**781,272**	**619,804**
Electricity (transport energy)			
Electricity for road vehicles from public or private chargers	22,962	NA	NA
Total electricity (transport energy)	**22,962**	**NA**	**NA**
Total energy used in transportation (vehicle fleet)	**3,117,571**	**3,799,435**	**3,329,805**

Note:

- Data for Electricity for road vehicles from public or private chargers was only collected from 2025–26 onwards.
- Data for office-based executive fleet and non-executive fleet has been disaggregated from 2024–25. This data was aggregated in previous years.
- Executive fleet - hybrid gasoline was only collected from 2025–26 onwards.

Table 59: T2 Number and proportion of vehicles

Engine/fuel type and vehicle category	2025–26 No.	2025–26 (%)	2024–25 No.	2024–25 (%)	2023–24 No.	2023–24 (%)
Road vehicles	95	100%	83	100%	97	100%
Passenger vehicles	95	100%	83	100%	97	100%
Internal combustion engines	95	100%	83	100%	97	100%
Gasoline/petrol	28	29%	25	30%	30	31%
Diesel/biodiesel	14	15%	13	16%	19	20%
Hybrid	33	35%	29	35%	41	42%
Plug-in hybrid electric vehicle	3	3%	6	7%	3	3%
Range-extended electric vehicle	17	18%	10	12%	4	4%

Table 60: T3 Greenhouse gas emissions from transportation (vehicle fleet)

Engine/fuel type and vehicle category	2025–26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
Petrol			
Non-executive fleet – gasoline/petrol	22	45	79
Executive fleet – gasoline/petrol	52	71	NA
Non-executive fleet – hybrid gasoline/petrol	23	51	52
Executive fleet – hybrid gasoline	29	NA	NA
Non-executive fleet – State Government Vehicle Pool gasoline/petrol	46	37	52
Total petrol	**172**	**204**	**183**

Engine/fuel type and vehicle category	2025–26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
Diesel			
Executive fleet – diesel	21	31	NA
Non-executive fleet – diesel	17	19	44
Non-executive fleet – State Government Vehicle Pool diesel	1	5	NA
Total diesel	**39**	**55**	**44**
Electricity (road vehicles)			
Electricity for road vehicles from public or private chargers	4	NA	NA
Total electricity (road vehicles)	**4**	**NA**	**NA**
Total greenhouse gas emissions	**215**	**259**	**227**

Notes:

- Data for Electricity for road vehicles from public or private chargers and Electricity (Transport Energy) was only collected from 2025–26 onwards.
- Executive fleet – hybrid gasoline was collected from 2025–26 onwards.

Table 61: T4 Total distance travelled by commercial air travel

Travel type	2025–26 pkm	2024–25 pkm	2023–24 Pkm
Commercial air travel for business purposes by entity staff on commercial or charter aircraft	617,487	691,627	917,334

Cemeteries

Table 62: T1 Total energy used in transportation (vehicle fleet) within the entity

Engine/fuel type and vehicle category	2025–26 MJ	2024–25 MJ	2023–24 MJ
Petrol			
Executive fleet – gasoline	867,093	376,026	314,213
Non-executive fleet – gasoline	791,498	973,684	NA
Non-road gasoline in vehicles	102,460	126,530	151,171
Total petrol	**1,761,051**	**1,476,240**	**465,384**
Petrol (E10)			
Executive fleet – E10	–	–	–
Total petrol (E10)	**–**	**–**	**–**
Diesel			
Non-executive fleet – diesel	4,689,065	4,274,981	1,662,896
Executive fleet – diesel	4,385,921	2,910,151	2,485,161
Non-road diesel oil in vehicles	1,313,508	595,227	1,593,408
Total diesel	**10,388,494**	**7,780,359**	**5,741,465**
Total energy used in transportation (vehicle fleet)	**12,149,545**	**9,256,599**	**6,206,849**

Notes:

- 2023–24 does not include Greater Metropolitan Cemeteries Trust.

T2 Number and proportion of vehicles

Nil

Table 63: T3 Greenhouse gas emissions from vehicle fleet

Engine/fuel type and vehicle category	2025–26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
Petrol			
Executive fleet – gasoline	59	25	21
Non-executive fleet – gasoline	54	66	–
Non-road gasoline in vehicles	7	9	10
Total petrol	**120**	**100**	**31**
Petrol (E10)			
Executive fleet – E10	–	–	–
Total petrol (E10)	**–**	**–**	**–**
Diesel			
Executive fleet – diesel	309	205	175
Non-executive fleet – diesel	330	301	117
Non-road diesel oil in vehicles	92	42	112
Total diesel	**731**	**548**	**404**
Total energy used in transportation (vehicle fleet)	**851**	**648**	**435**

Notes:

- T3 2023–24 does not include Greater Metropolitan Cemeteries Trust.

Table 64: T4 Total distance travelled by commercial air travel

Travel type	2025–26 pkm	2024–25 pkm	2023–24 Pkm
Commercial air travel for business purposes by entity staff on commercial or charter aircraft	256,802	83,026	137,465

Total energy use

Total portfolio energy use fell by 6.5 per cent in 2025–26 to approximately 5,729 TJ, largely driven by lower energy consumption across health services. Reductions in natural gas and transport fuels were the main contributors, with natural gas use falling by 12.3 per cent and transport energy use decreasing by six per cent. Health services accounted for almost all of the reduction, cutting energy use by around 403 TJ. Energy efficiency also improved across the portfolio.

Health services used 16.2 per cent less energy relative to patient activity, indicating that energy efficiency improved while they continued to meet growing demand for healthcare services.

Office operations reduced total energy use by 5.9 per cent, supported by lower electricity consumption and a more efficient vehicle fleet.

Cemeteries recorded a 5.2 per cent increase in total energy use, but energy use per funeral service fell by 29 per cent, indicating improved efficiency at the same time as a higher number of services was supported.

Health services

Table 65: E1 Total energy usage from fuels

Fuel type	2025–26 TJ	2024–25 TJ	2023–24 TJ
Total energy usage from stationary fuels (F1)	2,728	3,111	3,206
Total energy usage from transport (T1)	450	486	539
Total energy usage from fuels (E1)	**3,178**	**3,597**	**3,745**

Table 66: E2 Total energy usage from electricity

Energy type	2025–26 TJ	2024–25 TJ	2023–24 TJ
Total energy usage from electricity	**2,440**	**2,424**	**2,471**

Table 67: E3 Total energy usage by renewable and non-renewable sources

Source	2025–26 TJ	2024–25 TJ	2023–24 TJ
Renewable	1,972	555	556
Non-renewable	3,646	5,466	5,660

Table 68: E4 Units of stationary energy used (normalised)

Normalised measure	2025–26 TJ	2024–25 TJ	2023–24 TJ
Energy per unit of bed-day [MJ/OBD]	666	795	755
Energy per unit of floor space [MJ/m^2]	1,257	1,530	1,450

Notes

- OBD = occupied bed days: the number of days that a patient is admitted in hospital.
- Floor space (occupied) is used when the department and its agencies share offices with other entities, with data apportioned using estimated occupied floor space.

Office-based (department and statutory agencies)

Table 69: E1 Total energy usage from fuels

Fuel type	2025–26 MJ	2024–25 MJ	2023–24 MJ
Total energy usage from stationary fuels (F1)	3,365,097	2,121,750	4,996,582
Total energy usage from transport (T1)	3,117,571	3,799,435	3,329,805
Total energy usage from fuels	**6,482,668**	**5,921,185**	**8,326,387**

Table 70: E2 Total energy usage from electricity

Energy type	2025–26 MJ	2024–25 MJ	2023–24 MJ
Total energy usage from electricity	9,047,760	10,590,457	12,967,794

Table 71: E3 Total energy usage by renewable and non-renewable sources

Source	2025–26 MJ	2024–25 MJ	2023–24 MJ
Renewable	5,230,969	2,005,234	2,648,310
Non-renewable	10,299,459	14,506,408	17,875,012

Table 72: E4 Units of stationary energy used (normalised)

Normalised measure	2025–26 MJ	2024–25 MJ	2023–24 MJ
Energy per unit of floor space [MJ/m^2]	406	440	456

Cemeteries

Table 73: E1 Total energy usage from fuels

Fuel type	2025–26 MJ	2024–25 MJ	2023–24 MJ
Total energy usage from stationary fuels (F1)	63,751,198	63,391,286	53,608,142
Total energy usage from transport (T1)	12,149,545	9,256,598	6,206,848
Total energy usage from fuels	**75,900,743**	**72,647,884**	**59,814,990**

Table 74: E2 Total energy usage from electricity

Energy type	2025–26 MJ	2024–25 MJ	2023–24 MJ
Total energy usage from electricity	16,825,548	15,515,756	15,724,112

Table 75: E3 Total energy usage by renewable and non-renewable sources

Source	2025–26 MJ	2024–25 MJ	2023–24 MJ
Renewable	4,234,186	3,148,648	15,528,652
Non-renewable	88,492,105	85,014,992	60,010,450

Table 76: E4 Units of stationary energy used (normalised)

Normalised measure	2025–26 MJ	2024–25 MJ	2023–24 MJ
Energy per funeral service [MJ]	2,543	3,574	2,801
Energy per unit of floor space [MJ/m^2]	1,084	1,186	933

Notes:

- Funeral services include total burials, cremations and mausoleum interments. Energy per funeral service is the sum of Total E1 and Total E2 divided by total number of funeral services.
- Normalised measure regarding floor space includes normalisers for Greater Metropolitan Cemeteries Trust, Southern Metropolitan Cemeteries Trust, Remembrance Parks Central Victoria, Geelong Cemeteries Trust and Ballarat Cemeteries Trust.

Sustainable buildings and infrastructure

Health services

B1 Environmentally sustainable design

The Victorian Health Building Authority (VHBA) administers the *Guidelines for sustainability in health care capital works*. These guidelines:

> set minimum design targets for the department's health care capital works and require that:
  – a suite of standard practice items be implemented on projects
  – a dedicated budget to invest in sustainability initiatives and climate adaptation measures is allocated.

During 2025–26, VHBA completed technical sustainability reviews and provided specialist advice to 21 projects to ensure the consistent and effective application of the guidelines. Projects included the new Melton Hospital, Casey Hospital emergency department expansion, Northern Hospital redevelopment, the Alfred Hospital infrastructure upgrade, and the Goulbourn Valley Hospital Integrated Cancer Centre and Acute Mental Health Unit.

A key focus of the technical sustainability reviews was to ensure projects were delivered with improved performance so as to:

> reduce operational energy consumption
> enhance indoor environment quality to promote and support healing and wellbeing
> reduce embodied carbon
> optimise the recycled content of construction materials.

Project highlights from 2025–26 included:

> a 5 Star Green Star as-built rating for the new Footscray Hospital, demonstrating Australian excellence in sustainable building design and construction
> market-leading whole-building air permeability test results for several projects. For example, Peninsula University Hospital achieved results significantly above the building code standard. This achievement will mean improved thermal comfort, enhanced resilience during extreme weather events, and reduced energy costs over the asset lifecycle.
> the implementation of reduced-carbon concrete throughout the structural frame and piled foundations in the Northern Hospital redevelopment, Stage 1 (Ambulatory Care Centre), which significantly decreased the project's upfront carbon impact
> the application of the Recycled First Policy to the Numurkah aged care and Mallee residential drug and alcohol rehabilitation facility projects to optimise their use of recycled and reused materials in construction
> the launch of the *Net zero building handbook*, outlining VHBA's commitment to decarbonise Victoria's health infrastructure. The handbook sets scaled decarbonisation targets and requirements based on project value, including energy demand and upfront carbon reductions.

B5 Environmental performance ratings

National Australian Built Environment Rating System (NABERS) public hospitals ratings 2024–25

The department has transitioned to an opt-in model for annual NABERS water and energy ratings for Victorian public health services. Please refer to individual health service annual reports for NABERS ratings, if available.

Office-based (department and statutory agencies)

B2 New entity leases to preference higher-rated offices

The department continues to consider environmental performance when assessing lease opportunities.

The departmental building at 50 Lonsdale Street, Melbourne has a 5.5 star NABERS energy rating and a 5.5 star NABERS water rating.

B3 NABERS energy ratings of newly completed/occupied entity-owned office buildings and substantial tenancy fit-outs

Many of the offices leased by the department have been assessed using the NABERS rating systems. This system was introduced in 2022–2023.

Sustainable procurement

The Victorian Government's *Social procurement framework* outlines the department's sustainable procurement objective. The framework applies to Victorian Government departments and agencies when they procure goods, services and construction. The department's *Social procurement strategy 2025–28* identifies social and environmental outcomes for both construction and non-construction procurement activities.

See the *Social procurement framework* disclosure elsewhere in Section 4 of this report for more information on this.

The department continues to implement initiatives to comply with the 2022–23 statewide ban on the use of single-use plastics, including 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 consumption

Portfolio water consumption increased five per cent in 2025–26, while the use of alternative water sources continued to grow. In 2025–26, almost 263,000 kilolitres (4.8 per cent of all water used) came from non-potable sources.

Cemeteries used recycled and alternative water to maintain extensive landscaped areas, while health services continued using alternative supplies where suitable. These measures helped reduce demand for drinking-quality water.

Health services' water use per occupied bed day increased to 0.67 kilolitres.

Health services

Table 77: W1 Total units of metered water consumed

Water source	2025–26 kL	2024–25 kL	2023–24 kL
Potable water	5,005,089	4,802,543	4,730,494
Rainwater, alternate supply and reused water	195,379	155,842	136,386
Total water consumption	**5,200,468**	**4,958,385**	**4,866,880**

Notes:

- kL = kilolitre

Table 78: W2 Units of metered water consumed (normalised)

Normalised measure	2025–26 kL	2024–25 kL	2023–24 kL
Water per unit OBD [kL/OBD]	0.67	0.65	0.65
Water per unit of floor space [kL/m^2]	1.27	1.26	1.24

Notes:

- Rainwater, alternative supply and reused water includes rainwater, reject dialysis water and Class A recycled water. Data is provided from five health services.
- OBD = occupied bed days: the total number of days patients collectively spend in hospital during the reporting period.

Office-based (department and statutory agencies)

Table 79: W1 Total units of metered water consumed

Water source	2025–26 kL	2024–25 kL	2023–24 kL
Potable water	10,259	13,723	9,868
Total water consumption	**10,259**	**13,723**	**9,868**

Table 80: W2 Units of metered water consumed (normalised)

Normalised measure	2025–26 kL	2024–25 kL	2023–24 kL
Water per unit of floor space [kL/m2]	0.34	0.37	0.25

Cemeteries

Table 81: W1 Total units of metered water consumed

Water source	2025–26 kL	2024–25 kL	2023–24 kL
Potable water	231,356	224,209	191,169
Alternative water supply	24,537	NA	NA
Reused water	43,002	41,087	41,200
Total water consumption	**298,895**	**265,296**	**232,369**

Note:

- Data for Alternative water supply was only collected from 2025–26 onwards.

Waste and recycling

Portfolio waste increased by 18.6 per cent in 2025–26. This increase reflects both improved reporting coverage across the portfolio and temporary project-related activity, alongside changes in waste generation.

Cemeteries accounted for 41 per cent of this increase (approximately 3,274 tonnes), reflecting higher reported volumes of construction waste, general waste and organic garden waste. This was largely driven by Southern Metropolitan Cemeteries Trust commencing waste reporting, more accurate waste records from Greater Metropolitan Cemeteries Trust, and construction activities across several sites.

Health services reported an increase in total waste, along with a 19.9 per cent rise in waste sent to landfill.

Office waste decreased by 56.5 per cent to approximately 17 tonnes following the consolidation of operations from multiple buildings into a single site, demonstrating the benefits of a reduced office footprint and more efficient use of space.

Health services

Table 82: WR1 Total units of waste disposed

	2025–26		2024–25		2023–24	
Waste stream and disposal method	**Tonnes**	**%**	**Tonnes**	**%**	**Tonnes**	**%**
Landfill						
General waste	32,868	69%	27,402	64%	30,470	65%
Total landfill	**32,868**	**69%**	**27,402**	**64%**	**30,470**	**65%**
Off-site treatment						
Clinical waste – incinerated	955	2%	969	2%	892	2%
Clinical waste – sharps	609	1%	470	1%	494	1%
Clinical waste – treated	4,717	10%	4,338	11%	4,442	10%
Total offsite treatment	**6,281**	**13%**	**5,777**	**14%**	**5,828**	**13%**
Recycling/recovery (disposal)						
Cardboard	2,499	5%	3,514	8%	4,049	9%
Commingled	2,232	5%	2,973	7%	3,246	7%
Paper (confidential and recycling)	1,701	4%	1,711	4%	1,785	4%
Other recycling	1,856	4%	1,335	3%	1,295	3%
Total recycling/recovery (disposal)	**8,288**	**18%**	**9,533**	**22%**	**10,375**	**22%**
Total units of waste disposed	**47,437**		**42,712**		**46,673**	

Notes:

- Other recycling includes recycling of batteries, blister packs, e-waste, fluorescent tubes, grease traps, mattresses, metals, mobile phones, organics (food), organics (garden), packaging plastics/films, polystyrene foam, PVC, reused beds and furniture, reused medical supplies and equipment, reused textiles, sterilization wraps, toner and print cartridges and wood.

WR2 Percentage of office sites covered by dedicated collection services for each waste stream

N/A

Table 83: WR3 Total units of waste disposed (normalised)

Normalised measure	2025–26 kg/PPT	2024–25 kg/PPT	2023–24 kg/PPT
Total waste to landfill per patient treated (kg general waste)/PPT	2.66	2.29	2.6
Total waste to offsite treatment per patient treated (kg offsite treatment)/PPT	0.51	0.48	0.5
Total waste recycled and reused per patient treated (kg recycled and reused)/PPT	0.67	0.80	0.89

Notes:

- Kg/PPT = kilograms per patient treated. PPT is an aggregation of occupied bed days, separations and emergency department presentations.

Table 84: WR4 recycling rate

Calculation inputs	2025–26	2024–25	2023–24
Recyclable and organic materials [tonnes]	8,288	9,535	10,374
Total waste [tonnes]	47,437	42,719	46,673
Recycling rate [%]	17%	22%	22%

Table 85: WR5 Greenhouse gas emissions associated with waste disposal

Emissions source	2025–26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
Waste disposal	50,491	42,731	46,812

Office-based (department and statutory agencies)

Table 86: WR1 Total units of waste disposed

	2025–26		2024–25		2023–24	
Waste stream and disposal method	**kg**	**%**	**kg**	**%**	**kg**	**%**
Landfill						
General waste	10,132	59%	10,183	26%	29,295	68%
Total landfill	**10,132**	**59%**	**10,183**	**26%**	**29,295**	**68%**
Recycling/recovery (disposal)						
Commingled	3,083	18%	2,865	7%	3,836	9%
Organics (food)	1,336	8%	1,870	5%	3,408	8%
Paper (confidential)	1,424	8%	23,801	60%	5,789	13%
Paper (recycling)	1,201	7%	740	2%	636	1%
Toner and print cartridges	N/A		N/A		N/A	
Total recycling/recovery (disposal)	**7,044**	**41%**	**29,276**	**74%**	**13,669**	**32%**
Total units of waste disposed	**17,176**		**39,459**		**42,964**	

Notes:

- Due to changes in office accommodation arrangements during 2023–24, including consolidation of office locations, waste data could not be reliably apportioned to the department's tenancy. As a result, whole-of-building waste figures were reported for that year, which may affect year-on-year comparability.

WR2 Percentage of office sites covered by dedicated collection services for each waste stream

N/A

Table 87: WR3 Total units of waste disposed (normalised)

Normalised measure	**2025–26 kg/FTE**	**2024–25 kg/FTE**	**2023–24 kg/FTE**
Total waste general waste per FTE (kg general waste)/FTE	4	4	11
Total waste commingled per FTE (kg commingled)/FTE	1	1	1
Total waste organics (food) per FTE (kg organics (food))/FTE	1	1	1
Total wastepaper (confidential) per FTE (kg paper (confidential))/FTE	1	9	2
Total wastepaper (recycling) per FTE (kg paper (recycling))/FTE	0.5	0.3	NA
Total waste toner and print cartridges per FTE (kg toner and print cartridges)/FTE	N/A	N/A	NA
Total waste disposed per FTE (kg Total waste disposed)/FTE	**7.5**	**15**	**15**

Notes:

- Kg/FTE = kilograms per full-time equivalent staff

Table 88: WR4 Recycling rate

Calculation inputs	2025–26	2024–25	2023–24
Weight of recyclable and organic materials [kg]	7,044	29,276	13,669
Weight of total waste [kg]	17,176	39,459	42,964
Recycling rate [%]	41%	74%	32%

Table 89: WR5 Greenhouse gas emissions associated with waste disposal

Emissions source	2025–26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
Waste disposal	16	16	47

Cemeteries

Table 90: WR1 Total units of waste disposed

	2025–26		2024–25		2023–24	
Waste stream and disposal method	**kg**	**%**	**kg**	**%**	**kg**	**%**
Landfill						
Construction waste	105,440	3%	NA		NA	
General waste	1,939,756	56%	179,667	89%	105,845	80%
Total landfill	**2,045,196**	**59%**	**179,667**	**89%**	**105,845**	**80%**
Recycling/recovery (disposal)						
Batteries	30	0.00%	10	0.01%	10	0.01%
Cardboard	26,410	0.76%	4,162	2%	3,441	2.60%
Commingled	27,071	0.78%	1,362	1%	3,960	3%
E-waste	1,060	0.03%	110	0.10%	100	0.08%
Metals	4,387	0.13%	2,251	1%	3,442	2.60%
Organics (food)	8,460	0.24%	NA		NA	
Organics (garden)	1,350,273	39%	11,837	6%	14,560	11%
Paper (confidential)	1,679	0.05%	990	0.50%	1,084	0.80%
Toner and print cartridges	29	0.0%	28	0.01%	50	0.04%
Other recycling	10,280	0.3%	248	0.10%	NA	
Total recycling/recovery (disposal)	**1,429,679**	**41%**	**20,998**	**11%**	**26,647**	**20%**
Total units of waste disposed	**3,474,875**		**200,665**		**132,492**	

Table 91: WR4 Recycling rate

Calculation inputs	2025–26	2024–25	2023–24
Weight of recyclable and organic materials [kg]	1,429,679	20,998	26,658
Weight of total waste [kg]	474,875	200,665	132,50
Recycling rate [%]	41%	11%	20%

Table 92: WR5 Greenhouse gas emissions associated with waste disposal

Emissions source	2025–26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
Waste disposal	2,570	229	138

Notes:

- Waste and recycling data coverage has expanded over time as additional cemetery trusts commenced reporting and existing participants broadened the range of waste streams reported. Year-on-year changes may reflect improved participation and data completeness, as well as changes in actual waste generation or recovery. Comparisons between years should be interpreted with consideration of the reporting coverage for each waste category.

Additional departmental information available on request

In compliance with the requirements of the Standing Directions 2018 under the *Financial Management Act 1994*, details in respect of the items listed below have been retained by the department and are 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 of the department
> 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
> general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes
> 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:

Office of the Chief Communications Officer
GPO Box 4057
Melbourne VIC 3001
Email: officeofthecco@health.vic.gov.au[47]

47 officeofthcco@health.vic.gov.au

Ministerial statements of expectations

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

Ministers are required to issue statements of expectations to regulators under the Victorian *Statement of expectations framework for regulators*. These aim to establish clear expectations between responsible ministers and regulators in relation to regulator performance and improvement.

Ministerial statements of expectations were issued by the Minister for Health to the following regulators of the department:

> the Health Regulator, on 1 May 2025.
> the communicable disease functions on 22 December 2024.

The statement of expectations documents issued to these areas in the department are available at the department's ministerial statements of expectations webpage[48] and cover the following regulatory and public health functions:

> safe drinking water
> radiation safety
> food safety
> tobacco and e-cigarette use
> legionella
> medicines and poisons
> pesticide safety
> private hospitals and day procedure centres
> non-emergency patient transport and first aid service providers
> child safety in health services organisations
> ethical handling of human tissue
> assisted reproductive treatment
> communicable diseases.

The department also supports the Victorian Pharmacy Authority, which is an external regulator. The Minister for Health has issued the Victorian Pharmacy Authority with its own statement of expectations, which is published on its website.

48 www.health.vic.gov.au/ministerial-statements-of-expectations

Financial Management Compliance Attestation Statement

I, Jenny Atta, 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.



