

VicHealth (Victorian Health Promotion Foundation)

Annual Report

2022–2023



**VicHealth acknowledges the
Traditional Custodians of the
land. We pay our respects to all
Elders past, present and future.**

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Declaration by Chair of the Responsible

In accordance with the *Financial Management Act 1994*, I am pleased to present the Victorian Health Promotion Foundation's Annual Report for the year ending 30 June 2023.

The Hon Nicola Roxon
Chair of the Board

25 August 2023



ABOUT Us

Who we are

Since 1987, VicHealth has been making a difference. For the communities we support, the organisations we partner with, and the people of Victoria.

We believe that everyone deserves the right to live a healthy life. Our mission is to improve the health and wellbeing of all Victorians.

We promote good health and help prevent chronic disease. We look towards the next big health challenges and work with others to overcome them. And we're incredibly proud of the work we do.

We're the people behind world-class health interventions, key health and wellbeing research, and behaviour change campaigns. As leaders in health promotion, we work closely with government and communities to share our expertise and insights, and bring global best practice approaches to Victoria.

Our partners include many different people and organisations across health, education, community, sport, arts, food sectors and the media. We work collaboratively with them as a trusted, independent source of evidence-informed practice and advice.

We're here to reshape the systems that affect our health, support our community, influence conversations about health and wellbeing in Victoria, and take action when it's needed most.

By working in this way, we can achieve our vision for a healthier, fairer Victoria.



Historical image – smoke-free advertisement

Innovating for impact. It's in our DNA.

VicHealth was established by the Victorian Parliament as part of the *Tobacco Act 1987*.

This Act started a ripple of change across the country and set the standard for international best practice. It banned tobacco advertising and used cigarette taxes to fund anti-smoking campaigns and 'buy out' tobacco sponsorships. And it worked.

Tobacco companies no longer sponsor sports and arts events. They no longer advertise in media or at sporting fields. Ultimately, branding was removed from packaging. Today, most workplaces and public spaces in Victoria are smoke-free, the legal age to buy tobacco is 18 years, and the number of adult smokers has almost halved.

It's an amazing success story from the efforts of many, and was the start of health promotion foundations being set up across Australia and in countries such as Thailand, Switzerland, Austria, the Philippines, Tonga and Malaysia.

Today, we continue our focus on preventing tobacco use – as well as focusing on other important elements of health and wellbeing.

What is health promotion?

What does it mean to promote good health? It's more than just telling people how to be healthy. It's about reshaping systems and encouraging the actions that people, communities, organisations and governments can take to improve health and wellbeing. It's about looking to the future and identifying emerging health challenges, and innovating and investing to find solutions. It's about:

- reshaping systems and encouraging the actions that people, communities, organisations and governments can take to improve health and wellbeing
- looking to the future and identifying emerging health challenges, and innovating and investing to find solutions
- creating the places, spaces, neighbourhoods and communities that lead to good health
- helping people discover ways to enjoy a happy, healthy life.

Our Action Agenda 2013–2023

Under these strategic imperatives, we created and funded world-class interventions, conducted vital research to advance Victoria’s population health, produced and supported public campaigns to promote a healthier Victoria, and provided transformational expertise and insights to government. This work continues today.

These focus areas were consistent with our obligations under the *Tobacco Act*. They also aligned with Victorian Government policy and program directions, national and international health promotion priorities, policies and research, such as the World Health Organization (WHO) charters and declarations for health promotion.


The Action Agenda also outlined 3 themes – gender, youth and community – across our work and showed how we’re strengthening our work in health equity, research and the arts.



The VicHealth Action Agenda for Health Promotion 2013–2023 focused on 5 strategic areas:



1 Encourage regular physical activity



2 Promote healthy eating



3 Improve mental wellbeing



4 Prevent tobacco use



5 Prevent harm from alcohol

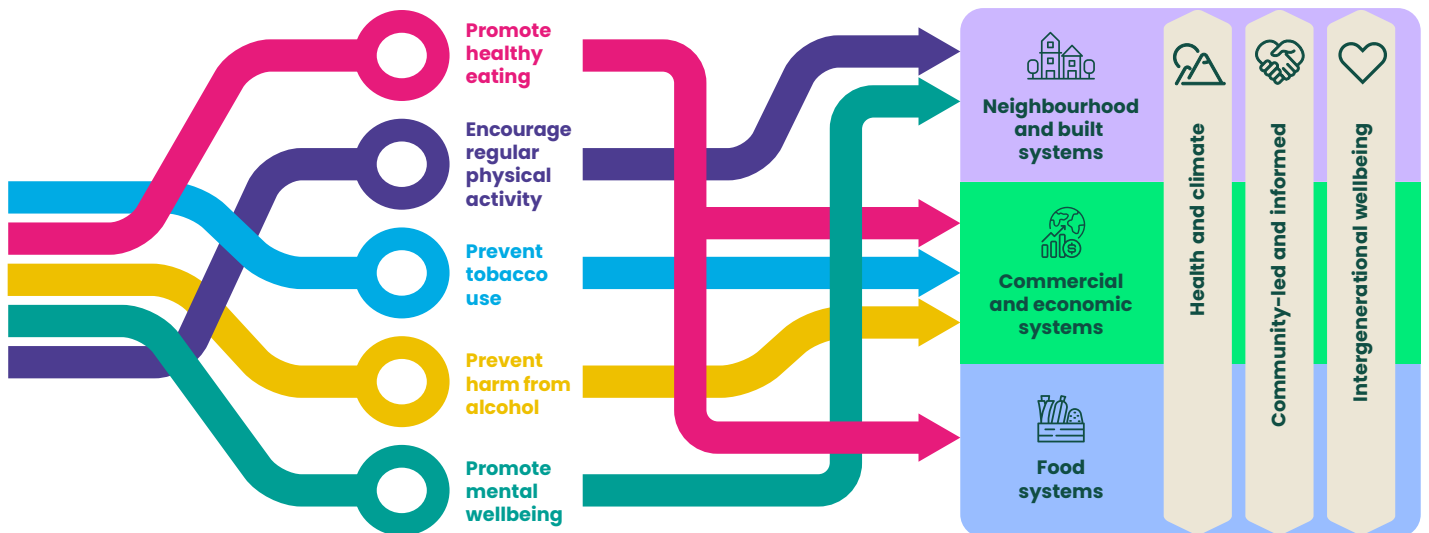
FROM STRATEGIC IMPERATIVES TO A SYSTEMS APPROACH

