Statement of Priorities

2025-26 Agreement between the Minister for Health and Peninsula Health

OFFICIAL

VICTORIA State Government | Department of Health

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

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

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

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

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

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

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2206-642X (online/PDF/Word)

Available at The Department of Health Statements of Priorities <https://www.health.vic.gov.au/funding-performance-accountability/statements-of-priorities>

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Background

Statements of Priorities are key accountability agreements between the Victorian State Government and Victorian publicly funded health, mental health, and ambulance services. The content and process for preparing and agreeing to the annual Statement of Priorities are consistent with sections 40G, 65ZFA, 65ZFB, and section 26 of the *Health Services Act 1988*.

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

Statements of Priorities consist of four main parts:

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

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

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

Ministerial Priorities

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

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

For the **overall health system**:

1. A reformed health system, shifting from competition to collaboration through the establishment of Local Health Service Networks, and with strengthened, formalised partnerships between health services and community and primary care services to ensure patients receive the right care closer to home.

2. A growing, skilled, and engaged workforce supported to develop professionally. This is achieved through improved workforce planning, an increased supply of priority roles, world leading employee experience, and a strategic focus on future roles, capabilities, professional development, and promoting a safe workplace.

3. A health system that is grounded in respect and safety, particularly cultural safety, and awareness, achieved through mandatory cultural safety training, anti-racism plans and actions, and employment plans that drive greater representation of First Nations people across all levels of a health service.

4. Improved health equity through a focus on:

    a. Aboriginal health and wellbeing, achieved through identifying and closing gaps in access to care, and improved discharge planning for Aboriginal patients and building stronger relationships with local Aboriginal Community Controlled Health Organisations.
    b. Health care models for priority populations, including people with disabilities, LGBTQIA+ communities and people from culturally and linguistically diverse backgrounds.
    c. Improved access to health services by rural and regional patients through the establishment of patient referral pathways by Local Health Service Networks.
    d. Women’s health, including improved access to abortion, public fertility services and reduced gender health disparities across the life course, supported through the roll out of new services and better coordinated care.

5. A continued focus on improving the quality and safety of care, including through strengthening clinical governance systems and a culture of reporting and transparency under the Victorian Clinical Governance Framework.

6. Provide timely access to services by implementing strategies that connect people to the right care and improve the whole of system patient flow.

7. A financially responsible and sustainable health system, reflected in balanced health service budgets.

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

For the **mental health** system:

9. A mental health and well-being system that delivers inclusive, personalised, compassionate, integrated care so all Victorians are supported to live and experience the life they want:

    a. Consumers have choice and agency and access to high quality and holistic care, as well as leadership roles
    b. Carers, families, supports and kin: Are recognised, respected, and supported, including in leadership roles.
    c. Workforces are diverse, multidisciplinary, and collaborative, and feel safe, valued, and supported.
    d. Aboriginal communities: Self-determination and cultural safety are upheld, and physical, emotional, social, and spiritual aspects of wellbeing are central and interconnected.
    e. Diverse communities: Are reflected and embraced in our services and models of care

10. Mental health services are focused on continuously improving performance.

11. Mental health services maintain service levels whilst transitioning to activity-based funding.

Supporting services for **older Victorians**:

12. A reformed health system that responds to the needs of older people to receive the right care in the right place through:

    a. Initiatives that reduce avoidable hospital presentations and length of stay for older people in hospital.
    b. Availability of public sector residential aged care.

13. A strengthened approach to the delivery of high quality and safe aged care services through:

    a. Continued implementation of national aged care reforms arising from the Royal Commission into Aged Care Quality and Safety.
    b. System stewardship and oversight of public aged care service delivery.

Part A: Department of Health Strategic Plan

The Statement of Priorities are aligned with the Strategic Plan[1].

Peninsula Health will contribute to the Strategic Plan 2023-27 by agreeing to the following priorities:

Strategic Priorities

Innovate and improve access and care

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

Goal

Align with the Victorian Clinical Governance Framework to strengthen clinical governance systems, ensuring safe, high-quality care.

Health service deliverables:

- Demonstrate high quality care in which consumer engagement and input is actively sought, facilitated and used to drive system change to improve consumer experience and outcomes
- Ensure that health service reporting, reviews and decision-making are underpinned by a safety culture and systems that are transparent, accurate and fair for staff and consumers.
- Health services are able to show evidence of a comprehensive training program approach that includes performance management, accountability, and continuous improvement.

Goal

Improve access to timely emergency care by implementing system-wide patient flow strategies that reduce emergency department wait times and improve ambulance-to-hospital transfer times.