Jenny Atta PSM
Secretary
Department of Health
7 September 2026

Section 5: Financial statements for the financial year ended 30 June 2026

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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 Minister for Finance 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 2026 and the financial position of the department as at 30 June 2026.

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 7 September 2026.



Jenny Atta PSM
Secretary
Department of Health
Melbourne
7 September 2026



Bernard Rohan
Chief Finance Officer
Department of Health
Melbourne
7 September 2026

Independent auditor's report

VAGO
Victorian Auditor-General's Office

Independent Auditor's Report

To the Secretary of the Department of Health

Opinio

I have audited the financial report of the Department of Health (the department) which comprises the:

- balance sheet as at 30 June 2026
- 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 and forming part of the financial statements declaration
- in the financial statements.

In my opinion, the financial report presents fairly, in all material respects, the financial position of the department as at 30 June 2026 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. 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 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

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

The Secretary's responsibilities for the financial report

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 *Financial Management Act 1994,* and for such internal control as the Secretary determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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.

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

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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 our 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
10 September 2026

Roberta Skliros
as delegate for the Auditor-General

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Comprehensive operating statement for the financial year ended 30 June 2026

	Note	2026 $M	2025 $M
Revenue and income from transactions			
Output appropriations	2.3	18,140.1	16,861.2
Special appropriations	2.3	3,380.5	3,209.0
Grants	2.4.1	1,168.1	1,460.9
Fair value of assets and services received free of charge or for nominal consideration		29.2	0.3
Other income		78.7	83.9
Total revenue and income from transactions		**22,796.6**	**21,615.3**
Expenses from transactions			
Employee benefits	3.1.1(a)	512.0	494.5
Depreciation and amortisation	5.1.1	112.8	52.3
Interest expense	7.1.2	128.9	121.8
Grants and other expense transfers	3.1.2	20,983.8	19,753.2
Fair value of assets and services provided free of charge or for nominal consideration		38.4	15.3
Other operating expenses	3.1.3	340.0	622.9
Total expenses from transactions		**22,115.9**	**21,060.0**
Net result from transactions (net operating balance)		**680.7**	**555.3**
Other economic flows included in net result			
Net gain/(loss) on non–financial assets	9.2(a)	(0.1)	(113.2)
Net gain/(loss) on financial instruments	9.2(b)	(28.8)	0.8
Other gains/(losses) from other economic flows	9.2(c)	2.5	0.2
Total other economic flows included in net result		**(26.4)**	**(112.2)**
Net result		**654.3**	**443.1**
Other economic flows – other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	9.3(b)	84.2	120.8
Total other economic flows – other comprehensive income		**84.2**	**120.8**
Comprehensive result		**738.5**	**564.0**

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*.

Balance sheet as at 30 June 2026

	Note	2026 $M	2025 $M
Assets			
Financial assets			
Cash and deposits	7.2	109.3	104.6
Receivables	6.1	5,223.3	5,079.1
Loans		13.3	9.5
Total financial assets		**5,345.9**	**5,193.2**
Non–financial assets			
Property, plant and equipment	5.1	4,624.1	5,321.7
Intangible assets	5.2	40.0	36.3
Other non-financial assets		65.1	96.2
Total non-financial assets		**4,729.2**	**5,454.2**
Total assets		**10,075.2**	**10,647.3**
Liabilities			
Financial liabilities			
Payables	6.2	2,506.8	2,159.8
Borrowings	7.1	1,763.3	3,013.4
Employee-related provisions	3.1.1(b)	110.5	123.3
Other provisions	6.3	114.0	235.2
Other financial liabilities	6.4	59.3	59.3
Total financial liabilities		**4,553.9**	**5,591.0**
Total liabilities		**4,553.9**	**5,591.0**
Net assets		**5,521.3**	**5,056.4**
Equity			
Accumulated surplus/(deficit)		4,481.0	3,915.6
Physical asset revaluation surplus	9.3	1,038.2	1,061.9
Contributed capital		2.0	78.8
Net worth		**5,521.3**	**5,056.4**

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 2026

	Note	2026 $M	2025 $M
Cash flows from operating activities			
Receipts			
Output appropriations		18,086.3	15,796.1
Special appropriations		3,380.5	3,209.0
Grants		1,081.7	1,605.2
Other receipts		82.8	87.0
GST (paid)/recovered from Australian Taxation Office (i)		365.9	482.6
Total receipts		**22,997.2**	**21,180.0**
Payments			
Grants and other expense transfers		(21,022.7)	(19,943.6)
Employee benefits		(512.1)	(484.1)
Supplies and services		(451.9)	(502.4)
Interest and other costs of finance paid		(0.9)	(0.5)
Total payments		**(21,987.6)**	**(20,930.6)**
Net cash flows from/(used in) operating activities	7.2.1	**1,009.6**	**249.4**
Cash flows from investing activities			
Proceeds from the sale of non-financial assets		0.8	1.0
Client loans repaid/(granted)		(4.1)	6.3
Payment for non-financial assets		(1,018.2)	(249.1)
Net cash flows from/(used in) investing activities		**(1,021.5)**	**(241.8)**
Cash flows from financing activities			
Net receipts/(payments) for advances		10.2	(16.4)
Cash received/(paid) from activities transferred in/(out) – machinery of government changes		–	(2.0)
Owner contributions by Victorian Government – appropriation for capital expenditure purposes		11.8	59.7
Payments of capital contributions		(11.8)	(63.1)
Proceeds from borrowings		11.8	–
Repayment of borrowings and principal portion of lease liability (ii)		(5.3)	(1.7)
Net cash flows from/(used in) financing activities		**16.7**	**(23.4)**
Net increase/(decrease) in cash and deposits		**4.7**	**(15.9)**
Cash and deposits at beginning of financial year		104.6	120.5
Cash and deposits at the end of financial year	7.2	**109.3**	**104.6**

The cash flow statement should be read in conjunction with the notes to the financial statements.

Notes:

(i) Goods and services tax (GST) paid/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.

Statement of changes in equity for the financial year ended 30 June 2026

	Note	Physical asset revaluation surplus $M	Accumulated surplus/ (deficit) $M	Contributed capital $M	Total $M
Balance at 1 July 2024					
Restated balance at 1 July 2024		**941.1**	**3,472.5**	**69.0**	**4,482.6**
Net result for the year		–	443.1	–	443.1
Changes in physical asset revaluation surplus	9.3	120.8	–	–	120.8
Administrative restructure – net assets transferred		–	–	(0.3)	(0.3)
Capital contributions by Victorian Government		–	–	57.7	57.7
Capital contributions to agencies		–	–	(59.3)	(59.3)
Net assets transferred from other government departments		–	–	6.8	6.8
Net assets transferred from health agencies		–	–	5.0	5.0
Balance at 30 June 2025		**1,061.9**	**3,915.6**	**78.8**	**5,056.4**
Prior period adjustments [(i)]	9.3	–	59.3	–	59.3
Restated balance at 1 July 2025		**1,061.9**	**3,974.9**	**78.8**	**5,115.7**
Net result for the year		–	654.3	–	654.3
Capital transferred to/from physical asset revaluation surplus	9.3	(107.9)	107.9	–	–
Transfer to contributed capital	9.3	–	(256.1)	256.1	–
Changes in physical asset revaluation surplus	9.3	84.2	–	–	84.2
Administrative restructure – net assets transferred	9.3	–	–	(462.7)	(462.7)
Capital contributions by Victorian Government		–	–	11.8	11.8
Capital contributions to agencies		–	–	(11.8)	(11.8)
Net assets transferred from other government departments		–	–	13.9	13.9
Net assets transferred from health agencies	9.3	–	–	115.9	115.9
Balance at 30 June 2026		**1,038.2**	**4,481.0**	**2.0**	**5,521.3**

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

Note:

(i) The prior period adjustment relates to correction of direct expenditure related to capital projects of $38.5 million to the Werribee Mercy Hospital Emergency Department, $18.6 million to the new Footscray Hospital and $14.0 million to the Peninsula University Hospital; correction of $1.3 million pollen counters purchased which should be capitalised as plant and equipment and taken up $13.1 million interest expense taken up against new Footscray Hospital, Peninsula University Hospital and new Melton Hospital public private partnerships.

Notes to and forming part of the financial statements for the financial year ended 30 June 2026

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 the controlled activities of the department.

The following administrative office has been consolidated into the department's financial statements under s. 45(4) of the *Financial Management Act 1994* (FMA):

- Safer Care Victoria.

Pursuant to a determination made by the Minister for Finance under s. 53(1)(b) of the FMA, the department's financial statements include:

- Mental Health Tribunal
- Victorian Collaborative Centre for Mental Health and Wellbeing
- Mental Health and Wellbeing Commission

Where control of an entity is obtained during the financial period, its results are included in the comprehensive operating statement from the date on which control is demonstrated. Where control ceases during a financial period, 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.

In preparing consolidated financial statements for the department, all material transactions and balances between consolidated entities are eliminated.

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 7 September 2026.

2. Funding delivery of departmental 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 departmental 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
2.5 Annotated income agreements

2.1 Summary of revenue and income that fund the delivery of departmental services

	Note	2026 $M	2025 $M
Output appropriations	2.2,2.3	18,140.1	16,861.2
Special appropriations	2.2,2.3	3,380.5	3,209.0
Grants and other income transfers	2.4.1	1,168.1	1,460.9
Fair value of assets and services received free of charge or for nominal consideration		29.2	0.3
Other income		78.7	83.9
Total revenue and income from transactions		**22,796.6**	**21,615.3**

Revenue and income that fund delivery of the department's services are accounted for consistent 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 Appropriation 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 and Wellbeing Act 2022* 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							
	Annual appropriation $M	Advance from Treasurer $M	Section 29 [i] $M	Section 30 [ii] $M	Section 32 $M	Section 35 advances $M	Total parliamentary authority $M	Appropriations applied $M	Variance $M	
2026										
Controlled										
Provision of outputs	16,851.9	663.4	972.5	121.3	69.5	–	18,678.6	18,140.1	538.5	(iii)
Additions to net assets	226.8	–	–	(121.3)	–	–	105.5	–	105.5	(iv)
Total	**17,078.6**	**663.4**	**972.5**	**–**	**69.5**	**–**	**18,784.1**	**18,140.1**	**644.0**	
2025										
Controlled										
Provision of outputs	12,719.0	3,409.3	579.8	103.5	52.6	465.7	17,329.8	16,861.2	468.6	(v)
Additions to net assets	287.6	–	10.2	(103.5)	–	–	194.3	1.6	192.7	(vi)
Total	**13,006.6**	**3,409.3**	**589.9**	**–**	**52.6**	**465.7**	**17,524.1**	**16,862.7**	**661.3**	

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 $538.5 million comprises $51.8 million relating to funding for services and projects that will be sought in 2026–27, and $486.7 million relating to output appropriation authority not applied in 2025–26. The unapplied authority primarily reflects output appropriation authority not drawn due to change of expenditure from operating to capital and funded by depreciation equivalent, and other revenue sources available to use instead of output appropriation.

(iv) The additions to net assets variance of $105.5 million relates to appropriation authority not applied in 2025–26. The unapplied authority reflects depreciation equivalent funding being utilised as the funding source in accordance with the *Resource management framework*.

(v) The provision of outputs variance of $468.6 million comprises $190.9 million relating to funding for services and projects that will be sought in 2025–26, and $277.7 million relating to output appropriation authority not applied in 2024–25. The unapplied authority primarily reflects output appropriation authority not drawn due to change of expenditure from operating to capital and funded by depreciation equivalent, and other revenue sources available to use instead of output appropriation.

(vi) The additions to net assets variance of $192.7 million comprises $8.6 million relating to funding for capital projects that will be sought in 2025–26 and outyears, and $184.1 million relating to appropriation authority not applied in 2024–25. The unapplied authority reflects depreciation equivalent funding being utilised as the funding source in accordance with the *Resource management framework*.

The following table discloses the details of compliance with special appropriations:

		Appropriation applied	
Authority	**Purpose**	**2026 Total $M**	**2025 Total $M**
Section 35 of the *Gambling Taxation Act 2023*	Contribution to the Hospitals and Charities Fund	181.1	188.4
Section 5.4.6 of the *Gambling Regulation Act 2003*	Contribution to the Hospitals and Charities Fund	523.4	597.1
Section 9 of the *Gambling Taxation Act 2023*	Contribution to the Hospitals and Charities Fund	10.1	9.6
Section 3.6.11 of the *Gambling Regulation Act 2003*	Contribution to the Hospitals and Charities Fund	1,230.7	1,138.5
Section 27 of the *Gambling Taxation Act 2023*	Contribution to the Hospitals and Charities Fund	17.4	12.4
Section 743 of the *Mental Health and Wellbeing Levy Act 2022*	Contribution to mental health services funding	1,349.0	1,259.2
Section 4.6.8 of the *Gambling Regulation Act 2003*	Contribution to the Hospitals and Charities Fund	60.0	–
Section 6A.4.4 of the *Gambling Regulation Act 2003*	Contribution to the Hospitals and Charities Fund	5.0	–
Section 10 of the FMA	Access to various Commonwealth grants – provision of outputs	3.8	3.8
Total special appropriations – Provision of outputs		**3,380.5**	**3,209.0**
Section 10 of the FMA	Access to various Commonwealth grants – additions to net assets	11.8	58.2
Total special appropriations – Additions to net assets		**11.8**	**58.2**
Total special appropriations		**3,392.2**	**3,267.2**

2.4 Revenue and income from transactions

2.4.1 Grants

	2026 $M	2025 $M
Income recognised under AASB 1058	1,157.0	1,460.1
Revenue recognised under AASB 15	11.1	0.8
Total grants	**1,168.1**	**1,460.9**
Represented by:		
Victorian Government		
Department of Treasury and Finance	4.9	1.7
Department of Families, Fairness and Housing	7.5	7.6
Department of Justice and Community Safety	44.8	43.5
Department of Jobs, Skills, Industry and Regions	0.1	2.3
Department of Premier and Cabinet	5.5	0.8
Department of Transport and Planning	4.8	7.1
Department of Government Services	0.7	–
Court Services Victoria	3.2	1.9
Commonwealth Government		
Victorian State Pool Account	1,084.3	1,395.2
Other Australian jurisdictions		
Departments and agencies from other Australian jurisdictions	12.2	0.8
Total grants	**1,168.1**	**1,460.9**

Significant judgement – Grants revenue and income

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.*

Grants recognised under AASB 15 *Revenue from Contracts with Customers*

Revenue from grants that are enforceable and with sufficiently specific performance obligations are 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.

2.5 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:

Program	2026 $M	2025 $M
User charges, or sales of goods and services		
Albury Wodonga Health (Capital)	–	1.6
Albury Wodonga Health (Output)	148.6	189.0
Department of Veterans' Affairs Hospital Services (Output)	70.5	69.1
Health Technology Services (Output)	2.1	2.2
Transport Accident Commission Agreement (Output)	149.3	115.2
	370.5	**377.0**
Commonwealth specific-purpose payments		
National Partnership Agreements		
Additional Funding Support for Hospital and Related Health Services (Output)	402.0	–
Access to PrEP for people who are not eligible for Medicare (Output)	3.7	–
Short-term workforce reforms – Kruk Review (Output)	0.5	–
Expansion of Colonoscopy Triage Services (Output)	–	1.8
Smoking and Vaping Cessation Activities (Output)	0.8	1.1
Strengthening Medicare Package – Supporting Older Australians (Output)	30.5	42.6
Eliminating Cervical Cancer in Australia (Output)	1.5	1.1
Adult Public Dental Services (Output)	26.9	26.9
Community Health and Hospitals Program – Goulburn Valley Hospital Cancer Centre (Capital)	–	5.3
Community Health and Hospitals Program – Regional Cancer Treatment Centres for Radiation Therapy (Capital)	–	0.3
Community Health and Hospitals Program – Paediatric Emergency Facilities (Capital)	–	3.0
Encouraging More Clinical Trials in Australia (Output)	–	0.2
Essential Vaccines (Output)	7.5	6.1
Health Services – National Bowel Cancer Screening Program (Output)	2.4	2.3
Health Services – OzFoodNet (Output)	0.3	0.3
Health Services – Vaccine-Preventable Diseases Surveillance Program (Output)	0.3	0.2
Lymphoedema Compression Garment Scheme (Output)	0.5	0.5
Comprehensive Palliative Care (Output)	0.8	3.1
Specialist Dementia Care Program (Output)	1.4	1.0
National Mental Health and Suicide Prevention – Bilateral Schedules (Output)	–	5.7
Stillbirth autopsies and investigations (Output)	0.9	0.9

Program	2026 $M	2025 $M
World-Class Newborn Bloodspot Screening Program (Output)	3.7	1.9
Expansion of the John Flynn Prevocational Doctor Program (Output)	4.3	3.8
Medicare Urgent Care Clinics (Output)	41.5	37.8
Access to HIV Treatment (Output)	4.6	4.2
Other		
Australian Digital Health Agency eHealth projects	1.4	0.3
Mental Health Professional Online Development	0.5	0.5
Aged Care Assessment (Output)	51.7	41.4
National Rural Generalist Pathway (Output)	1.4	1.5
Regional Assessment Services (Output)	–	6.4
Human Biosecurity Services (formerly Human Quarantine Services) (Output)	0.1	0.1
Australian Teletrials Program (Output)	1.7	1.6
National Reform Agenda for Organ and Tissue Donation (Output)	10.5	10.5
Commonwealth Take Home Naloxone Program (Output)	0.7	0.4
	602.1	**212.9**
Total annotated income agreements	**972.5**	**589.9**

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 departmental 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 Other operating expenses

3.1 Expenses incurred in delivery of services

	Note	2026 $M	2025 $M
Employee benefits	3.1.1(a)	512.0	494.5
Grants and other expense transfers	3.1.2	20,983.8	19,753.2
Fair value of assets provided free of charge or for nominal consideration		38.4	15.3
Other operating expenses	3.1.3	340.0	622.9
Total expenses incurred in delivery of services		**21,874.2**	**20,885.9**

3.1.1 Employee benefits

3.1.1(a) Employee benefits in the comprehensive operating statement

	2026 $M	2025 $M
Defined contribution superannuation expense	44.7	37.7
Defined benefit superannuation expense	0.7	0.7
Termination benefits	39.0	4.1
Salaries and wages, annual leave and long service leave	427.6	451.9
Total employee benefits	**512.0**	**494.5**

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

	2026 $M	2025 $M
Current provisions		
Annual leave		
Unconditional and expected to be settled within 12 months	25.3	28.0
Unconditional and expected to be settled after 12 months	9.2	11.2
Parental leave		
Unconditional and expected to be settled within 12 months	4.5	4.3
Long service leave		
Unconditional and expected to be settled within 12 months	9.6	8.1
Unconditional and expected to be settled after 12 months	37.1	42.2
Provisions for on-costs		
Unconditional and expected to be settled within 12 months	7.1	7.0
Unconditional and expected to be settled after 12 months	9.9	10.9
Total current provisions for employee benefits	**102.8**	**111.8**
Non-current provisions		
Conditional long service leave entitlements	6.4	9.5
Provisions for on-costs	1.4	2.0
Total non-current provisions for employee benefits	**7.8**	**11.5**
Total provisions for employee benefits	**110.5**	**123.3**

Reconciliation of movement in on-cost provision

	2026 $M	2025 $M
Opening balance	**19.9**	**19.4**
Additional provisions recognised	10.7	10.5
Reductions arising from payments/other sacrifices of future economic benefits	(11.3)	(8.4)
Unwinding of discount and effect of changes in the discount rate	(1.0)	0.4
Reduction due to transfer out	–	(2.0)
Closing balance	**18.4**	**19.9**
Current	17.0	17.9
Non-current	1.4	2.0

Annual leave and sick leave: Liabilities for annual leave and on-costs are recognised 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	
	2026 $M	2025 $M
Defined benefit plans		
State superannuation fund	0.7	0.7
Defined contribution plans		
Aware Super	21.5	21.4
Other	23.2	16.3
Total	**45.4**	**38.4**

There are no contributions outstanding for year ended 2026 (2025: Nil).

3.1.2 Grants and other expense transfers

	2026 $M	2025 $M
Public health services and hospitals [i]		
State contributions to the Victorian State Pool Account for distribution to health services [ii]	**12,229.3**	**10,593.8**
Other public hospitals with payments totalling less than $30 million	582.8	819.1
Bayside Health	544.9	473.6
Monash Health	495.6	628.4
Grampians Health	363.3	337.7
Austin Health	326.8	313.2
Western Health	320.5	276.2
Peter MacCallum Cancer Centre	314.2	295.9
Melbourne Health	281.5	389.3
Oral Health Victoria	264.5	245.2
Barwon Health	253.1	192.1
The Royal Children's Hospital	243.6	202.3
Albury Wodonga Health	218.3	242.0
Eastern Health	205.9	260.2
Northern Health	200.2	145.8
Bendigo Health	161.5	180.0
The Royal Women's Hospital	109.6	85.2
South West Healthcare	98.9	102.50
Goulburn Valley Health	80.8	121.00
Central Highlands Rural Health	42.3	41.60
NCN Health	40.2	36.10
Mansfield District Hospital	39.9	37.3
	5,188.2	**5,424.8**
Denominational hospitals [iii]		
St Vincent's Hospital (Melbourne) Limited	132.3	165.2
Mercy Health	66.1	116.6
Other denominational hospitals with payments totalling less than $30 million	(0.3)	1.1
	198.1	**282.9**
Ambulance services		
Ambulance Victoria	1,259.2	1,249.5
	1,259.2	**1,249.5**
Other state government agencies		
Victorian Institute of Forensic Mental Health	136.9	324.5
HealthShare Victoria	51.9	56.8
Victorian Health Promotion Foundation	49.5	47.2
Department of Government Services	37.8	30.6
Other state government agencies with payments totalling less than $30 million	51.2	41.5
	327.4	**500.5**
Local councils		
Casey City Council	9.1	8.5
Wyndham City Council	8.1	8.4
Hume City Council	7.6	7.5
Melton Shire Council	6.9	5.7

	2026 $M	2025 $M
Whittlesea City Council	6.0	5.9
City of Greater Geelong	5.7	5.4
Other local councils with payments totalling less than $5 million	84.1	84.1
	127.3	**125.4**
Commonwealth Government		
National Blood Authority	191.6	174.2
Other Commonwealth Government agencies with payments totalling less than $30 million	14.1	6.7
	205.7	**180.9**
Non-government agencies and individuals		
Cohealth Ltd	68.6	64.0
BreastScreen Victoria Inc	65.5	61.9
Mental Illness Fellowship Victoria	46.3	45.1
Wesley Mission Victoria	37.4	36.0
Latrobe Community Health Service	36.0	30.9
Mind Australia	35.8	42.5
Bolton Clarke	35.1	34.7
Eastern Access Community Health Inc	32.9	32.1
BHN Better Health Network Ltd	30.6	30.4
Other non-government agencies and individuals with payments totalling less than $30 million	1,060.3	1,017.9
	1,448.6	**1,395.4**
Total grants and other expense transfers	**20,983.8**	**19,753.2**

Notes:

(i) As defined in schedules 1 and 5 of the *Health Services Act 1988*.

(ii) The department contracts with health services for the delivery of services through an annual Statement of Priorities. The department contributed $12,229.3 million to the Victorian State Pool Account as the state's contribution to funding the activity-based services in the Statement of Priorities for each health service. Refer to Note 4.2.1 for the actual payment of this money by the State Pool reported in the Administered Note.

(iii) As defined in schedule 2 of the *Health Services Act 1988*.

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 a range of other grant payments for services that are out of scope of the National Health Reform Agreement. This includes aged care subsidies, home and community care payments and community-based drug and alcohol services.

3.1.3 Other operating expenses

	2026 $M	2025 $M
Accommodation and property services [(i)]	3.4	33.0
Administrative costs	130.3	215.6
Legal settlement costs	1.4	183.0
Variable lease expenses	0.4	0.3
Information, communications and technology costs	152.6	157.2
Maintenance	0.3	0.4
Medicines and drugs / pharmacy supplies	37.8	28.4
Direct care operating costs	13.8	5.1
Total other operating expenses	**340.0**	**622.9**

Notes:

(i) Figures relate to office accommodation and associated costs.

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 departmental 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

4.1 Departmental outputs

4.1.1 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: Aged and Home Care

This output includes delivery of a range of community services that support older Victorians. These services provide access to ongoing care and support in a residential aged care setting; comprehensive assessment of older Victorians' requirements for treatment and residential aged care services, eyecare services, Personal Alert Victora services and pension-level Supported Residential Services.

Output 6: 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 7: Ambulance Services

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

Output 8: Drug Services

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-based non-residential and residential treatment services, and effective regulation.