We know that today's health issues are becoming more complex and it's going to take collaboration, partnerships, and new and innovative ways of working to tackle them.

The strategic imperatives helped to focus our work on areas of need and where we could achieve the greatest impact – targeted issues, behaviours, determinants and/or risk factors aligned to deliver better health outcomes – and acted as a valuable guide to shape the investment and actions of VicHealth.

In the context of increasing complexity, VicHealth recognises the need to evolve this approach, shifting from a focus on the individual risk factors to taking a systems approach, prioritising and targeting the systems that underpin the barriers to health equity.

In 2023, significant work began on our new 10-year strategy, which will take a systems approach. This recognises the many actors and factors shaping health, and seeks to better understand and respond to multiple points of influence and impact.



CHAIR'S Report

Since its creation in 1987, VicHealth has been a pioneer in promoting good health, both locally and globally.

Over the last 12 months, VicHealth has proudly continued its mission to enhance the health and wellbeing of the people of Victoria.

REFLECTING ON OUR ACTION AGENDA

This year, we reflect not only on the past year but also on the 2013–2023 VicHealth Action Agenda for Health Promotion.

The Action Agenda outlined 5 strategic imperatives and contributed to key Victorian Government health and wellbeing priorities. Our work over the past 10 years solidified VicHealth's reputation as a leading independent statutory authority and health promotion foundation. One that aligns with Victorian Government policy and program directions, as well as national and international health promotion priorities, policies and research.

VicHealth will build on this legacy in the coming decade as it strives to understand the lived experiences of diverse communities across Victoria.

RESHAPING SYSTEMS FOR A HEALTHIER, FAIRER VICTORIA

We need new ways of thinking and working together to address the increasingly complex health challenges that we face.

Our new strategy acknowledges this changing landscape, evolving VicHealth to a systems approach for the next 10 years.



We will continue working on priority health areas, with renewed focus on reshaping societal systems that have the biggest influence on our health and wellbeing.

Engaging deeply with communities ensures we'll continue to provide support where we can have the greatest impact across Victoria.

ORGANISATIONAL GOVERNANCE

I would like to welcome Kathleen Matthews-Ward MP and Dr Tim Read MP to the VicHealth Board and welcome back Bridget Vallence MP for a second term. All bring diverse experience and knowledge to position VicHealth to continue its vision for a healthier, fairer Victoria.

Finally, thank you to outgoing Board members Catherine Harding, Dr Sally Fawkes, Andy Meddick MP and Sarah Connolly MP for their dedication and commitment during their tenure.

I look forward to working with the Board, CEO Dr Sandro Demaio and VicHealth staff, along with our many community partners, as we continue to strive towards achieving better health and wellbeing for the people of Victoria.

A handwritten signature in black ink that reads "Nicola Roxon". The signature is fluid and cursive.

The Honourable Nicola Roxon
Chair of the Board
VicHealth

CHIEF EXECUTIVE OFFICER'S *Report*

For over 35 years, VicHealth has worked hard to support and improve the health of all Victorians. This commitment was again reflected in our work with partners and local communities throughout the past year.

It was a year filled with collective achievements and important progress, all in service of our vision to create a healthier, fairer Victoria.

LANDMARK VAPING REFORMS

The Australian Government's landmark vaping reforms announcement on 2 May 2023 is crucial to ensure we continue to make positive headway on this urgent health issue.

We partnered with Quit on Victoria's first and Australia's largest awareness campaign about the dangers of e-cigarettes. This coincided with a Scienceworks installation showcasing 10 toxic chemicals commonly found in e-cigarettes, which is expected to reach almost 100,000 young people as they visit this iconic museum.

We will continue to work with government, young people, clinicians, parents and teachers as we address the serious and growing health harms posed by vaping.

COMMUNITY-LED PROGRAMS

Last year, our This Girl Can campaign inspired approximately 273,000 women to get active.

Our Future Healthy program continues to flourish, with thousands of young people participating in programs involving the arts, food, social connection and sport.



We also commenced our 'Kids Building Future Healthy' Minecraft partnership with Monash University, which enables kids aged 8 to 12 years to share their perspectives about how to make their neighbourhoods healthier by using the gaming platform to showcase their thinking. We look forward to seeing and sharing their incredible ideas in the coming months.

EVOLVING OUR SYSTEMS APPROACH

As a convenor, investor and steward, VicHealth recognises the many actors and factors that shape health and wellbeing.

We work with our partners to learn from communities' lived experiences and we share decision-making to maximise health impacts.

The Victorian Health Promotion Hub continues to grow, with over 100 organisations now using this contemporary, free co-working space for Victorian health promotion organisations.

In the community, we invested in hundreds of local programs across Victoria. Our VicHealth Local Government Partnership supports 36 partner councils to deliver world-class health promotion work.

As a World Health Organization (WHO) Collaborating Centre for Leadership in Health Promotion, we continued to learn from and inform global ambitions in health.

