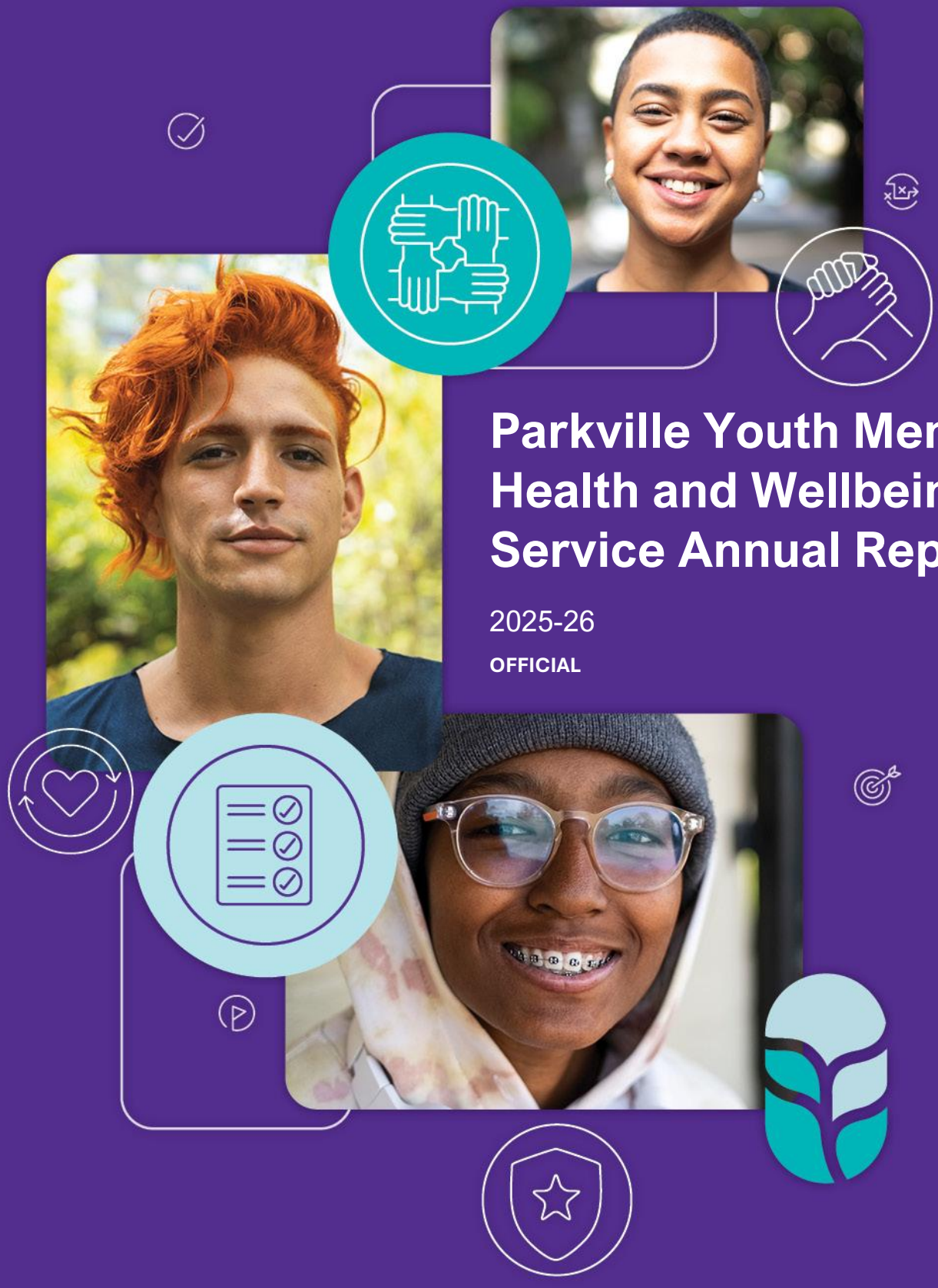
Parkville Youth Mental Health and Wellbeing Service



# Parkville Youth Mental Health and Wellbeing Service Annual Report

2025-26

**OFFICIAL**

To receive this document in another format, email PYMHWS <info@pymhws.org.au>.

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Except where otherwise indicated, the images in this document show models and illustrative settings only, and do not necessarily depict actual services, facilities or recipients of services. This document may contain images of deceased Aboriginal and Torres Strait Islander peoples.

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

# Acknowledgement

Parkville Youth Mental Health and Wellbeing Service (PYMHWS) Acknowledges the Wurundjeri, Bunurong and Wadawurrung peoples of the Kulin Nation as the Traditional Owners of the lands across Victoria we work on, and we pay respects to their Elders past and present. PYMHWS extends this respect to Aboriginal and Torres Strait Islander peoples in our community.

PYMHWS is committed to embedding cultural respect across all aspects of service design, delivery, evaluation and governance.

# Recognition of Lived and Living Experience

PYMHWS acknowledges and thanks all young people, families, carers, supporters and kin, and community members who share their lived and living experiences with us, including our youth advisory group – Platform – and our lived experience workforce. Your insights, stories, and guidance are central to the design, delivery, and improvement of youth mental health and wellbeing services.

By partnering with us, you help ensure that care is relevant and truly responsive to the needs of young people. PYMHWS is grateful for your contribution to shaping better outcomes and stronger supports for all young people.

# A note on language

We acknowledge that family takes many forms. While this document may refer to “family” in some places, we recognise and respect the diverse ways young people define their networks of support, including families, carers, chosen family, supporters, and kin. Our commitment is to honour and work with people who are important in each young person’s life, recognising that meaningful support comes in many forms.

When we use the term mental health, we recognise the breadth and complexity of experiences this encompasses. Mental health experiences are deeply personal, and we acknowledge that discussions of these topics, including potential case studies or examples, may be challenging for some people. We approach all communications with sensitivity and care, with a focus on supporting understanding, reducing stigma, and promoting safety for those who may be engaging with this content.

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# Message from the Board Chair and Chief Executive

This year marked the first full year of operation for Parkville Youth Mental Health and Wellbeing Service (PYMHWS), an important milestone in Victoria's commitment to reforming youth mental health care following the recommendations of the Royal Commission into Victoria's Mental Health System.

While the commencement of PYMHWS on 1 July 2025 represented a significant organisational transition, the focus throughout 2025-26 has been on building a service that delivers safe, connected and high-quality care for young people while laying strong foundations for the future. Throughout the year, our efforts have centred on strengthening clinical governance, supporting our workforce, expanding access to care and embedding the partnerships required of Victoria's first standalone public youth mental health service.

PYMHWS provides specialist public mental health care to young people aged 12 to 25 years across Melbourne's north and west through the provision of community, residential, acute and specialist services. Every interaction is centred around supporting young people and their families, carers, supporters and kin through some of life's most challenging moments, while recognising the importance of hope, recovery and partnership in achieving lasting outcomes.

As demand for youth mental health services continues to grow, so too has our capacity to respond. During the year we continued to expand our workforce and strengthen multidisciplinary models of care, enabling more young people to access timely, evidence-informed treatment and support. We also progressed significant service developments that have expanded specialist capability across community, forensic and residential settings while continuing to improve the accessibility and integration of care.

Alongside service delivery, this year has been characterised by considerable organisational development. We embedded governance systems, strengthened clinical quality and safety processes, and continued to build a culture grounded in compassion, respect, accountability, integrity and collaboration. These foundations are essential to ensuring we remain responsive to the needs of young people while delivering sustainable improvements across the health system.

Partnership has been central to our approach. Working alongside a broad network of partners and collaborators has enabled us to strengthen pathways into care and improve coordination across the broader service system. These partnerships recognise that supporting the mental health and wellbeing of young people requires collective effort and shared responsibility across multiple sectors and systems.

During the year, we also advanced our commitment to cultural safety and equity. The preparation of our Reflect Reconciliation Action Plan represents an important step in strengthening relationships with Aboriginal and Torres Strait Islander communities while continuing to improve culturally safe care across every part of our service. We also continued to enhance access for diverse communities through establishing a Diversity, Equity, Inclusion and Belonging committee that will drive initiatives that recognise the different experiences and needs of young people and their families.

The achievements outlined throughout this report have only been possible because of the commitment, professionalism and compassion demonstrated by our workforce every day. Across our clinical, operational, corporate and support services, our staff have embraced a busy year while remaining focused on delivering high-quality care to young people and their families, carers, supporters and kin.

We also acknowledge the invaluable contribution of young people and their families, carers, supporters and kin who continue to shape our services through partnership and lived experience leadership. Their insights ensure our services continue to evolve in ways that are meaningful, responsive and centred on what matters most.

Thank you to our incredible network of colleagues, partners and advisors across the system for your continued support throughout this important year.

While much has been achieved, our work is only beginning. As we move into our second year, we remain focused on strengthening outcomes for young people, continuing to deliver the vision of the Royal Commission and building a public youth mental health service that is responsive, sustainable and equipped to meet the needs of future generations.

**Cath Bowtell**
Chair

**John Ferraro**
Interim Chief Executive Officer

In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations for the Parkville Youth Mental Health and Wellbeing Service for the year ending 30 June 2026.



**Cath Bowtell**
Board Chair
Parkville Youth Mental Health and Wellbeing Service
21 October 2026

# About PYMHWS

Parkville Youth Mental Health and Wellbeing Service (PYMHWS) is Victoria's first standalone public mental health service dedicated to young people aged 12 to 25 years.

The service commenced on 1 July 2025 following the recommendations of the Royal Commission into Victoria's Mental Health System. PYMHWS brings together specialist youth mental health services focused exclusively on the needs of young people. Building on decades of leadership in specialist youth mental health care, research and service innovation, PYMHWS carries forward a strong legacy while creating new opportunities to improve access, strengthen partnerships and deliver contemporary and evidence-informed care.

PYMHWS provides specialist public mental health assessment, treatment and support across Melbourne's north and west through a comprehensive network of community, acute, residential and specialist services. Working alongside young people and their families, carers, supporters and kin, our multidisciplinary workforce delivers care that is evidence-informed, recovery-oriented and centred on the goals and aspirations of each young person.

Our services extend across the continuum of care, from early intervention and community-based treatment through to acute inpatient care, youth prevention and recovery care, specialist forensic services and hospital-based care. We also work closely with primary care, hospitals, community organisations, education providers and government to improve access, strengthen service integration and support continuity of care.

As a public health service, PYMHWS is committed to improving the mental health and wellbeing of young people while contributing to research, education, workforce development and system improvement. Through strong partnerships and a commitment to innovation, we continue to build a service that responds to the changing needs of young people and support better outcomes across the mental health system.

## MISSION

To transform the lives of young people by delivering integrated mental health treatment, care and support that is driven by compassion, united in expertise, is responsive to their unique needs, and is grounded in research.

## VISION

To redefine youth mental health treatment, care and support by setting new standards of excellence in care, partnerships, innovation and impact.

## VALUES

- **Compassion** – We prioritise empathy and understanding in every interaction, always engaging with kindness, care, and support.
- **Respect** – We value the diversity, experiences, and perspectives of everyone, and ensure that all voices are heard, acknowledged, and treated with dignity.
- **Accountability** – We take responsibility for our actions, decisions, and outcomes, ensuring that services are delivered safely, transparently, and with a commitment to continuous improvement.
- **Integrity** – We act with honesty and fairness in all we do, ensuring that our commitments and our actions align.
- **Collaboration** – We work together, recognising that partnership and shared expertise are essential to achieving the best outcomes.

## THE CARE WE PROVIDE

**Support when mental health concerns first emerge**

Early support for young people experiencing changes in mood, behaviour, or wellbeing, to prevent issues from becoming more severe.

**Specialist care for more serious mental health experiences**

Intensive, coordinated support for young people experiencing psychosis or complex mental health challenges.

**Family and Lived Experience supports**

Peer-led support that helps young people and families, carers, supporters and kin navigate care, feel understood, and have their voices heard.

**Specialist support for eating and body-image concerns**

Evidence-based treatment and family-inclusive care for young people experiencing eating disorders.

**Hospital-level care without staying in hospital**

Flexible care delivered at home or in the community to support recovery while staying connected to everyday life.

**Care and connection after a hospital stay**

Active follow-up, outreach, and support after a hospital visit to help young people stay connected and safe.

**24/7 care when young people need to stay in hospital**

Short-term inpatient care for young people who need close monitoring and intensive support.

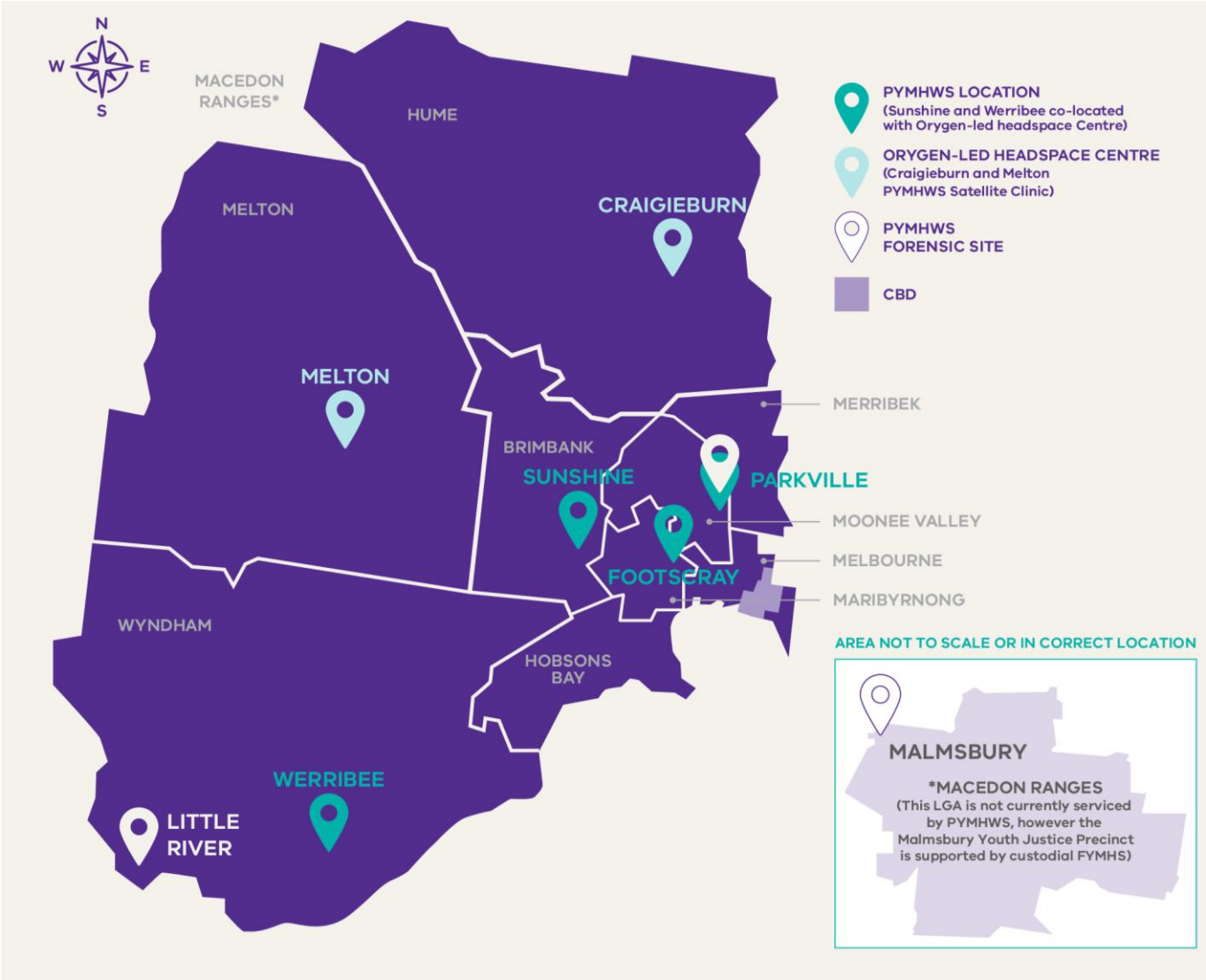
**Support to reconnect with everyday life**

Psychosocial support focused on recovery, independence, education, work, and community participation.