Output 9: 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.

Output 10: 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 11: Community Health Care

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

Output 12: Dental Services

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

Output 13: 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 14: Public Health

This output includes delivery of services that improve and protect the health of Victorians. These services include a range of prevention programs including regulation, surveillance and the provision of statutory services; the provision of community information and the fostering of healthy behaviours; training in emergency management preparedness, planning, response, relief, and recovery.

Output 15: Small Rural Services

This output includes delivery of a range of community services that support Victorians in rural areas. These services provide access to admitted and non-admitted services, including elective and non-elective surgical and medical care, urgent care services, and maternity services; in-home, community-based and residential care services for older people; community-based nursing, allied health and support services for younger people who have difficulty with the activities of daily living; in-home, community-based and primary health services designed to promote health and wellbeing and prevent the onset of more serious illness.

Output 16: 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 *2025–26 State Budget Paper No. 3 – Service Delivery*.

4.1.2 Departmental outputs – Controlled income and expenses

A. 2026 – Outputs 1–8

Year ended 30 June 2026 Output [i]	Admitted Services 1 $M	Non-Admitted Services 2 $M	Emergency Services 3 $M	Health Workforce Training 4 $M	Aged and Home Care 5 $M	Community Care for Younger People 6 $M	Ambulance Services 7 $M	Drug Services 8 $M
Revenue and income from transactions								
Output appropriations	11,476.0	1,364.9	1,488.3	245.9	237.7	161.4	780.1	295.1
Special appropriations	937.1	96.7	16.1	13.9	75.7	16.9	582.2	19.0
Grants	313.0	106.8	36.9	122.7	–	–	3.2	23.7
Fair value of assets and services received free of charge or for nominal consideration	6.9	1.1	0.7	0.2	2.4	1.0	0.3	1.3
Other income	13.4	–	–	0.7	–	–	–	–
Total revenue and income from transactions	**12,746.3**	**1,569.4**	**1,542.1**	**383.4**	**315.8**	**179.2**	**1,365.7**	**339.2**
Expenses from transactions								
Employee benefits	219.8	6.0	6.1	10.8	6.2	7.6	5.2	12.3
Depreciation and amortisation	80.4	–	–	–	2.0	–	1.6	0.3
Interest expense	128.7	–	–	–	–	–	–	–
Grants and other expense transfers	11,802.9	1,462.6	1,494.8	348.3	267.4	139.4	1,252.7	370.4
Fair value of assets provided free of charge or for nominal consideration	16.1	1.1	0.7	0.2	2.4	1.0	0.3	1.3
Other operating expenses	189.8	1.0	3.6	1.9	2.6	2.0	1.0	13.4
Total expenses from transactions	**12,437.8**	**1,470.7**	**1,505.2**	**361.3**	**280.6**	**149.9**	**1,260.7**	**397.7**
Net result from transactions (net operating balance)	**308.6**	**98.8**	**36.9**	**22.1**	**35.2**	**29.3**	**105.0**	**(58.6)**
Other economic flows included in net result								
Net gain/(loss) on non-financial assets	(0.3)	–	–	–	–	–	–	–
Net gain/(loss) on financial instruments	(28.9)	–	–	–	–	–	–	–
Other gains/(losses) from other economic flows	1.9	–	–	–	–	–	0.1	–
Total other economic flows included in net result	**(27.3)**	**–**	**–**	**–**	**–**	**–**	**0.1**	**–**
Net result	**281.3**	**98.8**	**36.9**	**22.1**	**35.2**	**29.3**	**105.1**	**(58.6)**

B. 2026 (continued) – Outputs 9–16 and total of outputs 1–16

Year ended 30 June 2026 Output [i]	Mental Health Clinical Care 9 $M	Mental Health Community Support 10 $M	Community Health Care 11 $M	Dental Services 12 $M	Maternal & Child Health 13 $M	Public Health 14 $M	Small Rural Services 15 $M	Shared Services 16 $M	Total $M
Revenue and income from transactions									
Output appropriations	582.1	163.0	369.6	178.8	185.1	308.7	303.6	–	18,140.1
Special appropriations	1,368.0	2.8	39.5	119.0	14.9	37.7	41.1	–	3,380.5
Grants	167.3	34.8	3.3	0.2	0.7	153.9	201.6	–	1,168.1
Fair value of assets and services received free of charge or for nominal consideration	2.7	0.2	1.7	2.0	0.6	7.0	1.1	–	29.2
Other income	1.7	–	–	–	–	3.7	–	59.3	78.7
Total revenue and income from transactions	**2,121.7**	**200.8**	**414.0**	**300.0**	**201.2**	**511.0**	**547.4**	**59.3**	**22,796.6**
Expenses from transactions									
Employee benefits	71.0	10.3	29.0	7.2	15.6	66.3	4.3	34.4	512.0
Depreciation and amortisation	21.2	–	6.5	–	–	0.3	0.5	–	112.8
Interest expense	0.1	–	–	–	–	0.1	–	–	128.9
Grants and other expense transfers	2,000.8	180.2	360.3	269.2	172.3	305.1	557.5	–	20,983.8
Fair value of assets provided free of charge or for nominal consideration	2.7	0.2	1.7	2.0	0.6	7.0	1.1	–	38.4
Other operating expenses	20.2	5.6	18.8	0.5	5.6	47.8	1.4	24.8	340.0
Total expenses from transactions	**2,116.0**	**196.3**	**416.2**	**278.9**	**194.0**	**426.4**	**564.7**	**59.3**	**22,115.9**
Net result from transactions (net operating balance)	**5.7**	**4.5**	**(2.2)**	**21.0**	**7.2**	**84.5**	**(17.3)**	**–**	**680.7**
Other economic flows included in net result									
Net gain/(loss) on non-financial assets	–	–	–	–	–	0.1	–	–	(0.1)
Net gain/(loss) on financial instruments	–	–	–	–	–	–	–	–	(28.8)
Other gains/(losses) from other economic flows	0.1	–	–	–	–	0.1	0.1	–	2.5
Total other economic flows included in net result	**0.1**	**–**	**–**	**–**	**–**	**0.2**	**0.1**	**–**	**(26.4)**
Net result	**5.8**	**4.5**	**(2.2)**	**21.0**	**7.2**	**84.7**	**(17.1)**	**–**	**654.3**

Notes:

(i) Refer to Note 4.1.1 for output descriptions.

4.1.2 Departmental outputs – Controlled income and expenses

C. 2025 – Outputs 1–8

Year ended 30 June 2025 Output [i]	Admitted Services 1 $M	Non-Admitted Services 2 $M	Emergency Services 3 $M	Health Workforce Training 4 $M	Aged and Home Care 5 $M	Community Care for Younger People 6 $M	Ambulance Services 7 $M	Drug Services 8 $M
Revenue and income from transactions								
Output appropriations	11,108.9	1,149.2	391.5	235.0	342.0	171.0	988.1	303.3
Special appropriations	1,311.8	61.8	7.6	14.8	45.9	10.4	316.7	8.9
Grants	150.7	99.0	26.0	132.4	–	–	8.8	23.2
Fair value of assets and services received free of charge or for nominal consideration	0.3	–	–	–	–	–	–	–
Other income	10.4	–	–	0.5	–	–	–	–
Total revenue and income from transactions	**12,582.1**	**1,310.0**	**425.1**	**382.8**	**387.8**	**181.5**	**1,313.5**	**335.4**
Expenses from transactions								
Employee benefits	238.4	4.1	1.5	6.6	12.9	2.1	4.8	13.4
Depreciation and amortisation	19.3	–	–	–	1.7	–	1.3	0.3
Interest expense	121.6	–	–	–	–	–	–	–
Maintenance	0.4	–	–	–	–	–	–	–
Grants and other expense transfers	11,561.2	1,196.6	383.3	352.8	332.6	148.8	1,228.6	366.1
Fair value of assets provided free of charge or for nominal consideration	15.3	–	–	–	–	–	–	–
Other operating expenses	436.2	2.6	1.0	2.1	23.3	1.3	1.8	13.2
Total expenses from transactions	**12,392.5**	**1,203.2**	**385.8**	**361.4**	**370.5**	**152.2**	**1,236.6**	**393.0**
Net result from transactions (net operating balance)	**189.7**	**106.8**	**39.3**	**21.3**	**17.3**	**29.3**	**77.0**	**(57.5)**
Other economic flows included in net result								
Net gain/(loss) on non-financial assets	(102.8)	–	–	–	0.1	–	–	–
Net gain/(loss) on financial instruments	0.7	–	–	–	–	–	–	–
Other gains/(losses) from other economic flows	0.2	–	–	–	–	–	–	–
Total other economic flows included in net result	**(101.8)**	**–**	**–**	**–**	**0.1**	**–**	**–**	**–**
Net result	**87.9**	**106.8**	**39.3**	**21.3**	**17.4**	**29.3**	**77.0**	**(57.5)**

D. 2025 (continued) – Outputs 9–16 and total of outputs 1–16

Year ended 30 June 2025 Output [i]	Mental Health Clinical Care 9 $M	Mental Health Community Support 10 $M	Community Health Care 11 $M	Dental Services 12 $M	Maternal & Child Health 13 $M	Public Health 14 $M	Small Rural Services 15 $M	Shared Services 16 $M	Total $M
Revenue and income from transactions									
Output appropriations	622.3	152.0	341.4	199.9	174.3	315.5	366.7	–	16,861.2
Special appropriations	1,274.8	1.7	24.0	73.9	7.4	27.4	21.9	–	3,209.0
Grants	668.8	35.5	1.7	–	–	143.0	171.9	–	1,460.9
Fair value of assets and services received free of charge or for nominal consideration	–	–	–	–	–	–	–	–	0.3
Other income	–	–	–	–	–	4.3	0.2	68.5	83.9
Total revenue and income from transactions	**2,565.9**	**189.2**	**367.1**	**273.8**	**181.7**	**490.2**	**560.7**	**68.5**	**21,615.3**
Expenses from transactions									
Employee benefits	70.8	5.6	11.8	4.6	10.2	68.6	4.3	34.9	494.5
Depreciation and amortisation	21.5	–	6.5	–	–	1.1	0.5	–	52.3
Interest expense	0.1	–	–	–	–	0.1	–	–	121.8
Maintenance	–	–	–	–	–	–	–	–	0.4
Grants and other expense transfers	2,429.3	170.8	349.0	245.5	164.6	292.9	531.2	–	19,753.2
Fair value of assets provided free of charge or for nominal consideration	–	–	–	–	–	–	–	–	15.3
Other operating expenses	43.2	5.7	4.3	2.5	2.5	50.0	2.9	30.0	622.5
Total expenses from transactions	**2,564.8**	**182.0**	**371.6**	**252.5**	**177.2**	**412.8**	**538.9**	**64.9**	**21,060.0**
Net result from transactions (net operating balance)	**1.1**	**7.2**	**(4.5)**	**21.3**	**4.5**	**77.4**	**21.8**	**3.6**	**555.3**
Other economic flows included in net result									
Net gain/(loss) on non-financial assets	–	–	–	–	–	(10.7)	–	–	(113.3)
Net gain/(loss) on financial instruments	–	–	–	–	–	–	0.1	–	0.8
Other gains/(losses) from other economic flows	–	–	–	–	–	(0.1)	0.1	–	0.2
Total other economic flows included in net result	**–**	**–**	**–**	**–**	**–**	**(10.8)**	**0.2**	**–**	**(112.2)**
Net result	**1.1**	**7.2**	**(4.5)**	**21.3**	**4.5**	**66.6**	**21.9**	**3.6**	**443.1**

Notes:

(i) Refer to Note 4.1.1 for output descriptions.

4.1.3 Departmental outputs – Controlled assets and liabilities

A. 2026 – Outputs 1–8

Year ended 30 June 2026 Output [(i)]	Admitted Services 1 $M	Non-Admitted Services 2 $M	Emergency Services 3 $M	Health Workforce Training 4 $M	Aged and Home Care 5 $M	Community Care for Younger People 6 $M	Ambulance Services 7 $M	Drug Services 8 $M
Assets								
Financial assets	3,953.8	353.2	412.4	92.4	57.3	3.5	149.6	7.3
Non-financial assets	2,259.4	28.1	14.1	0.2	254.4	59.3	114.4	62.2
Total assets	**6,213.2**	**381.3**	**426.5**	**92.6**	**311.7**	**62.8**	**264.0**	**69.5**
Liabilities								
Financial liabilities	3,903.6	123.9	61.7	20.2	31.2	7.8	145.9	8.1
Total liabilities	**3,903.6**	**123.9**	**61.7**	**20.2**	**31.2**	**7.8**	**145.9**	**8.1**
Net assets	**2,309.6**	**257.4**	**364.8**	**72.4**	**280.5**	**55.0**	**118.1**	**61.4**

B. 2026 (continued) – Outputs 9–16 and total of outputs 1–16

Year ended 30 June 2026 Output [(i)]	Mental Health Clinical Care 9 $M	Mental Health Community Support 10 $M	Community Health Care 11 $M	Dental Services 12 $M	Maternal & Child Health 13 $M	Public Health 14 $M	Small Rural Services 15 $M	Shared Services 16 $M	Total $M
Assets									
Financial assets	86.7	47.2	–	13.9	51.5	–	78.1	39.0	5,345.9
Non-financial assets	790.3	–	432.0	11.7	6.6	208.5	487.9	–	4,729.2
Total assets	**877.0**	**47.2**	**432.0**	**25.6**	**58.1**	**208.5**	**566.0**	**39.0**	**10,075.2**
Liabilities									
Financial liabilities	132.1	4.7	17.0	9.6	2.6	50.4	35.1	–	4,553.9
Total liabilities	**132.1**	**4.7**	**17.0**	**9.6**	**2.6**	**50.4**	**35.1**	**–**	**4,553.9**
Net assets	**744.9**	**42.5**	**415.0**	**16.0**	**55.5**	**158.1**	**530.9**	**39.0**	**5,521.3**

Notes:

(i) Refer to Note 4.1.1 for output definitions.

C. 2025 – Outputs 1–8

Year ended 30 June 2025 Output [i]	Admitted Services 1 $M	Non-Admitted 2 $M	Emergency Services 3 $M	Health Workforce Training 4 $M	Aged and Home Care 5 $M	Community Care for Younger People 6 $M	Ambulance Services 7 $M	Drug Services 8 $M
Assets								
Financial assets	3,789.5	324.1	239.5	86.9	49.4	–	245.6	40.7
Non-financial assets	4,100.1	3.7	2.1	0.1	140.6	7.7	96.8	14.1
Total assets	**7,889.6**	**327.8**	**241.6**	**87.0**	**190.0**	**7.7**	**342.4**	**54.8**
Liabilities								
Financial liabilities	4,919.1	108.4	51.5	17.3	43.8	7.6	119.3	12.8
Total liabilities	**4,919.1**	**108.4**	**51.5**	**17.3**	**43.8**	**7.6**	**119.3**	**12.8**
Net assets	**2,970.4**	**219.4**	**190.1**	**69.7**	**146.2**	**0.1**	**223.0**	**41.9**

D. 2025 (continued) – Outputs 9–16 and total of outputs 1–16

Year ended 30 June 2025 Output [i]	Mental Health Clinical Care 9 $M	Mental Health Community Support 10 $M	Community Health Care 11 $M	Dental Services 12 $M	Maternal & Child Health 13 $M	Public Health 14 $M	Small Rural Services 15 $M	Shared Services 16 $M	Total $M
Assets									
Financial assets	107.8	57.5	48.3	48.0	48.4	–	92.2	15.3	5,193.2
Non-financial assets	640.4	0.1	331.7	2.0	1.5	33.9	79.5	–	5,454.2
Total assets	**748.2**	**57.6**	**380.0**	**50.0**	**49.9**	**33.9**	**171.7**	**15.3**	**10,647.4**
Liabilities									
Financial liabilities	191.9	5.5	16.2	8.9	3.0	53.7	31.9	–	5,591.0
Total liabilities	**191.9**	**5.5**	**16.2**	**8.9**	**3.0**	**53.7**	**31.9**	**–**	**5,591.0**
Net assets	**556.3**	**52.1**	**363.8**	**41.1**	**47.0**	**(19.9)**	**139.8**	**15.3**	**5,056.4**

Notes:

(i) Refer to Note 4.1.1 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 administered items.

4.2.1 Administered income and expenses

A. 2026 – Outputs 1–8

Year ended 30 June 2026 Output [i][ii]	Admitted Services 1 $M	Non-Admitted Services 2 $M	Emergency Services 3 $M	Health Workforce Training 4 $M	Aged and Home Care 5 $M	Community Care for Younger People 6 $M	Ambulance Services 7 $M	Drug Services 8 $M
Administered revenue and income from transactions								
Commonwealth contribution to the Victorian State Pool Account	4,722.3	803.1	854.7	133.7	–	–	–	18.9
State contribution to the Victorian State Pool Account [iii]	8,512.6	1,092.1	1,349.9	–	–	–	–	–
Commonwealth grants	11.9	–	–	1.4	51.7	–	–	0.7
Sales of goods and services	321.3	5.8	23.5	0.1	0.3	–	–	0.4
Appropriations – payments made on behalf of the state	–	–	–	–	–	–	–	–
Interest income	8.0	–	–	–	–	–	–	–
Fees	–	–	–	–	–	–	–	1.3
Grants	219.5	–	–	–	–	–	–	–
Other	4.1	–	–	–	–	–	–	–
Total administered revenue and income from transactions	**13,799.7**	**1,900.9**	**2,228.1**	**135.2**	**52.0**	**–**	**–**	**21.2**
Administered expenses from transactions								
Grants and other expense transfers	13,135.5	1,788.5	2,196.3	–	–	–	–	–
Payments into the consolidated fund	326.6	5.8	23.5	1.5	52.0	–	–	2.4
Payment from the Victorian State Pool Account to the department-controlled entity	295.5	106.6	39.9	133.7	–	–	–	18.9
Total administered expenses from transactions	**13,757.7**	**1,900.9**	**2,259.7**	**135.2**	**52.0**	**–**	**–**	**21.2**
Total administered net result from transactions	**42.0**	**–**	**(31.6)**	**–**	**–**	**–**	**–**	**–**
Administered other economic flows included in net result								
Net gain/(loss) on non-financial assets	(0.7)	–	–	–	–	–	(1.9)	–
Total administered other economic flows	**(0.7)**	**–**	**–**	**–**	**–**	**–**	**(1.9)**	**–**
Administered net result	**41.3**	**–**	**(31.6)**	**–**	**–**	**–**	**(1.9)**	**–**

B. 2026 (continued) – Outputs 9–15 and total of outputs 1–15

Year ended 30 June 2026 Output [i][ii]	Mental Health Clinical Care 9 $M	Mental Health Community Support 10 $M	Community Health Care 11 $M	Dental Services 12 $M	Maternal & Child Health 13 $M	Public Health 14 $M	Small Rural Services 15 $M	Total $M
Administered revenue and income from transactions								
Commonwealth contribution to the Victorian State Pool Account	902.0	–	0.4	–	–	151.0	187.5	7,773.5
State contribution to the Victorian State Pool Account[iii]	1,280.2	0.5	–	–	–	–	–	12,235.2
Commonwealth grants	0.5	–	–	–	–	1.8	–	68.0
Sales of goods and services	14.9	–	3.9	–	–	–	1.5	371.6
Interest income	–	–	–	–	–	–	–	8.0
Fees	–	–	–	–	–	13.6	–	14.9
Grants	–	–	–	–	–	–	–	219.5
Other	–	–	–	–	–	–	–	4.1
Total administered revenue and income from transactions	**2,197.6**	**0.5**	**4.3**	**–**	**–**	**166.4**	**189.0**	**20,694.8**
Administered expenses from transactions								
Grants and other expense transfers	2,017.7	–	–	–	–	–	–	19,138.0
Payments into the consolidated fund	15.4	1.0	3.9	–	–	15.4	1.5	448.9
Payment from the Victorian State Pool Account to the department-controlled entity	150.8	–	0.4	–	–	151.0	187.5	1,084.3
Total administered expenses from transactions	**2,183.9**	**1.0**	**4.3**	**–**	**–**	**166.4**	**189.0**	**20,671.2**
Total administered net result from transactions	**13.7**	**(0.5)**	**–**	**–**	**–**	**–**	**–**	**23.6**
Administered other economic flows included in net result								
Net gain/(loss) on non-financial assets	–	–	–	–	–	–	–	(2.6)
Total administered other economic flows	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(2.6)**
Administered net result	**13.7**	**(0.5)**	**–**	**–**	**–**	**–**	**–**	**21.0**

Notes:

(i) Refer to Note 4.1.1 for output descriptions.

(ii) Output 16 Shared Services is not applicable for administered entity.

(iii) The department contracts with health services for the delivery of services through an annual Statement of Priorities. The department contributed $12,229.3 million to the Victorian State Pool Account as the state's contribution to funding the activity-based services in the Statement of Priorities for each health service. The Administrator of the National Health Funding Pool calculates contracted prospective funding and adjusts for reconciled actual hospital activity in line with the National Health Reform Agreement and then makes payments to health services from the Victorian State Pool Account.

C. 2025 – Outputs 1–8

Year ended 30 June 2025 Output [i][ii]	Admitted Services 1 $M	Non-Admitted Services 2 $M	Emergency Services 3 $M	Health Workforce Training 4 $M	Aged and Home Care 5 $M	Community Care for Younger People 6 $M	Ambulance Services 7 $M	Drug Services 8 $M
Administered revenue and income from transactions								
Commonwealth contribution to the Victorian State Pool Account	4,215.5	759.4	920.3	132.7	–	–	–	18.4
State contribution to the Victorian State Pool Account [iii]	9,051.9	838.6	288.3	–	–	–	0.7	–
Commonwealth grants	10.8	–	–	1.5	41.4	6.4	–	0.4
Sales of goods and services	319.3	8.0	18.9	0.2	2.2	–	–	0.6
Appropriations – payments made on behalf of the state	–	–	–	–	–	–	–	–
Interest income	4.7	–	–	–	–	–	–	–
Fees	–	–	–	–	–	–	–	1.3
Grants	98.2	–	–	–	–	–	–	–
Other	3.0	–	–	–	–	–	–	–
Total administered revenue and income from transactions	**13,703.4**	**1,606.1**	**1,227.5**	**134.4**	**43.6**	**6.4**	**0.7**	**20.8**
Administered expenses from transactions								
Grants and other expense transfers	13,603.4	1,413.1	885.3	–	–	–	–	–
Other operating expenses	–	–	–	–	–	–	–	–
Payments into the consolidated fund	353.4	0.7	16.4	(0.1)	43.6	6.4	1.4	2.4
Payment from the Victorian State Pool Account to the department-controlled entity	148.7	99.0	26.0	132.7	–	–	–	18.4
Total administered expenses from transactions	**14,105.5**	**1,512.8**	**927.7**	**132.6**	**43.6**	**6.4**	**1.4**	**20.8**
Total administered net result from transactions	**(402.1)**	**93.2**	**299.8**	**1.7**	**–**	**–**	**(0.7)**	**–**
Administered net result	**(402.1)**	**93.2**	**299.8**	**1.7**	**–**	**–**	**(0.7)**	**–**

D. 2025 (continued) – Outputs 9-15 and total of outputs 1–15

Year ended 30 June 2025 Output [i][ii]	Mental Health Clinical Care 9 $M	Mental Health Community Support 10 $M	Community Health Care 11 $M	Dental Services 12 $M	Maternal & Child Health 13 $M	Public Health 14 $M	Small Rural Services 15 $M	Total $M
Administered revenue and income from transactions								
Commonwealth contribution to the Victorian State Pool Account	945.8	0.2	0.4	–	–	142.4	171.7	7,306.8
State contribution to the Victorian State Pool Account [iii]	417.1	–	0.1	–	–	–	–	10,596.7
Commonwealth grants	0.5	–	–	–	–	1.7	–	62.7
Sales of goods and services	19.7	0.2	4.8	–	–	2.2	2.5	378.5
Interest income	–	–	–	–	–	–	–	4.7
Fees	–	–	–	–	–	13.8	–	15.1
Grants	–	–	–	–	–	–	–	98.2
Other	–	–	–	–	–	–	–	3.0
Total administered revenue and income from transactions	**1,383.1**	**0.4**	**5.2**	**–**	**–**	**160.1**	**174.2**	**18,465.7**
Administered expenses from transactions								
Grants and other expense transfers	699.9	–	–	–	–	–	–	16,601.7
Other operating expenses	–	–	–	–	–	–	–	0.1
Payments into the consolidated fund	19.5	0.3	5.5	–	–	19.9	2.5	471.7
Payment from the Victorian State Pool Account to the department-controlled entity	655.7	0.2	0.4	–	–	142.4	171.7	1,395.2
Total administered expenses from transactions	**1,375.0**	**0.6**	**5.9**	**–**	**–**	**162.3**	**174.2**	**18,468.7**
Total administered net result from transactions	**8.1**	**(0.1)**	**(0.7)**	**–**	**–**	**(2.2)**	**–**	**(3.0)**
Administered net result	**8.1**	**(0.1)**	**(0.7)**	**–**	**–**	**(2.2)**	**–**	**(3.0)**

Notes:

(i) Refer to Note 4.1.1 for output descriptions.