Contributing to and building these networks creates new conversations and opportunities, which will see stronger and longer-lasting health outcomes for Victorians.

ENHANCING CULTURAL SAFETY AND INCLUSIVE PRACTICES

We are working with a committee of young Aboriginal and Torres Strait Islander peoples to amplify the voices of young mob living in Victoria, so that they can self-determine their pathways towards better health and wellbeing.

The Strong Young Mob Plan is being developed and will outline priority actions VicHealth can implement. We acknowledge there is more work to be done to build meaningful, ongoing relationships with First Nations organisations and communities.

REFLECTING ON OUR ACTION AGENDA

VicHealth has completed its Action Agenda for Health Promotion 2013–2023.

In that time, VicHealth transformed from a funding body to a strategic investor, partner and sector collaborator.

Over the last 10 years, VicHealth and its partners:

- created and invested in world-class interventions
- conducted vital research
- produced public campaigns
- provided transformational expertise and insights to governments.

We can all be proud of the work achieved by our partners and communities to improve the health and wellbeing of the people of Victoria.



The Hon. Mary-Anne Thomas, Minister of Health for Victoria, launching *This Girl Can - Victoria 2022*

BUILDING TOWARDS OUR NEXT 10 YEARS ALONGSIDE OUR PARTNERS

Looking to the future, we recently unveiled a bold new strategy.

We're aiming to reduce chronic diseases affecting Victorians, further strengthen our commitment to address health inequities and generate economic benefits to the Victorian health system and economy.

This will only be possible through deep collaboration across sport, arts, culture, research, community and food sectors.

I'd like to thank our partners and the VicHealth team for continuing your tireless commitment to health promotion. Your work helps to support our vision of a healthier Victoria as we look towards 2024 with a huge sense of anticipation and optimism.

Dr Sandro Demaio
CEO
VicHealth



1.



2.



3.



4.



5.



6.

1. Magda’s Big National Health Check

ABC partnered with VicHealth and other organisations to discover what health looks like in Australia today.

1 million Australians watched Magda’s Big National Health Check on TV, with 3 million reached through media or ignited via conversation on social media, with over 78.8 million impressions.

2. Well-Nourished Victoria

Convening partners for new conversations about food systems, at the Festival for a Well-Nourished Victoria.

3. Parliamentary MPs event

Showcasing health and wellbeing policies and programs at Parliament.

4. This Girl Can – Victoria

273,000 women became more active – and stayed more active – as a result of our This Girl Can – Victoria campaign.

5. Fed Square Wellbeing Village

Connecting with people at the Federation Square Wellbeing Village.

6. ABC Takeover Mildura

Empowering young people to share their stories as part of ABC Takeover Mildura.



Where we Invested

649

Number of organisations funded

\$29.439m

Total funding amount

(excluding expenses and project support costs)

This is the highest health promotion spend in VicHealth's history, up \$1.0m from 2021-22.

\$3.9m

to organisations in outer regional Victoria

\$29.4m

to organisations in Metro Melbourne

\$5.1m

to organisations in inner regional Victoria

Did you know?

For every \$1 invested, health protection and promotion interventions return an average of \$14.30 in benefits.

Source: Masters R, Anwar E, Collins B, Cookson R, Capewell S (2017) Return on investment of public health interventions: a systematic review. *Journal of Epidemiology and Community Health*, 71(8): 827-834.

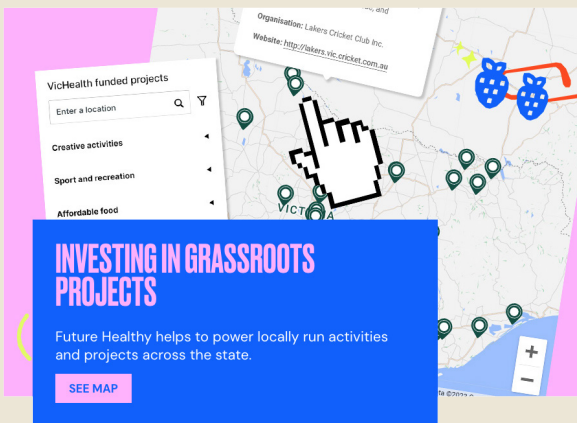


Working with the
Community

Future Healthy

We have a vision for a Victoria where no young person is denied a healthy future. We see a future with vibrant communities, where young people are connected, active, enjoy wholesome food and feel great. A future inspired by, shaped by and shared by the people of Victoria.

Future Healthy is working with hundreds of organisations right across Victoria to make a difference in local communities.



futurehealthy.vichealth.vic.gov.au/projects



The Big Connect

We've invested \$5m in 27 programs that will create more than 100,000 new social connection opportunities for Victoria's young people.

We're working with a range of organisations to deliver place-based and youth-led programs across Victoria's sports, active recreation, arts, cultural, youth, health promotion and community food sectors.

The Big Connect is an integrated health promotion package, including funded partnerships, sector capability building, educational support for families and a public-facing health promotion campaign.

Young people have told us that they want more opportunities to connect with their peers and their community and that opportunities for social connection have been interrupted in a big way.

These programs, delivered as part of The Big Connect investment, will provide this to our young communities who need it most.



Surfing Victoria is delivering Community Connects, a program aimed at supporting the mental wellbeing of young people.

To achieve this, it's connecting and amplifying the voices of regional multicultural youth through stand up paddleboarding (SUP).

This program will provide unreached youth with a chance to connect with each other and nature, and enjoy physical activity in a safe and fun environment.

JumpStart!

JumpStart! is creating hundreds of community-led initiatives for Victoria's children and young people (aged 0 to 25, including families).

In the 2022–23 financial year, VicHealth invested in 180 local JumpStart! ideas to create vibrant, active and connected communities of young people.