**A place to recover before returning home**

Short-term residential support to help young people transition from hospital back to community life.

## OUR CATCHMENT




# A Year of Operations

### The 2025-26 financial year marked the first full year of operation for PYMHWS.

Throughout the year, our focus was on moving beyond establishment to embed the systems, workforce and partnerships required to deliver high-quality specialist mental health care for young people.

Several major initiatives shaped the year. We continued expanding specialist community services, strengthened forensic mental health capacity and capability, progressed important reforms to improve continuity of care aligned with the Royal Commission, and completed the relocation of several clinical services into facilities designed to better support contemporary models of care.

Alongside these developments, we continued building strong partnerships across the health, community and research sectors to improve service integration and support more coordinated care.

This report highlights many of the initiatives, partnerships and achievements that have shaped our first full year of operation. Together, they demonstrate continued progress towards the vision established by the Royal Commission into Victoria's Mental Health System and our commitment to improving the mental health and wellbeing of young Victorians.

## ESTABLISHING PYMHWS

The establishment of PYMHWS marked a significant milestone in Victoria's mental health reform, creating the state's first standalone public health service dedicated exclusively to the mental health and wellbeing of young people.

Established by the Governor in Council in July 2024 under the *Health Services Act 1988 (Vic)*, PYMHWS was created in response to the Royal Commission into Victoria's Mental Health System and its vision for a dedicated youth mental health stream designed around the unique needs of young people.

Building on the longstanding expertise and legacy of the Orygen Specialist Program, responsibility for specialist youth mental health services transferred from Melbourne Health to PYMHWS. This transition ensured decades of clinical expertise, research and innovation continued within a governance model focused exclusively on delivering specialist care for young people.

As part of these reforms, PYMHWS also expanded the age range from 15 to 25 years to 12 to 25 years, enabling younger adolescents to access specialist public mental health care through a dedicated youth service. The catchment was also expanded to include Melbourne's western and north-western regions, with PYMHWS now supporting more than 200,000 young people across nine local government areas, including some of the state's fastest-growing communities.

On 1 July 2025, PYMHWS officially commenced operations as an independent public health service, marking the beginning of a new chapter in specialist youth mental health care for Victoria.

## CONNECTING CARE ACROSS THE RECOVERY JOURNEY

Recovery is a journey, and young people often benefit from different types of support as their needs change over time. Strengthening connections between services helps ensure care is more coordinated, seamless and centred on the individual.

On 1 December 2025, governance of the Parkville Youth Prevention and Recovery Care (YPARC) service transitioned to PYMHWS, bringing another important part of the young person's care journey within the organisation.

Parkville YPARC provides residential, recovery-focused mental health care for young people aged 16 to 25 who require additional support following discharge from an inpatient unit or as an alternative to hospital admission. Young people can stay for up to 28 days, receiving 24-hour care from a multidisciplinary team in a therapeutic environment designed to support recovery, build independence and strengthen connections with community-based supports.

Bringing YPARC into PYMHWS has improved continuity of care by strengthening clinical coordination across community, inpatient and residential services. This enables young people to experience more connected care, smoother transitions between services and greater consistency throughout their recovery journey.

## EXPANDING CARE TO MEET THE NEEDS OF YOUNG PEOPLE

Young people’s mental health needs do not always fit within fixed timeframes. Recovery can take time, and for some young people, ongoing access to specialist support is essential to achieving lasting outcomes.

In response to Recommendation 20 of the Royal Commission into Victoria's Mental Health System, PYMHWS continued implementing reforms to improve access to specialist youth mental health care. Following the expansion of services to include young people aged 12 to 14 years in February 2025, PYMHWS commenced the phased removal of the two-year limit on care.

The first phase, introduced in September 2025, removed the two-year limit for young people already receiving care and for all new referrals. Rather than treatment ending after a predetermined period, care can now be tailored to each young person's clinical needs, stage of recovery and individual goals.

The second and final phase, to be implemented in 2026-27, will extend this approach to all eligible young people, regardless of any previous treatment they have received.

## GROWING TO MEET DEMAND

As demand for specialist youth mental health services continues to grow, so too does the need for flexible models of care that respond to the different ways young people experience mental ill health.

Following the removal of the two-year limit on care, the Department of Health provided Community Mental Health Growth funding to expand community-based continuing care services. This investment is supporting the growth of Community Continuing Care Teams within PYMHWS, strengthening specialist programs and enhancing service-wide clinical support roles to improve access to care across the service.

A key initiative is the establishment of the new Pathways program, designed to support young people with tertiary-level mental health needs who may not yet require a specialist treatment stream or whose needs are still being assessed. By providing timely access to multidisciplinary assessment, care coordination and brief intervention, Pathways helps ensure young people receive the right care at the right time.

The program also places a strong emphasis on helping young people navigate the broader health and social service system, connecting them with the services they need while maintaining ongoing support where appropriate. Flexible follow-up and rapid re-engagement options further strengthen continuity of care, allowing young people to access additional support as their needs change without unnecessary barriers.

Together, these service enhancements are expanding access to specialist youth mental health care while creating more responsive pathways that better reflect the individual needs and recovery journeys of young people.

## CREATING BETTER SPACES FOR CARE

The environments in which young people receive care play an important role in supporting their recovery, wellbeing and overall experience. Throughout the year, PYMHWS relocated our inpatient unit, triage team and Hospital in the Home services to facilities that better reflect contemporary models of youth mental health care, providing safe, welcoming and purpose-built spaces for young people, their families and staff.

In February 2026, the PYMHWS inpatient unit was relocated to Footscray Hospital, providing young people with access to a modern inpatient environment designed to support high-quality specialist mental health care. At the same time, the Youth Access Team (YAT) and Hospital in the Home (HITH) teams relocated to a new community site in Spotswood, creating opportunities to strengthen multidisciplinary collaboration and improve the delivery of community-based care. Importantly, these relocations occurred without any disruption to care and while maintaining excellence in quality and safety.

Work will continue throughout 2026-27 to further enhance the Spotswood site through planned renovations that will improve accessibility and ensure the facility provides a welcoming and inclusive environment for young people and their families. Planning is also underway to relocate services currently based in Sunshine to a contemporary facility, continuing our commitment to delivering safe, fit-for-purpose environments that support the evolving needs of young people and the communities we serve.

## SUPPORTING YOUNG PEOPLE IN THE JUSTICE SYSTEM

Young people involved in, or at risk of entering, the justice system often experience mental health needs alongside other complex challenges. Supporting these young people requires specialist expertise and strong collaboration across health, justice and community services.

Through the statewide Forensic Youth Mental Health Service (FYMHS), PYMHWS provides specialist assessment, consultation, treatment and care coordination for young people aged 10 to 25 years. This includes services delivered within custodial settings, as well as specialist community programs that support young people involved in, or at risk of involvement in, the youth justice system.

During the year, PYMHWS has commenced preparation for the expansion of statewide community forensic youth mental health services from 1 July 2026 in partnership with Bayside Health. Building on the established expertise, this expansion will extend specialist community support beyond Melbourne's north and west, improving access for young people across Victoria and strengthening continuity of care as they move between custodial, community and mental health services.

Working alongside Youth Justice, the Children's Court of Victoria, Justice Health, public mental health services and community organisations, FYMHS continues to improve access to specialist mental health care while supporting recovery, rehabilitation and better long-term outcomes for young people.

## MEETING THE NEEDS OF DIVERSE COMMUNITIES

Creating a service where every young person feels safe, respected and able to access care that reflects their individual needs is fundamental to the way PYMHWS delivers mental health services. Throughout the year, PYMHWS continued to strengthen the approach to cultural safety, inclusion and equity across the organisation.

A significant milestone was the establishment of the First Nations Working Group, bringing together staff from across the service to guide initiatives that improve outcomes for Aboriginal and Torres Strait Islander young people. This group has led the development of the inaugural Reflect Reconciliation Action Plan (RAP) which is expected to be launch in late 2026. The RAP provides a framework for strengthening relationships, embedding cultural safety and improving the experiences of Aboriginal and Torres Strait Islander young people, families and communities.

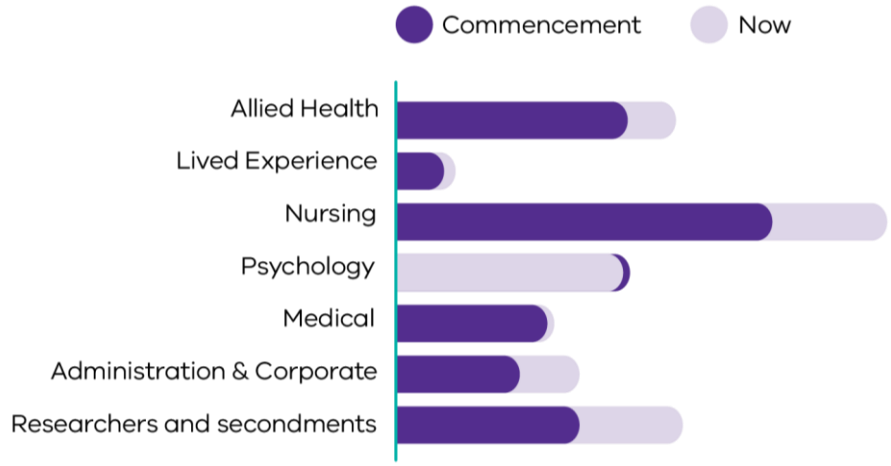
During the year, PYMHWS also established our Diversity, Equity, Inclusion and Belonging (DEIB) Committee to help drive organisational improvements that create a more inclusive and equitable workplace and service. The committee provides leadership on initiatives that support our workforce while ensuring our services continue to reflect and respond to the diverse communities we serve.

Together, these initiatives strengthen PYMHWS's commitment to delivering culturally safe, inclusive and person-centred care, recognising that better outcomes are achieved when young people feel seen, heard and supported to be themselves.

# Our Care

More than 700 staff

Our staff profile



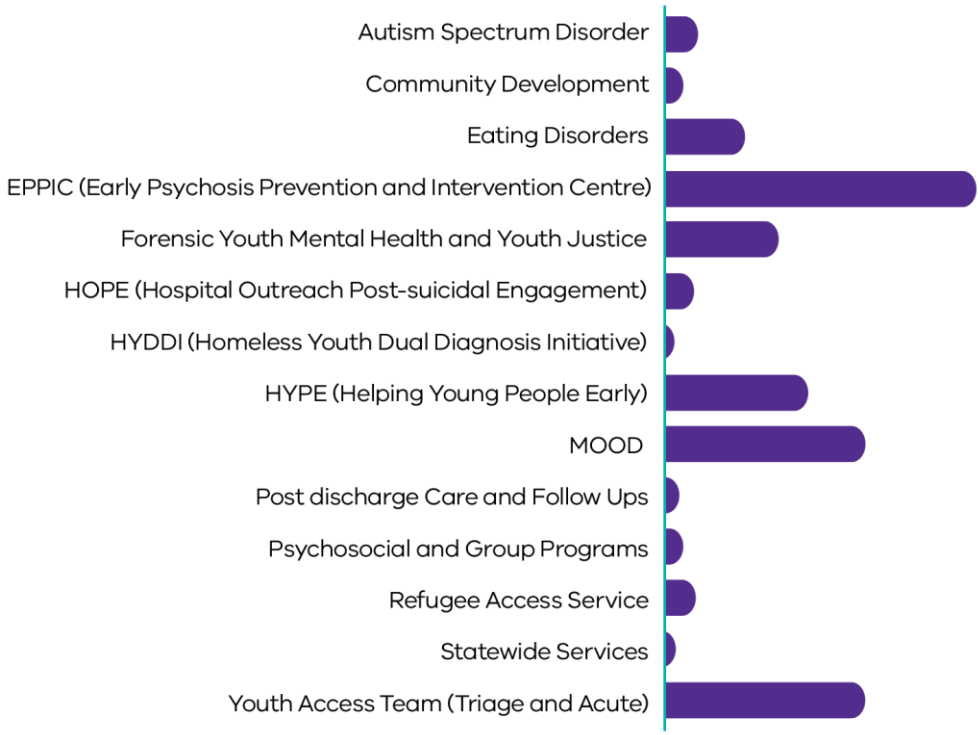

More than 600 bed-based admissions

Our admitted care profile




More than 72,000 hours of community care

Our community care profile



# Powers and Duties

## MANNER OF ESTABLISHMENT

Parkville Youth Mental Health and Wellbeing Service is a health service established under the *Health Services Act 1988 (Victoria)*.

## RESPONSIBLE MINISTERS

| | |
|---|---|
| **Minister for Health**<br>**Minister for Ambulance Services** | The Hon Mary-Anne Thomas MP (1 July 2025 to 15 April 2026) |
| **Minister for Health**<br>**Minister for Ambulance Services**<br>**Minister for Water** | Hon Harriet Shing MP (15 April 2026 to 30 June 2026) |
| **Minister for Mental Health**<br>**Minister for Ageing** | The Hon Ingrid Stitt MP (1 July 2025 to 30 June 2026) |

# Management and Structure

## OUR BOARD

The inaugural Board Directors for PYMHWS were appointed in 2024. The Directors for 2025-26 were:

| | | |
|---|---|---|
| **Penny Armytage AM**<br>Board Chair<br>Chair of People, Culture and Workplace Safety Committee | **Jennifer Lang**<br>Director<br>Chair of Finance, Audit and Risk Committee | **Dr Margaret Grigg OAM**<br>Director<br>Chair of Quality and Safety Committee |
| **Andrew Dempster**<br>Director<br>Appointed May 2025 | **Elvis Martin**<br>Director (Consumer Lived Experience) | **Julia Griffith**<br>Director<br>Appointed May 2025 |
| **Nadia Baillie**<br>Director (Carer Lived Experience) | **Associate Professor Ravi Bhat AM**<br>Director | **Vicki Sutton**<br>Director |

The Board was supported by an independent strategic advisor until March 2026: Dr Jackie Curtis

At the conclusion of her term on 30 June 2026, the Board Chair, Penny Armytage AM, resigned from her position on the Board to transition to the new Board Chair, Cath Bowtell, from 1 July 2026.