(ii) Output 16 Shared Services is not applicable for administered entity.

(iii) The department contracts with health services for the delivery of services through an annual Statement of Priorities. The department contributed $10,593.8 million to the Victorian State Pool Account as the state's contribution to funding the activity-based services in the Statement of Priorities for each health service. The Administrator of the National Health Funding Pool calculates contracted prospective funding and adjusts for reconciled actual hospital activity in line with the National Health Reform Agreement and then makes payments to health services from the Victorian State Pool Account.

4.2.2 Administered assets and liabilities

	2026 $M	2025 $M
Administered assets		
Financial assets		
Receivables	634.9	400.2
Total administered assets	**634.9**	**400.2**
Administered liabilities		
Financial liabilities		
Amounts payable to the consolidated fund	52.0	20.6
Payables	582.8	379.6
Total administered liabilities	**634.9**	**400.2**
Total administered net assets	**–**	**–**

4.2.3 Administered grants and other expense transfers

	2026 $M	2025 $M
Public health services, public and denominational hospitals [(i)(ii)]		
Monash Health	2,581.1	2,234.6
Alfred Health	1,420.7	1,266.8
Western Health	1,430.7	1,263.1
Eastern Health	1,383.5	1,211.5
Melbourne Health	1,124.5	1,052.2
Northern Health	1,174.1	1,035.0
Austin Health	1,088.2	997.4
Barwon Health	965.4	802.1
Peninsula Health	869.7	764.4
St Vincent’s Hospital Melbourne Limited	759.3	684.4
The Royal Children's Hospital	723.1	674.2
Mercy Hospitals Victoria Limited	590.8	508.5
Grampians Health	613.9	502.2
Bendigo Health	595.5	478.2
Latrobe Regional Health	396.9	288.4
The Royal Women's Hospital	304.5	284.5
Peter MacCallum Cancer Institute	295.8	275.6
Goulburn Valley Health	331.2	270.5
Other public health services, public and denominational hospitals with payments totalling less than $50 million	284.0	258.6
Albury Wodonga Health	306.4	223.7
South West Healthcare	245.8	207.1
Northeast Health Wangaratta	208.8	195.6
Mildura Base Public Hospital	212.9	185.6
West Gippsland Healthcare Group	149.3	142.7
Royal Victorian Eye & Ear Hospital	143.3	130.6
Echuca Regional Health	128.8	124.5
Bass Coast Health	141.7	124.4
Bairnsdale Regional Health Service	121.4	117.4
Central Gippsland Health Service	102.6	85.4
Western District Health Service	74.9	67.8

	2026 $M	2025 $M
Parkville Youth Mental Health and Wellbeing Service	72.6	–
Victorian Institute of Forensic Mental Health	65.8	–
Swan Hill District Health	64.8	62.7
Colac Area Health	53.5	44.2
	19,025.1	16,564.0
Other		
Cross Border with other jurisdictions	112.9	38.0
Other accrual adjustments	–	(0.3)
	112.9	37.7
Total grants and other expense transfers	**19,138.0**	**16,601.7**

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).

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 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	
	2026 $M	2025 $M	2026 $M	2025 $M	2026 $M	2025 $M
Land at fair value [(i)]	860.8	799.6	–	–	860.8	799.6
Buildings at fair value [(i)(ii)]	3,101.1	892.9	(135.5)	(63.4)	2,965.6	829.5
Plant, equipment and vehicles at fair value [(ii)]	218.6	28.1	(56.9)	(26.0)	161.7	2.2
Assets under construction at cost	619.6	3,677.5	–	–	619.6	3,677.5
Right-of-use assets: buildings, plant, equipment and vehicles [(iii)]	40.2	36.0	(23.9)	(23.1)	16.4	12.9
Net carrying amount	**4,840.4**	**5,434.1**	**(216.2)**	**(112.4)**	**4,624.1**	**5,321.7**

Notes:

(i) This number includes service concession assets.

(ii) This number includes the new Footscray Hospital public private partnership. The new Footscray Hospital commenced operations on 20 January 2026 and is operated by Western Health. Additional asset attribute information and supporting documentation are required to support the transfer of the hospital assets and liabilities to Western Health. Accordingly, the assets and liabilities associated with the new Footscray Hospital have been retained in the department's financial statements as at 30 June 2026. The department considers that retaining the assets and liabilities pending completion of the information required to support the transfer provides the most appropriate basis for financial reporting as at 30 June 2026.

The department is continuing to work with the Victorian Health Building Authority, the Victorian Government agency responsible for delivering and managing public health infrastructure projects, to obtain the information necessary to complete the transfer. Subject to completion of this work, the department intends to transfer the assets and liabilities to Western Health in a future reporting period.

(iii) As a result of a change in FRD 104 *Leases* effective for reporting periods from 30 June 2026, right-of-use assets are measured at cost for the 2026 reporting period. The comparative information for the 2025 reporting period is not restated and is reported at the previously determined fair value. For further information, refer to Note 9.4.

5.1(a) Total service concession assets

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2026 $M	2025 $M	2026 $M	2025 $M	2026 $M	2025 $M
Land at fair value	581.9	521.8	–	–	581.9	521.8
Buildings at fair value	982.8	872.6	(84.7)	(43.6)	898.1	829.0
Net carrying amount	**1,564.7**	**1,394.4**	**(84.7)**	**(43.6)**	**1,480.0**	**1,350.8**

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 to deliver health services to the general public under the direction of the Health Services Agreement. The department maintains the ownership and control of the assets throughout the arrangements and does not incur any related liability.

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

Right-of-use assets are subsequently measured at cost less accumulated depreciation, impairment and any adjustments for remeasurement of the lease liability. 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. Impairment of the right-of-use asset is determined and accounted for in accordance with AASB 136 *Impairment of Assets.*

Impairment of right-of-use assets

The department has assessed all right-of-use assets for impairment, and no indicators of impairment were identified as at 30 June 2026.

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 per cent but not greater than 40 per cent). Where the cumulative movement is greater than 40 per cent and exceptionally material, an interim valuation would be required. As at 30 June 2026, the cumulative movement based on assessment performed with indices issued by the Valuer-General Victoria, the department's buildings asset class, which includes service concession building assets, increased by 1.46 per cent since the last scheduled revaluation and the land decreased by 1.45 per cent, and was therefore not 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 is adjusted for the 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.

Fair value for **assets under construction** for uncommissioned public private partnerships (PPPs) is determined using the effective interest rate calculated on the financial liability as a proxy for the fair value uplift. Interest on the financial liability is therefore used as a proxy for the increase in work-in-progress value during construction, with a corresponding increase in the Asset Revaluation Reserve. This aligns these asset balances with current replacement cost principles.

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.

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 – initial 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.

5.1.1 Depreciation and amortisation

Charge for the period	2026 $M	2025 $M
Buildings	**31.0**	**0.5**
Health and welfare	31.0	0.5
Plant, equipment and vehicles	**30.9**	**1.0**
Health and welfare	30.9	1.0
Intangible assets	**1.9**	**3.5**
Health and welfare	1.9	3.5
Right-of-use assets	**6.1**	**4.8**
Buildings	2.0	2.2
Plant and equipment	3.5	2.0
Motor vehicles	0.6	0.6
Service concession assets	**42.8**	**42.5**
Buildings	42.8	42.5
Total depreciation and amortisation	**112.8**	**52.3**

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	2026	2025
Buildings	5 to 60 years	5 to 55 years
Plant, equipment and vehicles	3 to 15 years	3 to 15 years
Intangible assets	3 to 20 years	3 to 20 years

The estimated useful lives were reviewed and adjusted on 1 July 2025 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 construction at fair value $M	Right-of-use assets [(i)] $M	Total $M
Balance at 1 July 2025	**799.6**	**836.8**	**4.6**	**3.2**	**3,677.5**	**–**	**5,321.7**
Change in accounting policy for the subsequent measurement of right-of-use assets	–	(7.3)	(2.4)	(3.2)		12.9	–
Adjusted balance at 1 July 2025	799.6	829.5	2.2	–	3,677.5	12.9	5,321.7
Capital contributed from asset transfers	66.3	(1,424.7)	(41.2)	–	–	–	(1,399.5)
Additions	1.8	–	1.5	–	724.7	12.6	740.5
Disposals	(6.2)	–	–	–	–	(0.6)	(6.8)
Net revaluation increments/(decrements)	(0.6)	–	–	–	82.2	–	81.6
Depreciation and amortisation	–	(73.9)	(30.9)	–	–	(6.1)	(110.9)
Fair value of assets provided free of charge or for nominal consideration	–	–	–	–	–	(0.5)	(0.5)
Transfers in/(out) of assets under construction	–	3,634.6	230.1	–	(3,864.8)	–	–
Other changes	–	–	–	–	–	(2.0)	(2.0)
Balance at 30 June 2026	**860.8**	**2,965.6**	**161.7**	**–**	**619.6**	**16.4**	**4,624.1**
Balance at 1 July 2024	**781.5**	**867.9**	**5.8**	**2.8**	**2,365.1**	**–**	**4,023.1**
Capital contributed from asset transfers	10.8	0.6	–	–	–	–	11.4
Machinery of government transfer in/(out)	–	–	–	(0.4)	–	–	(0.4)
Additions	7.5	0.4	–	1.8	1,203.9	–	1,213.6
Disposals	–	1.5	–	(0.6)	–	–	0.8
Net revaluation increments/(decrements)	(0.3)	–	–	–	119.6	–	119.4
Depreciation and amortisation	–	(45.2)	(3.0)	(0.6)	–	–	(48.8)
Fair value of assets received free of charge or for nominal consideration	–	–	–	0.3	–	–	0.3
Transfers in/(out) of assets under construction	–	11.1	–	–	(11.1)	–	–
Other changes	–	0.6	1.7	–	–	–	2.3
Balance at 30 June 2025	**799.6**	**836.8**	**4.6**	**3.2**	**3,677.5**	**–**	**5,321.7**

Notes:

(i) As a result of a change in FRD 104 *Leases* effective for reporting periods from 30 June 2026, right-of-use assets are measured at cost for the 2026 reporting period. The comparative information for the 2025 reporting period is not restated and is reported at the previously determined fair value. For further information, refer to Note 9.4.

5.2 Intangible assets

	2026 $M	2025 $M
Gross carrying amount		
Opening balance	**128.0**	**125.5**
Disposals from prior year	(69.5)	–
Additions from internal development	6.9	2.5
Disposals or classified as held for sale	(1.4)	–
Closing balance	**64.0**	**128.0**
Accumulated amortisation and impairment		
Opening balance	**(91.7)**	**(88.2)**
Amortisation of intangible assets	(1.9)	(3.5)
Disposals from prior year	69.5	–
Closing balance	**(24.0)**	**(91.7)**
Net book value at end of financial year	**40.0**	**36.3**

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 three and 20 years.

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 Payables
6.2.1 Maturity analysis of contractual payables
6.3 Other provisions
6.3.1 Reconciliation of movements in other provisions
6.4 Other non-financial liabilities

6.1 Receivables

	2026 $M	2025 $M
Current receivables		
Contractual		
Other receivables	402.6	307.9
Less allowance for impairment losses of contractual receivables	(0.9)	(2.5)
	401.7	**305.3**
Statutory		
Amounts owing from Victorian Government	1,075.7	2,094.8
	1,075.7	**2,094.8**
Total current receivables	**1,477.4**	**2,400.1**
Non-current receivables		
Statutory		
Amounts owing from Victorian Government	3,745.9	2,679.0
	3,745.9	**2,679.0**
Total non-current receivables	**3,745.9**	**2,679.0**
Total receivables	**5,223.3**	**5,079.1**

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 Payables

	2026 $M	2025 $M
Current payables		
Statutory		
Fringe benefits tax payable	(0.4)	(0.4)
Contractual		
Employee benefits payable	18.0	5.5
Supplies and services	41.1	14.2
Amounts payable to government agencies	632.4	502.2
Capital works	20.7	7.1
Other	4.3	20.2
Total current payables	**716.2**	**548.9**
Non-current payables		
Contractual		
Amounts payable to government agencies	1,785.8	1,599.8
Goods and services tax (GST) input tax credit recoverable	4.8	11.1
Total non-current payables	**1,790.6**	**1,610.9**
Total payables	**2,506.8**	**2,159.8**

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**, recognised and measured similarly to contractual payables, but not classified as financial instruments and not included in financial liabilities at amortised cost because they do not arise from contracts.

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.

6.2.1 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
2026							
Payables	2,507.1	2,507.1	167.9	172.4	365.9	–	1,801.0
Total	**2,507.1**	**2,507.1**	**167.9**	**172.4**	**365.9**	**–**	**1,801.0**
2025							
Payables	2,160.2	2,160.2	268.0	3.3	11.8	262.6	1,614.5
Total	**2,160.2**	**2,160.2**	**268.0**	**3.3**	**11.8**	**262.6**	**1,614.5**

Notes:

(i) Maturity analysis is presented using the contractual undiscounted cash flows.

6.3 Other provisions

	2026 $M	2025 $M
Current provisions		
Make-good provision	0.5	2.2
Insurance claims	2.6	3.3
Onerous contracts	34.6	38.8
Other provisions	63.7	108.8
Total current provisions	**101.3**	**153.1**
Non-current provisions		
Make-good provision	1.1	1.4
Insurance claims	5.1	6.8
Other provisions	6.4	73.9
Total non-current provisions	**12.6**	**82.1**
Total other provisions	**114.0**	**235.2**

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 the 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.

6.3.1 Reconciliation of movements in other provisions

	Make-good $M	Insurance claims $M	Onerous contracts $M	Other provisions $M	Total $M
Opening balance	**3.5**	**10.1**	**38.8**	**182.7**	**235.2**
Additional/(reduced) provisions recognised	(1.9)	–	(4.3)	(6.8)	(13.0)
Reductions arising from payments/claims handling expenses/other sacrifices of future economic benefits	–	(1.0)	–	(105.8)	(106.8)
Actuarial revaluations of insurance claims liability inclusive of risk margin	–	(1.9)	–	–	(1.9)
Reductions resulting from re-measurement or settlement without cost	–	0.6	–	–	0.6
Closing balance	**1.6**	**7.7**	**34.6**	**70.1**	**114.0**

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.

Onerous contracts: Present obligations arising under onerous contracts are recognised as a provision to the extent that the present obligation exceeds the estimated economic benefits to be received. The provision has been measured based on the unavoidable costs of meeting the contractual obligations. The unavoidable costs are the lower of the costs of fulfilling the contract and any compensation or penalties from the failure to fulfill the contract.

Other provisions: The department has a present obligation arising from class action proceedings. In the period from March 2021, a number of class action proceedings were commenced in the Federal Court of Australia relating to alleged unpaid unrostered overtime worked by doctors in training employed in Victoria. With the benefit of a mediation the parties reached an in-principle agreement to resolve the proceedings for $175 million (inclusive of costs). The agreement was reached on a whole-of-sector basis and captures all existing and potential historical claims against one or more of the 36 Victorian public health services covered by the Doctors in Training Enterprise Agreement. The first court-ordered settlement sum of $105,802,849.68 was paid on 14 November 2025. The remaining balance of $67,500,000 will be paid in due course. The department has also recognised a provision for past events that create an obligation relating to legal claims. The provision has been measured on a provisional basis.

6.4 Other financial liabilities

	2026 $M	2025 $M
Public private partnership related financial liabilities	59.3	59.3
Total other financial liabilities	**59.3**	**59.3**

The financial liabilities relate to Victoria University's contribution towards the footbridge in the new Footscray Hospital project.

7. How departmental operations were financed

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

7.2 Cash flow information and balances
- 7.2.1 Reconciliation of net result for the period to net cash flow from operating activities

7.3 Trust account
- 7.3.1 Trust account balances
- 7.3.2 Trust account – Legislative references and nature

7.4 Commitments for expenditure
- 7.4.1 Total commitments payable
- 7.4.2 Funding commitments
- 7.4.3 Uncommissioned public private partnership commitments

7.1 Borrowings

	2026 $M	2025 $M
Current borrowings		
PPP-related financial liabilities	33.4	–
Lease liabilities	5.8	3.8
Total current borrowings	**39.2**	**3.7**
Non-current borrowings		
Advances from Victorian Government	15.2	11.1
PPP-related financial liabilities	1,698.6	2,992.8
Lease liabilities	10.3	5.9
Total non-current borrowings	**1,724.1**	**3,009.7**
Total borrowings	**1,763.3**	**3,013.4**

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 public private partnerships (PPPs) where either a service concession asset or an item of property, plant and equipment is in construction and new Footscray Hospital PPP (refer to Note 5.1).

7.1.1 Maturity analysis of borrowings

			Maturity dates				
	Carrying amount $M	Nominal amount $M	Less than 1 month $M	1–3 months $M	3 months –1 year $M	1–5 years $M	5+ years $M
2026							
Advances from Victorian Government	15.2	15.2	–	–	–	13.7	1.5
PPP-related financial liabilities	1,732.0	3,028.3	8.3	16.7	75.5	505.5	2,422.2
Lease liabilities	16.1	16.1	0.6	1.0	4.2	10.3	–
Total	**1,763.3**	**3,059.6**	**8.9**	**17.7**	**79.6**	**529.6**	**2,423.8**
2025							
Advances from Victorian Government	11.1	11.1	–	–	–	8.1	3.0
PPP-related financial liabilities	2,992.8	5,081.2	–	(8.5)	636.8	782.6	3,670.3
Lease liabilities	9.6	9.6	0.6	1.0	2.5	5.5	–
Total	**3,013.4**	**5,101.9**	**0.6**	**(7.5)**	**639.3**	**796.2**	**3,673.3**

7.1.2 Interest expense

	2026 $M	2025 $M
Interest on lease liabilities	0.9	0.5
Interest on PPP-related financial liabilities [(i)]	127.7	121.3
Interest on borrowings [(ii)]	0.3	(0.5)
Total interest expense	**128.9**	**121.3**

Notes:

(i) Interest is recognised in relation to capital payments for the Peninsula University Hospital (formerly known as Frankston Hospital), the new Footscray Hospital and new Melton Hospital projects. Since Peninsula University Hospital commenced operation on 20 January 2026, the interest on capital payments was not for the full year.

(ii) Balance relates to the discount interest on loans and advances to health agencies.

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 Cash flow information and balances

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those 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.

Total cash and deposits disclosed in the balance sheet	2026 $M	2025 $M
Cash at bank [(i)]	18.8	18.5
Funds held in trust [(ii)]	90.5	86.1
Balance as per cash flow statement	**109.3**	**104.6**

Notes:

(i) Cash balance includes the Casey Hospital Escrow Account of $14.7 million (2025: $15.3 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 7.3.1 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.

7.2.1 Reconciliation of net result for the period to net cash flow from operating activities

	2026 $M	2025 $M
Net result for the period	**654.3**	**443.1**
Non-cash movements		
(Gain)/loss on sale of non-financial assets	–	(0.3)
Inventory write off	–	113.5
Depreciation and amortisation	112.8	52.3
Interest expense	127.7	121.3
Loss on revaluation of outstanding insurance claims liabilities	(0.6)	8.6
Other income from investing activities	0.3	(0.5)
Net gain/(loss) on financial instruments	28.8	(0.8)
Other gains or losses from other economic flows	(2.5)	(0.2)
Resources (received)/provided free of charge	9.2	15.0
Movements in assets and liabilities		
(Increase)/decrease in receivables	(149.1)	(885.5)
(Increase)/decrease in prepayments	21.6	(11.9)
Increase/(decrease) in payables	333.9	187.0
Increase/(decrease) in provisions	(127.0)	182.5
(Increase)/decrease in inventories	–	25.3
Net cash flows from/(used in) operating activities	**1,009.6**	**249.4**

7.3 Trust account

7.3.1 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 2025–26.

	2026						2025					
	Opening balance as at 1 July 2025 $M	Machinery of government – transfer in/(out) $M	Total receipts $M	Total payments $M	Non-cash movement $M	Closing balance as at 30 June 2026 $M	Opening balance as at 1 July 2024 $M	Machinery of government – transfer in/(out) $M	Total receipts $M	Total payments $M	Non-cash movement $M	Closing balance as at 30 June 2025 $M
Controlled trusts												
Casey Hospital Escrow Account [(i)]	15.3	–	–	–	(0.5)	14.7	13.8	–	–	–	1.5	15.3
Health State Managed Fund	2.2	–	1,287.0	1,276.5	(8.1)	4.6	2.2	–	2,327.3	2,333.6	6.3	2.2
Hospitals and Charities Fund	15.4	–	2,289.7	2,261.0	(44.1)	–	30.8	–	2,042.6	2,064.5	6.5	15.4
Public Health Fund	0.8	–	229.9	239.6	12.2	3.4	–	–	215.9	383.2	168.1	0.8
Mental Health Capital Fund	–	–	3.7	3.7	–	–	–	–	3.1	3.1	–	–
Treasury Trust	63.8	–	33.3	25.3	8.4	80.2	66.7	–	14.5	20.1	2.8	63.8
Inter-Departmental Transfer Trust	1.8	–	129.1	136.0	5.1	0.1	2.1	–	133.6	130.1	(3.8)	1.8
Vehicle Lease Trust Account	2.1	–	0.2	0.1	–	2.2	1.8	–	0.4	0.1	–	2.1
Victorian Health Promotion Fund	–	–	48.7	49.4	0.7	–	–	–	47.2	47.2	–	–
Total controlled trusts	**101.4**	**–**	**4,021.6**	**3,991.6**	**(26.3)**	**105.2**	**117.4**	**–**	**4,784.6**	**4,981.9**	**181.4**	**101.4**

	2026						2025					
	Opening balance as at 1 July 2025 $M	Machinery of government – transfer in/(out) $M	Total receipts $M	Total payments $M	Non-cash movement $M	Closing balance as at 30 June 2026 $M	Opening balance as at 1 July 2024 $M	Machinery of government – transfer in/(out) $M	Total receipts $M	Total payments $M	Non-cash movement $M	Closing balance as at 30 June 2025 $M
Administered trusts												
National Health Funding Pool – Victorian State Pool Account	–	–	20,222.3	20,222.3	–	–	–	–	17,997.2	17,996.9	(0.3)	–
Public Service Commuter Club	(0.1)	–	–	–	–	(0.1)	(0.1)	–	0.1	0.1	–	(0.1)
Revenue Suspense Account	6.9	–	–	–	–	6.9	4.9	1.8	0.1	–	0.1	6.9
Total administered trusts	**6.8**	**–**	**20,222.3**	**20,222.3**	**–**	**6.8**	**4.8**	**1.8**	**17,997.4**	**17,997.0**	**(0.2)**	**6.8**

Notes:

(i) Casey Hospital Escrow Account balances are included in the 'Cash at bank'. Refer to Note 7.2.

7.3.2 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.

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.

Mental Health Capital Fund

Established under s. 19 of the FMA for stage 3 of the redevelopment of Thomas Embling Hospital, and to provide funding to the Mental Health Capital Renewal Fund to improve the quality and amenity of mental health and alcohol and other drugs facilities across Victoria.

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.

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.

7.4 Commitments for future 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 goods and services tax (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.

7.4.1 Total commitments payable [(i)]

	Less than 1 year ($m)	Between 1 and 5 years ($m)	Over 5 years ($m)	Total ($m)
Nominal amounts: 2026				
Capital expenditure commitments [(ii)]	1,391.7	456.8	–	1,848.5
Other expenditure commitments [(iii)]	292.1	254.6	–	546.7
Funding commitments (refer to Note 7.4.2)	832.5	3,168.5	11,839.8	15,840.8
Uncommissioned public private partnership commitments (refer to Note 7.4.3)	5.3	575.5	4,582.9	5,163.7
Total commitment (inclusive of GST)	**2,521.6**	**4,455.4**	**16,422.7**	**23,399.7**
Less GST recoverable				2,126.6
Total commitment (exclusive of GST)				**21,273.1**
Nominal amounts: 2025				
Capital expenditure commitments [(ii)]	832.1	465.8	–	1,297.9
Other expenditure commitments [(iii)]	322.7	137.1	67.9	527.7
Funding commitments (refer to Note 7.4.2)	663.1	2,657.6	9,958.2	13,278.9
Uncommissioned public private partnership commitments (refer to Note 7.4.3)	2.0	465.3	4,874.3	5,341.6
Total commitment (inclusive of GST)	**1,819.9**	**3,725.8**	**14,900.4**	**20,446.1**
Less GST recoverable				1,858.2
Total commitment (exclusive of GST)				**18,587.9**

Notes:

(i) GST is not included in some of the above commitments as they relate to either input taxed or exempt goods and services.