With a share of more than \$3.5m, each program will do its part in building healthier communities, overflowing with sport, active play, art and food.

That's new activities for around 68,000 children and young people across the state. There will be everything from monster-themed dance workshops, pottery and mums and bubs gymnastics, to dodgeball, snowboarding and bush tucker tastings.

And that's just the tip of the iceberg. We can't wait to watch these programs come to life between March 2023 and March 2024.

Over the past 2 years, we invested in more than 300 JumpStart! programs across the state, each with a share of just over \$7.25m.



Disability Sports Australia worked alongside partners to deliver 6 Activate Inclusion Sports Day events across Victoria in late 2022 and early 2023 with a focus on regional communities.

This innovative program offered sporting opportunities for students aged 5 to 18 with disabilities, including those with physical, intellectual or sensory disabilities.

These programs empower kids with disabilities to explore avenues into sporting environments in an inclusive and fun way.

These days provided students with a vast range of activities that allowed them to identify sports and activities they enjoy, and be provided with support and contacts for future participation and pathways.

Future Reset: anchoring wellbeing through creativity and connection

We are using creative expression to drive social connection by harnessing the power of creativity and collaborating with 9 arts organisations and 9 young creative leaders. Future Reset gives young people a voice to create their own artistic vision for their communities and with their communities – supporting mental wellbeing in the process.

Participants are supported by a dedicated Future Reset digital platform, which documents the process, relationships and artistic outputs created by the 9

arts organisations. The digital platform has updates on all the art projects in development, upcoming events and resources devoted to the relationship between the arts and mental wellbeing.

The Future Reset program is part of a growing body of public health initiatives around the world that seek to increase social connectedness and wellbeing more generally through community-based art projects. From now and into 2024, across 26 locations in Victoria, we're so excited to see the amazing work that's to come from these incredible organisations, created through Future Reset. The digital platform will act as a virtual gallery and a space for online engagement.

“Future Reset has made me realise what a thriving and healthy arts sector could be – reciprocal, gentle, deep, slow and emergent, slowly evolving and responding to the nuances of communities, young people and arts audiences. It's a game changer. Period.”

Penny Harpham, CEO Western Edge



Celebrating the Future Reset launch in Mildura

Future Active: activating underutilised spaces

VicHealth, together with Reclink Australia, continued its Future Active program to empower young people (aged 16 to 25) to get more physically active in their community.

We're transforming spaces in communities that are not currently being used to their full potential by removing the barriers to physical activity, providing access to new spaces and offering more no cost and low-cost activities.

This supports more young people to do the activities they enjoy, in spaces they feel comfortable in.

Future Active is also providing local training and employment opportunities for young people.



FUTURE ACTIVE IS HERE!








GET ACTIVE
CONNECT WITH YOUR MATES

TRY SOMETHING DIFFERENT!
ALL PROGRAMS BY YOUNG PEOPLE,
FOR YOUNG PEOPLE.

CHECK OUT WHAT SPORT
AND RECREATION PROGRAMS
ARE ON NEAR YOU!

ARE YOU 16-25 YEARS OLD?

Get in touch with your local Reclink Sports Coordinator for more information:
www.reclink.org/programs/vichealth-future-active
[f ReclinkAustralia](#) [@reclinkau](#) [@futurehealthyvic](#)







INTRODUCING FUTURE ACTIVE

Reclink Australia is partnering with VicHealth on a multi-year project called Future Active, to empower young people aged 16-25 to get physically active in their community.

Future Active enables young people to engage in sport and recreation activities in their local community by:

- increasing access to new and underutilised spaces
- creating free and low-cost activity opportunities for young people
- offering activities young people will enjoy, in spaces where they feel comfortable
- providing programs co-designed with young people, for young people

Future Active also offers volunteering, training and employment opportunities to local young people.
 Contact your local Reclink Sports Coordinator to discuss collaboration opportunities in your region.

WHERE TO FIND FUTURE ACTIVE PROGRAMS

- Ararat Rural City
- City of Wodonga
- City of Wyndham
- City of Frankston
- Swan Hill Rural City
- Yarra Ranges Shire
- Yarramback Shire
- City of Casey
- City of Melton
- City of Whittlesea
- City of Greater Geelong
- City of Greater Dandenong
- City of Greater Shepparton
- City of Hume
- East Gippsland Shire
- Mitchell Shire