## BOARD COMMITTEES

The PYMHWS Board has four sub-committees:

### Finance, Audit and Risk Committee

The Finance, Audit and Risk Committee provides oversight and assurance to the Board on the organisation's financial performance and governance, risk management, compliance, and internal control framework, supporting financial sustainability, sound governance, regulatory compliance, and the delivery of safe, high-quality care.

**Chair:** Jennifer Lang

**Members:** Nadia Baillie and Vicki Sutton

## Quality and Safety Committee

The Quality and Safety Committee provides oversight of clinical quality, patient safety, consumer experience, accreditation, and clinical risk management, supporting the Board's assurance that safe, effective and high-quality care is delivered across the organisation.

**Chair:** Dr Margret Grigg OAM

**Members:** Associate Professor Ravi Bhat AM and Nadia Baillie

## Primary Care and Population Health Advisory Committee

PYMHWS participates in a joint Primary Care and Population Health Advisory Committee as part of Parkville Local Health Service Network (LHSN) with representation from both a member of the Boards and a staff representative from each health service in the network. The Committee advises the Parkville LHSN Boards on primary care and population health priorities, informed by the current and emerging needs of the community. It also identifies opportunities to strengthen integration, coordination and partnership across community, primary care and the broader health system.

**Chair:** Chris Altis (Peter MacCallum Cancer Centre Board Director)

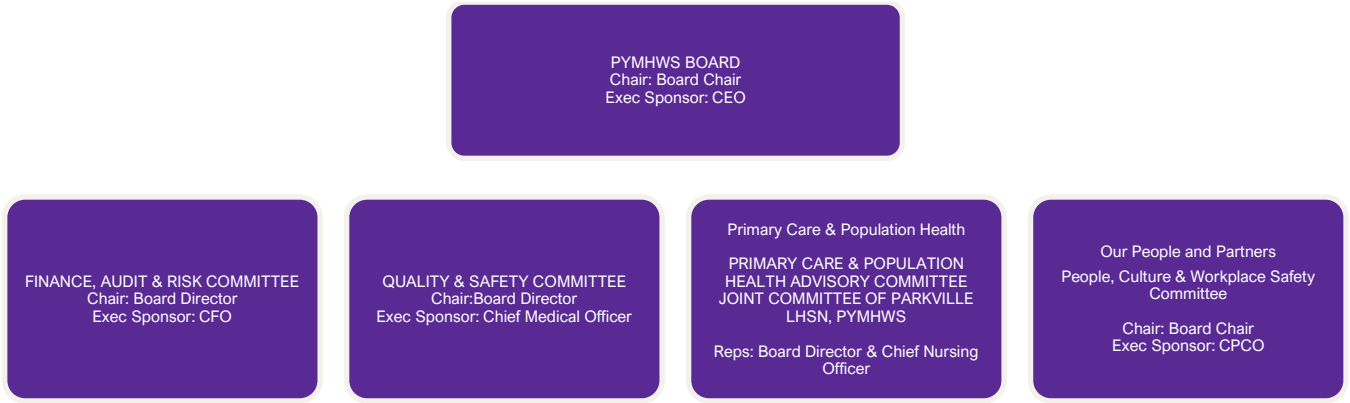
**PYMHWS Members:** Elvis Martin and Adjunct Associate Professor Mary Gilbert, Chief Nursing Officer

## People, Culture and Workplace Safety Committee

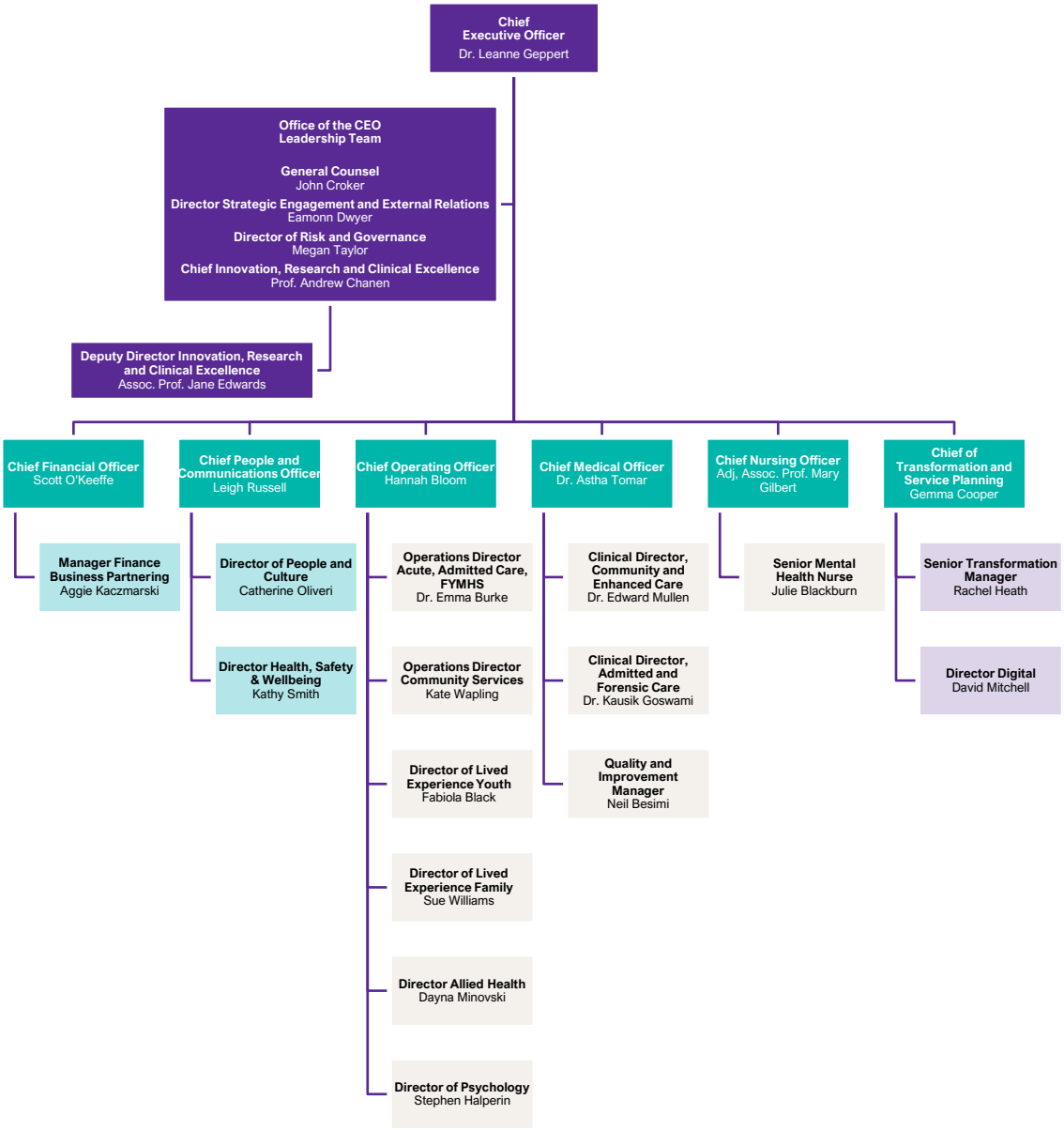
The People, Culture and Workplace Safety Committee provides oversight and strategic advice to the Board on organisational culture, workforce capability and development, staff health, safety and wellbeing, workforce risks and planning, executive remuneration, and the employment and performance of the Chief Executive Officer.

**Chair:** Penny Armytage AM

**Members:** Andrew Dempster, Julia Griffith and Elvis Martin



# OUR EXECUTIVE[1]




1 Executive structure as at 30 June 2026

# Our Workforce

PYMHWS employs a diverse, multidisciplinary workforce to deliver specialist youth mental health care, support service operations, and enable high-quality clinical governance. Our workforce includes medical, nursing, allied health, lived and living experience, research, administration, corporate, operational, leadership and support roles. Together, these employees contribute to safe, developmentally appropriate, evidence-informed and person-centred care for young people and their families, carers supporters and kin.

PYMHWS employees are classified in accordance with the relevant enterprise agreement, award or employment instrument applicable to their role.

PYMHWS is an equal opportunity employer and is committed to providing a psychologically and physically safe workplace that is free from discrimination, sexual harassment, bullying and harassment. Our people are expected to demonstrate PYMHWS values as the principles of employment, professional conduct and service delivery.

The following table discloses the full-time equivalent (FTE) of all active employees of PYMHWS as at 30 June 2026.

| Employment Category | June Current Month FTE | Average Monthly FTE |
|---|---|---|
| | 2025-26 | 2025-26 |
| Nursing | 154.50 | 153.29 |
| Allied Health | 107.22 | 97.63 |
| Psychology | 64.48 | 67.79 |
| Research Honorary | - | - |
| Corporate Enabling Services | 35.40 | 28.23 |
| Medical | 56.55 | 55.15 |
| Lived Experience | 15.58 | 12.72 |
| Administration and Clerical | 35.52 | 32.48 |
| YPARC Seconded Workforce | 12.8 | 7.47 |
| Total | 474.05 | 446.75 |

## WORKFORCE WELLBEING

PYMHWS acknowledges the complex and emotionally demanding nature of specialist youth mental health work, and the importance of supporting the health, safety, wellbeing and sustainability of our workforce. In 2025-26, PYMHWS continued to build the approach to workforce health, safety and wellbeing, including establishing dedicated resources and commencing foundational work to identify, assess and respond to psychosocial risks.

During the year, PYMHWS also launched Respect X, a confidential and anonymous workplace reporting tool that enables employees to raise concerns and seek support in relation to inappropriate workplace behaviours. The introduction of Respect X formed part of our broader commitment to creating a psychologically safe, respectful and inclusive workplace where employees feel supported to speak up, access assistance and contribute to high-quality care.

## WORKFORCE DIVERSITY, EQUITY, INCLUSION AND BELONGING

As a newly established health service, PYMHWS commenced building the governance, systems and organisational capability required to support a diverse, equitable, inclusive and culturally safe workplace.

During 2025-26, PYMHWS established the first Diversity, Equity, Inclusion and Belonging (DEIB) Committee. The committee provides leadership, advice and oversight of workforce diversity and inclusion priorities and supports the progressive embedding of inclusive practices across the organisation. It also provides a forum through which employees can contribute to priorities affecting workplace inclusion, equity, cultural safety, participation and belonging.

PYMHWS also commenced strengthening the workforce systems, processes and data foundations required to better understand the composition and experience of our workforce. This included preparatory work to build gender equality reporting capability and improve the collection, analysis and use of workforce data to support evidence-informed decision-making.

This foundational work will inform the development of a broader DEIB framework and program of action, including clearer priorities, measures and accountabilities for strengthening workforce inclusion and belonging as the organisation matures. The committee will also lead the development of the Workforce Inclusion Policy in 2026-27.

## OCCUPATIONAL HEALTH AND SAFETY

In 2025-26, PYMHWS commenced implementation of our inaugural Health, Safety & Wellbeing Strategy, establishing a contemporary approach to workforce health, safety and wellbeing aligned with our strategic priorities. Recognising that safe, healthy and supported workers are fundamental to delivering high-quality care, significant investment was made in strengthening governance, reporting, risk management and workforce wellbeing initiatives across the service.

As a newly established organisation, PYMHWS placed strong emphasis on building a positive reporting culture, encouraging staff to report hazards, incidents and near misses to improve awareness of where potential risks existed and support proactive risk management. This approach has increased visibility of workplace risks and enabled targeted actions to strengthen safety across the service.

PYMHWS monitors a range of lead and lag indicators to assess health and safety performance and identify emerging risks. The rate of incident reporting across PYMHWS during the year reflects strong staff engagement with reporting processes rather than high levels of workplace risk or incidents. This is evidenced through the low number of lost time and associated claim costs during the year.

In 2025-26, PYMHWS recorded:

| Indicator | 2025-26 |
|---|---|
| The number of reported hazards/incidents for the year per 100 FTE | 52.7 |
| The number of ‘lost time’ standard WorkCover claims for the year per 100 FTE | 0.63 |
| The average cost per WorkCover claim for the year (‘000) | $8 |
| Workplace fatalities | 0 |

Together, these results indicate a workforce that is actively identifying and reporting hazards while maintaining low levels of workplace injury requiring time away from work. This reporting culture provides valuable insight into emerging risks and supports continuous improvement in workforce health, safety and wellbeing.

## OCCUPATIONAL VIOLENCE AND AGGRESSION

Occupational violence and aggression (OVA) remained the most significant reported workplace health and safety risk across PYMHWS during 2025-26. OVA incidents accounted for 92 per cent of all reported safety incidents across the organisation, reflecting both the nature of the environments in which our staff work and an ongoing organisational commitment to reporting and learning from incidents.

During 2025-26, PYMHWS significantly strengthened the organisational approach to preventing and managing occupational violence and aggression through the establishment of the Preventing and Managing Occupational Violence and Aggression (PMOVA) Framework. The framework provides a consistent organisational approach to governance, risk management, incident review, prevention, response and continuous improvement activities relating to OVA.

Recognising the complexity of the environments in which our workforce operates, PYMHWS invested in strengthening both governance and operational capability in this area. This included the establishment of dedicated PMOVA governance arrangements, implementation of enhanced reporting and oversight processes, development of site-based risk assessments, and targeted improvement initiatives at higher-risk locations.

Throughout the year, resources were directed towards strengthening critical risk controls including staff training, incident review processes, environmental and security controls, duress systems, emergency management arrangements and post-incident support. Greater integration between health and safety governance and clinical governance processes was also established to support a coordinated organisational response to OVA risks.

These initiatives represent an important step in our ongoing commitment to providing a safe workplace for staff, while continuing to deliver high-quality care to young people and families. Work will continue throughout 2026-27, with a focus on embedding the PMOVA Framework, strengthening local risk management capability and further enhancing prevention-focused approaches across the organisation.

While occupational violence and aggression represent the most significant reported workplace safety hazard at PYMHWS, we maintain a strong focus on incident reporting, investigation and prevention to ensure risks are identified and addressed as early as possible.

| Occupational violence statistics | 2025-26 |
|---|---|
| Workcover accepted claims with an occupational violence cause per 100 FTE | 0.42 |
| Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked. | 1.42 |
| Number of occupational violence incidents reported | 643 |
| Number of occupational violence incidents reported per 100 FTE | 135.7 |
| Percentage of occupational violence incidents resulting in a staff injury, illness, or condition | 7% |

The majority of reported occupational violence incidents were associated with a relatively small number of consumers who accounted for multiple events. This highlights the importance of targeted behavioural support planning, multidisciplinary risk management and early intervention strategies.

## Definitions

**OCCUPATIONAL VIOLENCE** - any incident where an employee is abused, threatened, or assaulted in circumstances arising out of, or in the course of their employment.

**INCIDENT** - an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during a planned or unplanned Code Grey, it must be included.