(ii) The department's capital commitments include the capital works and equipment contracted for at the reporting date.

(iii) Other expenditure commitments include the department's agreement for the future provision of services, including IT support and labour hire – refer to note 3.1.3 Other operating expenses for more details.

7.4.2 Funding commitments

Funding commitments commissioned

The Minister for Health entered into eight long-term contracts with various private sector consortiums for the design, construction, maintenance and financing of hospital infrastructure assets, one each for the Royal Women's Hospital, the Royal Children's Hospital, the Victorian Comprehensive Cancer Centre (Peter MacCallum Cancer Centre), Bendigo Health, the new Footscray Hospital (Western Health), Peninsula University Hospital (Bayside 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 liability, 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.

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.

	Less than 1 year ($m)	Between 1 and 5 years ($m)	Over 5 years ($m)	Total ($m)
Nominal amounts: 2026				
The Royal Women's Hospital	66.5	251.2	118.8	436.6
Monash Health	35.2	91.1	–	126.4
The Royal Children's Hospital	195.8	821.5	1,267.3	2,284.6
Peter MacCallum Cancer Centre	179.9	413.1	1,151.1	1,744.1
Bendigo Health	100.6	405.7	1,242.1	1,748.4
new Footscray Hospital	88.6	485.5	3,381.4	3,955.5
Peninsula University Hospital (formerly known as Frankston Hospital)	165.8	700.4	4,679.1	5,545.3
Total funding commitments	**832.4**	**3,168.5**	**11,839.8**	**15,840.8**
Nominal amounts: 2025				
The Royal Women's Hospital	64.0	254.3	176.6	494.8
Monash Health	33.8	119.4	0.0	153.2
The Royal Children's Hospital	185.4	789.7	1,479.6	2,454.7
Peter MacCallum Cancer Centre	188.4	486.7	1,250.9	1,925.9
Bendigo Health	96.5	390.9	1,326.6	1,813.9
new Footscray Hospital	75.1	367.2	3,071.7	3,514.1
Peninsula University Hospital (formerly known as Frankston Hospital)	19.9	249.5	2,652.9	2,922.3
Total funding commitments	**663.1**	**2,657.7**	**9,958.3**	**13,278.9**

7.4.3 Uncommissioned public private partnership commitments

Uncommissioned public private partnership commitments include operating and capital commitments arising from contracts.

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).

The State Government of Victoria entered into a PPP contract with Exemplar Health to deliver the new Melton Hospital and Peninsula Hospital redevelopment stage 2 projects. The department will build up the hospital projects as assets under construction at cost as they are progressively constructed. During the construction period, these assets under construction will be fair valued (refer to Note 5.1(a)). A corresponding liability will be recognised by the department which represents both a financial and non-financial liability to the hospital projects. The liability will be progressively recognised by the department in line with the recognition of the hospital project assets. Upon completion of these projects, the department will enter into a contract with the hospital around the use of the facility and the corresponding liability.

The department is obliged to make payments as consideration for financing, designing, constructing, maintaining and delivering specified services including a state contribution upon completion of construction and service payments throughout the operational phase of the contract. These payments are disclosed as commitments as per the table below.

Uncommissioned public private partnership commitments:

	2026							
	Capital contribution	Liability	Other commitments	Total commitments	Capital contribution	Capital payments (excl capital contribution)	Other commitments	Total commitments
	Present value $M	Discounted value $M	Present value $M	Present value $M	Nominal value $M	Nominal value $M	Nominal value $M	Nominal value $M
Uncommissioned PPPs [(i) (ii) (iii)]								
New Melton Hospital [(iv)]	240.7	849.4	592.8	1,682.9	274.6	2,198.9	2,533.1	5,006.7
Frankston Hospital Redevelopment – Stage 2 [(v)]	–	2.4	69.6	72.0	–	8.9	148.2	157.1
Total uncommissioned PPP commitments	**240.7**	**851.8**	**662.4**	**1,754.9**	**274.6**	**2,207.8**	**2,681.3**	**5,163.7**

	2025							
	Capital contribution	Liability	Other commitments	Total commitments	Capital contribution	Capital payments (excl capital contribution)	Other commitments	Total commitments
	Present value $M	Discounted value $M	Present value $M	Present value $M	Nominal value $M	Nominal value $M	Nominal value $M	Nominal value $M
Uncommissioned PPPs [(i) (ii) (iii)]								
New Melton Hospital [(iv)]	255.0	1,157.4	592.1	2,004.5	311.5	2,497.0	2,533.1	5,341.6
Total uncommissioned PPP commitments	**255.0**	**1,157.4**	**592.1**	**2,004.5**	**311.5**	**2,497.0**	**2,533.1**	**5,341.6**

Notes:

(i) The discounted values of the future capital payments for uncommissioned PPP commitments and the present values of other commitments have been discounted to 30 June of the respective financial years using the project rate of 9.25 per cent, which is calculated using the 10 years bond rate published by the Treasury Corporation of Victoria, adjusted with a project risk premium.

(ii) The total commitments will not equal the sum of the capital commitments and other commitments because the capital commitments (excluding capital contributions) and other commitments are discounted, whereas total commitments are at nominal value.

(iii) For uncommissioned PPP commitments 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.

(iv) On 29 October 2024, the State Government of Victoria entered into a PPP contract with Exemplar Health to deliver the new Melton Hospital project. The contract expires on 29 July 2055. The management has made a judgement that this arrangement represents the construction of an item of property, plant and equipment in the scope of AASB 116 because the services to be provided by Exemplar Health are deemed to be supportive or administrative in nature and insignificant to the delivery of the health services provided by the assets. The hospital will be operated by Western Health.

(v) Stage 2 of Peninsula Hospital Redevelopment started following the completion of main building in January 2026. It is expected to be completed in March 2027.

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 instruments 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 instruments 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

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)
- 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

2026	Cash and deposits $M	Financial assets at amortised cost $M	Financial liabilities at amortised cost $M	Total $M
Contractual financial assets				
Cash and deposits	109.3	–	–	109.3
Receivables (i)	–	401.7	–	401.7
Loans	–	13.3	–	13.3
Total contractual financial assets	**109.3**	**415.0**	**–**	**524.3**
Contractual financial liabilities				
Payables (i)	–	–	2,507.1	2,507.1
Borrowings (i)	–	–	1,763.3	1,763.3
Total contractual financial liabilities	**–**	**–**	**4,270.4**	**4,270.4**

2025	Cash and deposits $M	Financial assets at amortised cost $M	Financial liabilities at amortised cost $M	Total $M
Contractual financial assets				
Cash and deposits	104.6	–	–	104.6
Receivables (i)	–	305.3	–	305.3
Loans	–	9.5	–	9.5
Total contractual financial assets	**104.6**	**314.8**	**–**	**419.4**
Contractual financial liabilities				
Payables (i)	–	–	2,160.2	2,160.2
Borrowings (i)	–	–	3,013.4	3,013.5
Total contractual financial liabilities	**–**	**–**	**5,173.6**	**5,173.7**

Notes:

(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 6.2 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
2026		
Contractual financial liabilities		
Payables (i)	–	–
Borrowings	(128.9)	(128.9)
Total contractual financial liabilities	(128.9)	(128.9)
2025		
Contractual financial liabilities		
Payables (i)	–	–
Borrowings	(121.8)	(121.8)
Total contractual financial liabilities	**(121.8)**	**(121.8)**

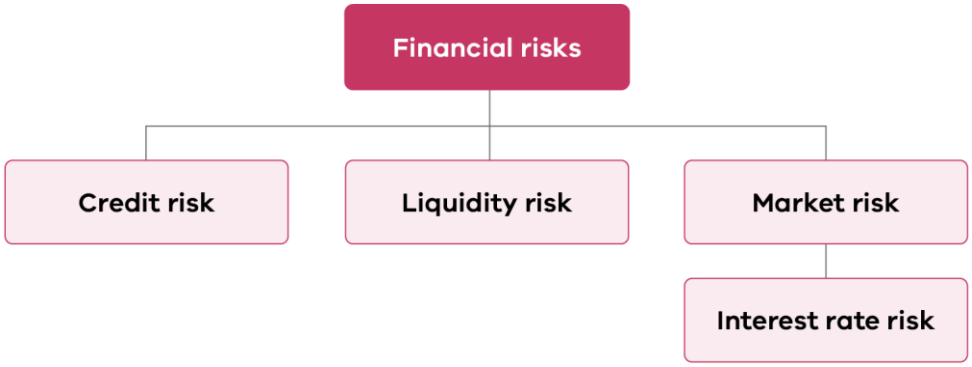
There are no contractual financial assets in 2026 (2025: Nil).

Notes:

(i) The total amounts disclosed here exclude statutory amounts, for example, amounts owing to/from the Victorian Government and GST input tax credits recoverable and taxes payable.

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 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 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 2025–26.

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
2026				
Cash and deposits	18.8	90.5	–	109.3
Contractual receivables applying the simplified approach for impairment (i)	–	383.0	18.7	401.7
Loans	–	13.3	–	13.3
Statutory receivables (with no impairment loss recognised)	–	4,821.6	–	4,821.6
Total financial assets	**18.8**	**5,308.4**	**18.7**	**5,345.9**
2025				
Cash and deposits	18.5	86.1	–	104.6
Contractual receivables applying the simplified approach for impairment (i)	–	269.5	35.8	305.3
Loans	–	9.5	–	9.5
Statutory receivables (with no impairment loss recognised)	–	4,773.8	–	4,773.8
Total financial assets	**18.5**	**5,138.9**	**35.8**	**5,193.2**

Notes:

(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 by 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 and existing market conditions, and 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:

			Past due				
	Gross amount $M	Not past due and not impaired [i] $M	Less than 1 month $M	1–3 months $M	3 months –1 year $M	1–5 years $M	Total $M
2026							
Expected loss rate		**0%**	**2%**	**2%**	**2%**	**36%**	
Gross carrying amount of contractual receivables	402.6	395.4	0.5	0.4	1.0	5.3	
Loss allowance		**–**	**–**	**–**	**–**	**0.8**	**0.8**
2025							
Expected loss rate		**0%**	**0%**	**2%**	**1%**	**27%**	
Gross carrying amount of contractual receivables	307.9	273.4	0.3	10.1	16.0	8.2	
Loss allowance		**–**	**–**	**0.2**	**0.1**	**2.2**	**2.5**

Notes:

(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:

	2026 $M	2025 $M
Balance at beginning of the year	**(2.5)**	**(2.4)**
(Increase)/decrease in provision recognised in the net result	0.9	(0.2)
Reversal of provision of receivables written off during the year as uncollectible	0.8	0.1
Balance at the end of the year	**(0.9)**	**(2.5)**

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 of up to $3 million within ten business days, ensuring timely payments to suppliers and small businesses.

The department is exposed to liquidity risk mainly through the financial liabilities 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 the 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 6.2.1 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 +1 per cent and -1 per cent (2025: +1 per cent and -1 per cent) 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) and 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	Interest rate exposure: Variable interest rate $M	Interest rate exposure: Non-interest bearing $M
2026					
Financial assets					
Cash and deposits	4.1%	109.3	–	14.7	94.6
Receivables [(i)]		401.7	–	–	401.7
Loans	0.0%	13.3	–	–	13.3
Total financial assets		**524.3**	**–**	**14.7**	**509.6**
Financial liabilities					
Payables [(i)]		2,507.1	–	–	2,507.1
Borrowings [(i)]	4.3%	1,763.3	1,748.1	–	15.2
Total financial liabilities		**4,270.4**	**1,748.1**	**–**	**2,522.4**
2025					
Financial assets					
Cash and deposits	4.4%	104.6	–	15.3	89.3
Receivables [(i)]		305.3	–	–	305.3
Loans	0.0%	9.5	–	–	9.5
Total financial assets		**419.4**	**–**	**15.3**	**404.1**
Financial liabilities					
Payables [(i)]		2,160.2	–	–	2,160.2
Borrowings [(i)]	4.1%	3,013.5	2,043.9	958.5	11.1
Total financial liabilities		**5,173.7**	**2,043.9**	**958.5**	**2,171.3**

Notes:

(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

2026	Carrying amount $M	Interest rate risk: -1% Net result $M	Interest rate risk: +1% Net result $M
Contractual financial assets			
Cash and deposits [(i)(ii)]	109.3	(0.3)	0.3
Receivables [(iii)(iv)]	401.7	–	–
Loans [(iv)]	13.3	–	–
Total impact	**524.3**	**(0.3)**	**0.3**
Contractual financial liabilities			
Payables [(iv)]	2,507.1	–	–
Borrowings [(iv)(v)]	1,763.3	–	–
Total impact	**4,270.4**	**–**	**–**

2025	Carrying amount $M	Interest rate risk: -1% Net result $M	Interest rate risk: +1% Net result $M
Contractual financial assets			

2025	Carrying amount $M	Interest rate risk -1% Net result $M	Interest rate risk +1% Net result $M
Cash and deposits [(i)(ii)]	104.6	(0.3)	0.3
Receivables [(iii)(iv)]	305.3	–	–
Loans	9.5	–	–
Total impact	**419.4**	**(0.3)**	**0.3**
Contractual financial liabilities			
Payables [(iv)]	2,160.2	–	–
Borrowings [(iv)(v)]	3,013.5	(5.2)	5.2
Total impact	**5,173.7**	**(5.2)**	**5.2**

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.

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 2026.

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.

	2026 $M	2025 $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.	68.9	23.6
Total	**68.9**	**23.6**

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 2026–27 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 its service agreements or statement of priorities in 2026–27.

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 (excluding right-of-use assets).

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 the 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, due to their short-term nature or with the expectation that they would be paid in full by the end of the 2025–26 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

		Fair value measurement at end of reporting period using:		
2026	Carrying amount $M	Level 1 [(i)] $M	Level 2 [(i)] $M	Level 3 [(i)] $M
Land at fair value				
Non-specialised land	78.8	–	78.8	–
Specialised land	782.1	–	92.7	689.3
Total land at fair value	**860.8**	**–**	**171.5**	**689.3**
Buildings at fair value				
Non-specialised buildings	6.5	–	6.5	–
Specialised buildings	2,959.2	–	2,188.2	770.9
Total buildings at fair value	**2,965.6**	**–**	**2,194.7**	**770.9**
Plant, equipment and vehicles at fair value				
Plant and equipment	161.7	–	160.4	1.3
Total plant, equipment and vehicles at fair value	**161.7**	**–**	**160.4**	**1.3**

2025	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	93.8	–	93.8	–
Specialised land	705.8	–	90.7	615.0
Total land at fair value	**799.6**	**–**	**184.5**	**615.0**
Buildings at fair value				
Non-specialised buildings	14.2	–	6.9	7.3
Specialised buildings	822.4	–	1.2	821.3
Total buildings at fair value	**836.6**	**–**	**8.1**	**828.6**
Plant, equipment and vehicles at fair value				
Plant and equipment	4.6	–	–	4.6
Total plant, equipment and vehicles at fair value	**4.6**	**–**	**–**	**4.6**

Notes:

(i) Classified in accordance with the fair value hierarchy. The department, in conjunction with the Valuer-General Victoria, 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: These 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.

The non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments; these assets are classified as Level 2 under the market approach.

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.

As at 30 June 2026, an assessment of land and building assets was performed based on the indices issued by the Valuer-General Victoria. The cumulative movement in the department's land and building asset classes was below 10 per cent and 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 2026.

For all assets measured at fair value, the current use is considered the highest and best use.

Reconciliation of Level 3 fair value movements

2026	Specialised land $M	Non-specialised buildings $M	Specialised buildings $M	Plant and equipment $M	Total $M
Opening balance	**615.0**	**7.3**	**821.3**	**4.6**	**1,448.2**
Change in accounting policy for the subsequent measurement of right-of-use assets	–	(7.3)	–	(2.4)	(9.7)
Disposals	(1.9)	–	(32.0)	–	(33.9)
Administrative instrument/equity transfers	62.7	–	48.0	-	110.7
Transfer (to)/from held for sale	13.7		0.2		13.9
Transfers in/(out) of Level 3	(0.2)	–	(26.1)	–	(26.3)
Gains or losses recognised in net result					
Depreciation	–	–	(40.4)	(0.9)	(41.3)
Subtotal of gains or losses recognised in net result	**–**	**–**	**(40.4)**	**(0.9)**	**(41.3)**
Gains or losses recognised in other economic flows – other comprehensive income					
Net revaluation increments/(decrements)	–	–	–	–	–
Subtotal of gains or losses recognised in other economic flows	**–**	**–**	**–**	**–**	**–**
Closing balance	**689.3**	**–**	**770.9**	**1.3**	**1,461.5**

2025	Specialised land $M	Non-specialised buildings $M	Specialised buildings $M	Plant and equipment $M	Total $M
Opening balance	**596.9**	**8.9**	**849.5**	**5.8**	**1,461.1**
Machinery of government transfer in/(out)	10.8	–	–	–	10.8
Additions	7.3	0.6	1.0	1.8	10.7
Capitalisation of work in progress	–	–	11.1	–	11.1
Gains or losses recognised in net result					
Depreciation	–	(2.2)	(41.9)	(3.0)	(47.1)
Subtotal of gains or losses recognised in net result	**–**	**(2.2)**	**(41.9)**	**(3.0)**	**(47.1)**
Gains or losses recognised in other economic flows – other comprehensive income					
Net revaluation increments/(decrements)	–	–	1.6	–	1.6
Subtotal of gains or losses recognised in other economic flows	**–**	**–**	**1.6**	**–**	**1.6**
Closing balance	**615.0**	**7.3**	**821.3**	**4.6**	**1,448.2**

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 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 2025.

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 Reserves
9.4 Changes in accounting policy
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 are 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.

There were no ex-gratia expense items greater than or equal to $5,000 in the 2025–26 financial year.

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
- other revaluations on the value of outstanding insurance claims and liabilities and the effects of changes in actuarial assumptions
- bad debt expenses.

	2026 $M	2025 $M
(a) Net gain/(loss) on non-financial assets		
Revenue from disposal of non-financial physical assets		
Motor vehicles	0.8	1.0
Total revenue from disposal of non-financial physical assets	**0.8**	**1.0**
Costs on disposal of non-financial physical assets		
Motor vehicles	0.6	0.6
Total costs on disposal of non-financial physical assets	**0.6**	**0.6**
Write down of inventories	(0.3)	(113.5)
Net gain/(loss) on non-financial assets	**(0.1)**	**(113.2)**
(b) Net gain/(loss) on financial instruments		
Net gain/(loss) on financial instruments and statutory receivables/payables	(28.8)	0.8
Total net gain/(loss) on financial instruments	**(28.8)**	**0.8**
(c) Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	1.0	(0.4)
Revaluation and adjustments of insurance claims	0.6	0.8
Net (increase)/decrease in provision for doubtful debts and bad debts	0.9	(0.2)
Total other gains/(losses) from other economic flows	**2.5**	**0.2**

9.3 Reserves

	2026 $M	2025 $M
(a) Accumulated surplus/(deficit)		
Balance at beginning of financial year	3,915.6	3,472.5
Prior period adjustments [(i)]	59.3	–
Restated balance at beginning of financial year	**3,974.9**	**3,472.5**
Net result for the year	654.3	443.1
Transfer to contributed capital	(256.1)	–
Transfer from physical asset revaluation surplus	107.9	–
Balance at the end of financial year	**4,481.0**	**3,915.6**
(b) Physical asset revaluation surplus		
Balance at beginning of financial year	1,061.9	941.1
Revaluation increments/(decrements) of land and buildings [(ii)]	84.2	120.8
Transfer to accumulated surplus/(deficit)	(107.9)	–
Balance at the end of financial year	**1,038.2**	**1,061.9**
(c) Contributed capital		
Balance at beginning of financial year	78.8	69.0
Administrative instrument transfers – net assets received/(transferred) [(iii)]	(462.7)	(0.3)
Transfer from accumulated surplus/(deficit) [(iv)]	256.1	–
Capital contributions to health agencies	(11.8)	(59.3)
Capital contributions by Victorian Government	11.8	57.7
Net assets transferred from other government departments	13.9	6.8
Net assets transferred from health agencies [(v)]	115.9	5.0
Balance at the end of financial year	**2.0**	**78.8**
Total equity	**5,521.3**	**5,056.4**
Physical asset revaluation surplus – represented by:		
– land	313.9	313.0
– buildings	724.3	749.0
Total physical assets revaluation surplus	**1,038.2**	**1,061.9**

Notes:

(i) The prior period adjustment relates to correction of direct expenditure related to capital projects of $38.5 million to the Werribee Mercy Hospital Emergency Department, $18.6 million to the new Footscray Hospital and $14.0 million to the Peninsula University Hospital; correction of $1.3 million pollen counters purchased which should be capitalised as plant and equipment and taken up $13.1 million interest expense against new Footscray Hospital, Peninsula University Hospital and new Melton Hospital public private partnerships.

(ii) 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.

(iii) Transfer of completed projects via contributed capital, including Peninsula University Hospital (formerly known as Frankston Hospital Redevelopment) and various community hospitals, early parenting centres and the Traralgon Youth Prevention and Recovery Care (YPARC).

(iv) Transfer of accumulated funds to contributed capital to facilitate investment in health agencies.

(v) Transfer of land and buildings from Melbourne Health, Health Share Victoria, Monash Health and Eastern Health.

9.4 Changes in accounting policy

9.4.1 Right-of-use assets

The department has made a change in accounting policy to change the measurement basis from the revaluation model to the cost model for the subsequent measurement of right-of-use assets arising from market leases, in accordance with the updated requirements under Financial Reporting Direction 104 *Leases*.

Previously, the department had measured all right-of-use assets arising from market leases using the revaluation model under AASB 13 *Fair Value Measurement*. Following the change in accounting policy, the department will measure all right-of-use assets using the cost model. Right-of-use assets measured using the cost model are held at cost less accumulated depreciation and impairment and any adjustments for remeasurement of lease liability. Periodic revaluations are not required; however, the cost model requires annual impairment assessments in accordance with AASB 136 *Impairment of assets*.

Upon the adoption of the cost model, the department has applied a modified retrospective approach. The approach takes the right-of-use asset's carrying amounts recorded under the revaluation model as at 30 June 2025 as the right-of-use asset's opening balances on application of the cost model.

Accordingly, the comparative information presented is not restated and is reported at the previously determined fair value.

Right-of-use assets arising from significantly below-market leases

The department is not required to make any adjustments to right-of-use assets arising from significantly below-market leases, including peppercorn leases, as the department already measures these right-of-use assets using the cost model in accordance with AASB 16 *Leases* and FRD 104, and they are thus not impacted as a result of this accounting policy change.

Impacts on financial statements

The transition to the cost model had no impact on the department’s financial statements. No impairment was identified by the department for the right-of-use assets held as at 30 June 2026.