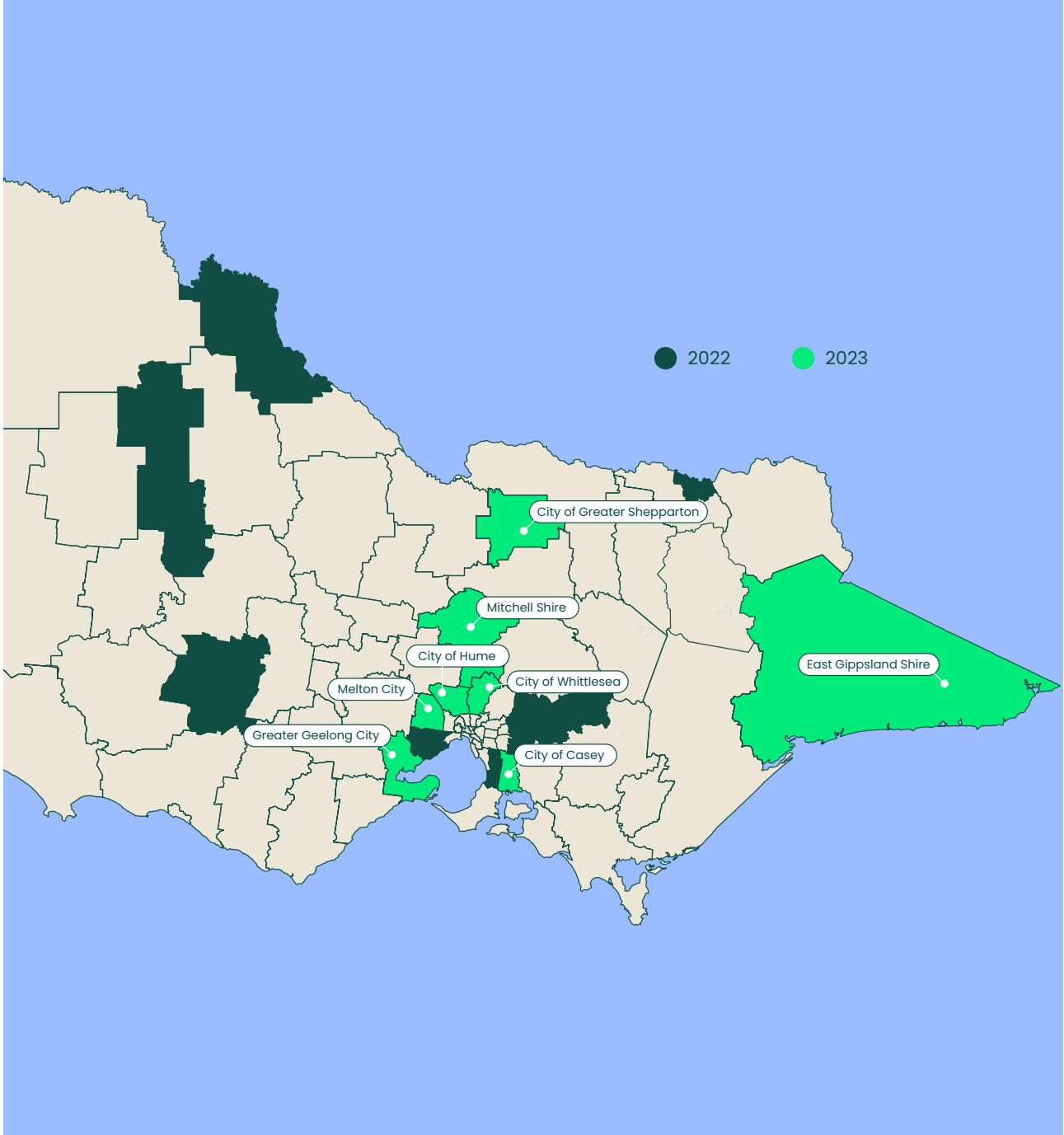


MORE INFORMATION:
www.reclink.org/programs/vichealth-future-active
[f ReclinkAustralia](#) [@reclinkau](#) [@futurehealthyvic](#)









Future Active is working with the following local government areas:

- Ararat Rural City Council
- City of Wodonga
- City of Wyndham
- City of Frankston
- City of Greater Dandenong
- Swan Hill Rural City Council
- Yarra Ranges Shire
- Yarriambiack Shire
- City of Casey
- Greater Geelong City
- City of Greater Shepparton
- City of Hume
- Melton City
- City of Whittlesea
- East Gippsland Shire
- Mitchell Shire.

Future Healthy Food Hubs

We're working with 7 new and existing Future Healthy Food Hub Partners to revolutionise the way we buy, grow and share food.

We've invested in the following Food Hubs:

- Nourish Sunraysia, Mildura
- Grow Cook Share Food Hub, Greater Bendigo
- Whittlesea Food Collective, Whittlesea
- Acres and Acres Food Hub, Towong
- Common Ground Project Food Hub, Surf Coast
- Ubuntu Food Hub, Cardinia Shire
- Wimmera Food Collective, Horsham

This investment totals over \$4m and helps communities enjoy locally produced, healthy foods, together.



UNITED AFRICAN FARM

We welcomed United African Farm's Ubuntu Food Hub as a partner, a community-based initiative founded and run by members of African descent.

The UAF aims to bridge intergenerational and intercultural gaps through adopting a farming model, cultural exchange and access to culturally appropriate fresh food.

This partnership will build over the next year as we look to expand, increase food production and offer youth traineeships and capacity building on the farm.

Engaging with more youth and transferring intergenerational knowledge will ensure a long-lasting legacy and cultural heritage for the United African Farm.

These food hubs will:



Connect up to 50,000 shoppers

per hub to locally grown food – that's over 400,000 people per year!



Provide meaningful employment

for 125 people across Victoria



Support 150

local growers and producers



Deliver 20

unique paid traineeship opportunities over 2 years for young people.

Future Healthy Community Champions

Our Future Healthy Community Champions continued to share their stories and ideas to help shape solutions for the future.

Our 12 ambassadors represent Victoria's young people as part of the Future Healthy initiative. They host events, speak to media, and connect with communities to share their lived experiences and encourage conversations about the importance of including young people in decision-making.



Manahil and Zahra at Lyndhurst Secondary College as part of the Safer Cities Symposium



Felicia, Jet, Manahil, Danica and James visiting the VicHealth office



James, Danica, Jessi, Felicia and Mitch at Future Healthy Wellbeing Village, Federation Square



Danica, James and Manahil at the Minus 18 Queer Formal



Victorian Health Promotion Awards 2022



Community visits

Throughout the year, we had the privilege of visiting communities and partner organisations across Victoria to see amazing health promotion work in action.

This Girl Can – Victoria

The This Girl Can – Victoria campaign inspired over 273,000 women across Victoria to get active and stay active.

CAMPAIGN FINDINGS

Research by La Trobe University* into our 2022 This Girl Can – Victoria campaign showed:

1 in 7

women aged 18 to 65

in Victoria got active after seeing the This Girl Can – Victoria campaign

62.5

minutes

is the average additional time women who did something active spent each week doing sport or exercise

1 in 2 (47%)

of the women

who were inspired to get active and were committed to continuing this change throughout the rest of the year.