**ACCEPTED WORK COVER CLAIMS** – claims accepted and lodged in 2025-26.

**LOST TIME** - defined as greater than one day.

**INJURY, ILLNESS, OR CONDITION** - includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

# General Information

## CARERS RECOGNITION ACT

PYMHWS recognises the importance of, and values the inclusion of, young peoples' families, carers, supporters and kin in both young people's treatment and care, and the provision and improvement of the delivery of services.

In addition to the principles of the *Carers Recognition Act 2012 (Vic)*, PYMHWS integrates the intent, expectations and principles of the *Mental Health and Wellbeing Act 2022 (Vic)* and the Victorian Carer Strategy 2025-2035 regarding the inclusion of families.

PYMHWS has taken practical measures to comply with obligations under the legislation, including:

- Promoting the principles of the legislation to the families of young people who are receiving treatment and care from PYMHWS. This is done through information being provided to families about different parts of the service, providing links to State Government resources on their website, and conversations with the Family Peer Workers.
- Providing awareness and understanding of the care relationship principles set out in the legislation and ensuring that they are embedded in training and education provided to clinicians and families, such as 'Engaging Families in Youth Mental Health: A Lived Experience Lens' and 'Making Sense of Psychosis'.
- Embedding the underpinning care relationship principles set out in the legislation through PYMHWS policies and procedures, including our Working from Home Procedure and Staff Leave Procedure that includes Carer's Leave.

## Embedding lived experience

PYMHWS strengthened the role of families, carers, supporters and kin in shaping our services during the year. In May 2026, a Director of Lived Experience – Family was appointed, alongside a Director of Consumer Lived Experience, to align PYMHWS with Victorian Statewide Frameworks and Strategies, in addition to ensuring family perspectives are reflected in organisational decision-making, service design and continuous improvement.

Family lived experience informed a range of initiatives throughout the year, including the development of the new Pathways Care Team, the ongoing design of the new Spotswood site, and the development of the PYMHWS website and intranet. Family representatives also continued to contribute to organisation-wide committees and service planning, while expanded Family Peer Worker roles strengthened support for families across our teams.

The organisation also secured an increase to the annual Carer Support Fund, providing additional financial assistance to families of young people receiving care. Work has progressed on the development of the PYMHWS Lived and Living Experience Strategy 2026-29, which will guide how youth and family lived experience is embedded across the organisation, while integrating planning that takes families changing needs into account.

### Building capability

PYMHWS continued to strengthen workforce capability by embedding the role of families, carers, supporters and kin into staff orientation, early career nursing education and a range of clinical training programs co-designed and co-facilitated with family lived experience practitioners.

Monthly Family-to-Family support groups also continued to provide a safe and supportive environment for families to connect, share experiences and learn from one another.

## SAFE PATIENT CARE ACT

PYMHWS has met our obligations under the *Safe Patient Care (Nurse to Patient and Midwife to Patient Ratios) Act 2015* and has no matters to report regarding its obligations under Section 40.

## FREEDOM OF INFORMATION ACT

The *Freedom of Information Act 1982 (Vic)* provides a legally enforceable right of public access to information held by Victorian government agencies and entities. During the 2025-26 reporting period, PYMHWS processed all applications in compliance with the requirements set out in the Act.

The cost of making an FOI application in 2025-26 was $33.60. The total production costs, also referred to as access fees, vary according to the number and types of documents required. More detailed information can be found on our website, including how PYMHWS processes FOI requests.

Applications and requests for information can be made via:

### Email:

HIS@pymhws.org.au

### Postal Application:

Health Information Service

Parkville Youth Mental Health and Wellbeing Service
35 Poplar Road
Parkville 3052 Victoria

| 2025-2026 FOI Applications | |
|---|---|
| Valid applications received | 92 |
| • Solicitors | 37 |
| • Clients | 36 |
| • Other | 19 |
| FOI Outcomes | 83 |
| FOI access decisions | 83 |
| • Granted in full | 60 |
| • Granted in part | 23 |
| • Denied in full | 0 |
| • Withdrawn / not proceeded with | 0 |
| • No record[2] | 0 |
| In progress at the end of the year | 9 |

During 2025-26, PYMHWS received 92 valid FOI applications, 37 were from solicitors on behalf of clients, 36 directly from clients and 19 were from other sources.

PYMHWS made 83 FOI decisions during 2025-26, which included outcomes from applications that commenced in the previous year. There were 9 FOI applications with outstanding decisions that will be actioned in 2026-27.

Of the 83 outcomes, 72 decisions made within the statutory period of 30 days. Of the decisions made outside these timeframes, 11 were made within 45 days after mandatory extension of 14 days were agreed to by the applicants.

Of the total decisions made, 60 were granted access to the documents in full, 23 granted access in part and 0 denied access in full.

Of the requests finalised, the average number of days (including extended timeframes) to decide a request was 30 days.

During 2025-26, 2 requests were subject to a complaint or internal review by the Office of the Victorian Information Commissioner (OVIC). No requests progressed to the Victorian Civil and Administrative Tribunal.

## PUBLIC INTEREST DISCLOSURES ACT

PYMHWS complies with its obligations under the *Public Interest Disclosure Act 2012 (Vic)*, in facilitating protected disclosures made by individuals under the Act, or to those who cooperate with investigations into protected disclosures. The relevant policies and procedures are available to PYMHWS staff on the intranet.

## GENDER EQUALITY ACT

PYMHWS is committed to substantive gender equality, consistent with the intent of the *Gender Equality Act 2020 (Vic)*. The Act requires defined entities to take positive action towards workplace gender equality and to

[2] No record refers to situations where a search identified no documents that fell within the scope of the FOI request.

promote gender equality in their policies, programs and services, moving beyond compliance to drive systemic change.

As a newly established entity, PYMHWS was not required to report under the Act in the first year of operation. Rather than treat this as a pause, we used 2025-26 to lay the foundations for meaningful action ahead of our formal obligations commencing in 2026-27.

During the year we established our inaugural Diversity, Equity, Inclusion and Belonging (DEIB) Committee, providing a governance structure for gender equality alongside broader inclusion priorities. We built the workforce data systems needed to understand the demographic composition of PYMHWS, which will underpin our first workplace gender audit and evidence-based action planning. We also undertook a comprehensive overhaul of our policy environment, embedding gender equality considerations into new and reviewed policies.

In 2026-27, we will build on these foundations, including preparation of our workplace gender audit and Gender Equality Action Plan, and the application of gender impact assessments to relevant new and reviewed policies, programs and services.

## BUILDING ACT

Public health services must be compliant with the *Building Act 1993*. Parkville Youth Mental Health and Wellbeing Service does not own or control any government buildings. No works were undertaken in the reporting period that engaged the requirements of the *Building Act 1993*. Any works that are undertaken will be in compliance with the requirements of the Act.

## NATIONAL COMPETITION POLICY

PYMHWS complies with the Victorian Government's Competitive Neutrality Policy, which applies to all business activities at PYMHWS.

## LOCAL JOBS FIRST ACT

No projects undertaken by PYMHWS during 2025-26 met the threshold for Local Jobs First Policy application. As such, no Local Industry Development Plans were required or submitted.

## EMERGENCY PROCUREMENT

PYMHWS did not undertake any emergency procurement activity in 2025-26.

## PROCUREMENT COMPLAINTS

PYMHWS received no procurement complaints in 2025-26.

## CAR PARKING FEES

PYMHWS has paid car parking at the Parkville site which is operated by Melbourne Health.

# Summary of Financial Results

In the first year of operations, PYMHWS concluded the financial year with a Net Result from Transactions surplus of $4.25 million and a Net Result after other economic flows surplus of $3.89 million.

The surplus primarily reflects the establishment and growth phase of the organisation. Clinical activity increased more gradually than planned as services were stood up and transitioned, while PYMHWS received growth funding to support the delivery of new and expanded services. The phased recruitment and establishment of planned positions throughout the year also contributed to the surplus position.

The executive team, systems and structures have been established and PYMHWS will continue to focus on delivering services as outlined by the Department of Health in 2026-27.

| | 2025[3] $000 | 2026 $000 |
|---|---|---|
| **Operating Result[4]** | | **4,627** |
| Total revenue | | 98,486 |
| Total expenses | | (94,241) |
| **Net result from transactions** | | **4,245** |
| Total other economic flows | | (354) |
| **Net result** | | **3,891** |
| | | |
| Total assets | | 51,108 |
| Total liabilities | | (46,352) |
| **Net assets/Total equity** | | **4,756** |

[3] *Until 1 July 2025, PYMHWS was the Orygen Specialist Program operating within the governance of Melbourne Health as a program of specialised mental health services. 2025-26 was its first year of operation.*

[4] *The Operating Result is the result for which PYMHWS is monitored in our Statement of Priorities.*

**Reconciliation of Net Result and Operating Result**

| | 2025-26 $000 |
|---|---|
| **Operating Result** | **4,627** |
| Capital purpose income | 236 |
| Expenditure for capital purpose | (11) |
| Depreciation and amortisation | (607) |
| **Net result from transactions** | **4,245** |
| Net gain/(loss) on non-financial assets | (597) |
| Other gains/(losses) from other economic flows | 243 |
| **Net result** | **3,891** |

## CONSULTANCIES UNDER $10,000

In 2025-26, there was 1 consultancy where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2025-26 in relation to this consultancy is $9,500 (excl. GST).

## CONSULTANCIES OVER $10,000

In 2025-26, there were 4 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 $98,588 (excl. GST). Details of these consultancies can be viewed below.

| Consultant | Purpose of consultancy | Start date | End date | Total approved project fee (excluding GST) | Expenditure 2025-26 (excluding GST) | Future expenditure (excluding GST) |
|---|---|---|---|---|---|---|
| The Trustee For Foursight Architects Unit Trust | Parkville YPARC Building Conditions Asset Report | Dec-25 | Apr-26 | $34,065 | $30,900 | |
| Dench McClean Carlson Pty Ltd | Probity Advisor Services for YPARC Wellbeing Tender | Jan-26 | Aug-26 | $25,438 | $23,488 | $1,950 |
| Human Factors Innovation Pty Ltd | Psychosocial Risk Assessment | Jun-26 | Oct-26 | $62,400 | $31,200 | $31,200 |
| People Diagnostix Pty Ltd | Psychosocial Risk Assessment | Feb-26 | Feb-26 | $13,000 | $13,000 | |

## ICT EXPENDITURE

For the 2025-26 reporting period, PYMHWS had a total ICT expenditure of $3.8 million, with the details shown below.

| Business as Usual (BAU) ICT expenditure $'000 | Non-Business as Usual (non-BAU) ICT expenditure $'000 | | |
|---|---|---|---|
| Total (excluding GST) | Total = Operational expenditure and Capital expenditure (excluding GST) | Operational expenditure (excluding GST) | Capital expenditure (excluding GST) |
| 3,795 | 27 | - | 27 |

## REVIEWS AND STUDIES EXPENDITURE

PYMHWS has no reviews or study expenditures to disclose. PYMWHS works with research partners to provide access to systems and consumer data for the purpose of research but does not conduct this research within the organisation.

## GRANTS AND TRANSFER PAYMENTS

PYMHWS did not administer any grants or transfer payments in 2025-26.

## SOCIAL PROCUREMENT FRAMEWORK

PYMHWS has not developed a Social Procurement Framework as the yearly procurement activity for PYMHWS is under the $10 Million threshold.

PYMHWS follows HealthShare Victoria and Buying for Victoria guidelines for all procurement activities.

# Environmental Performance

PYMHWS is committed to reducing the environmental impact of healthcare and embedding sustainable practices across the organisation.

As a newly established public health service, PYMHWS is continuing to develop environmental data collection and reporting arrangements. Historically, environmental reporting for services now operated by PYMHWS was managed through Melbourne Health, and several PYMHWS services continue to operate from shared sites under collaborative agreements with other health service providers. These arrangements mean that some environmental data cannot yet be reliably separated or attributed to PYMHWS for the 2025-26 reporting period.

During 2026-27, PYMHWS will continue to mature environmental reporting capability, including Electricity Consumption and Generation, Stationary Fuel Use, Building Infrastructure Sustainability Sustainable Procurement through our HealthShare Victoria and Melbourne Health partnerships and Recycling and Waste management through our providers, to establish more consistent collection, attribution and monitoring of environmental performance data.

# Reporting against the Statement of Priorities

## PART A – ALIGNMENT WITH THE DEPARTMENT OF HEALTH STRATEGIC PLAN

| **Innovate and improve access and care** | |
|---|---|
| *We aim for the best patient experience and care outcomes by assuring safe practice, leadership of safety, an engaged and capable workforce, and continuing to improve and innovate care.* | |
| **Goal** | |
| Align with the Victorian Clinical Governance Framework to strengthen clinical governance systems, ensuring safe, high-quality care. | |
| **Deliverables** | **Achievements and outcomes** |
| Develop local clinical governance arrangements and regularly evaluate clinical governance outcomes to inform continuous improvement. | **Status: Ongoing**<br>**Commentary:** PYMHWS strengthened its clinical governance framework through enhanced quality, safety and risk systems, including the implementation of RiskMan, our incident management platform, and expanded governance capability. Successful interim and full accreditation assessments, together with a clinical governance maturity review undertaken with the Parkville Local Health Service Network, demonstrated strong progress in embedding a culture of quality, safety and continuous improvement. |
| Develop and implement processes that promote open communication, reporting risks or harm, fostering psychological safety, and ensuring all feedback is acknowledged and addressed, regardless of the outcome. | **Status: Ongoing**<br>**Commentary:** Multiple mechanisms are in place to capture and respond to feedback from consumers, their families, staff and partner organisations, supporting continuous improvement across the service. These include RiskMan, consumer experience surveys, online and paper-based feedback channels, and the Respect X reporting system for psychosocial safety. |
| Health service leadership will implement processes in alignment with the Victorian Safety Culture Guide. | **Status: Ongoing**<br>**Commentary:** PYMHWS continued to strengthen the safety culture by embedding clear governance, leadership accountability and processes that support staff to speak up, report concerns and learn from incidents. This work is building a culture of openness, continuous learning and shared responsibility for safe and high-quality care. |
| **Goal** | |
| Improve access to timely emergency care by implementing system-wide patient flow strategies that reduce emergency department wait times. | |
| **Deliverables** | **Achievements and outcomes** |

| | |
|---|---|
| Implement initiatives that support timely discharge of patients to appropriate settings to improve timely patient access to care. | **Status: Ongoing**<br>**Commentary:** PYMHWS strengthened access and continuity of care by expanding community-based services and improving pathways between inpatient, residential and community settings. The establishment of the Pathways Care Team and the transition of governance for Parkville YPARC have enhanced service flow and supported more timely access to the right care at the right time. |

| **Goal** |
|---|
| Support the implementation of the "Next Phase of Reform" to deliver inclusive, personalised, compassionate, integrated care, for mental health and wellbeing. |

| **Deliverables** | **Achievements and outcomes** |
|---|---|
| Participate in mental health reform: Implement mental health services per department guidelines and engage in reform related initiatives to improve access to community mental health services, crisis reforms, headspace integration, youth and adolescent inpatient care, catchment removal as well as infant, child and youth age streaming. | **Status: Ongoing**<br>**Commentary:** PYMHWS continued to deliver key mental health reform initiatives, expanding access to specialist youth mental health services and improving continuity of care. Major milestones included the commencement of the removal of the two-year limit on care, extending services to young people aged 12 to 14 years, and transitioning governance of Parkville YPARC. |
| Progress partnerships, whether through a formal partnership, MoU or exchange of letters, with local community based mental health services (including Mental Health and Wellbeing Locals, Headspace and other local NGO providers) and deliver initiatives that align with the objectives of the Mental Health and Wellbeing Act 2022, and in accordance with the priorities outlined in Victoria's next phase of reform for Mental Health and Wellbeing. | **Status: Ongoing**<br>**Commentary:** PYMHWS continued to strengthen partnerships across the health and community sector to improve access, integration and continuity of care for young people. This included ongoing collaboration and co-location with headspace and ongoing partnerships with Orygen National, Melbourne Health, Royal Children's Hospital, Western Health, Bayside Health, Mind Australia and more. |