9.5 Responsible persons

In accordance with the Ministerial Directions issued by the Minister for Finance under the FMA, the following disclosures are made regarding 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 2025	15 Apr 2026
	The Hon. Harriet Shing MP	15 Apr 2026	30 Jun 2026
Minister for Health Infrastructure	The Hon. Melissa Horne MP	1 Jul 2025	30 Jun 2026
Minister for Ambulance Services	The Hon. Mary-Anne Thomas MP	1 Jul 2025	15 Apr 2026
	The Hon. Harriet Shing MP	15 Apr 2026	30 Jun 2026
Minister for Mental Health	The Hon. Ingrid Stitt MP	1 Jul 2025	30 Jun 2026
Minister for Ageing	The Hon. Ingrid Stitt MP	1 Jul 2025	30 Jun 2026
Minister for Children	The Hon. Lizzie Blandthorn MP	1 Jul 2025	30 Jun 2026
Secretary, Department of Health	Jenny Atta	1 Jul 2025	30 Jun 2026

The persons who acted in the positions of ministers and accountable officer in the department were as follows:

Relevant office	Acting minister or accountable officer	From	To
Minister for Health	The Hon. Ingrid Stitt MP	1 Jul 2025	13 Jul 2025
	The Hon. Ingrid Stitt MP	26 Dec 2025	11 Jan 2026
Minister for Health Infrastructure	The Hon. Ingrid Stitt MP	26 Dec 2025	11 Jan 2026
Minister for Ambulance Services	The Hon. Ingrid Stitt MP	1 Jul 2025	13 Jul 2025
	The Hon. Ingrid Stitt MP	26 Dec 2025	11 Jan 2026
Minister for Mental Health	The Hon. Mary-Anne Thomas MP	14 Jul 2025	20 Jul 2025
	The Hon. Mary-Anne Thomas MP	20 Sep 2025	4 Oct 2025
	The Hon. Mary-Anne Thomas MP	16 Jan 2025	26 Jan 2026
	The Hon. Melissa Horne MP	26 Jun 2026	30 Jun 2026
Minister for Ageing	The Hon. Mary-Anne Thomas MP	14 Jul 2025	20 Jul 2025
	The Hon. Mary-Anne Thomas MP	20 Sep 2025	4 Oct 2025
	The Hon. Mary-Anne Thomas MP	16 Jan 2025	26 Jan 2026
	The Hon. Melissa Horne MP	26 Jun 2026	30 Jun 2026
Minister for Children	The Hon. Harriet Shing MP	24 Sep 2025	3 Oct 2025
	The Hon. Ingrid Stitt MP	14 Dec 2025	21 Dec 2025
	The Hon. Harriet Shing MP	22 Dec 2025	4 Jan 2026
	The Hon. Ros Spence MP	5 Jan 2026	8 Jan 2026
	The Hon. Natalie Suleyman MP	9 Jan 2026	11 Jan 2026
	The Hon. Melissa Horne MP	29 Jun 2026	30 Jun 2026
Secretary, Department of Health	Nicole Brady	25 Aug 2025	7 Sep 2025
	Katherine Whetton	29 Dec 2025	2 Jan 2026
	Katherine Whetton	12 Jan 2026	16 Jan 2026

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 $740,000–$749,000 (2025: $1,220,000–$1,229,000)[(i)].

For information regarding remuneration received or receivable by ministers and related party transactions of ministers, please refer to the financial statements of State of Victoria's *Financial Report 2025–26*.

Notes:

(i) Total remuneration includes employee benefit entitlement. The 2025 figure includes a termination payment.

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 (as defined in AASB 119 *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. Accordingly, remuneration is determined on an accrual basis 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 2026	2025
Short-term employee benefits	37.7	39.6
Post-employment benefits	4.1	4.4
Other long-term benefits	1.0	1.0
Termination benefits	4.7	1.0
Total remuneration [(i) (ii)]	**47.5**	**45.9**
Total number of executives [(ii)]	**193**	**191**
Total annualised employee equivalent [(ii)(iii)]	**145.6**	**160.0**

Notes:

(i) Remuneration of key management personnel seconded from other departments is not included.

(ii) Total figures include the Chief Finance Officer, 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 Minister for Finance under s. 53(1)(b) of the FMA:

- Mental Health Tribunal
- Victorian Collaborative Centre for Mental Health and Wellbeing
- Mental Health and Wellbeing Commission.

Related parties of the department and the above-mentioned 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 from and made payments to the consolidated fund of $21,520.6 million (2025: $20,070.2 million) and $448.9 million (2025: $471.7 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. Harriet Shing MP, The Hon Mary-Anne Thomas MP, The Hon. Melissa Horne MP, The Hon. Lizzie Blandthorn MP, The Hon. Ingrid Stitt MP; the Secretary, Jenny Atta; and members of the senior executive team, which includes:

Entity	Key management personnel	Position title	From	To
Department of Health	Naomi Bromley	Deputy Secretary, Hospital & Health Services	1 Jul 2025	1 Mar 2026
		Deputy Secretary, Health System Reform & Partnerships [(i)]	2 Mar 2026	30 Jun 2026
Department of Health	Catherine Rooney	Deputy Secretary, Budget, Finance and Investment	1 Jul 2025	30 Jun 2026

Entity	Key management personnel	Position title	From	To
Department of Health	Pam Anders	Deputy Secretary, Mental Health & Wellbeing	1 Jul 2025	30 Jun 2026
Department of Health	Zoe Wainer	Deputy Secretary, Community & Public Health	1 Jul 2025	9 Jan 2026
Department of Health	Kym Arthur	Acting Deputy Secretary, Community & Public Health	10 Jan 2026	17 May 2026
Department of Health	Lauren Kaerger	Deputy Secretary, Community & Public Health	18 May 2026	30 Jun 2026
Department of Health	Nicole Brady	Deputy Secretary, System Planning	1 Jul 2025	12 Dec 2025
Department of Health	Kate Matson	Acting Deputy Secretary, System Planning (ii)	13 Dec 2025	27 Feb 2026
Department of Health	Ryan Phillips	Deputy Secretary, People Operations Legal & Regulation	1 Jul 2025	1 Mar 2026
		Deputy Secretary, Corporate Strategy & Operations (i)	2 Mar 2026	30 Jun 2026
Department of Health	Lance Emerson	Deputy Secretary, eHealth	1 Jul 2025	4 Jul 2025
Department of Health	Sharon Hakkennes	Acting Deputy Secretary, eHealth	5 Jul 2025	17 Aug 2025
Department of Health	Katherine Whetton	Deputy Secretary, eHealth	18 Aug 2025	30 Jun 2026
Department of Health	Siva Sivarajah	Deputy Secretary, Hospitals Victoria	1 Jul 2025	30 Jun 2026
Department of Health	Nicole McCartney	Chief Aboriginal Health Adviser	1 Jul 2025	30 Jun 2026
Department of Health	Simone Williams	Chief Communications Officer	1 Jul 2025	30 Jun 2026
Department of Health	Karen Olesnicky	Chief Finance Officer	1 Jul 2025	10 Apr 2026
	Li Volpato	Acting Chief Finance Officer	11 Apr 2026	30 Jun 2026

Notes:

(i) Change in position titles effective from 2 March 2026 due to change in departmental structure.

(ii) The System Planning division merged with the Budget, Finance and Investment division effective 2 March 2026.

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	Louise McKinlay	Chief Executive Officer	1 Jul 2025	30 Jun 2026

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 2025	30 Jun 2026
Victorian Collaborative Centre for Mental Health and Wellbeing	Sarah Wilson	Chief Executive Officer	1 Jul 2025	30 Jun 2026
Mental Health and Wellbeing Commission	Simon McKenzie	Chief Executive Officer	1 Jul 2025	30 Jun 2026

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 of Victoria's *Financial report 2025–26.*

	Department of Health [(i)]		Administrative offices [(ii)]		Other section 53 [(iii)(iv)]	
Compensation of KMPs	**2026 $M**	**2025 $M**	**2026 $M**	**2025 $M**	**2026 $M**	**2025 $M**
Short-term employee benefits	5.1	4.9	0.4	0.4	0.9	1.3
Post-employment benefits	0.4	0.4	–	–	0.1	0.2
Other long-term benefits	0.1	0.1	–	–	–	–
Termination benefits	0.5	0.5	–	–	–	0.1
Total [(v)(vi)]	**6.2**	**5.9**	**0.4**	**0.4**	**1.0**	**1.6**

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, the Victorian Collaborative Centre for Mental Health and Wellbeing and the Mental Health and Wellbeing Commission.

(iv) The 2025 figures include remuneration of KMPs for Victorian Assisted Reproductive Treatment Authority, which ceased operation as of 31 December 2024.

(v) Total figures include the remuneration of the Chief Finance Officer, who delivered services as an executive officer to the department but was employed by the Department of Treasury and Finance.

(vi) 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) entities.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

Naomi Bromley, Deputy Secretary of Health System Reform & Partnerships, is a board member of HealthShare Vic, an independent statutory authority providing procurement and logistics services to Victoria's public health sector. HealthShare Vic works in partnership with health services to make sure the right products and services are delivered to the right place, at the right time. A total of $54.5 million was paid to HealthShare Vic as part of the department’s operating grants to enable HealthShare Vic to fulfil its objectives.

All other transactions that have occurred with KMP and their related parties have not been considered material for disclosure. In this context, transactions are only disclosed when they are considered necessary to draw attention to the possibility that the department’s financial position and profit or loss may have been affected by the existence of related parties, and by transactions and outstanding balances, including commitments, with such parties.

9.8 Remuneration of auditors

	2026 $	**2025 $**
Victorian Auditor-General's Office – audit of the financial statements	592,300	515,000
Victorian State Pool Account – audit of the financial statements	15,500	14,600
Total auditors remuneration	**607,800**	**529,600**

9.9 Subsequent events

No matters or circumstances have arisen since 30 June 2026 that significantly affect the information disclosed in the 2025–26 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 2025–26 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 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* amended AASB 13 *Fair Value Measurement* by adding 'Appendix F Australian implementation guidance for not-for-profit public sector entities'. Appendix F explains and illustrates the application of the principles in AASB 13 on developing unobservable inputs and the application of the cost approach. These clarifications are mandatorily applicable to annual reporting periods beginning on or after 1 January 2024. FRD 103 *Non-financial physical assets* permits Victorian public sector entities to apply Appendix F of AASB 13 in their next scheduled formal asset revaluation or interim revaluation (whichever is earlier) over the five-year revaluation cycle to 30 June 2029.

In accordance with FRD 103, the department will apply Appendix F of AASB 13 in its next scheduled formal revaluation in 2029 or interim revaluation process (whichever is earlier).

AASB 17 Insurance Contracts, AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments, and AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector

AASB 17 replaces AASB 4 *Insurance Contracts*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts* for not-for-profit public sector entities for annual reporting periods beginning on or after 1 July 2026.

AASB 2022-9 amends AASB 17 to make public sector-related modifications (for example, it specifies the pre-requisites, indicators and other considerations in identifying arrangements that fall within the scope of AASB 17 in a public sector context). This standard applies for annual reporting periods beginning on or after 1 July 2026.

AASB 2022-8 makes consequential amendments to other Australian Accounting Standards so that public sector entities are permitted to continue to apply AASB 4 and AASB 1023 to annual periods before 1 July 2026.

AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments

AASB 2024-2 amends AASB 7 *Financial Instruments: Disclosures and AASB 9 Financial Instruments*.

AASB 2024-2 amends requirements relating to:

- settling financial liabilities using an electronic payments system
- assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance and similar features
- disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

This standard applies to annual periods beginning on or after 1 January 2026.

AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 replaces AASB 101 *Presentation of Financial Statements* to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss.

The key presentation and disclosure requirements established by AASB 18 is the presentation of newly defined subtotals in the statement of profit or loss.

AASB 18 applies to annual reporting periods beginning on or after 1 January 2027 for for-profit entities and applies to annual reporting periods beginning on or after 1 January 2028 for not-for-profit entities. The one-year deferral allows the AASB to consult with stakeholders and consider potential modifications for not-for-profit public sector entities. On 30 October 2025, the AASB released Exposure Draft ED 338 *Application of AASB 18 and AASB 17 by Superannuation and Not-for-Profit Entities and Operating Cash Flow Reconciliation*, proposing its public sector modifications to AASB 18 for public comments by 27 February 2026.

The department is currently in the process of assessing the potential impact of these standards and amendments.

A few 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:
    - to deliver cash or another financial asset to another entity, or
    - 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:
    - 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
    - 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 paragraph 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 revenue, gains and expenses (including losses) recognised for the period, excluding those classified as 'other non-owner movements in equity'.

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 marketplace 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 2025–26 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 *2025–26 State 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 2025–26.

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 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, which is reported in the department's administered accounts.

Funding arrangements under National Health Reform Agreement

The 2025–26 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, and payment of Commonwealth contributions for block-funded health agencies, as well as NHRA public health funding to the department's controlled entity.

Financial performance – operating statement

In 2025–26, the portfolio recorded an actual net result from transactions of $596 million surplus compared with a 2025–26 published budgeted surplus of $190 million.

The variance between the published budget and actual net result is mainly due to realignment of funding for health services from grants to public health services to denominational health services. In addition, there was an increase in health services' operating expenses.

Financial position – balance sheet

Total assets are $1,103 million higher than the published budget, mainly due to higher cash and deposits and property, plant and equipment balances across portfolio health agencies. In addition, receivables have increased mainly due to higher capital funding receivables and asset re-cashflows.

Total liabilities are $706 million higher than the published budget as a result of increased provisions for employee costs across health services.

Cash flows

The overall cash position at the end of the 2025–26 financial year is $2,980 million, which is $237 million higher than the published budget for 2025–26.

The variance is mainly driven by cash held in portfolio health agencies as at 30 June 2026.

Detailed financial results for the 2025–26 portfolio budget and actual results are included in the following pages.

Comprehensive operating statement for the financial year ended 30 June 2026

	2025–26 Actual $M	2025–26 Revised budget $M	2025–26 Published budget $M	Variation to published budget %	Notes
Net result from continuing operations					
Income from transactions					
Output appropriations	18,140	18,047	17,236	5%	(i)
Special appropriations	3,380	3,378	3,283	3%	
Interest	169	147	203	-17%	(ii)
Sales of goods and services	2,118	2,084	2,072	2%	
Grants	10,399	10,233	9,988	4%	
Fair value of assets and services received free of charge or for nominal consideration	70	42	29	146%	
Other income	1,148	1,068	840	37%	(iii)
Total income from transactions	**35,425**	**34,998**	**33,649**	**5%**	
Expenses from transactions					
Employee benefits	20,818	20,808	20,283	3%	
Depreciation and amortisation	1,982	2,021	2,021	-2%	
Interest expense	338	365	273	24%	
Grants and other transfers	2,152	2,082	1,981	9%	
Other operating expenses	9,540	9,197	8,902	7%	(iv)
Total expenses from transactions	**34,829**	**34,473**	**33,459**	**4%**	
Net result from transactions (net operating balance)	**596**	**526**	**190**	**213%**	
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	(9)	(3)	(21)	-57%	
Net gain/(loss) on financial instruments and statutory receivables/payables	(93)	(47)	(26)	262%	
Other gains/(losses) from other economic flows	112	30	(2)	-5681%	
Share of net profits/(losses) of associates and joint venture entities, excluding dividends	0.1	(0)	0	0%	
Total other economic flows included in net result	**10**	**(20)**	**(48)**	**-121%**	
Net result	**606**	**505**	**142**	**328%**	

	2025–26 Actual $M	2025–26 Revised budget $M	2025–26 Published budget $M	Variation to published budget %	Notes
Other economic flows – other comprehensive income					
Adjustment to accumulated surplus/(deficit) due to a change in accounting policy	8	(10)	0	0%	
Changes in non-financial asset revaluation surplus	75	119	105	-28%	(v)
Financial assets available-for-sale reserve	3	0	0	0%	
Other	77	0	0	0%	
Total other economic flows – other comprehensive income	**163**	**109**	**105**	**55%**	
Comprehensive result	**769**	**614**	**247**	**212%**	

Notes:

(i) The actual output appropriation increase from the published budget reflects additional funding for new policy initiatives approved by government and funding released from central contingency.

(ii) The actual interest is lower than the published budget primarily due to lower actual interest rates compared to the published budget. Interest rates have progressively increased during the year.

(iii) Other income was higher than the published budget mainly due to higher-than-expected miscellaneous and other revenue from health services, including higher cost recoveries from external organisations and research-related revenue.

(iv) Other operating expenses were higher than the published budget, primarily due to the realignment of funding for health services from grants to public health services to denominational health services, which is classified as other operating expenses. The variance was also driven by higher insurance expenses and increased expenditure on supplies and consumables, medical supplies and information technology.

(v) The changes in revaluation surplus were lower than the published budget due to net revaluation movements in land and buildings.

Balance sheet as at 30 June 2026

	2025–26 Actual $M	2025–26 Revised budget $M	2025–26 Published budget $M	Variation to published budget %	Notes
Assets					
Financial assets					
Cash and deposits	2,980	3,000	2,743	9%	(i)
Receivables	5,592	5,650	5,279	6%	(ii)
Other financial assets	463	417	417	11%	
Total financial assets	**9,036**	**9,067**	**8,440**	**7%**	
Non-financial assets					
Inventories	171	160	140	22%	
Non-financial assets classified as held for sale	25	32	32	-22%	
Property, plant and equipment	34,074	33,873	33,631	1%	
Investment properties	123	101	66	87%	
Intangible assets	153	156	158	-3%	
Other	354	366	366	-3%	
Total non-financial assets	**34,899**	**34,689**	**34,363**	**2%**	
Total assets	**43,935**	**43,756**	**42,803**	**3%**	
Liabilities					
Payables	3,789	3,488	3,488	9%	
Borrowings	5,596	5,765	5,375	4%	
Provisions	5,896	5,712	5,712	3%	(iii)
Total liabilities	**15,282**	**14,965**	**14,576**	**5%**	
Net assets	**28,654**	**28,791**	**28,227**	**2%**	
Equity					
Accumulated surplus/(deficit)	4,017	3,960	3,603	11%	
Reserves	17,349	18,990	18,980	-9%	
Contributed capital	7,288	5,841	5,674	28%	
Total equity	**28,654**	**28,791**	**28,256**	**1%**	

Notes:

(i) Cash and deposits were higher than the budget primarily due to higher grant funding to health services and the timing of funding releases.

(ii) Receivables are higher than the budget mainly due to an increase in the amounts owing from the Victorian Government for capital funding and re-cashflows.

(iii) Provisions are higher than the budget due to increased provisions for employee costs across health services.

Statement of cash flows for the financial year ended 30 June 2026

	2025–26 Actual $M	2025–26 Revised budget $M	2025–26 Published budget $M	Variation to published budget %
Cash flows from operating activities				
Receipts				
Receipts from government	21,557	23,438	22,752	-5%
Receipts from other entities	10,352	10,107	10,032	3%
Goods and Services Tax recovered from the ATO	(6)	(6)	(6)	-9%
Interest received	168	147	202	-17%
Dividends received	8	7	10	-19%
Other receipts	1,214	1,157	911	33%
Total receipts	**33,293**	**34,849**	**33,900**	**-2%**
Payments				
Payments of grants and other transfers	(2,137)	(2,082)	(1,981)	8%
Payments to suppliers and employees	(29,828)	(29,935)	(29,145)	2%
Goods and Services Tax paid to the ATO	3	0	0	453%
Interest and other costs of finance	(267)	(255)	(167)	60%
Other payments	3	1	1	122%
Total payments	**(32,226)**	**(32,269)**	**(31,291)**	**3%**
Net cash flows from/(used in) operating activities	**1,067**	**2,580**	**2,609**	**-61%**
Cash flows from investing activities				
Net investment	3	(0)	6	-55%
Payments for non-financial assets	(1,907)	(1,738)	(1,875)	2%
Proceeds from sale of non-financial assets	25	13	3	738%
Net (purchase)/disposal of investments – policy purposes	(4)	0	0	0%
Net cash flows from/(used in) investing activities	**(1,883)**	**(1,725)**	**(1,866)**	**1%**
Cash flows from financing activities				
Owner contributions by state government	19	392	247	-92%
Repayment of right of use leases	(330)	(323)	(323)	2%
Net borrowings	1,443	(587)	(588)	-346%
Net cash flows from/(used in) financing activities	**1,132**	**(518)**	**(664)**	**-271%**
Net increase (decrease) in cash and cash equivalents	**316**	**336**	**80**	**297%**
Cash and cash equivalents at the beginning of the financial year	2,664	2,664	2,664	0%
Cash and cash equivalents at the end of the financial year	**2,980**	**3,000**	**2,744**	**9%**

Statement of changes in equity for the financial year ended 30 June 2026

	2025–26 Actual $M	2025–26 Revised budget $M	2025–26 Published budget $M	Variation to published budget %
Accumulated funds	3,115	3,115	3,115	0%
Adjustment due to change in accounting policy	8	–		–
Transactions with owners in their capacity as owners	287	–		–
Comprehensive result	606	844	487	25%
Accumulated surplus/(deficit)	**4,017**	**3,959**	**3,602**	**12%**
Net contributions by owners	5,532	5,532	5,532	0%
Transactions with owners in their capacity as owners	1,756	309	142	1137%
Contributions by owners	**7,288**	**5,841**	**5,674**	**28%**
Physical asset revaluation reserve	18,409	18,409	18,409	0%
Transactions with owners in their capacity as owners	(1,967)	(230)	(241)	716%
Comprehensive result	–	–	–	–
Physical asset revaluation reserve	**16,442**	**18,179**	**18,168**	**-9%**
Financial assets available-for-sale reserve	812	812	812	0%
Other reserves	96	–	–	–
Other reserves	907	812	812	12%
Changes in equity	**28,654**	**28,791**	**28,256**	**1%**

Administered items statement for the financial year ended 30 June 2026

	2025–26 Actual $M	2025–26 Revised budget $M	2025–26 Published budget $M	Variation to published budget %	Notes
Administered income					
Interest	8	3	3	168%	
Sales of goods and services	387	332	272	42%	
Grants	20,296	20,527	18,325	11%	(i)
Other income	4	10	10	-59%	
Total administered income	**20,695**	**20,872**	**18,609**	**11%**	
Administered expenses					
Grants and other transfers	18,842	18,946	16,854	12%	(ii)
Payments into consolidated fund	449	503	408	10%	
Expenses on behalf of the state	1,380	1,516	1,452	-5%	
Total administered expenses	**20,671**	**20,966**	**18,715**	**10%**	
Income less expenses	**24**	**(94)**	**(105)**	**-122%**	
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	(3)	1	1	-405%	
Total other economic flows included in net result	**(3)**	**1**	**1**	**-408%**	
Net result	**21**	**(93)**	**0**	**0%**	
Total other economic flows – other comprehensive income	**1,483**	**(93)**	**0**	**0%**	
Comprehensive result	**1,504**	**(186)**	**0**	**0%**	
Administered assets					
Cash and deposits	7	7	5	41%	
Receivables	628	393	505	24%	(iii)
Other financial assets	0	0	0	0%	
Total administered assets	**635**	**400**	**510**	**25%**	
Administered liabilities					
Payables	583	380	488	19%	(iv)
Total administered liabilities	**583**	**380**	**488**	**19%**	
Net assets	**52**	**21**	**22**	**140%**	

Notes:

(i) Administered grants income was higher than the published budget primarily due to funding decisions under the Health Service Budget Action Plan and Financial Sustainability initiatives, which increased state contributions to the National Health Funding Pool. In addition, the increase in Commonwealth National Health Reform Agreement funding reflects reconciliation payments and prior year adjustments.

(ii) Administered grants expenses were higher than the budget due to additional grants to health agencies from additional Victorian Government investment in hospital activity following the 2025–26 Budget

(iii) Administered receivables are lower than the budget mainly due to the finalisation of outstanding prior year interstate patient reconciliations.

(iv) Administered payables are lower than the budget mainly due to the finalisation of outstanding prior year Interstate patient reconciliations.

Appendix 2: Objective Indicators

The department reports its effectiveness in delivering on its objectives by reporting against a number of objective indicators, as set out in its *Strategic plan 2023–27 (2025 update).*

The results in the table below represent the most recent data. This is the third time these objective indicators have been reported against, therefore three years of data are provided. Where results are based on survey data, a 95 per cent confidence interval (CI) has been used. A CI gives the range of values the measure would likely fall between if data was collected from everyone in Victoria. The value used for the measure has been calculated from a subset of people in the Victorian population.