* La Trobe University 2022, This Girl Can Campaign Tracker, VicHealth, Melbourne



About This Girl Can – Victoria

The This Girl Can – Victoria campaign is about celebrating everyday women getting active however, wherever and whenever they choose. The campaign is designed to encourage, motivate and inspire women to become more active, as well as challenging traditional stereotypes.

We know moving more and sitting less benefits our overall health and wellbeing. Alarmingly, one in 5 Victorian women don't do any physical activity at all in a typical week. A common barrier is fear of judgement. The campaign is just one element of VicHealth's broader work to support gender equality and to both empower and enable Victorian women and girls to be more physically active.

ANGELA'S STORY

Burnside Heights cricketer Angela Dalla Rosa knows all about the power of the This Girl Can – Victoria campaign.

Angela was never interested in sport, thinking she was too uncoordinated to play. That all changed after watching her sister run a marathon and her son play football.

A switch flicked and Angela began trying her hand at everything. She took up running, completed a marathon, played football and has now settled on cricket as her sport of choice.

Achieving this goal made her realise she could do anything if she set her mind to it. 'I realised it wasn't like I was bad at sport, it's just that I never gave myself the chance to be any good.'

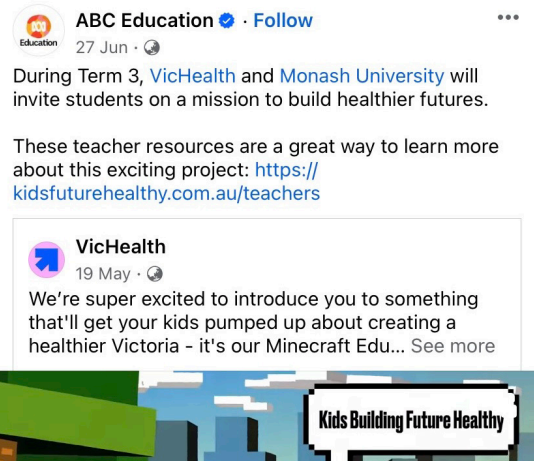
As she's playing, she alternates between, 'absolute exhilaration and fear of making a fool of myself.'

But she's determined to continue pushing herself and getting out of her comfort zone, inspiring others around her to take the plunge and be active.



THIS
GIRL
CAN

#ThisGirlCanVIC



Partnering for Greater Impact

We partner with a wide range of organisations to achieve our mission of improving health and wellbeing for all Victorians.

These include local community groups, peak bodies, other government departments and agencies, universities and research institutes,

and even international organisations, such as UNICEF and the World Health Organization.

These partnerships implement impactful programs, create opportunities for knowledge exchange and capability building, and enable us to deliver better health outcomes for all.

VicHealth Local Government Partnership

VicHealth is partnering with 36 Victorian councils to set our kids up for their best possible futures by creating communities where children and young people grow up active, socially connected and healthy.

The VicHealth Local Government Partnership (VLGP) brings together resources and consolidates the practice knowledge, experiences and research developed over VicHealth's many years working in close collaboration with local governments and other expert partners.

Through the VLGP, councils amplify the voices, ideas and experiences of children and young people in their community, embedding this work in council strategies to create a healthier future.

The VLGP provides councils with tailored knowledge, tools and support to be able to deliver on health promotion work in their local communities.

These partnerships build on existing relationships and the influential work that VicHealth has delivered with local councils since it was established.

Our evidence-based health promotion modules support councils to embed the needs of young people into their Municipal Public Health and Wellbeing Plans. Each module includes detailed information to help councils implement health promotion programs in their communities.

All Victorian councils have access to the modules, providing the foundations for effective health promotion work in their communities. This comprehensive suite of resources enables councils to tailor their work to suit evolving community needs.