## Prudent, sustainable and effective use of resources

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

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

| **Deliverables** | **Achievements and outcomes** |
|---|---|
| Deliver the key initiatives outlined in the Budget Action Plan within Government parameters. | **Status: Ongoing**<br>**Commentary:** PYMHWS continues to strengthen the development and implementation of initiatives to strengthen financial sustainability. Moving into the second year of operations, PYMHWS will closely |

| | |
|---|---|
| | monitor financial performance and implement organisation wide processes to build on financial capability developed through our transition year. |
| Utilise data analytics and performance metrics to identify areas of inefficiency and waste and make evidence-based decisions to improve financial sustainability and operational performance. | **Status: Ongoing**<br>**Commentary:** PYMHWS continues to strengthen the use of data analytics and performance metrics to enhance reporting on operational performance. In our second year, PYMHWS expects to consolidate outcomes from our transition year and implement a more robust reporting matrix to improve both financial suitability and operational performance. |
| Use funding efficiently and effectively to optimise patient facing services. Undertake programs to reduce the cost of service delivery, improve safety, capacity and reduce unnecessary waiting. | **Status: Ongoing**<br>**Commentary:** PYMHWS continues to strengthen our approach in utilising funding efficiently and effectively. In a transition year, PYMHWS has adopted a considered approach to utilising funding with young people at the centre of our operations. |

## A stronger workforce

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

**Goal**

Position Victoria as a leader in employee experience, capability and capacity by focusing on future roles and professional development and continue to support implementation of initiatives to build and retain mental health workforce.

| Deliverables | Achievements and outcomes |
|---|---|
| Implement processes to sustain workforce supply and fulfill obligations, including those under the *Gender Equality Act 2020* by improving employee experience in leadership, health and safety, flexibility, career development, and agility to ensure safe, high-quality care. | **Status: Ongoing**<br>**Commentary:** PYMHWS strengthened the workforce foundations required to support a growing public health service through improved governance, workforce planning and employee experience initiatives. Key achievements included enhancing workforce reporting, establishing the Diversity, Equity, Inclusion and Belonging Committee, introducing Respect X, and progressing leadership, learning and flexible working initiatives to support a safe, inclusive and high-performing workforce. |
| Collaborate with the department to improve workforce data analytics, generate actionable insights, and enhance strategic planning. | **Status: Complete**<br>**Commentary:** PYMHWS strengthened workforce data and reporting to support informed decision-making and long-term workforce planning. Improvements to workforce analytics, reporting and organisational data within SuccessFactors have enhanced executive oversight and established a stronger foundation for strategic workforce planning and gender equality reporting. |

| Improving Aboriginal health and wellbeing | |
|---|---|
| *Strengthen cultural safety in Victoria's health service system by fostering strong connections to Aboriginal culture, creating a holistic, accessible, and empowering health system.* | |
| **Goal** | |
| Enhance Delivery and Access to Culturally Safe Services, fostering strong connections to culture. Address racism and provide Aboriginal people with culturally safe healthcare and referral pathways between mainstream and community-controlled health services. | |
| **Deliverables** | **Achievements and outcomes** |
| Deliver high-quality cultural safety training to all executives and staff using independent, expert, community-controlled organisations or a registered Aboriginal business. | **Status: In progress**<br>**Commentary:** PYMHWS continued to strengthen cultural safety capability across the organisation through Community-led learning and workforce development initiatives. During the year, executive leaders committed to tailored cultural safety workshops, while work progressed through the First Nations Working Group and Reflect Reconciliation Action Plan to embed a sustainable, organisation-wide approach to cultural safety training. |
| Health services actively and regularly engage with Aboriginal community-controlled organisations or Aboriginal leaders in local catchments about the health and wellbeing needs of the Community. | **Status: In progress**<br>**Commentary:** PYMHWS continued to strengthen relationships with Aboriginal communities through collaborative partnerships that support culturally informed service planning and design. This includes ongoing work with Victoria University and Orygen National to redesign the Wyndham site garden, with the project being shaped through engagement with local First Nations Community members. |
| Ensure culturally appropriate systems for identifying Aboriginal and Torres Strait Islander patients and implement responsive discharge plans and referral pathways. | **Status: In progress**<br>**Commentary:** PYMHWS continued to strengthen culturally responsive care by improving the identification of Aboriginal and Torres Strait Islander young people and embedding culturally safe practices across the service. This included reviewing identification processes through the Reflect Reconciliation Action Plan, reintroducing the 'Ask the Question' learning module, and expanding support provided by the Aboriginal Mental Health Liaison team throughout a young person's care journey. |

| Moving from competition to collaboration |
|---|
| *We are committed to transforming Victoria's health system by partnering with care providers and health services to share knowledge, information, and resources.* |
| **Goal** |

| Collaborate within the Local Health Service Network to build a more integrated health system, with better access and experience for patients, strengthened workforce, consistently high-quality care, and more sustainable healthcare delivery. | |
|---|---|
| **Deliverables** | **Achievements and outcomes** |
| As a newly established Youth Mental Health and Well Being Services, PYMHWS will engage in research partnership within the Parkville Local Health Service Network and with Orygen National to improve mental health and wellbeing for young people | **Status: Ongoing**<br>**Commentary:** PYMHWS continued to strengthen research and innovation through strategic partnerships across the Parkville Local Health Service Network (LHSN) and with Orygen National. Key initiatives included establishing a dedicated Research Office, contributing to the LHSN's Clinical Services Plan and collaborating on an Artificial Intelligence strategy to support future models of care and knowledge translation. |

# PART B – PERFORMANCE PRIORITIES

## High quality and safe care

| Key Performance Measure | Target | Result |
|---|---|---|
| **Infection prevention and control** | | |
| Percentage of healthcare workers immunised for influenza | 94% | 99% |
| **Adverse events** | | |
| Percentage of reported sentinel events for which a root cause analysis (RCA) report was submitted within 30 business days from notification of the event | All RCA reports submitted within 30 business days | There were no RCA reports in 2025-26 |
| **Patient experience** | | |
| Percentage of patients who reported positive experiences of their hospital stay | 95% | 79% |
| **Mental health** | | |
| **Mental health Patient Experience** | | |
| Percentage of consumers who rated their overall experience with a service in the last three months as positive | 80% | 67.7% |
| Percentage of families/carers reporting a 'very good' or 'excellent' overall experience of the service | 80% | 54.2% |
| Percentage of families/carers who report they 'always' or 'usually' felt their opinions as a carer were respected | 90% | 76.7% |
| Percentage of mental health consumers reporting they 'usually' or 'always' felt safe using this service | 90% | 80% |
| **Mental Health follow-ups, readmissions, and seclusions** | | |

| | | |
|---|---|---|
| Percentage of consumers followed up within 7 days of separation – Inpatient | 88% | 90% |
| Percentage of consumers re-admitted within 28 days of separation – inpatient | < 14% | 15% |
| Rate of seclusion episodes per 1,000 bed days – inpatient | ≤ 6 | 2.4 |

## Strong governance, leadership, and culture

| Key Performance Measure | Target | Result |
|---|---|---|
| **Organisational culture** | | |
| People matter survey – Percentage of staff with an overall positive response to safety culture survey questions | 80% | PYMHWS did not participate in the people matter survey in 2025-26[5] |

## Timely access to care

| Key Performance Measure | Target | Result |
|---|---|---|
| Number of admitted mental health occupied bed days | 9,084 | 9,000 |
| Number of Community Service Hours | 74,904 | 68,685 |

## Effective financial management

| Key Performance Measure | Target | Result |
|---|---|---|
| Operating result ($M) | 0.00 | 4.63 |
| Adjusted current asset ratio | 0.7 or 3% improvement from health service base target | 1.38 |
| Variance between the forecast and actual operating result (OR) as a percentage of the forecast OR for the current financial year ending 30 June | 5% movement in forecast revenue and expenditure forecasts | Not achieved |

[5] PYMHWS was not set up to participate in the People Matter Survey in 2025-26. The first participation in the People Matter Survey will commence in 2026-27.

## PART C – ACTIVITY AND FUNDING

| Funding type | 2025-26 activity achievement |
|---|---|
| **Consolidated Activity Funding** | |
| Acute admitted, subacute admitted, emergency services, non-admitted NWAU | 2,015 |
| Community mental health NWAU | 6,342 |
| **Acute admitted** | |
| Other admitted | N/A |
| **Mental Health and Drug Services** | |
| Mental health ambulatory | 6,918 |
| Mental health inpatient – available bed days (non NWAU) | N/A |
| Mental health service system capacity | N/A |
| Mental health workforce | 2 |
| Mental health other | N/A |
| **Primary Health** | |
| Community health / primary care programs | N/A |
| **Other** | |
| Other specified funding | N/A |

# Attestations and Declarations

## FINANCIAL MANAGEMENT COMPLIANCE DECLARATION

I, Cath Bowtell, on behalf of the Responsible Body, certify that the Parkville Youth Mental Health and Wellbeing Service has the following Material Compliance Deficiencies with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

**Direction 3.2.2.1 – Internal Audit – function**
**Direction 3.2.2.2 – Internal Audit – Responsibilities**

**Summary of reasons and circumstances**

An internal audit function was not established during the reporting year. The appointment of internal auditors was not finalised until June 2026.

**Planned and completed remedial actions**

The procurement process to appoint an internal auditor commenced during the year. An internal auditor was appointed in June 2026, with the internal audit function commencing in September 2026. An internal audit plan will be developed and implemented for 2026-27.



**Cath Bowtell**
Board Chair
Parkville Youth Mental Health and Wellbeing Service
21 October 2026

## DATA INTEGRITY DECLARATION

I, John Ferraro, certify that the Parkville Youth Mental Health and Wellbeing Service has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. The Parkville Youth Mental Health and Wellbeing Service has critically reviewed these controls and processes during the year.



**John Ferraro**
Interim Chief Executive Officer
Parkville Youth Mental Health and Wellbeing Service
21 October 2026

## CONFLICT OF INTEREST DECLARATION

I, John Ferraro, certify that the Parkville Youth Mental Health and Wellbeing Service has put in place appropriate internal controls and processes to ensure that it has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC.

Declaration of private interest forms have been completed by all executive staff within Parkville Youth Mental Health and Wellbeing Service and members of the board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive and board meeting.



**John Ferraro**
Interim Chief Executive Officer
Parkville Youth Mental Health and Wellbeing Service
21 October 2026

## INTEGRITY, FRAUD AND CORRUPTION DECLARATION

I, John Ferraro, certify that the Parkville Youth Mental Health and Wellbeing Service has put in place appropriate internal controls and processes to ensure that Integrity, fraud, and corruption risks have been reviewed and addressed at the Parkville Youth Mental Health and Wellbeing Service during the year.



**John Ferraro**
Interim Chief Executive Officer
Parkville Youth Mental Health and Wellbeing Service
21 October 2026

## ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK

I, Jennifer Lang, on behalf of the Responsible Body, certify that the Parkville Youth Mental Health and Wellbeing Service complies with the mandatory requirements of the Asset Management Accountability Framework (AMAF).



**Jennifer Lang**
Audit, Finance and Risk Committee Chair
21 October 2026

## COMPLIANCE WITH HEALTHSHARE VICTORIA PURCHASING POLICIES

I, John Ferraro, on behalf of Parkville Youth Mental Health and Wellbeing Service, certify that Parkville Youth Mental Health and Wellbeing Service has no material compliance deficiency with respect to the HSV Purchasing Policies as required by the *Health Services Act 1988 (Vic)*. While instances of non-material non-compliance have been identified during the reporting period, Parkville Youth Mental Health and Wellbeing Service has an agreement in place with HealthShare Victoria to address and rectify these issues. These instances do not constitute material non-compliance and have not had a significant impact on procurement governance or operational integrity. Parkville Youth Mental Health and Wellbeing Service has implemented appropriate internal controls, which have been critically reviewed throughout the year.



**John Ferraro**
Interim Chief Executive Officer
Parkville Youth Mental Health and Wellbeing Service
21 October 2026

# Additional 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 health service and are available on request to the relevant Ministers, Members of Parliament and the public, subject to the provisions of the *Freedom of Information Act 1982.*

(a) a statement that declarations of pecuniary interests have been duly completed by all relevant officers;

(b) details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;

(c) details of publications produced by the entity about itself, and how these can be obtained;

(d) details of changes in prices, fees, charges, rates, and levies charged by the entity;

(e) details of any major external reviews carried out on the entity;

(f) details of major research and development activities undertaken by the entity;

(g) details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;

(h) details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services;

(i) details of assessments and measures undertaken to improve the occupational health and safety of employees;

(j) a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;

(k) a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and

(l) details of all consultancies and contractors including:

consultants/contractors engaged;

services provided; and

expenditure committed to for each engagement

This information is available on request from:

Director, Governance and Risk
**Phone**: (03) 9966 9100
**Email**: info@pymhws.org.au

# Disclosure Index

The annual report of the Parkville Youth Mental Health and Wellbeing Service is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of compliance with statutory disclosure requirements.

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[6] 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.

[7] Refer to the Model financial statements section (Part two) for further details.

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[8] Refer to the Model financial statements section (Part two) for further details.

# Parkville Youth Mental Health and Wellbeing Service Financial Report 2025 – 26

## HOW THIS REPORT IS STRUCTURED

Parkville Youth Mental Health and Wellbeing Service (PYMHWS) has presented its audited Tier 2 general-purpose financial statements for the financial year ended 30 June 2026 in the following structure, to provide users with the information about PYMHWS' stewardship of resources entrusted to it.

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## BOARD MEMBER'S, ACCOUNTABLE OFFICER'S AND CHIEF FINANCE OFFICER'S DECLARATION

The attached financial statements for the Parkville Youth Mental Health and Wellbeing Service (PYMHWS) 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, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2026 and financial position of PYMHWS 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 21 October 2026.