Results

	Unit of measure	Description	2023–24	2024–25	2025–26
Admitted stay seven days or longer [i]	Percent	Acute admitted patients whose total length of stay in hospital was seven days or more	16.0%	15.6%	15.5%
Hospital-acquired complications [i]	Number per 10,000 separations	Public hospitalisations involving a hospital-acquired complication	164.0	154.2	155.6
Hospital patients treated with dignity and respect	Per cent	Patients who report feeling they were treated with dignity and respect in a hospital setting	96.0% 95% CI: 95.9% – 96.1%	96.3% 95% CI: 96.2% – 96.4%	96.13% 95% CI: 96.0% –96.3%
Excess deaths [ii]	Number	Additional deaths occurring beyond what would typically be expected	2,656.2	2,859.8	NA
Heat-related emergency department presentations during heatwaves	Number per 100,000 population	Heat-related emergency department presentations during heatwaves, on days defined as heatwaves by the Bureau of Meteorology	3.5	5.8	4.9
SafeScript-monitored prescription drug involved in overdose deaths	Number per 100,000 population	Overdose deaths involving target drugs monitored by SafeScript	NA	4.9	5.1
Babies born with low birth weight [i]	Per cent	Babies born less than 2,500 grams. Data includes livebirths following a termination of pregnancy for any indication and livebirths with lethal congenital anomalies	5.3%	5.1%	5.0%
Children aged 0–9 years hospitalised for dental conditions [i]	Number per 100,000 population	Children aged 0–9 years hospitalised for dental conditions	254.2	263.6	317.7
Aboriginal people who feel connected to culture and community [iii]	Per cent	Aboriginal and Torres Strait Islander people living in Victoria who feel strongly or somewhat connected to culture and community	40.5% 95% CI: 34.0% – 47.3%	40.5% 95% CI: 34.0% – 47.3%	40.5% 95% CI: 34.0% – 47.3%
Total carbon dioxide (CO_2) emissions attributed to public health services [iv]	Tonnes (CO_2 equivalent)	Total greenhouse gas emissions from the Victorian public health sector	797,941	775,664	789,977

	Unit of measure	Description	2023–24	2024–25	2025–26
Low-value colonoscopies [(i)]	Proportion	Screening and diagnostic colonoscopy procedures that may not meet clinical guidance for best care	0.9%	1.3%	1.5%
Potentially preventable hospitalisations [(i)]	Number per 1,000 population	Public hospitalisations for potentially preventable conditions per 1,000 population	22.2	23.0	23.5
Patients hospitalised for selected conditions who did not receive appropriate screening [(v)]	Per cent	Public hospitalisations for selected conditions where patients did not have a screening event within the condition's recommended timeframe.	NA	NA	NA

(i) Measure is based on data that is subject to continuous change or was incomplete at the time of reporting. Results for the current reporting period may change in subsequent years.

(ii) Measure was discontinued after 2024–25.

(iii) Measure reflects data from the 2023 calendar year. The same data was reported for 2023–24 and 2024–25 as it is collected every three years.

(iv) Reporting period is from April 2025 to March 2026.

(v) Data is not available for the calculation of this measure.

Appendix 3: Department Performance Statement output performance measures

The department reports output performance using 175 quantity, quality and timeliness performance measures set out in *2025–26 Budget Paper – Department Performance Statement*. Results in the tables below are coded according to:

✓ Performance target achieved or exceeded (93 measures)

○ Performance target not achieved – within five per cent variance (19 measures)

■ Performance target not achieved – exceeds five per cent variance (61 measures)

N/A Performance not rated (2 measures)

Admitted services

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

Table 93: Admitted services performance measures

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Quantity					
Palliative separations	number	7,816	9,773	25.0%	✓
The result is higher than the target reflecting sustained growth in demand for admitted palliative care services over recent years.					
Sub-acute care separations	number	37,900	35,611	-6.0%	■
The result is lower than the target. While admitted sub-acute care separations from hospitals have not met the target, the result shows continued recovery on historic admitted activity. At the same time, non-admitted and community-based sub-acute care is also increasing, demonstrating overall growth across total admitted and non-admitted sub-acute activity.					
Total separations – all hospitals	number (thousand)	2,088	2,255.5	8.0%	✓
The result is higher than the target as activity was higher than anticipated, with population growth as a key driver.					
NWAU (national weighted activity unit) funded separations – all hospitals except small rural health services	number (thousand)	1,894	2,072.8	9.4%	✓
The result is higher than the target as mental health admitted activity was brought into scope for NWAU (national weighted activity unit) funding in 2024–25, contributing to an increase in funded separations. The target for 2026-27 has been adjusted to reflect this change.					
Perinatal mortality rate per 1 000 of babies of Aboriginal mothers, using rolling 3-year average	rate per 1,000	8.7	10.8	24.1%	■
Preliminary result. The result is higher than the target, however, due to the relatively small number of Aboriginal women and babies, the rates may fluctuate substantially and may not accurately reflect underlying trends. Additionally, there was no statistical difference in the perinatal mortality rate (PMR) in 2021–2023 comparing PMR in babies born to aboriginal mothers with PMR in babies born to non-indigenous mothers. This finding remained non-significant after adjusting for perinatal risk factors. The Victorian Maternity Taskforce, established in October 2024, will focus on ensuring culturally safe maternity and newborn services, guided by Aboriginal communities and grounded in the principles of self-determination.					
Number of patients admitted from the planned surgery waiting list	number	210,000	217,952	3.8%	✓
NWAU (national weighted activity unit) funded emergency separations – all hospitals	number (thousand)	710	761	7.2%	✓
The result is higher than the target, driven by demand.					

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Quality					
Eligible newborns screened for hearing deficit before one month of age	per cent	98	98.2	0.2%	✓
Hand hygiene compliance	per cent	85	87.1	2.5%	✓
Preliminary result.					
Healthcare worker immunisation – influenza	per cent	94	93	-1.1%	○
Intensive Care Unit central line associated blood stream infections (CLABSI) per 1 000 device days	rate	0	0.5	–	■
Preliminary result. The result is higher than the target. The Victorian Nosocomial Infection Surveillance System (VICNISS) has confidence that these numbers in isolation do not reflect any concerning trends. The rate from each quarter is so low that most variation is considered within expected variation. VICNISS has indicated that the zero target should be reviewed and adjusted to less than one case per 1,000 device days. Performance trends in Victoria have shown sustained low rates of CLABSI that benchmark favourably to other jurisdictions but not at a sustained rate of zero.					
Major trauma patients transferred to a major trauma service	per cent	88	90.4	2.7%	✓
Preliminary result.					
Percentage of patients who reported positive experiences of their hospital stay	per cent	95	92.8	-2.3%	○
Preliminary result.					
Public hospitals accredited	per cent	100	100	0.0%	✓
Staphylococcus aureus bacteraemias (SAB) infections per 10 000 patient days	rate	1	0.7	-30.0%	✓
Preliminary result. The target for Staphylococcus aureus bacteraemia (SAB) infections was exceeded, with a result of 0.7 per 10,000 patient days; 30% below the target of 1. This favourable variance reflects strong performance in infection prevention and control across Victorian public health services. The Victorian Nosocomial Infection Surveillance System (VICNISS), on behalf of Safer Care Victoria (SCV), continues to apply a consistent monitoring approach and engages regularly with health services to review infection events and strengthen investigation processes.					
Unplanned readmission after treatment for acute myocardial infarction	per cent	4	4.4	10.0%	■
Preliminary result. Although the result is higher than the target, there is no indication at this stage of a sustained or systemic decline in AMI care quality across the sector. Safer Care Victoria continues to monitor this measure closely and engages with individual health services where needed through established performance management processes. As virtual emergency care models continue to expand, earlier assessment and follow-up may be possible, potentially reducing avoidable readmissions.					
Unplanned readmission after treatment for heart failure	per cent	11.3	11.3	0.0%	✓
Preliminary result.					
Unplanned readmission after hip replacement surgery	per cent	6	6.6	10.0%	■
Preliminary result. The result is higher than the target. Readmission rates can be influenced by multiple factors such as patient complexity, comorbidity burden, clinical acuity at first presentation, and variations in post-discharge management. Safer Care Victoria will continue to monitor performance through the Health Service Performance Monitoring Framework and explore opportunities to reduce avoidable readmissions as virtual emergency care models expand.					
Unplanned readmission after paediatric tonsillectomy and adenoidectomy	per cent	3.7	5.6	51.4%	■
Preliminary result. The result is higher than the target. Review of the Safety and Quality Dashboard between April 2025 to March 2026 indicates that most readmissions occurred 48 hours to 28 days post-surgery, suggesting delayed haemorrhage, rather than early bleeding. This pattern is consistent with known clinical expectations, particularly between five and ten days post operation.					
Unplanned readmission after knee replacement surgery	per cent	5.5	5.5	0.0%	✓
Preliminary result.					

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Timeliness					
Non-urgent (Category 3) planned surgery patients admitted within 365 days	per cent	95	90.2	-5.1%	■
The result reflects increased demand for planned surgery and rising patient complexity, contributing to growing waitlists and challenges in timeliness. Timeliness performance has been progressively improving year-on-year however progress continues to be constrained by broader hospital demand pressures.					
Semi-urgent (Category 2) planned surgery patients admitted within 90 days	per cent	83	70.6	-14.9%	■
The result reflects increased demand for planned surgery and rising patient complexity, contributing to growing waitlists and challenges in timeliness. Timeliness performance has been progressively improving year-on-year however progress continues to be constrained by broader hospital demand pressures.					
Urgent (Category 1) planned surgery patients admitted within 30 days	per cent	100	100	0.0%	✓
Cost					
Total Output Cost	**$ million**	**17,984.6**	**18,188.0**	**1.1%**	
The 2025–26 actual outcome primarily reflects additional funding to support the health sector.					

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.

Table 94: Non-Admitted Services performance measures

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Quantity					
Community palliative care episodes	number	15,500	16,542	6.7%	✓
The higher result reflects the demand for palliative care services.					
Health Independence program direct contacts	number (thousand)	1,599	1,771.2	10.8%	✓
The result is higher than the target which is a favourable result as it shows more people are receiving low-acuity care in the community rather than in hospital.					
Patients treated in Specialist Outpatient Clinics – unweighted	number (thousand)	2,007	2,982.7	48.6%	✓
The result is higher than the target, reflecting revised specifications that more accurately represent activity. This is a favourable result, with a greater volume of patients treated.					
Quality					
Post-acute clients not readmitted to acute hospital	per cent	90	95.5	6.1%	✓
The result is higher than the target due to fewer patients requiring readmission. This is a positive result.					
Timeliness					
Health Independence program clients contacted within three days of referral	per cent	85	86	1.2%	✓

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Cost					
Total Output Cost	**$ million**	**2,643.2**	**2,989.0**	**13.1%**	
The 2025–26 actual outcome primarily reflects higher than expected own source revenue in health services and 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 relation to improving waiting times for emergency services.

Table 95: Emergency Services performance measures

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Quantity					
Emergency presentations	number (thousand)	1,948	2,037	4.6%	✓
Quality					
Emergency patients that did not wait for treatment	per cent	<5	4.6	-8.0%	✓
The lower-than-target result is a positive outcome, meaning that fewer patients are electing to leave emergency departments without being treated.					
Emergency patients re-presenting to the emergency department within 48 hours of previous presentation	per cent	<6	6.8	13.3%	■
The result is higher than the target. This measure includes both planned and unplanned emergency department re-presentations and is not a direct indicator of patient outcomes or quality of care. Despite contributing to higher readmission rates planned follow-up visits, this approach reflects appropriate clinical pathways where clinicians advise patients to return to Emergency Departments as part of their immediate treatment.					
Patients' experience of emergency department care	per cent	85	76.0	-10.6%	■
Preliminary result. The result is lower than the target. Complaint volumes have remained stable since 2024, with no significant change in complexity or level of harm reported. Consumer feedback identified communication issues, premature discharge, and delayed access to care as the primary concerns, with many patients reporting that their concerns were not acknowledged or addressed. These findings highlight the importance of respectful communication, comprehensive assessment, and patient-centred care. Safer Care Victoria and the Department of Health continue to progress initiatives, including the Safe Together Program and Timely Emergency Care 2 (TEC2), to improve patient experience in emergency departments.					
Timeliness					
Emergency Category 1 treated immediately	per cent	100	100	0.0%	✓
Emergency patients treated within clinically recommended 'time to treatment'	per cent	80	70.3	-12.1%	■
The lower-than-target result reflects sustained system pressures including rising demand, increased patient complexity, and limitations in primary and aged care that impact timely discharge and patient movement. Despite these challenges, state-wide initiatives—such as Ambulance Victoria's Secondary Triage Service, the Timely Emergency Care Program and the Standards for Safe and Timely Ambulance and Emergency Care—are supporting improvements in ambulance transfers and overall patient flow.					
Emergency patients with a length of stay of less than four hours	per cent	75	49.8	-33.6%	■
The lower-than-target result reflects sustained system pressures including rising demand, increased patient complexity, and limitations in primary and aged care that impact timely discharge and patient movement. Despite these challenges, state-wide initiatives—such as Ambulance Victoria's Secondary Triage Service, the Timely Emergency Care Program and the Standards for Safe and Timely Ambulance and Emergency Care—are supporting improvements in ambulance transfers and overall patient flow.					

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Proportion of ambulance patient transfers within 40 minutes	per cent	90	70.8	-21.3%	■
While the result remains lower than the target, there has been year-on-year improvement, which reflects improved ambulance transfer performance, supported by system-wide initiatives led by Ambulance Victoria and health services, including the Timely Emergency Care Program and the Standards for Safe and Timely Ambulance and Emergency Care.					
Cost					
Total Output Cost	**$ million**	**2,225.4**	**2,390.9**	**7.4%**	
The 2025–26 actual outcome primarily reflects additional funding to support the health sector and alignment of service delivery commitments across outputs.					

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 to a stable, ongoing accredited workforce in the health sector in Victoria.

Table 96: Health Workforce Training and Development performance measures

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Quantity					
Clinical placement student days (medicine)	number	385,000	400,834	4.1%	✓
Clinical placement student days (nursing and midwifery)	number	405,000	494,854	22.2%	✓
The result is higher than the target, reflecting a demand-driven outcome and is consistent with a historical trend of strong performance.					
Clinical placement student days (allied health)	number	160,000	183,172	14.5%	✓
The result is higher than the target as this measure is demand driven.					
Number of filled Victorian Rural Generalist Advanced Skills positions	number	38	35.6	-6.3%	■
The result is lower than the target, reflecting lower than anticipated demand for positions, noting that current year result is a 37% improvement on the previous year.					
Funded post graduate nursing and midwifery places at Diploma and Certificate level	number	832	832	0.0%	✓
Number of undergraduate nursing and midwifery scholarships supported	number	3,959	4,058	2.5%	✓
Scholarships for refresher programs and re-entry to practice courses for nurses and midwives	number	250	207	-17.2%	■
The result is lower than the target because this measure is demand driven.					
Sign-on bonuses for nursing and midwifery graduates	number	2,850	4,242	48.8%	✓
The result is higher than the target due to there being two rounds of sign on bonus payments during the financial year.					
Funded FTE (full-time equivalent) in formal allied health transition-to-practice programs	number	700	675	-3.6%	○
Funded FTE (full-time equivalent) in formal PGY1 (postgraduate year 1) and PGY2 (postgraduate year 2) transition-to-practice programs	number	1,525	1,525	0.0%	✓

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Funded positions in formal nursing and midwifery graduate programs	number	1,591	1,694	6.5%	✓
The result is higher than the target due to the inclusion of 103 additional graduate nursing and midwifery positions.					
Quality					
Learner satisfaction about their feeling of safety and wellbeing while undertaking their program of study at health services	per cent	80	97.9	22.3%	✓
The result is higher than the target which reflects a strong focus on quality-of-service delivery and continuous improvement initiatives, which have contributed to higher levels of activity and performance.					
Cost					
Total Output Cost	**$ million**	**424.7**	**383.9**	**-9.6%**	
The 2025–26 actual outcome primarily reflects the rephasing of funding to future years to align with service delivery commitments across outputs.					

Aged and Home Care

This output includes delivery of a range of community services including support in a residential aged care setting, needs and eligibility assessment to access Commonwealth Government services for older people and programs enabling Victorians to live independently in the community, including aids and equipment, low-cost accommodation, eyecare services, and Personal Alert Victoria services.

Table 97: Aged and Home Care performance measures

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Quantity					
Aged care assessments	number	–	50,844	–	N/A
No 2025–26 target was set for this measure with the transition to the Commonwealth's Single Assessment System in December 2024 and a variance percentage cannot be determined. The result for 2025–26 includes Comprehensive and Hospital Assessments only (does not include Home Support Assessments).					
Available bed days	days	1,121,683	1,116,578	-0.5%	○
Personal alert units allocated	number	24,621	24,621	0.0%	✓
Victorian Eyecare Service (Unique Patients Seen)	number	56,180	55,596	-1.0%	○
Victorian Eyecare Service (Visual Aids prescribed)	number	32,780	34,211	4.4%	✓
Clients accessing aids and equipment	number	27,002	22,654	-16.1%	■
The result is lower than the target due to national aged care and disability reforms impacting demand and the increasing complexity of client support needs with increased costs of aids and equipment.					
Quality					
Residential care services accredited	per cent	100	100	0.0%	✓
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	95	5.6%	✓
The result is higher than the target which is a positive outcome for this program.					

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Timeliness					
Applications for aids and equipment acknowledged in writing within 10 working days	per cent	95	99.7	4.9%	✓
Average waiting time (calendar days) from referral to assessment	days	–	15	–	N/A
No 2025–26 target was set for this measure with the transition to the Commonwealth's Single Assessment System in December 2024 and a variance percentage cannot be determined.					
Percentage of Comprehensive Assessments for high-priority clients completed within the relevant timeframe in all settings	per cent	90	86	-4.4%	○
Percentage of Comprehensive Assessments for low-priority clients completed within the relevant timeframe in all settings	per cent	90	69	-23.3%	■
The result is lower than the target reflecting the prioritisation of hospital, high-priority, and medium-priority clients to support timely care and bed flow. The Department is working with providers to support timely assessments.					
Percentage of Comprehensive Assessments for medium-priority clients completed within the relevant timeframe in all settings	per cent	90	99	10.0%	✓
The result is higher than the target. The result was a positive outcome reflecting the prioritisation of medium priority needs clients supporting timely access to care and bed flow.					
Cost					
Total Output Cost	**$ million**	**722.9**	**777.4**	**7.5%**	
The 2025–26 actual outcome primarily reflects additional funding provided for government policy commitments.					

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.

Table 98: Home and Community Care Program for Younger People performance measures

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Quantity					
Home and Community Care for Younger People – number of clients receiving a service	number	60,000	61,482	2.5%	✓
Home and Community Care for Younger People – hours of service delivery	hours (thousand)	1,000	1,068.96	6.9%	✓
The result is higher than the target, demonstrating improvements in HACC-PYP service delivery over the past 12 months, likely due to the re-allocation of funding from underperforming providers to higher-performing existing providers, and realigning providers' funding across activities to better meet the needs of their communities.					
Cost					
Total Output Cost	**$ million**	**158.7**	**179.3**	**13.0%**	
The 2025–26 actual outcome reflects additional funding provided for government policy commitments.					

Ambulance Services

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

Table 99: Ambulance Services performance measures

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Quantity					
Community Service Obligation emergency road and air transports	number	283,266	265,479	-6.3%	■
The lower-than-target result 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. Key initiatives include the use of Ambulance Victoria's Secondary Triage service, the Virtual Emergency Department, Urgent Care Centres, and use of other alternate care pathways.					
Community Service Obligation non-emergency road and air transports	number	230,376	191,452	-16.9%	■
The lower-than-target result reflects the impact of Ambulance Victoria's better application of Non-Emergency Patient Transport (NEPT) eligibility criteria to ensure NEPT services are available for patients needing clinical monitoring or support.					
Statewide emergency air transports	number	4,030	2,924	-27.4%	■
Air activity is demand driven, with transport activity entirely determined by clinical necessity. Activity below target represents lower demand for services. Fluctuations in demand are driven by patient condition and clinical assessment, helping to maintain service availability for acute and critically unwell patients.					
Statewide emergency road transports	number	518,329	488,908	-5.7%	■
The lower-than-target result 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. Key initiatives include the use of Ambulance Victoria's Secondary Triage service, the Virtual Emergency Department, Urgent Care Centres, and use of other alternate care pathways.					
Statewide non-emergency air transports	number	3,400	2,904	-14.6%	■
The lower-than-target result reflects the impact of Ambulance Victoria's better application of Non-Emergency Patient Transport (NEPT) eligibility criteria to ensure NEPT services are available for patients needing clinical monitoring or support.					
Statewide non-emergency road transports	number	300,000	256,017	-14.7%	■
The lower-than-target result reflects the impact of Ambulance Victoria's better application of Non-Emergency Patient Transport (NEPT) eligibility criteria to ensure NEPT services are available for patients needing clinical monitoring or support.					
Treatment without transport	number	130,000	141,830	9.1%	✓
The higher-than-target result 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. Key initiatives include the use of Ambulance Victoria Secondary Triage service, the Virtual Emergency Department, Urgent Care Centres, and use of other alternate care pathways.					
Quality					
Audited cases attended by Community Emergency Response Teams (CERT) meeting clinical practice standards	per cent	95	100	5.3%	✓
The result is higher than the target which is a positive outcome for this measure and reflects the high standard of care maintained for ambulance services.					
Audited cases statewide meeting clinical practice standards	per cent	95	99.8	5.1%	✓
The result is higher than the target which is a positive outcome for this measure and reflects the high standard of care maintained for ambulance services.					

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
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	97.8	2.9%	✓
Proportion of patients experiencing severe cardiac or traumatic pain whose level of pain is reduced significantly	per cent	90	91.7	1.9%	✓
Proportion of patients very satisfied or satisfied with overall services delivered by paramedics	per cent	95	97	2.1%	✓
Timeliness					
Proportion of emergency (Code 1) incidents responded to within 15 minutes – statewide	per cent	85	65.5	-22.9%	■
The result is lower than the target however is a slight improvement on the 2024–25 outcome, and reflects ongoing elevated demand for Code 1 responses, along with increased patient acuity and system flow constraints, which continue to impact resource availability and response times. The Department is continuing to work in partnership with Ambulance Victoria and health services to implement targeted initiatives, including the Timely Emergency Care (TEC) Program, the Standards for Safe and Timely Ambulance and Emergency Care, and the Ambulance Offload Pilot. These initiatives focus on improving patient flow, reducing handover delays, and increasing ambulance availability to support improved response times over time.					
Proportion of emergency (Code 1) incidents responded to within 15 minutes in centres with more than 7,500 population	per cent	90	69.5	-22.8%	■
The result is lower than the target however is a slight improvement on the 2024–25 outcome, and reflects ongoing elevated demand for Code 1 responses, along with increased patient acuity and system flow constraints, which continue to impact resource availability and response times. The Department is continuing to work in partnership with Ambulance Victoria and health services to implement targeted initiatives, including the Timely Emergency Care (TEC) Program, the Standards for Safe and Timely Ambulance and Emergency Care, and the Ambulance Offload Pilot. These initiatives focus on improving patient flow, reducing handover delays, and increasing ambulance availability to support improved response times over time.					
Cost					
Total Output Cost	**$ million**	**1,520.6**	**1,676.6**	**10.3%**	
The 2025–26 actual outcome primarily reflects additional funding provided for government policy commitments and the alignment of service delivery commitments across outputs.					

Drug Services

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-based non-residential and residential treatment services, and effective regulation.

Table 100: Drug Services performance measures

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Quantity					
Number of clients on the Pharmacotherapy program	number	15,106	14,463	-4.3%	○
Preliminary result.					
Number of commenced courses of treatment through community-based drug treatment services	number	9,239	11,236	21.6%	✓
Preliminary result. The result is higher than the target due to the consistently high demand for alcohol and other drug support services. This has included strong demand for telehealth supports and services for individuals engaged in the justice system.					

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Number of drug treatment activity units provided in residential-based services	number	78,845	73,926	-6.2%	■
Preliminary result. Residential-based drug treatment activity is below target, however, was an improvement on 2024–2025, indicating year-on-year growth in performance. This result was lower than the target due to increasing client complexity and referral-flow constraints.					
Number of drug treatment activity units provided in community-based services	number	97,855	105,366	7.7%	✓
Preliminary result. The result is higher than the target showing stronger than expected service demand or throughput. The department continues to monitor provider workload to ensure activity is supported by funding and workforce capacity.					
Number of needles and syringes provided through the Needle and Syringe program	number (thousand)	10,960	16,637	51.8%	✓
The result is higher than the target due to a strong demand for needle and syringe services and adequate stock available to meet the high demand. High use of needle and syringe exchange will reduce the incidence of blood-borne virus and other drug use-related harms among those who inject or administer drugs.					
Number of phone contacts from family members seeking support	number	10,682	10,514	-1.6%	○
Number of telephone, email, website contacts and requests for information on alcohol and other drugs	number (thousand)	7,000	5,164	-26.2%	■
The result is lower than the target, reflecting reduced utilisation of information channels, changing patterns in how people access information and support, or increased use of alternative information sources. The Department will continue to monitor demand across telephone, email and digital channels to better understand these trends and ensure information and referral pathways remain accessible to the community.					
Percent of workers complying with Alcohol and Other Drug (AOD) Minimum Qualification Strategy requirements	per cent	85	–	–	■
The result was unavailable because the Mental Health and Wellbeing Personnel Survey was not completed in 2025 due to a low response rate. Performance against the Alcohol and Other Drug Minimum Qualification Strategy cannot be confirmed for this reporting period. The survey has been redesigned and will re-commence in 2026–27.					
Quality					
Percentage of new clients accessing services (with no access in prior five years)	per cent	50	33	-34.0%	■
Preliminary result. The result is lower than the target due to high client complexity resulting in the need for longer treatment. This impacts services' capacity to take on new clients.					
Percentage of pharmacotherapy permit applications processed within 24 business hours of receipt	per cent	100	100	0.0%	✓
Percentage of residential rehabilitation clients remaining in treatment for ten days or more	per cent	80	85	6.3%	✓
Preliminary result. The result is higher than the target indicating clients who commence treatment are generally being retained through the early phase of care. This may reflect appropriate placement, client readiness and effective early engagement by providers. The department will continue to monitor provider-level results through existing reporting and performance oversight mechanisms.					
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 as more clients remain in treatment for at least two days demonstrating stronger engagement and service stability at the start of withdrawal care.					
Percentage of treatment events ending in the reference period where a significant treatment goal is achieved	per cent	50	59	18.0%	✓
Preliminary result. The result is higher than the target indicating a higher proportion of treatment events ending in the reference period recorded achievement of a significant treatment goal. The department will continue to monitor provider-level results through existing contract and performance management processes.					