Health service deliverable:

- Implement all relevant standards outlined in the Standards for Safe and Timely Ambulance and Emergency Care (STAEC) for Victorians and the accompanying Implementation Guide.

Goal

Maintain a commitment to delivering equitable and timely access to planned care and drive reform in alignment with the Planned Surgery Reform Blueprint.

Health service deliverables:

- Implement and scale theatre optimisation initiatives in planned surgery, for example same-day surgery and same-day surgery by default models of care, criteria-led discharge, monitoring of theatre measures, and high-throughput approaches such as high-intensity theatre lists.

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

- Proactively manage planned surgery and specialist clinics (or outpatients) waitlists, for example validating and supporting patients into optimal care pathways such as evidence-based alternatives to surgery and optimisation pathways. A particular focus should be applied to long-waiting patients and priority population groups (for example, Aboriginal and Torres Strait Islander patients and under-18 patients).

Goal

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

Health service deliverables:

- Progress 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.
- Partner with Safer Care Victoria in one or more mental health improvement programs: elimination of restrictive intervention, improving sexual safety, implementation of the zero suicide framework and reducing compulsory treatment.
- Progress partnerships, whether through a formal partnership, MoU or exchange of letters, with local community based mental health services (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.

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.

Health service deliverables:

- Deliver the key initiatives outlined in the Budget Action Plan within Government parameters.
- Utilise data analytics and performance metrics to identify areas of inefficiency and waste and make evidence-based decisions to improve financial sustainability and operational performance.
- Use funding efficiently and effectively to optimise patient facing services. Undertake programs to reduce the cost of service delivery, improve safety, capacity and reduce unnecessary waiting.

A stronger workforce

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

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

Health service deliverables:

- 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.
- Collaborate with the department to improve workforce data analytics, generate actionable insights, and enhance strategic planning.

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.

Health service deliverables:

- Deliver high-quality cultural safety training to all executives and staff using independent, expert, community-controlled organisations or a registered Aboriginal business.
- Health service executives and senior leaders establish and maintain strong, ongoing partnerships with Aboriginal community-controlled organisations and/or recognised Aboriginal leaders within their local catchments. These partnerships must be based on regular, proactive engagement that prioritises the voices, self-determined priorities, and cultural knowledge of Aboriginal communities in the design, delivery, and evaluation of health and wellbeing services.
- Ensure culturally appropriate systems for identifying Aboriginal and Torres Strait Islander patients and implement responsive discharge plans and referral pathways.

Moving from Competition to Collaboration

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

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

Health service deliverable:

- Meet all objectives agreed to in the Local Health Service Network *Statement of Expectations* across priority areas (access, equity and flow, workforce, safety and quality, and shared services).

Part B: Performance Priorities

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

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

High quality and safe care:

Key Performance Measure	Target
Infection prevention and control	
Percentage of healthcare workers immunised for influenza	94%
Continuing care	
Average change in the functional independence measure (FIM) score per day of care for rehabilitation separations	≥ 0.645
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
Aged care	
Public sector residential aged care services overall star rating	Minimum rating of 3 stars
Patient experience	
Percentage of patients who reported positive experiences of their hospital stay	95%
Aboriginal Health	
Difference between the percentage of Aboriginal patients and non-Aboriginal patients who left against medical advice	0%
Difference between the percentage of Aboriginal patients and non-Aboriginal patients presenting to ED who did not wait to be treated	0%
Mental Health Patient Experience	
Percentage of consumers who rated their overall experience with a service in the last three months as positive	80%
Percentage of families/carers reporting a 'very good' or 'excellent' overall experience of the service	80%
Percentage of families/carers who report they 'always' or 'usually' felt their opinions as a carer were respected	90%
Percentage of mental health consumers reporting they 'usually' or 'always' felt safe using this service	90%

Key Performance Measure	Target
Mental Health follow-ups, readmissions, and seclusions	
Percentage of consumers followed up within 7 days of separation – inpatient	88%
Percentage of consumers re-admitted within 28 days of separation - inpatient	< 14%
Rate of seclusion episodes per 1,000 occupied bed days - inpatient	≤ 6