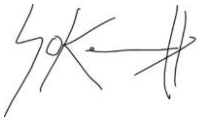
**Ms Cath Bowtell**
Board Chair

21 October 2026



**Mr John Ferraro**
Interim Chief Executive Officer

21 October 2026



**Mr Scott O'Keeffe**
Chief Financial Officer

21 October 2026

# INDEPENDENT AUDITOR'S REPORT

## Independent Auditor's Report

Victorian Auditor-General's Office

***To the Board of Parkville Youth Mental Health and Wellbeing Service***

| | |
|---|---|
| **Opinion** | I have audited the financial report of Parkville Youth Mental Health and Wellbeing Service (the health service) which comprises the:<br>• balance sheet as at 30 June 2026<br>• comprehensive operating statement for the year then ended<br>• statement of changes in equity for the year then ended<br>• cash flow statement for the year then ended<br>• notes to the financial statements, including material accounting policy information<br>• board member's, accountable officer's and chief finance officer's declaration.<br>In my opinion the financial report presents fairly, in all material respects, the financial position of the health service 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 Australian Accounting Standards – Simplified Disclosures. |
| **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.<br>My independence is established by the *Constitution Act 1975.* My staff and I are independent of the health service 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.<br>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. |
| **Board's responsibilities for the financial report** | The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the *Financial Management Act 1994*, and for such internal control as the Board 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.<br>In preparing the financial report, the Board is responsible for assessing the health service'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

**Auditor's responsibilities for the audit of the financial report**

As required by the *Audit Act 1994,* my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the health service's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- conclude on the appropriateness of the Board'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 health service'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 health service 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 Board 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
21 October 2026

Simone Bohan
*as delegate for the Auditor-General of Victoria*

# Comprehensive Operating Statement

**Parkville Youth Mental Health and Wellbeing Service**

For the financial year ended 30 June 2026

| | Note | 2026 $'000 |
|---|---|---|
| **Revenue and income from transactions** | | |
| Revenue from contracts with customers | 2.1(a) | 57,354 |
| Government Grants | 2.1(b) | 36,288 |
| Other sources of income | 2.1(c) | 4,844 |
| **Total revenue and income from transactions** | | **98,486** |
| | | |
| **Expenses from transactions** | | |
| Employee expenses | 3.1(a) | (81,792) |
| Supplies and consumables | 3.1(c) | (1,617) |
| Depreciation and amortisation | 4.1(a), 4.2 | (607) |
| Other operating expenses | 3.1(d) | (10,225) |
| **Total Expenses from transactions** | | **(94,241)** |
| | | |
| **Net result from transactions - net operating balance** | | **4,245** |
| | | |
| **Other economic flows included in net result** | | |
| Net gain/(loss) on sale of non-financial assets | | (597) |
| Other gain/(loss) from other economic flows | | 243 |
| **Total other economic flows included in net result** | | **(354)** |
| | | |
| **Net result** | | **3,891** |
| | | |
| **Other economic flows - other comprehensive income** | | |
| **Items that will not be reclassified to net result** | | |
| Changes in property, plant and equipment revaluation surplus | | - |
| **Total other comprehensive income** | | **-** |
| | | |
| **Comprehensive result** | | **3,891** |

This Statement should be read in conjunction with the accompanying notes.

# Balance Sheet

## Parkville Youth Mental Health and Wellbeing Service

As at 30 June 2026

| | Note | 2026 $'000 |
|---|---|---|
| **Financial assets** | | |
| Cash and cash equivalents | 6.2 | 41,259 |
| Receivables | 5.1 | 2,242 |
| **Total financial assets** | | **43,501** |
| | | |
| **Non-financial assets** | | |
| Prepayments | | 79 |
| Property, plant and equipment | 4.1 | 7,528 |
| **Total non-financial assets** | | **7,607** |
| | | |
| **Total assets** | | **51,108** |
| | | |
| **Liabilities** | | |
| Payables | 5.2 | 22,006 |
| Borrowings | 6.1 | 7,491 |
| Employee benefits | 3.1(b) | 16,855 |
| **Total liabilities** | | **46,352** |
| | | |
| **Net assets** | | **4,756** |
| | | |
| **Equity** | | |
| Contributed capital | | 865 |
| Accumulated surplus/(deficit) | | 3,891 |
| **Total equity** | | **4,756** |

This Statement should be read in conjunction with the accompanying notes.

# Cash Flow Statement

**Parkville Youth Mental Health and Wellbeing Service**

For the financial year ended 30 June 2026

| | Note | 2026 $'000 |
|---|---|---|
| **Cash Flows from operating activities** | | |
| Receipts from Government | | 104,282 |
| Other receipts | | 7,019 |
| **Total receipts** | | **111,301** |
| | | |
| Payments to employees | | (72,556) |
| Payments for supplies and consumables | | (966) |
| GST paid to ATO | | (195) |
| Other payments | | (9,655) |
| **Total payments** | | **(83,372)** |
| | | |
| **Net cash flows from/(used in) operating activities** | | **27,929** |
| | | |
| **Cash Flows from investing activities** | | |
| Proceeds from sale of non-financial assets | | 57 |
| Purchase of non-financial assets | | (47) |
| **Net cash flows from/(used in) investing activities** | | **10** |
| | | |
| **Cash flows from financing activities** | | |
| Capital contribution | | 13,700 |
| Repayment of borrowings and principal portion of lease liabilities | | (380) |
| **Net cash flows from/(used in) financing activities** | | **13,320** |
| | | |
| **Net increase/(decrease) in cash and cash equivalents held** | | **41,259** |
| Cash and cash equivalents at beginning of year | | - |
| **Cash and cash equivalents at end of year** | 6.2 | **41,259** |

This Statement should be read in conjunction with the accompanying notes.

# Statement of Changes in Equity

**Parkville Youth Mental Health and Wellbeing Service**

For the financial year ended 30 June 2026

| | Note | Contributed Capital $'000 | Accumulated Surplus/(Deficit) $'000 | Total $'000 |
|---|---|---|---|---|
| **Balance at 30 June 2025** | | **-** | **-** | **-** |
| Net result for the year | | - | 3,891 | 3,891 |
| Other comprehensive income for the year | | - | - | - |
| Capital contribution | | 4 | - | 4 |
| Transfer via Administrative Arrangements Orders | 8.7 | 861 | - | 861 |
| **Balance at 30 June 2026** | | **865** | **3,891** | **4,756** |

This Statement should be read in conjunction with the accompanying notes.

# Notes to the Financial Statements

**Parkville Youth Mental Health and Wellbeing Service**

**For the Financial Year Ended 30 June 2026**

## Note 1. About this report

### Structure

**1.1 Basis of preparation**
**1.2 Material Accounting estimates and judgements**
**1.3 Reporting entity**
**1.4 Economic dependency**

The Parkville Youth Mental Health and Wellbeing Service (PYMHWS) is established as a public health service on 1 July 2025 under the *Health Services Act 1988 (Vic)* and is a designated mental health service under the *Mental Health and Wellbeing Act 2022 (Vic)*.

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.

### Note 1.1 Basis of preparation

PYMHWS is established on 1 July 2025. Accordingly, these are the entity's first financial statements and cover the period from 1 July 2025 to 30 June 2026.

As the entity did not exist prior to 1 July 2025, there is no prior reporting period and no comparative information is presented in these financial statements.

These financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and Financial Reporting Direction 101 *Application of Tiers of Australian Accounting Standards* (FRD 101).

These general purpose financial statements have been prepared in accordance with the FMA and applicable Australian Accounting Standards (AASs), which include interpretations, issued by the Australian Accounting Standards Board (AASB).

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure 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.

The accrual basis of accounting has been applied in preparing these financial statements, 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 PYMHWS.

The financial statements have been prepared on a going concern basis (refer to Note 1.4 Economic Dependency).

The financial statements are presented in Australian dollars.

The amounts presented in the financial statements have been rounded to the nearest thousand dollars. Minor discrepancies in tables between totals and sum of components are due to rounding.

The annual financial statements were authorised for issue by the Board of PYMHWS on 21 October 2026.

## Note 1.2 Material accounting estimates and judgements

Management makes estimates and judgements when preparing the financial statements.

These estimates and judgements are based on historical knowledge and the best available current information and assume any reasonable expectation of future events. Actual results may differ.

Revisions to estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

The material accounting judgements and estimates used, and any changes thereto, are disclosed within the relevant accounting policy.

## Note 1.3 Reporting entity

The financial statements include all the controlled activities of PYMHWS.

PYMHWS's principal address is:

35 Poplar Road
Parkville
Victoria 3052

## Note 1.4 Economic dependency

PYMHWS is a public health service governed and managed in accordance with the *Health Services Act 1988* and its results form part of the Victorian General Government consolidated financial position. PYMHWS provides essential services and is predominantly dependent on the continued financial support of the State Government, particularly the Department of Health, and the Commonwealth funding via the National Health Reform Agreement (NHRA). The State of Victoria plans to continue PYMHWS's operations and on that basis, the financial statements have been prepared on a going concern basis.

# Note 2. Funding delivery of our services

## Introduction

PYMHWS' overall objective is to deliver high-quality, accessible, and developmentally appropriate care that helps young people manage mental health challenges, minimize long-term impacts, and get their lives back on track.

PYMHWS predominantly receives income (grants) for the provision of health service outputs. PYMHWS also receives income from the supply of services.

## Structure

**2.1 Revenue and income from transactions**

## Note 2.1 Revenue and income from transactions

| | Note | 2026 $'000 |
|---|---|---|
| Revenue from contracts with customers | 2.1(a) | 57,354 |
| Government grants | 2.1(b) | 36,288 |
| Other sources of income | 2.1(c) | 4,844 |
| **Total revenue and income from transactions** | | **98,486** |

## Note 2.1(a) Revenue from contracts with customers

| | 2026 $'000 |
|---|---|
| Government grants (State) - Operating | 56,364 |
| Private practice fees | 990 |
| **Total revenue from contracts with customers** | **57,354** |

### How we recognise revenue from contracts with customers

**Government grants**

Revenue from government operating grants that are enforceable and contain sufficiently specific performance obligations are accounted for as revenue from contracts with customers under AASB 15.

In contracts with customers, the 'customer' is typically the funding body, who is the party that promises funding in exchange for PYMHWS's goods or services. PYMHWS funding bodies often direct that goods or services are to be provided to third party beneficiaries, including individuals or the community at large. In such instances, the customer remains the funding body that has funded the program or activity, however the delivery of goods or services to third party beneficiaries is a characteristic of the promised good or service being transferred to the funding body.

This policy applies to each of PYMHWS's revenue streams, with information detailed below relating to PYMHWS's material revenue streams:

| Government grant | Performance obligation |
|---|---|
| Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU) | NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid.<br><br>The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity.<br><br>Revenue is recognised at point in time, which is when a patient is discharged.<br><br>The DH and PYMWHS have reconciled revenue to be recognised and have provided the appropriate activity data for confirmation. |

### Patient and resident fees

Patient and resident fees are charges incurred by patients for services they receive. Patient and resident fees are recognised under AASB 15 at a point in time when the performance obligation, the provision of services, is satisfied, except where the patient and resident fees relate to accommodation charges. Accommodation charges are calculated daily and are recognised over time, to reflect the period accommodation is provided.

### Private practice fees

Private practice fees include recoupments from various private practice organisations for the use of hospital facilities. Private practice fees are recognised over time as the performance obligation, the provision of facilities, is provided to customers.

## Note 2.1(b) Government grants

| | 2026<br>$'000 |
|---|---|
| Government grants (State) - Operating | 36,119 |
| Government grants (State) - Capital | 169 |
| **Total Government grants** | **36,288** |

### How we recognise Government grants

### Government grants

PYMHWS recognises income of not-for-profit entities under AASB 1058 where it has been earned under arrangements that are either not enforceable or linked to sufficiently specific performance obligations.

Income from grants without any sufficiently specific performance obligations or that are not enforceable, is recognised when PYMHWS has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition or the asset, PYMHWS recognises any related contributions by owners, increases in liabilities, decreases in assets or revenue (related amounts) in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- contributions by owners, in accordance with AASB 1004 *Contributions*;
- revenue or contract liability arising from a contract with a customer, in accordance with AASB 15;
- a lease liability in accordance with AASB 16 *Leases*;
- a financial instrument, in accordance with AASB 9 *Financial Instruments*; or
- a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

### Capital grants

Where PYMHWS receives a capital grant it recognises a liability, equal to the financial asset received less amounts recognised under other Australian Accounting Standards.

Income is recognised in accordance with AASB 1058 progressively as the asset is constructed which aligns with PYMHWS's obligation to construct the asset. The progressive percentage of costs incurred is used to recognise income, as this most accurately reflects the stage of completion.

### Non-cash contributions from the Department of Health

The DH makes some payments on behalf of PYMHWS as follows:

| Supplier | Description |
|---|---|
| Victorian Managed Insurance Authority | The Department of Health purchases non-medical indemnity insurance for PYMHWS which is paid directly to the Victorian Managed Insurance Authority. To record this contribution, such payments are recognised as income with a matching expense in the net result from transactions. |
| Department of Health | Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements with the DH. |
| Victorian Health Building Authority | The Department of Health made payments to the Victorian Health Building Authority to fund capital works projects during the year ended 30 June 2026, on behalf of PYMHWS. |

## Note 2.1(c) Other sources of income

| | Note | 2026 $'000 |
|---|---|---|
| Other capital purpose income | | 67 |
| Other income from operating activities | | 3,337 |
| Income from non-operating activities | | 1,440 |
| **Total other sources of income** | | **4,844** |

# Note 3. The cost of delivering our services

This section provides an account of the expenses incurred by the health service in delivering services and outputs. In Section 2, the funds that enable the provision of services were disclosed and in this note the costs associated with the provision of services are disclosed.

## Structure

**3.1 Expenses incurred in the delivery of services**

## Note 3.1 Expenses incurred in the delivery of services

| | Note | 2026 $'000 |
|---|---|---|
| Employee expenses | 3.1(a) | 81,792 |
| Supplies and consumables | 3.1(c) | 1,617 |
| Other operating expenses | 3.1(d) | 10,225 |
| **Total expenses incurred in the delivery of services** | | **93,634** |

## Note 3.1(a) Employee expenses

| | 2026 $'000 |
|---|---|
| Salaries and wages | 68,953 |
| Superannuation expense [(1)] | 7,171 |
| Agency expenses | 5,668 |
| **Total employee expenses** | **81,792** |

[(1)] Defined contribution superannuation expense and defined benefit superannuation expense have been combined.

### How we recognise employee expenses

Employee expenses include salaries and wages, leave entitlements, termination payments, WorkCover payments and agency expenses.

The amount recognised 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.

## Note 3.1(b) Employee-related provisions

| | 2026 $'000 |
|---|---|
| **Current provisions for employee benefits** | |
| Accrued days off | 378 |
| Annual leave | 5,921 |
| Long service leave | 6,662 |
| Provision for on-costs | 1,672 |
| **Total current provisions for employee benefits** | **14,633** |
| | |
| **Non-current provisions for employee benefits** | |
| Long service leave | 1,952 |
| Provision for on-costs | 270 |
| **Total non-current provisions for employee benefits** | **2,222** |
| | |
| **Total provisions for employee benefits** | **16,855** |

### How we recognise employee-related provisions

Employee related provisions are accrued for employees in respect of accrued days off, annual leave and long service leave, for services rendered to the reporting date.

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 Statement of Comprehensive Income as sick leave is taken.