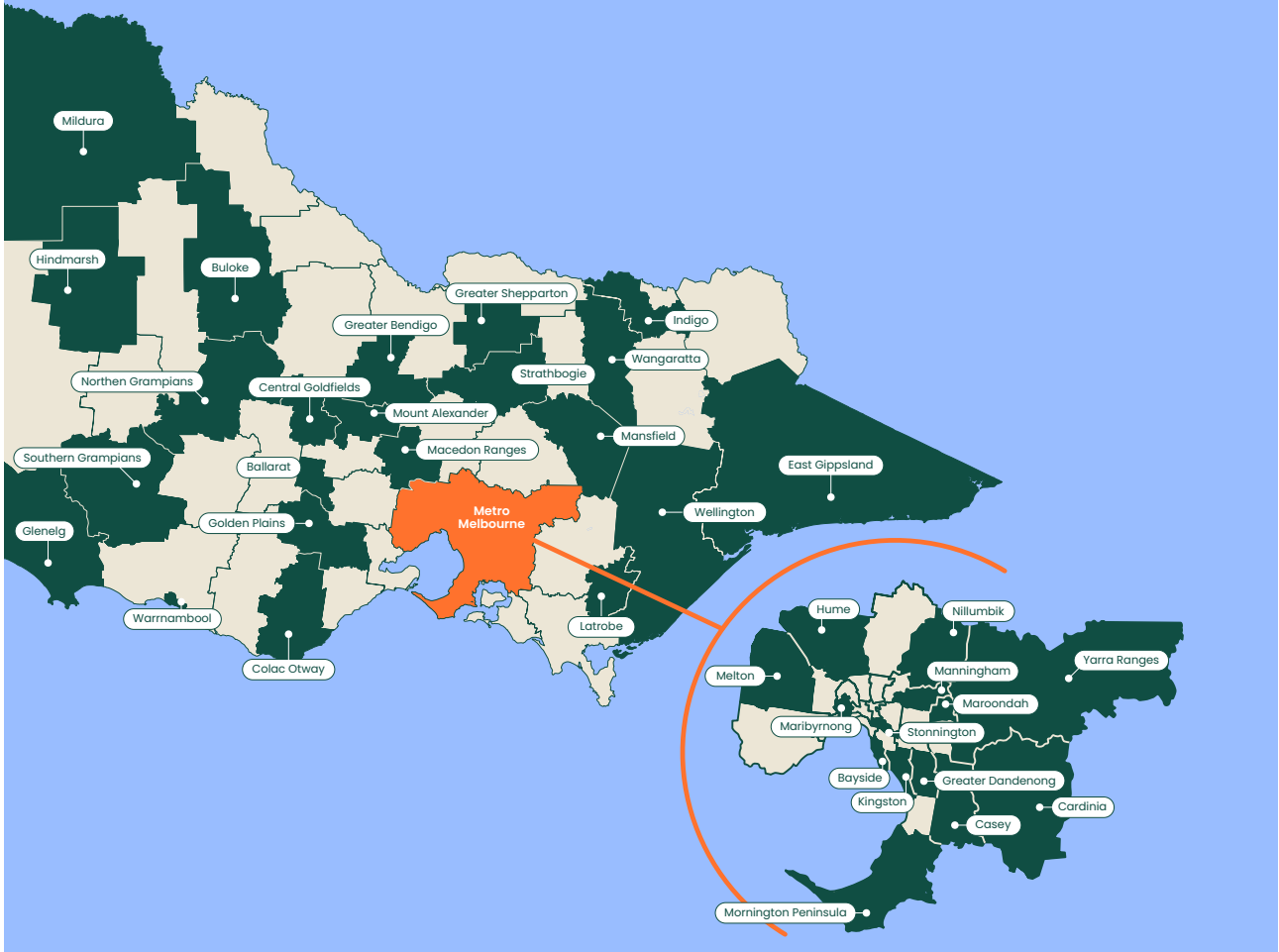


The **Glenelg Shire Council** partnered with Heywood and District Basketball Association to showcase the importance of how reducing barriers can allow a community to thrive.

Budding basketball players in the community basketball group got a significant boost thanks to a series of new initiatives aimed at introducing young people to the sport.

Heywood has revitalised its volunteer-run basketball association, introducing a successful 10-week Junior Hoops Program, launching a junior basketball competition, training young referees, improving the basketball stadium and providing new equipment and jerseys.

The Glenelg Shire Council is one of 5 councils in Barwon South West participating in the VicHealth Local Government Partnership (VLGP).



Our partner councils

- Ballarat City Council
- Bayside City Council
- Buloke Shire Council
- Cardinia Shire Council
- Casey City Council
- Central Goldfields Shire Council
- City of Greater Bendigo
- City of Kingston
- City of Stonnington
- Colac Otway Shire Council
- East Gippsland Shire Council
- Glenelg Shire Council
- Golden Plains Shire
- Greater Dandenong Council
- Greater Shepparton City Council
- Hindmarsh Shire Council
- Hume City Council
- Indigo Shire Council
- Latrobe City Council
- Macedon Ranges Shire Council
- Manningham City Council
- Mansfield Shire Council
- Maribyrnong City Council
- Maroondah City Council
- Melton City Council
- Mildura Rural City Council
- Mornington Peninsula Shire Council
- Mount Alexander Shire Council
- Nillumbik Shire Council
- Northern Grampians Shire Council
- Rural City of Wangaratta
- Southern Grampians Shire Council
- Strathbogie Shire Council
- Warrnambool City Council
- Wellington Shire Council
- Yarra Ranges Council

Funding world-class research

Research is at the heart of what we do, and VicHealth will continue investing in leading scientists, experts and thinkers to help shape a healthier future.

Our research investments are critical in boosting knowledge about what drives preventable disease, and the interventions needed to make change happen.

Through our Impact Research Grants we are investing almost \$1.5m over the next 2 years in groundbreaking research initiatives.

We will also invest \$1m over the next 2 years in our research fellowship program. This program enables early-career researchers to be part of our work, networks and communities while contributing world-class research in line with our strategic priorities.

The VicHealth team also made valuable contributions to the research base, regularly writing and publishing research papers, and commissioning reports from academic institutions. We also shared our research and our findings widely – so that others can also use evidence to support health and wellbeing right across Victoria.

We're proud to be investing in and undertaking research projects that are designed to create a healthier future for Victorians.

Youth Engagement Evaluation Framework

Centre for Program Evaluation
Melbourne Graduate School of Education

Prepared for The Victorian Health Promotion Foundation
10 June 2022



vichealth.vic.gov.au



Gender Equality Through the Arts Program Evaluation

Dr Kim Shearson
Professor Christopher Sonn
Associate Professor Gavin Ivey
Professor Jenny Sharples
Ms Liana Brassacchio
Ms Elise Bryant
Ms Bernadette Durkan



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Meet our Postdoctoral Research Fellows 2022–24



**DR CHRISTINA ZORBAS,
DEAKIN UNIVERSITY**

Dr Zorbas is identifying food policy options that better reflect the voices and values of those who experience health inequities, including Aboriginal and Torres Strait Islander peoples, migrant and refugee communities, people living in regional or rural areas, and people receiving low or no income.



**DR HANNAH PITT,
DEAKIN UNIVERSITY**

Dr Pitt is exploring how local governments can effectively engage young people in public health advocacy strategies aimed at responding to the health threats posed by harmful industries, including tobacco, alcohol, gambling and unhealthy food.