Strong governance, leadership, and culture

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

Timely access to care

Key Performance Measure	Target
Planned Surgery	
Percentage of urgency category 1 planned surgery patients admitted within 30 days.	100%
Percentage of all planned surgery patients admitted within the clinically recommended time	94%
Number of patients admitted from the planned surgery waiting list	10,002
Percentage of patients on the waiting list who have waited longer than the clinically recommended time for their respective triage category	25% proportional improvement from prior year
Optimisation of surgical inpatient length of stay (LOS), including through the use of virtual and home-based pre- and post-operative models of care	Reduction in average LOS for surgical patients by 2% from prior year
Emergency Care	
Percentage of patients transferred from ambulance to emergency department within 40 minutes[2]	Frankston: 4% improvement from the same time last year Rosebud: >= 80%
Number of emergency patients with a length of stay (LOS) in the ED greater than 24 hours	Zero
Average ED length of stay (LOS) for admitted patients, in minutes	Avg LOS <414 minutes or, if not met, a 5% improvement

[2] Differential targets have been set for health services to encourage and recognise incremental improvement towards the overall statewide target. The overall statewide target remains 80% or a 3% improvement from the same time last year with progress expected towards 90%.

Key Performance Measure	Target
	from the same time last year
Average ED length of stay (LOS) for non-admitted patients, in minutes	Avg LOS <240 minutes or, if not met, a 3% improvement from the same time last year
Mental Health	
Percentage of mental health-related emergency department presentations with a length of stay of less than 4 hours	65%
Percentage of departures from emergency departments to a mental health bed within 8 hours	80%
Number of admitted mental health occupied bed days	14,710
Number of community mental health service hours	88,036
Specialist Clinics	
Percentage of patients referred by a GP or external specialist who attended a first appointment within the recommended timeframe[3]	95%
Home Based Care	
Percentage of admitted bed days delivered at home	8.7%

Effective financial management

Key Performance Measure	Target
Operating result ($M)	0.00
Adjusted current asset ratio	0.7 or 3% improvement from health service base target
Variance between the forecast and actual operating result (OR) as a percentage of the forecast OR for the current financial year ending 30 Jun	5% movement in forecast revenue and expenditure forecasts

[3] 30 days for urgent patients, 365 days for routine patients

Part C: Activity and Funding

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

Period 1 July 2025 – 30 June 2026

Table 1 Peninsula Health funding summary for 1 July 2025 – 30 June 2026

Funding Type	Activity	Budget ($'000)
Consolidated Activity Funding		
Acute admitted, subacute admitted, emergency services, non-admitted NWAU	121,350	792,597
Community mental health NWAU	8,272	53,901
Acute Admitted		
Acute admitted DVA	182	1,323
Acute admitted TAC	230	1,442
Other admitted		(2,832)
Acute Non-Admitted		
Emergency services		93
Radiotherapy - other	180	348
Specialist clinics		1,777
Specialist clinics - DVA		35
Other non-admitted		384
Government Initiatives		
Government initiatives		981
Subacute/Non-Acute, Admitted & Non-admitted		
Victorian Artificial Limb Program		222
Subacute - DVA	295	2,138
Transition care - home days	27,647	1,806
Subacute admitted other		281
Health Independence Program - DVA		25
Aged Care		
HACC	19,616	2,039
Aged care other		577
Mental Health and Drug Services		

Funding Type	Activity	Budget ($'000)
Mental health ambulatory	1,272	3,462
Mental health inpatient - available bed days (non NWAU)		160
Mental health residential	21,915	1,458
Mental health service system capacity		3,658
Mental health subacute	14,616	9,622
Mental health other		643
Drug Services	1,589	3,119
Primary Health		
Community health / primary care programs	46,085	6,577
Community health other		1,764
Other		
Health workforce		10,041
Other specified funding		22,834
Total Funding		**920,475**

Please note:

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

Part D: Commonwealth Funding Contribution

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

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

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

Funding Type	Number of services (NWAU)	Funding allocation ($)
Victorian Efficient Price		$6,516 per NWAU
Activity based funding allocation (National Health Reform Agreement in-scope services)		
Acute admitted	80,229	541,973,753
Admitted mental health	3,188	21,465,607
Community mental health	8,272	54,304,664
Sub-acute	11,127	73,004,583
Emergency department	15,577	101,502,086
Non-admitted	11,229	73,168,680
Total activity based funding allocation	**129,622**	**865,419,372**
Block funding allocation		
Teaching, training, and research		15,542,725
Other mental health		12,364,431
Total block funding allocation		**27,907,155**
Total NHRA in-scope funding allocation		**893,326,528**

Please note:

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

Accountability and funding requirements

The health service must comply with:

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

Signing Page

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

Mary-Anne Thomas

The Hon Mary-Anne Thomas MP

Minister for Health
Minister for Ambulance Services

Date:16/7/**2025**

Karen Corry

Karen Corry

Board Chair

Peninsula Health

Date:16/7/**2025**