**Annual leave and accrued days off**

Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as current liabilities because PYMHWS does not have an unconditional right to defer settlement of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for annual leave and accrued days off are measured at:

- nominal value – if PYMHWS expects to wholly settle within 12 months or
- present value – if PYMHWS does not expect to wholly settle within 12 months.

**Long service leave**

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

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where the PYMHWS 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. An unconditional right arises after a qualifying period.

The components of this current LSL liability are measured at:

- nominal value – if PYMHWS expects to wholly settle within 12 months or
- present value – if PYMHWS does not expect to wholly settle within 12 months.

Conditional LSL is measured at present value and is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

### Provisions

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.

## Note 3.1(c) Supplies and consumables

| | 2026 $'000 |
|---|---|
| Drug supplies | 702 |
| Medical and surgical supplies (including Prostheses) | 91 |
| Diagnostic and radiology supplies | 55 |
| Other supplies and consumables | 769 |
| **Total supplies and consumables** | **1,617** |

### How we recognise supplies and consumables

Supplies and consumable costs are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when distributed.

## Note 3.1(d) Other operating expenses

| | 2026 $'000 |
|---|---|
| Fuel, light, power and water | 188 |
| Repairs and maintenance | 216 |
| Maintenance contracts | 22 |
| Other administration expenses | 9,603 |
| Finance costs | 196 |
| **Total other operating expenses** | **10,225** |

### How we recognise other operating expenses

#### Expense recognition

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

#### Other operating expenses

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

A significant portion of other administration expenses relates to service agreements with Melbourne Health (Royal Melbourne Hospital) for the provision of shared services.

The DH also makes certain payments on behalf of PYMHWS. These amounts have been brought to account in determining the operating result for the year, by recording them as revenue (Refer to Note 2.1(b)) and recording a corresponding expense.

# Note 4. Key assets to support service delivery

PYMHWS 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 PYMHWS to be utilised for delivery of services.

**Significant judgement – Fair value measurement**

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

## Structure

**4.1 Property, plant and equipment**
**4.2 Depreciation and amortisation**

## Note 4.1 Property, plant and equipment

| | Gross carrying amount 2026 $'000 | Accumulated depreciation 2026 $'000 | Net carrying amount 2026 $'000 |
|---|---|---|---|
| Buildings at fair value | 53 | (5) | 48 |
| Buildings at cost | 6,543 | (256) | 6,287 |
| Works in progress at cost | 6 | - | 6 |
| Plant, equipment and vehicles at fair value | 111 | (39) | 72 |
| Plant, equipment and vehicles at cost | 1,331 | (216) | 1,115 |
| **Total property, plant and equipment** | **8,044** | **(516)** | **7,528** |

### How we recognise property, plant and equipment

Items of property, plant and equipment are initially measured at cost, and are subsequently measured at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, being far below the fair value of the asset, the deemed cost is its fair value at the date of acquisition. Assets transferred as part of an amalgamation/machinery of government change are transferred at their carrying amounts.

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.

## Note 4.1(a) Reconciliation of the carrying amount of each class of asset

| | Buildings $'000 | Works in progress $'000 | Plant, equipment and vehicles $'000 | Total $'000 |
|---|---|---|---|---|
| **Balance at 1 July 2025** | **-** | **-** | **-** | **-** |
| Transfer via administrative arrangements order | 479 | 92 | 1,073 | 1,644 |
| Additions | 6,589 | 6 | 550 | 7,145 |
| Disposals | (462) | - | (192) | (654) |
| Net transfers between classes | 59 | (92) | 33 | - |
| Depreciation | (332) | - | (275) | (607) |
| **Balance at 30 June 2026** | **6,333** | **6** | **1,189** | **7,528** |

Fair value assessments have been performed for all classes of assets in this purpose group and the decision was made that the movements were not material (less than or equal to 10%). As such, an independent revaluation was not required per FRD 103. In accordance with FRD 103, PYMHWS has elected to apply the practical expedient in FRD 103 *Non-Financial Physical Assets* and has therefore not applied the amendments to AASB 13 *Fair Value Measurement*. The amendments to AASB 13 will be applied at the earlier of the interim revaluation or next scheduled independent revaluation in 2029, in accordance with PYMHWS's revaluation cycle.

## Note 4.1(b) Right-of-use assets included in property, plant and equipment

The following tables are right-of-use assets included in the property, plant and equipment balance, presented by subsets of buildings and plant and equipment.

| | Gross carrying amount 2026 $'000 | Accumulated depreciation 2026 $'000 | Net carrying amount 2026 $'000 |
|---|---|---|---|
| Buildings [1] | 6,543 | (256) | 6,287 |
| Plant, equipment and vehicles [1] | 1,331 | (216) | 1,115 |
| **Total right-of-use assets** | **7,874** | **(472)** | **7,402** |

### Reconciliations of the carrying amounts of each class of asset

| | Buildings $'000 | Plant, equipment and vehicles $'000 | Total $'000 |
|---|---|---|---|
| **Balance at 1 July 2025 [1]** | **-** | **-** | **-** |
| Transfer via administrative arrangements order | - | 783 | 783 |
| Additions | 6,543 | 548 | 7,091 |
| Disposals | - | - | - |
| Net Transfers between classes | - | - | - |
| Depreciation | (256) | (216) | (472) |
| **Balance at 30 June 2026** | **6,287** | **1,115** | **7,402** |

[1] 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 reporting period 2026. For further information, refer to Note 7.3.

### How we recognise right-of-use assets

#### Initial recognition

When PYMHWS enters a contract, which provides the health services with the right to control the use of an identified asset for a period of time in exchange for payment, this contract is considered a lease.

Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.1 for further information) the contract gives rise to a right-of-use asset and corresponding lease liability.

The right-of-use asset is initially measured at cost and comprises the initial measurement of the corresponding lease liability, adjusted for:

- any lease payments made at or before the commencement date,
- 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, less any lease incentive received.

#### Subsequent measurement

Right-of-use assets are subsequently measured at cost less accumulated depreciation, impairment and any adjustments for remeasurement of the lease liability.

## Note 4.1(c) Impairment of property, plant and equipment

The recoverable amount of the primarily non-financial physical assets of PYMHWS, 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.

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

## Note 4.2 Depreciation and amortisation

### How we recognise depreciation

All buildings, plant and equipment and other non-financial physical assets (excluding items under assets held for sale, land and investment properties) that have finite useful lives are depreciated. Depreciation is generally calculated on a straight-line basis at rates that allocate the asset's value, less any estimated residual value over its estimated useful life.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the health service anticipates exercising a purchase option, the specific right-of-use asset is depreciated over the useful life of the underlying asset.

### How we recognise amortisation

Amortisation is the systematic allocation of the depreciable amount of an asset over its useful life.

### Useful lives of non-current assets

The following table indicates the expected useful lives of non-current assets on which the depreciation and amortisation charges are based.

| | 2026 |
|---|---|
| Leasehold buildings | 10 years |
| Plant, equipment and vehicles (including leased assets) | 1 - 10 years |

# Note 5. Other assets and liabilities

This section sets out those assets and liabilities that arose from PYMHWS's operations.

## Structure

**5.1 Receivables**
**5.2 Payables**

## Note 5.1 Receivables

| | Note | 2026 $'000 |
|---|---|---|
| **Current receivables** | | |
| **Contractual** | | |
| Inter hospital debtors | | 30 |
| Trade receivables | | 377 |
| Patient fees | | 311 |
| Other receivable | | 349 |
| **Total contractual receivables** | | **1,067** |
| | | |
| **Statutory** | | |
| GST receivable | | 5 |
| **Total statutory receivables** | | **5** |
| | | |
| **Total current receivables** | | **1,072** |
| | | |
| **Non-current receivables** | | |
| **Contractual** | | |
| Long service leave - Department of Health | | 1,170 |
| **Total contractual receivables** | | **1,170** |
| | | |
| **Total non-current receivables** | | **1,170** |
| | | |
| **Total receivables** | | **2,242** |
| | | |
| *(i) Financial assets classified as receivables* | | |
| | | |
| Total receivables | | 2,242 |
| GST receivable | | (5) |
| | | |
| **Total financial assets classified as receivables** | 7.1 | **2,237** |

### How we recognise receivables

Receivables consist of:

- **Contractual receivables**, including debtors that relate to goods and services. These receivables are classified as financial instruments and are categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. The health service holds contractual receivables with the objective to collect the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less any impairment.
- **Statutory receivables**, including Goods and Services Tax (GST) input tax credits that are recoverable. 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 health service applies AASB 9 for initial measurement of the statutory receivables and as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

## Note 5.2 Payables

| | Note | 2026<br>$'000 |
|---|---|---|
| **Current payables** | | |
| **Contractual** | | |
| Inter hospital creditors | | 3,845 |
| Accrued salaries and wages | | 3,635 |
| Accrued expenses | | 1,721 |
| Deferred capital grant income | 5.2(a) | 203 |
| Repayable unspent funding | | 12,560 |
| Other | | 17 |
| **Total contractual payables** | | **21,981** |
| | | |
| **Statutory** | | |
| GST payable | | 25 |
| **Total statutory payables** | | **25** |
| | | |
| **Total current payables** | | **22,006** |
| | | |
| **Total payables** | | **22,006** |

*(i) Financial liabilities classified as payables*

| | | |
|---|---|---|
| Total payables | | 22,006 |
| Deferred grant income | | (203) |
| GST payable | | (25) |
| | | |
| **Total financial liabilities classified as payables** | 7.1 | **21,778** |

### How we recognise payables

Payables consist of:

- **Contractual payables**, including payables that relate to the purchase of goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to the PYMHWS prior to the end of the financial year that are unpaid. Repayable unspent funding relates to NWAU funding received from the DH that is subject to recall where the required activity targets are not achieved. The recall waiver is conditional on DH's approval of the proposed utilisation plan.
- **Statutory payables**, including Goods and Services Tax (GST) payable are recognised and measured similarly to contractual payables but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

## Note 5.2(a) Movement in deferred capital grant income

| | 2026<br>$'000 |
|---|---|
| **Opening balance of deferred capital grant income** | - |
| Grant consideration for capital works received during the year | 270 |
| Deferred capital grant income recognised as income due to completion of capital works | (67) |
| **Closing balance of deferred capital grant income** | **203** |

### How we recognise deferred capital grant income

Grant consideration was received from the Department of Health to support the acquisition of Inpatient Unit and YPARC Infrastructure Equipment Replacement.

Capital grant income is recognised progressively as the asset is constructed or acquired, since this is the time when PYMHWS satisfies its obligations. The progressive percentage of costs incurred is used to recognise income because this most closely reflects the percentage of completion of the works. As a result, PYMHWS has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

# Note 6. How we finance our operations

This section provides information on the sources of finance utilised by PYMHWS during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of PYMHWS.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 7.1 provides additional, specific financial instrument disclosures.

## Structure

**6.1 Borrowings**
**6.2 Cash and cash equivalents**
**6.3 Commitments for expenditure**

## Note 6.1 Borrowings

| | Note | 2026 $'000 |
|---|---|---|
| **Current borrowings** | | |
| Lease liability | 6.1(a) | 707 |
| **Total current borrowings** | | **707** |
| | | |
| **Non-current borrowings** | | |
| Lease liability | 6.1(a) | 6,784 |
| **Total non-current borrowings** | | **6,784** |
| | | |
| **Total borrowings** | 7.1 | **7,491** |

### How we recognise borrowings

Borrowings refer to interest-bearing liabilities raised through lease liabilities from third party lessors, and from VicFleet with funds sourced from Treasury Corporation of Victoria (TCV).

Borrowings are classified as financial instruments. Interest-bearing liabilities are classified at amortised cost and recognised at the fair value of the consideration received directly attributable to transaction costs and subsequently measured at amortised cost using the effective interest method.

### Terms and conditions of borrowings

| | | | | | Maturity Dates | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **30 June 2026** | **Note** | **Weighted average interest rate (%)** | **Carrying Amount $'000** | **Nominal Amount $'000** | **Less than 1 Month $'000** | **1-3 Months $'000** | **3 months - 1 Year $'000** | **1-5 Years $'000** | **Over 5 years $'000** |
| Lease liabilities | 6.1 | 5.92% | 7,491 | 7,491 | 52 | 106 | 549 | 2,936 | 3,848 |
| **Total Financial Liabilities** | | | **7,491** | **7,491** | **52** | **106** | **549** | **2,936** | **3,848** |

### Interest expense

| | 2026 $'000 |
|---|---|
| Interest on lease liabilities | 196 |
| **Total interest expense** | **196** |

Interest expense includes interest component of lease repayments. Interest expense is recognised in the period in which it is incurred.

PYMHWS recognises borrowing costs immediately as an expense, even where they are directly attributable to the acquisition, construction or production of a qualifying asset.

## Note 6.1(a) Lease liabilities

PYMHWS's lease liabilities are summarised below:

| | 2026 $'000 |
|---|---|
| **Current lease liabilities** | |
| Lease liability | 707 |
| **Total current lease liabilities** | **707** |
| | |
| **Non-current lease liabilities** | |
| Lease liability | 6,784 |
| **Total non-current lease liabilities** | **6,784** |
| | |
| **Total lease liabilities** | **7,491** |

The following table sets out the maturity analysis of lease liabilities, showing the undiscounted lease payments to be made after the reporting date.

| | 2026 $'000 |
|---|---|
| Not longer than one year | 1,122 |
| Longer than one year but not longer than five years | 4,156 |
| Longer than five years | 4,405 |
| **Minimum future lease liability** | **9,683** |
| Less unexpired finance expenses | (2,192) |
| **Present value of lease liability** | **7,491** |

### How we recognise lease liabilities

A lease is defined as a contract, or part of a contract, that conveys the right for PYMHWS to use an asset for a period of time in exchange for payment.

To apply this definition, PYMHWS ensures the contract meets the following criteria:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to PYMHWS and for which the supplier does not have substantive substitution rights;

- PYMHWS has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and PYMHWS has the right to direct the use of the identified asset throughout the period of use; and
- PYMHWS has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

PYMHWS's lease arrangements consist of the following:

| Type of asset leased | Lease term |
|---|---|
| Concessionary Leased buildings | 10 years |
| Leased buildings | 10 years |
| Leased vehicles | 1 to 3 years |

All leases are recognised on the balance sheet, with the exception of low value leases (less than $10,000 AUD) and short-term leases of less than 12 months. PYMHWS has elected to apply the practical expedients for short-term leases and leases of low-value assets. As a result, no right-of-use asset or lease liability is recognised for these leases; rather, lease payments are recognised as an expense on a straight-line basis over the lease term, within "other operating expenses" (refer to Note 3.1).

**Initial measurement**

The 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 PYMHWS's incremental borrowing rate. Our lease liability has been discounted by rates of between 4.3% to 6.11%.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- 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;
- payments arising from purchase and termination options reasonably certain to be exercised.

**Subsequent measurement**

Subsequent to initial measurement, the 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 the substance of 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.

### Leases with significantly below market terms and conditions

PYMHWS holds lease arrangements which contain significantly below-market terms and conditions, which are principally to enable the health service to further its objectives. These are commonly referred to as concessionary lease arrangements. PYMHWS measures its concessionary lease arrangements at cost, both initially and subsequently.