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Timeliness					
Median wait time between intake and assessment	days	10	19	90.0%	■
Preliminary result. The result is higher than the target indicating clients are waiting longer before assessment and a high demand for treatment. The department is reviewing the current Alcohol and Other Drug intake model, including referral volumes and provider capacity, and will prioritise actions that shorten assessment queues for higher-risk clients.					
Median wait time between assessment and commencement of treatment	days	20	42	110.0%	■
Preliminary result. The result is higher than the target indicating clients who have been assessed are waiting longer than expected before treatment begins. This indicates a service-access and throughput issue after assessment. The department will continue to review intake and treatment commencement pathways, including provider capacity, referral prioritisation, performance and contract management processes, and waitlist management, and prioritise actions that reduce delays for higher-risk clients.					
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 which is a positive outcome reflecting the department's prioritisation of Schedule 8 permit processing.					
Cost					
Total Output Cost	**$ million**	**380.8**	**402.6**	**5.7%**	
The 2025–26 actual outcome reflects additional funding for government policy commitments and the alignment of service delivery commitments across outputs.					

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.

Table 101: Mental Health Clinical Care performance measures

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Quantity					
Clinical inpatient separations	number	31,599	28,130	-11.0%	■
The result is lower than the target linked to bed closures from Project Intensive Care Area (ICA), capital works, unplanned damage and workforce pressures, with additional low separation patterns in some child beds.					
Number of community service hours (child and adolescent)	number (thousand)	355	350	-1.4%	○
Number of community service hours (adult)	number (thousand)	1,318	1,381	4.8%	✓
Number of community service hours (aged)	number (thousand)	199	188	-5.5%	■
The result is lower than the target due to capacity, workforce and referral-flow gaps. The department continues to monitor provider activity and address barriers to delivering planned hours, particularly where demand remains evident.					

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Number of consumers accessing clinical mental health services – adult	number	74,060	69,071	-6.7%	■
The result is lower than the target due to access constraints, workforce pressure and increased acuity resulting in fewer consumers requiring more intensive treatment. The department continues to review intake and referral data, monitor wait times and align capacity actions with areas of greatest access pressure.					
Number of consumers accessing clinical mental health services – child and adolescent	number	16,210	15,931	-1.7%	○
Number of consumers accessing clinical mental health services – older persons	number	9,298	12,258	31.8%	✓
The result is higher than the target due to higher demand, improved referral pathways or changing population need. The department continues to monitor capacity and service mix to ensure the increased access remains clinically appropriate and sustainable.					
Percentage of community cases newly opened	per cent	55	77	40.0%	✓
The result is higher than the target due to more Victorians accessing community-based supports and reflects improved access to and investment in community mental health services in recent years.					
Percentage of occupied bed days (residential)	per cent	80	66	-17.5%	■
The result is lower than the target due to capacity-use issues, particularly in residential aged-care beds. The department will continue service-level monitoring to identify barriers to admission and address operational issues that are limiting appropriate occupancy.					
Percentage of occupied bed days (sub-acute)	per cent	80	74	-7.5%	■
The result is lower than the target due to infrastructure limitations and specific clinical models. The department will focus on understanding infrastructure constraints and review the level of clinical support required within prevention and recovery care (PARCs).					
Quality					
Number of designated mental health services achieving or maintaining accreditation under the National Safety and Quality in Health Service Standards	number	21	21	0.0%	✓
Percentage of admissions with a preadmission contact – inpatient	per cent	63	71	12.7%	✓
The result is higher than the target. This positive outcome is due to work undertaken by health services during the year to admit consumers in a more responsive and planned manner.					
Percentage of consumers followed up within 7 days of separation – inpatient (CAMHS) (child and adolescent mental health services)	per cent	88	87	-1.1%	○
Percentage of consumers followed up within 7 days of separation – inpatient (adult)	per cent	88	89	1.1%	✓
Percentage of consumers followed up within 7 days of separation – inpatient (older persons)	per cent	88	94	6.8%	✓
The result is higher than the target due to positive, timely follow-up supports safer transition back to the community. The result highlights discharge and community handover processes are working well for this cohort. The department will seek to maintain current practice and monitor whether performance remains consistent across services.					
Percentage of consumers who rated their overall experience of care with a service in the last 3 months as positive	per cent	80	65	-18.8%	■
The result is lower than the target which indicates fewer consumers are reporting positive recent care experiences. This is influenced by access pressure, workforce constraints and care coordination issues. Improvement actions will focus on consumer feedback themes, communication, continuity of care and targeted service-level quality improvement.					

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Percentage of families/carers reporting a 'very good' or 'excellent' overall experience of the service	per cent	80	46	-42.5%	■
The result is lower than the target due to gaps in communication, inclusion and responsiveness leading to poor carer experience. Services will be asked to review experience feedback to strengthen carer engagement practices and target improvement actions.					
Percentage of families/carers who report they were 'always' or 'usually' felt their opinions as a carer were respected	per cent	90	74	-17.8%	■
The result is lower than the target which shows a gap in how consistently services include carers in care planning and decision-making. This creates risk to carer confidence, discharge planning and continuity of support for consumers. Services will be asked to review carer feedback, reinforce carer-inclusive practice expectations and track improvement through future experience survey results.					
Percentage of mental health consumers reporting they 'usually' or 'always' felt safe using this service	per cent	90	77	-14.4%	■
The result is lower than the target which indicates some consumers do not consistently experience care environments as safe and therapeutic. Services will examine local safety feedback to improve consumer experience.					
Percentage of re-admissions within 28 days of separation – inpatient (CAMHS) (child and adolescent mental health services)	per cent	14	18	28.6%	■
The result is higher than the target which reflects care needed to support a small cohort of highly complex young consumers. The department will continue to review readmission cases, strengthen discharge and community support planning.					
Percentage of re-admissions within 28 days of separation – inpatient (adult)	per cent	14	12	-14.3%	✓
The result is lower than the target which is a favourable result as fewer consumers are returning to hospital soon after separation. The result reflects improved discharge planning and stronger community follow-up.					
Percentage of re-admissions within 28 days of separation – inpatient (older persons)	per cent	7	6	-14.3%	✓
The result is lower than the target which is a favourable result due to improved responsiveness and admission planning in older adult inpatient services. The department will continue monitoring discharge planning and community follow-up to ensure the improvement is sustained.					
Percentage of 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 due to multiple systemic and operational factors, including sustained high levels of complex mental health emergency department presentations, and high demand for inpatient care.					
Percentage of new consumers accessing services (with no access in prior five years)	per cent	45	39	-13.3%	■
The result is lower than the target due to an increased number of existing consumers requiring intensive and ongoing care and fewer people with no recent contact entering services than planned.					
Rate of seclusion episodes per 1,000 occupied bed days – inpatient (CAMHS) (child and adolescent mental health services)	rate	3	32.5	983.3%	■
The result is higher than the target due driven by a small number of complex patients and the acuity of their conditions. Corrective action will focus on clinical review of high-use cases, intensive support and de-escalation planning, and continued monitoring of both seclusion frequency and duration.					
Rate of seclusion episodes per 1 000 occupied bed days – inpatient (adult and forensic)	rate	6	11.9	98.3%	■
The result is higher than the target due to a small cohort of complex consumers. Capacity to support complex consumers has been impacted by bed closures as part of capital works to upgrade the safety of intensive care area units. Mitigation will continue through restrictive-intervention reduction work, targeted support for complex consumers and capacity planning as beds reopen.					

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Rate of seclusion episodes per 1 000 occupied bed days – inpatient (older persons)	rate	3	0.3	-90.0%	✓
The result is lower than the target which is a favourable outcome indicating fewer restrictive interventions. The result suggests services are making progress toward safer, less restrictive care for older consumers.					
Timeliness					
Percentage of departures from emergency departments to a mental health bed within 8 hours	per cent	80	46.6	-41.8%	■
The result is lower than the target due to multiple systemic and operational factors, including sustained high levels of complex mental health emergency department presentations, and high demand for inpatient care and increased demand for Intensive Care Area beds. Corrective action will focus on bed-access escalation, earlier mental health assessment and improved transfer processes across emergency departments and inpatient units.					
Cost					
Total Output Cost	**$ million**	**2,828.9**	**2,971.4**	**5.0%**	
The 2025–26 actual outcome primarily reflects additional funding provided for enterprise bargaining agreements and higher than expected own source revenue in health services.					

Mental Health Community Support Services

A range of rehabilitation and support services provided to young people 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 in the community.

Table 102: Mental Health Community Support Services performance measures

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Quantity					
Number of occupied bed days in community mental health support services providing residential services	number	62,744	51,361	-18.1%	■
The result is lower than the target primarily driven by impacts of temporary capacity reductions at several services, with beds taken offline at times to undertake remediation works.					
Client support units provided by community mental health support services	number	600	851	41.8%	✓
The result is higher than the target because the target for this measure was adjusted when the Youth Outreach Recovery Service was removed, leaving the Continuity of Support program. The target will be updated to better reflect ongoing service demand and delivery.					
Clients receiving community mental health support services	number	3,300	4,925	49.2%	✓
The result is higher than the target due to a lower number of clients transitioning to the National Disability Insurance Scheme.					
Website visitation to gambling-related information and Gambler's Help support services	number	280,925	284,072	1.1%	✓
Mainstream Gambler's Help client service hours provided by therapeutic and financial counselling activities	number	75,400	74,990	-0.5%	○
Quality					
Gamblers Help Service clients who receive a service within five days of referral (Victorian Responsible Gambling Foundation)	per cent	96	97.4	1.5%	✓

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Cost					
Total Output Cost	**$ million**	**175.4**	**201.1**	**14.7%**	
The 2025–26 actual outcome primarily reflects additional funding for government policy commitments and the alignment of service delivery commitments across outputs.					

Community Health Care

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

Table 103: Community Health Care performance measures

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Quantity					
Rate of potentially preventable hospitalisations for chronic conditions in Aboriginal Victorians	rate per 1000	14.4	25.4	76.4%	■
The result is higher than the target, reflecting sustained higher rates of emergency department presentations among Aboriginal Victorians. This trend is driven in part by ongoing barriers to accessing early intervention and culturally safe primary care in mainstream services and high demand for health care at Aboriginal Community Controlled Health Organisations (ACCHOs). The Department is working in partnership with ACCHOs to deliver culturally appropriate, self-determined health initiatives aimed at improving access to primary care and reducing avoidable hospital presentations. The target is no longer aligned with observed demand patterns and will be reviewed to better reflect current conditions and support meaningful performance monitoring.					
Service delivery hours in community health care	number (thousand)	1,064	1,104.5	3.8%	✓
Quality					
Agencies with an Integrated Health Promotion plan that meets the stipulated planning requirements	per cent	95	99	4.2%	✓
Cost					
Total Output Cost	**$ million**	**389.1**	**432.1**	**11.0%**	
The 2025–26 actual outcome reflects additional funding for government policy commitments.					

Dental Services

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

Table 104: Dental Services Performance measures

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Quantity					
Persons treated	number	332,150	280,045	-15.7%	■
The result is lower than the target due to increased complexity of treatment per client. Increased activity in Smile Squad and workforce challenges have also affected the outcome. The department continues to support Oral Health Victoria to address workforce challenges and support the delivery of all public dental programs, including Smile Squad.					
Priority and emergency clients treated	number	249,100	213,638	-14.2%	■
The result is lower than the target due to increased complexity of treatment per client. Increased activity in Smile Squad and workforce challenges have also affected the outcome. The department continues to support Oral Health Victoria to address workforce challenges and support the delivery of all public dental programs, including Smile Squad.					

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Children participating in the Smiles 4 Miles oral health promotion program	number	60,000	50,571	-15.7%	■
The result is lower than the target due to the impact of workforce capacity and difficulty engaging with early childhood services impacting the number of registrations to the program.					
Schools visited by Smile Squad	number	575	562	-2.3%	○
Students examined by Smile Squad	number	69,300	64,923	-6.3%	■
The result is lower than the target; however, program activity continues to grow strongly as the program matures with the number of students examined steadily increasing each year. This sustained increase reflects the impact of program maturation (including several initiatives to grow Victoria's oral health workforce numbers). It is anticipated that this upward trend in examination numbers will continue. As examination numbers increase, a decrease in treatment numbers may occur due to positive impact of the program. The end-of-year target and result relate to Jan-Dec 2025 calendar year to reflect the school year.					
Students receiving treatment by Smile Squad	number	20,800	15,199	-26.9%	■
The result is lower than the target. As more students participate in examination and treatment over multiple years, treatment needs are declining as expected. New students entering the program are more likely to require treatment than students who have participated in the program over multiple years. A decline in the ratio of children examined requiring treatment may occur as oral health outcomes improve due to the program's focus on prevention, screening and early intervention. The end-of-year target and result relate to Jan-Dec 2025 to reflect the school year.					
Timeliness					
Waiting time for dentures	months	22	11.4	-48.2%	✓
The result is lower than the target which reflects a targeted approach to waitlist management and ongoing efforts to reduce waiting times.					
Percentage of Dental Emergency Triage Category 1 clients treated within 24 hours	per cent	90	93.7	4.1%	✓
Waiting time for general dental care	months	23	14.9	-35.2%	✓
The result is lower than the target which reflects a targeted approach to waitlist management and ongoing efforts to reduce waiting times.					
Cost					
Total Output Cost	**$ million**	**218.3**	**317.9**	**45.6%**	
The 2025–26 actual outcome reflects additional funding for government policy commitments.					

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.

Table 105: Maternal and Child Health and Early Parenting Services performance measures

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Quantity					
Hours of additional support delivered through the Enhanced Maternal and Child Health program	number	248,000	183,947	-25.8%	■
The result is lower than the target due to limitations in the current data collection system, which are expected to be addressed through a new Maternal and Child Health client management system.					
Total number of Maternal and Child Health Service clients (aged 0 to 1 year)	number	80,000	72,852	-8.9%	■
The result is lower than the target as the target was established several years ago and is not aligned with changes in birth rates. As a result, lower birth numbers may lead to performance being reported below target.					

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Timeliness					
Children aged 0 to 1 month enrolled at maternal and child health services from birth notifications	per cent	99	98	-1.0%	○
Cost					
Total Output Cost	**$ million**	**202.9**	**211.7**	**4.3%**	
The 2025–26 actual outcome is due to higher-than-expected own source revenue in health services.					

Public Health

This output includes delivery of services that improve and protect the health of Victorians. These services include a range of programs including regulation, surveillance and the provision of statutory services; the provision of community information and the fostering of healthy behaviours; training in emergency management preparedness, planning, response, relief, and recovery.

Table 20: Public Health performance measures

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Quantity					
Inspections of cooling towers	number	350	277	-20.9%	■
Inspection activity is below target due to a strategic shift toward prioritising high-risk facilities, which require more intensive investigations and longer timeframes to complete. This has reduced the overall number of inspections that can be undertaken within existing resources.					
Inspections of Radiation Practices	number	150	149	-0.7%	○
Number of HIV and sexually transmissible infections tests conducted at PRONTO!	number	12,500	10,956	-12.4%	■
The result is lower than the target as testing rates fluctuate through the year.					
Number of education or monitoring visits of smoke-free areas	number	3,500	6,385	82.4%	✓
Preliminary result. The result is higher than the target. The department funds local councils via the Municipal Association of Victoria to provide education and enforcement of the *Tobacco Act 1987*. The variance is partially due to estimated figures based on previously reported activity in 2024–25 due to a misalignment of Department and council reporting. In addition, changes in the environment related to concerns about organised crime and illicit tobacco infiltration have led to councils seeking to adjust their compliance activity to manage perceived risks to safety.					
Number of education or monitoring visits of tobacco or e-cigarette retailers	number	1,500	2,570	71.3%	✓
Preliminary result. The 79 Victorian local councils are funded by the department to conduct education and monitoring visits under the *Tobacco Act 1987*. However, the councils are free to do as many as they see as appropriate within their individual compliance and enforcement activity planning. The over performance against the target is likely due to an increase in education activity rather than other tobacco-related activity in view of safety concerns and perceived or actual risks regarding the infiltration of organised crime groups in the sale of illicit tobacco and vaping products.					
Number of people trained in emergency management in the Department of Health and the health sector	number	1,500	1,502	0.1%	✓
Number of sales to minors test purchases undertaken	number	3,000	494	-83.5%	■
Preliminary result. The result is lower than the target as changes in the environment related to concerns about organised crime and illicit tobacco infiltration have led to councils seeking to adjust their compliance activity to manage perceived risks to safety. This measure has been discontinued in 2026–27.					
Percentage of Aboriginal children fully immunised at 60 months	per cent	97	93.96	-3.1%	○

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Percentage of Aboriginal mothers that smoked during pregnancy	per cent	39.3	30.4	-22.6%	✓
Preliminary result. The result is lower than the target, representing a favourable variance. Strategies to support smoking cessation in pregnancy is one of the eight strategies in the National Preterm Birth Prevention Program, given the association between maternal smoking in pregnancy and the risk of preterm birth and of low-birth-weight babies.					
Percentage of newborns having a newborn bloodspot screening test	per cent	98	98	0.0%	✓
Preliminary result.					
Persons completing the Life! – Diabetes and Cardiovascular Disease Prevention program	number	5,616	5,390	-4.0%	○
Persons screened for prevention and early detection of health conditions – pulmonary tuberculosis screening	number	2,000	1,429	-28.6%	✓
The result is lower than the target. This measure is driven by demand based on tuberculosis (TB) incidence and contact tracing outcomes rather than program delivery, with screening undertaken only for individuals exposed to confirmed cases in high-risk settings. Lower screening volumes are consistent with fewer confirmed TB cases or identified contacts and therefore reflect positive public health outcomes rather than reduced performance.					
Women screened for breast cancer by BreastScreen Victoria	number	292,000	292,416	0.1%	✓
Quality					
Immunisation coverage – at five years of age	per cent	95	94.3	-0.8%	○
Immunisation coverage – at two years of age	per cent	95	89.8	-5.5%	■
The result is lower than the target. Victoria continues to outperform the national average (88.4%) for this age cohort. However, childhood vaccination coverage has declined nationally since the COVID-19 pandemic, driven by delayed vaccination, access barriers, and vaccine hesitancy. In partnership with the Commonwealth, Victoria is implementing initiatives aligned with the National Immunisation Strategy to improve access, timeliness, workforce capacity, and data quality, including annual campaigns promoting influenza, RSV, and COVID-19 vaccination.					
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%	✓
Percentage of adolescents (aged 15) fully immunised for HPV	per cent	85	80.2	-5.7%	■
The result is lower than the target. Performance is impacted by ongoing challenges in adolescent HPV immunisation coverage, including reduced uptake and access barriers, which are being experienced nationally. Coverage levels have not yet recovered sufficiently to meet the higher target, creating a risk of continued underperformance. In response, targeted initiatives are underway at both national and state levels to improve vaccination uptake, including outreach and catch-up strategies to increase coverage over time.					
Enquiries related to food regulation are responded to within 5 business days	per cent	98	98	0.0%	✓
Timeliness					
Comments on proposals and applications to amend the ANZ Food Standards Code are provided within timeframes specified by Food Standards Australia New Zealand (FSANZ)	per cent	100	100	0.0%	✓
Participation rate of women in target age range screened for breast cancer	per cent	54	53	-1.9%	○
Preliminary result.					

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Anaphylaxis investigations commenced within one business day of notification attributable to food in people with a known allergy	per cent	97	98	1.0%	✓
Preliminary result.					
Public health responses initiated for urgent notifications within 24 hours	per cent	95	95	0.0%	✓
Percentage of high-risk food recalls acted upon within 24 hours in circumstances where activity in Victoria was required within 24 hours	per cent	100	100	0.0%	✓
Preliminary result.					
Cost					
Total Output Cost	**$ million**	**403.0**	**435.4**	**8.0%**	
The 2025–26 actual outcome reflects additional funding for government policy commitments.					

Small Rural Services

This output includes delivery of a range of community services that support Victorians in rural areas. These services provide access to admitted and non-admitted services, including elective and non-elective surgical and medical care, urgent care services, and maternity services; in home, community-based and residential care services for older people; community-based nursing, allied health and support services for younger people who have difficulty with the activities of daily living; in home, community-based and primary health services designed to promote health and wellbeing and prevent the onset of more serious illness.

Table 21: Small Rural Services performance measures

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Quantity					
Home and Community Care for Younger People – hours of service delivery	hours	51,000	40,644	-20.3%	■
The result is lower than the target driven by the Small Rural Health Services (SRHS) flexible funding model, which allows services to adjust activity to meet local community need and has resulted in lower reported activity.					
NWAU (national weighted activity unit) Eligible Separations	number (thousand)	30	33.4	11.3%	✓
The result is higher than the target and reflects higher than expected activity across small rural health services. Activity for this measure is highly variable due to fluctuations in local demand and service delivery patterns.					
Service delivery hours in community health care	number	87,400	99,949	14.4%	✓
The result is higher than the target driven by the Small Rural Health Services (SRHS) flexible funding model, which allows services to adjust activity to meet local community need and has resulted in higher reported activity.					
Small Rural Urgent Care Presentations	number (thousand)	93	100.4	8.0%	✓
The result is higher than the target. The result shows increased activity is primarily in urgent care centres located in peri-urban areas reflecting population growth, and in urgent care centres situated in popular tourist locations.					
Small rural available bed days	number	726,848	726,848	0.0%	✓
Quality					
Percentage of health services accredited	per cent	100	100	0.0%	✓
Residential care services accredited	per cent	100	100	0.0%	✓

Performance measures	Unit of measure	2025–26 target	2025–26 actual	Variation (%)	Result
Cost					
Total Output Cost	**$ million**	**877.4**	**936.0**	**6.7%**	

The 2025–26 actual outcome reflects realignment of service delivery outputs and changes to Hospital Own Source Revenue.

Appendix 4: Correction to previous reporting error

The following performance measures were reported incorrectly under output groups ‘Community Health Care’, ‘Home and Community Care Program for Younger People’ and ‘Small Rural Services’ and ‘Admitted Services’ in the *Department of Health annual report 2024–25*.

Output	Performance measure	2024–25 target	Original result published in 2024–25 annual report and 2026–27 Budget Paper[(i)]	Corrected 2024–25 result
Community Health Care	Service delivery hours in community health care	1,064,000	1,119,668	1,121,166
Home and Community Care Program for Younger People	Home and Community Care for Younger People – hours of service delivery	1,000,000	1,077,757	1,083,887
Home and Community Care Program for Younger People	Home and Community Care for Younger People – number of clients receiving a service	60,000	62,727	63,356
Small Rural Services	Home and Community Care for Younger People – hours of service delivery	51,000	52,907	44,884
Small Rural Services	Service delivery hours in community health care	87,400	98,888	106,893
Admitted Services	Total separations – all hospitals	2,088	2,181.6	2,188.9
Admitted Services	Number of patients admitted from the planned surgery waiting list	200,000	212,660	212,683

Notes:

(i) 2026–27 State Budget Paper No. 3 – Service Delivery

Appendix 5: Disclosure index

The annual report of the Department is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

Click on a requirement or legislation title (Ctrl+click in Microsoft Word) to refer to the relevant requirements for the corresponding disclosure requirements, or alternatively, refer to the corresponding page references.

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Notes:

(i) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are in the nature of disclosure.

(ii) Refer to the Model financial statements section (Part two) for further details.