The nature and terms of such lease arrangements, including PYMHWS's dependency on such lease arrangements is described below:

| Description of leased asset | Our dependence on lease | Nature and terms of lease |
|---|---|---|
| Leasing part of Level 4 of Western Health Footscray Hospital | The leased Ward 4B is used for PYMHWS Inpatient Services.<br>PYMHWS's dependence on this lease is considered high. | The lease term is 10 years.<br>Lease payments of $1 are required per annum. |

## Note 6.2 Cash and cash equivalents

| | Note | 2026 $'000 |
|---|---|---|
| Cash on hand (excluding monies held in trust) | | 1 |
| Cash at bank (excluding monies held in trust) | | 41,258 |
| **Total cash held for operations** | | **41,259** |
| **Total cash and cash equivalents** | 7.1 | **41,259** |

## Note 6.3 Commitments for expenditure

| 30 June 2026 | Less than 1 year $'000 | 1-5 Years $'000 | Over 5 years $'000 | Total $'000 |
|---|---|---|---|---|
| Capital expenditure commitments | - | - | - | - |
| Operating expenditure commitments | 6,906 | 7,256 | - | 14,162 |
| Non-cancellable short term and low value lease commitments | - | - | - | - |
| **Total commitments (inclusive of GST)** | **6,906** | **7,256** | **-** | **14,162** |
| Less GST recoverable | (628) | (660) | - | (1,288) |
| **Total commitments (exclusive of GST)** | **6,278** | **6,596** | **-** | **12,874** |

### How we disclose our commitments

Our commitments relate to expenditure and short term and low value leases.

#### Expenditure commitments

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

### Short term and low value leases

PYMHWS discloses short term and low value lease commitments which are excluded from the measurement of right-of-use assets and lease liabilities. Refer to Note 6.1 for further information.

# Note 7. Financial instruments, contingencies and valuation judgements

PYMHWS 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 health service is related mainly to fair value determination.

## Structure

**7.1 Financial instruments**
**7.2 Contingent assets and contingent liabilities**
**7.3 Fair value determination**

## Note 7.1 Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of PYMHWS's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example, taxes, fines and penalties). Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

| 30 June 2026 | Note | Carrying amount $'000 | Net gain/(loss) $'000 | Total interest income/ (expense) $'000 | Fee income/ (expense) $'000 | Impairment loss $'000 |
|---|---|---|---|---|---|---|
| **Financial assets at amortised cost** | | | | | | |
| Cash and cash equivalents | 6.2 | 41,259 | - | 1,440 | - | - |
| Receivables | 5.1 | 2,237 | - | - | - | - |
| **Total financial assets** [i] | | **43,496** | **-** | **1,440** | **-** | **-** |
| | | | | | | |
| **Financial liabilities at amortised cost** | | | | | | |
| Payables | 5.2 | 21,778 | - | - | - | - |
| Borrowings | 6.1 | 7,491 | - | (196) | - | - |
| **Total financial liabilities** [i] | | **29,269** | **-** | **(196)** | **-** | **-** |

[i] The carrying amount excludes statutory receivables (i.e. GST receivable) and statutory payables (i.e. GST payable and revenue in advance).

### How we categorise financial instruments

Financial assets at amortised cost

Financial assets are measured at amortised cost 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 PYMHWS solely to collect the contractual cash flows; and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specific dates.

These assets are initially recognised at fair value plus any directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method less any impairment.

PYMHWS recognises the following assets in this category:

- cash and deposits, and
- receivables (excluding statutory receivables).

**Categories of financial liabilities**

Financial liabilities at amortised cost

Financial liabilities are measured at amortised cost using the effective interest method, where they are not held at fair value through net result.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in net result over the relevant period. The effective interest is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

PYMHWS recognises the following liabilities in this category:

- payables (excluding statutory payables and contract liabilities) and
- borrowings.

**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 rights to receive cash flows from the asset have expired; or
- PYMHWS 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
- PYMHWS has transferred its rights 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 PYMHWS has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of PYMHWS’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 expires.

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.

### Reclassification of financial instruments

A financial asset is required to be reclassified between amortised cost, fair value through net result and fair value through other comprehensive income when, and only when, PYMHWS's business model for managing its financial assets has changed such that its previous model would no longer apply.

A financial liability reclassification is not permitted.

## Note 7.2 Contingent assets and contingent liabilities

At balance date, the Board are not aware of any contingent assets or liabilities.

### How we measure and disclose contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured 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 health service.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

#### 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 health service; 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.

## Note 7.3 Fair value determination

### How we measure fair value

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:

- Property, plant and equipment, with the exception of right-of-use assets arising under AASB 16, which are measured using the cost model.

In addition, the fair value of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure.

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

PYMHWS 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. There have been no transfers between levels during the period.

PYMHWS monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required. The Valuer-General Victoria (VGV) is PYMHWS's independent valuation agency for property, plant and equipment.

**Fair value determination: non-financial physical assets**

AASB 2010-10 *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 principals in AASB 13 on developing unobservable inputs and the application of the cost approach. These clarifications are mandatorily applicable annual reporting periods beginning on or after 1 January 2024. FRD 103 permits Victorian public sector entities to apply Appendix F of AASB 13 in their next scheduled formal asset revaluation or interim revaluation process (whichever is earlier).

The annual fair value assessment for 30 June 2026 using VGV indices does not identify material changes in value. In accordance with FRD 103, PYMHWS will reflect Appendix F in its next scheduled formal revaluation on 30 June 2029 or interim revaluation process (whichever is earlier). All annual fair value assessments thereafter will continue compliance with Appendix F.

For all assets measured at fair value, PYMHWS considers the current use as its highest and best use.

<u>Vehicles</u>

Vehicles are valued using the current replacement cost method. PYMHWS acquires new vehicles and at times disposes of them before completion of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in PYMHWS who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Furniture, fittings, plant and equipment

Furniture, fittings, plant and equipment (including medical equipment, computers and communication equipment) are held at fair value. When plant and equipment is specialised in use, such that it is rarely sold, fair value is determined using the current replacement cost method.

**Significant assumptions**

Description of significant assumptions applied to fair value measurement:

| Asset class | Valuation technique | Significant assumption | Range (weighted average)[(i)] |
|---|---|---|---|
| Plant, equipment, furniture and fittings | Current replacement cost approach | Cost per unit | $4,600 - $22,000 ($14,500 per unit) |
| | | Useful life | 1-10 years (5 years) |

# Note 8. Other disclosures

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

## Structure

**8.1 Ex-gratia expenses**
**8.2 Responsible persons disclosures**
**8.3 Remuneration of executives**
**8.4 Related parties**
**8.5 Remuneration of auditors**
**8.6 Events occurring after the balance date**
**8.7 Transfer via administrative arrangements order**
**8.8 Non-cash financing and investing activities**

## Note 8.1 Ex-gratia expenses

At balance date, there have been no ex-gratia payments.

Ex gratia expenses are the voluntary payments of money or other non-monetary benefit (e.g. a write off) 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.

## Note 8.2 Responsible persons disclosures

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

| | Period |
|---|---|
| The Honourable Mary Anne Thomas MP: | |
| Minister for Health | 1 Jul 2025 - 14 Apr 2026 |
| Minister for Ambulance Services | 1 Jul 2025 - 14 Apr 2026 |
| The Honourable Harriet Shing MP: | |
| Minister for Health | 15 Apr 2026 - 30 Jun 2026 |
| Minister for Ambulance Services | 15 Apr 2026 - 30 Jun 2026 |
| The Honourable Melissa Horne MP: | |
| Minister for Health Infrastructure | 1 Jul 2025 - 30 Jun 2026 |
| Minister for Prevention of Family Violence | 15 April 2026 - 30 Jun 2026 |
| The Honourable Ingrid Stitt MP: | |
| Minister for Mental Health | 1 Jul 2025 - 30 Jun 2026 |
| Minister for Ageing | 1 Jul 2025 - 30 Jun 2026 |
| Minister for Multicultural Affairs | 1 Jul 2025 - 30 Jun 2026 |
| The Honourable Lizzy Blandthorn MP: | |
| Minister for Children | 1 Jul 2025 - 30 Jun 2026 |
| Minister for Disability | 1 Jul 2025 - 30 Jun 2026 |
| **Governing Boards** | |
| Penny Armytage AM (Chair of the Board) | 1 Jul 2025 - 30 Jun 2026 |
| Nadia Baillie | 1 Jul 2025 - 30 Jun 2026 |
| Dr Ravi Bhat AM | 1 Jul 2025 - 30 Jun 2026 |
| Andrew Dempster | 1 Jul 2025 - 30 Jun 2026 |
| Julia Griffith | 1 Jul 2025 - 30 Jun 2026 |
| Dr Margaret Grigg OAM | 1 Jul 2025 - 30 Jun 2026 |
| Jennifer Lang | 1 Jul 2025 - 30 Jun 2026 |
| Elvis Martin | 1 Jul 2025 - 30 Jun 2026 |
| Vicki Sutton | 1 Jul 2025 - 30 Jun 2026 |
| **Accountable Officers** | |
| Dr Leanne Geppert (Chief Executive Officer)<br>Resigned effective 2 Oct 2026 | 1 Jul 2025 - 30 Jun 2026 |

### Remuneration of Responsible Persons

The number of Responsible Persons is shown in their relevant income bands:

| Income Band | 2026 No |
|---|---|
| $20,000 - $29,999 | 9 |
| $60,000 - $69,999 | 1 |
| $490,000 - $499,999 | 1 |
| **Total Numbers** | **11** |

| | 2026 $'000 |
|---|---|
| **Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:** | **822** |

Amounts relating to the Governing Board Members and Accountable Officer of PYMHWS are disclosed in their own financial statements. Amounts relating to Responsible Ministers are reported within the State's Annual Financial Report.

## Note 8.3 Remuneration of executives

The number of executive officers, other than Ministers and the Accountable Officer, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis.

Several factors affected total remuneration payable to executives over the year. A number of employment contracts were completed and renegotiated, and a number of executive officers retired, resigned or were retrenched in the past year. This has had a significant impact on remuneration figures for the termination benefits category.

**Remuneration of executives officers**
**(including Key Management Personnel disclosed in Note 8.4)**

| | Total Remuneration 2026 $'000 |
|---|---|
| Total remuneration [i] | 2,506 |
| Total number of executives | 9 |
| Total annualised employee equivalent [ii] | 6 |

[i] The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of PYMHWS under AASB 124 *Related Party Disclosures* and are also reported within Note 8.4 Related Parties.

[ii] Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.

## Note 8.4 Related parties

The PYMHWS is a wholly owned and controlled entity of the State of Victoria. Related parties of the health service include:

- all key management personnel (KMP) and their close family members and personal business interests;
- cabinet ministers (where applicable) and their close family members; and
- all health services and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

**Significant transactions with government related entities**

The PYMHWS received funding from the Department of Health of $104.1m and funding from the Department of Families, Fairness and Housing of $0.1m.

Expenses incurred by PYMHWS in delivering services are in accordance with HealthShare Victoria requirements. Goods and services including procurement, diagnostics, patient meals and multi-site operational support are provided by other Victorian Health Service Providers on commercial terms.

The Standing Directions of the Minister for Finance require the PYMHWS to hold cash (in excess of working capital) in accordance with the State of Victoria's centralised banking arrangements. All borrowings are required to be sourced from Treasury Corporation Victoria unless an exemption has been approved by the Minister for Health and the Treasurer.

**Key management personnel**

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of the PYMHWS and its controlled entities, directly or indirectly.

The Board of Directors and the Executive Directors of the PYMHWS are deemed to be KMPs. This includes the following:

| KMPs | Position Title |
|---|---|
| Penny Armytage AM | Chair of the Board (Resigned 30 Jun 2026) |
| Nadia Baillie | Board Member |
| Dr Ravi Bhat AM | Board Member |
| Andrew Dempster | Board Member |
| Julia Griffith | Board Member |
| Dr Margaret Grigg OAM | Board Member |
| Jennifer Lang | Board Member |
| Elvis Martin | Board Member |
| Vicki Sutton | Board Member |
| Dr Leanne Geppert | Chief Executive Officer |
| Hannah Bloom | Chief Operating Officer (Joined 01 Dec 2025) |
| Derek Keir | Chief Finance Officer (Resigned 20 Feb 2026) |
| Nigel Mccormick | Interim Chief Finance Officer (From 21 Feb 2026 to 07 Apr 2026) |
| Scott O'Keeffe | Chief Finance Officer (Joined 08 Apr 2026) |
| Leigh Russell | Chief People and Communications Officer |
| Dr Astha Tomar | Chief Medical Officer |
| Adjunct Associate Mary Gilbert | Chief Nursing Officer |
| Gemma Cooper | Chief of Transformation and Service Planning |
| Professor Andrew Chanen | Chief Innovation, Research and Clinical Excellence (From 01 Jul 2025 to 07 Jun 2026) |

### Remuneration of key management personnel

The compensation detailed below excludes the salaries and benefits the Portfolio Ministers receive. The Minister's remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1968 and is reported within the State's Annual Report.

| | 2026<br>$'000 |
|---|---|
| Total compensation - KMPs [i] | 3,328 |

[i] KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.

### Transactions with KMPs 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 e.g. 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 HealthShare Victoria and Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with the PYMHWS, there were no related party transactions that involved key management personnel, their close family members or their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2026 (2025: none).

There were no related party transactions required to be disclosed for the PYMHWS Board of Directors, Chief Executive Officer and Executive Directors in 2026.

## Note 8.5 Remuneration of auditors

| | 2026<br>$'000 |
|---|---|
| **Victorian Auditor-General's Office** | |
| Audit of the financial statements | 66 |
| **Total remuneration of auditors** | **66** |

## Note 8.6 Events occurring after the balance sheet date

The appointment of the Board Chair, Penny Armytage AM, concluded on 30 June 2026. Cath Bowtell commenced as Board Chair on 1 July 2026.

Subsequent to 30 June 2026, the Chief Executive Officer, Dr Leanne Geppert, resigned, effective 2 October 2026. John Ferraro was appointed as the Interim Chief Executive Officer, effective 28 September 2026.

## Note 8.7 Transfer via administrative arrangements order

On 1 July 2025, pursuant to the Victorian Government Gazette, the following assets and liabilities were transferred to PYMHWS from Melbourne Health via contributed capital.

| Particulars | $'000 |
|---|---|
| **Assets** | |
| Cash | 13,700 |
| Right-of-use assets | 783 |
| Property, plant and equipment | 861 |
| **Liabilities** | |
| Employee benefits | (13,700) |
| Lease liabilities | (783) |
| **Net assets** | **861** |

## Note 8.8 Non-cash financing and investing activities

During the year, PYMHWS entered the following non-cash financing and investing activities, which are not reflected in the Statement of Cash Flows.

| Particulars | $'000 |
|---|---|
| Additions to the right-of-use assets | 7,091 |
| Additions to property, plant and equipment via administrative arrangements order | 861 |
| **Total** | **7,952** |