**DR ALEXANDRA CHUNG,
MONASH UNIVERSITY**

Dr Chung is looking at food and drink marketing that targets parents and young children.



**DR JENN LACY-NICHOLS,
UNIVERSITY OF MELBOURNE**

Dr Lacy-Nichols is investigating the political influence of the alcohol, gambling and ultra-processed food industries.



**DR FLORENTINE MARTINO,
DEAKIN UNIVERSITY**

Dr Martino is focusing on reducing health inequities caused by harmful industries to then improve children's wellbeing.

Introducing our 3 new research fellows



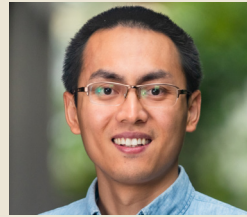
**DR AURÉLIE PANKOWIAK,
VICTORIA UNIVERSITY**

Engaging children and young people in organised sport is at the core of Dr Aurélie Pankowiak's research. Aurélie will be exploring a strategy that emphasises enjoyment and wellbeing instead of competition and skills. It will focus on creating safe and inclusive environments, with the aim to attract and retain underrepresented demographics in sport.



**DR ADYYA GUPTA,
DEAKIN UNIVERSITY**

Dr Adyya Gupta's research will investigate the impact of online food delivery platforms on youth's food choices in real time through youth engagement. The research will highlight how food marketing techniques are used within online food delivery platforms, how youth engage with these platforms and how this influences their food purchasing decisions. Novel screengrab methods will be applied to better understand the influence marketing has on young people.



**DR RONGBIN XU,
MONASH UNIVERSITY**

Dr Rongbin Xu's research aims to better understand health risks from environmental factors caused by climate change, like bushfires and extreme heat across Victoria. This will provide projections of the burden of disease across a range of different scenarios, allowing for an evaluation of current strategies. The research aims to contribute to health guidelines, health promotion materials and policy advice for local governments.



CivVic Labs

VicHealth partnered with LaunchVic to connect with the startup community and create locally led health-tech solutions.

As part of the CivVic challenge, health-tech innovators developed technology to improve young people's access to healthy food and expose sneaky digital marketing practices by harmful industries.

At the pitch event, the 3 most innovative prototypes received seed funding of \$25k per challenge to bring their ideas to market:

WIRL

We are in the midst of a global mental health crisis and scientists are finding answers in the gut-brain link, but there are no tools to support implementation in a relatable and scalable way. WIRL is the world's first mental wellbeing platform driven by the gut-brain axis.

E-MOJO

E-mojo is an app that will turn up the volume on young people's voices to deliver critical information to adult 'enablers' so that they can identify young people who need intervention and support and ensure their basic wellbeing needs are being met and protected.

PRODUCT FORGE

Product Forge is a technology startup that wants to build solutions to public policy challenges through leveraging cutting-edge modern technology. They specifically focus on the rapid pace of innovation made possible by modern open-source tech, and on helping speed up the historically slow rate of innovation within government 'from the outside'.



VicHealth x Museums Victoria x Quit

VicHealth's partnerships with Quit Victoria and Museums Victoria continued to shine a spotlight on the importance of creating healthy environments that support the health and wellbeing of children and families.

Together, we unveiled a sculpture in the form of a vape cloud at Scienceworks, detailing the harms of e-cigarettes.

The joint initiative explained the health impacts to young people and their families so they could prevent future harm, detailing the toxic chemicals found in e-cigarettes.

The display aligned with the launch of Quit Victoria's new online hub 'Get the Facts on Vaping' – a new resource with information for parents and influential adults to have conversations about the risks of vaping with young people, with healthy lifestyle messages throughout its narrative.



VicHealth continues its longstanding investment in Quit Victoria, providing \$3m in 2022-23 to reduce the uptake to smoking among Victorians, increase successful quit attempts among people who smoke and reduce exposure to second-hand tobacco smoke. A key focus of our investment with Quit Victoria is to increase the reach and impact of smoking cessation with high smoking rate populations.

The Lancet Series

The Lancet Series is a collaboration written collectively by global health experts. It launched in Melbourne to highlight the urgent need to prioritise health over profit.

The series focused on commercial organisations and their behaviours that contribute to growing health problems. Examples include industries that produce tobacco, alcohol, highly processed foods and fossil fuels, responsible for over a third of preventable global deaths each year.

This world-class research, supported and contributed to by VicHealth, provides evidence-driven insights from global health experts to create a future roadmap for addressing health challenges.

This continues to be critically relevant given chronic disease is Australia's biggest killer, contributing to 9 in 10 deaths nationally.



Australian launch of The Lancet Series on commercial determinants of health, State Library of Victoria, March 2023

Youth Peak Partnerships

We continued partnering with key youth organisations to ensure that children and young people are included at the centre of health solutions.

These partnerships enable us to understand young people’s needs and ensure their voices are centred when shaping health initiatives that affect young Victorians.

In particular, these partnerships ensure we are listening to and amplifying the voices of young people with diverse lived experiences. This includes people from Aboriginal and Torres Strait Islander backgrounds, culturally and linguistically diverse communities, LGBTIQ+ backgrounds, people living with disabilities and those from regional areas.

These partnerships support our vision to create a healthier, fairer Victoria.



| Berry Street



| Centre for Multicultural Youth (CMY)



| Ethnic Communities Council of Victoria (ECCV)



| Koori Youth Council



| Minus 18



| YLab (Foundation for Young Australians)



| Youth Affairs Council Victoria (YACVic)



| Youth Disability Advocacy Service (YDAS)

Introducing our Youth Engagement Evaluation Framework

In recognition of our ongoing commitment to working with young people, VicHealth partnered with the Department of Health’s Healthy Kids, Healthy Futures to develop a [Youth Engagement Evaluation Framework](#).

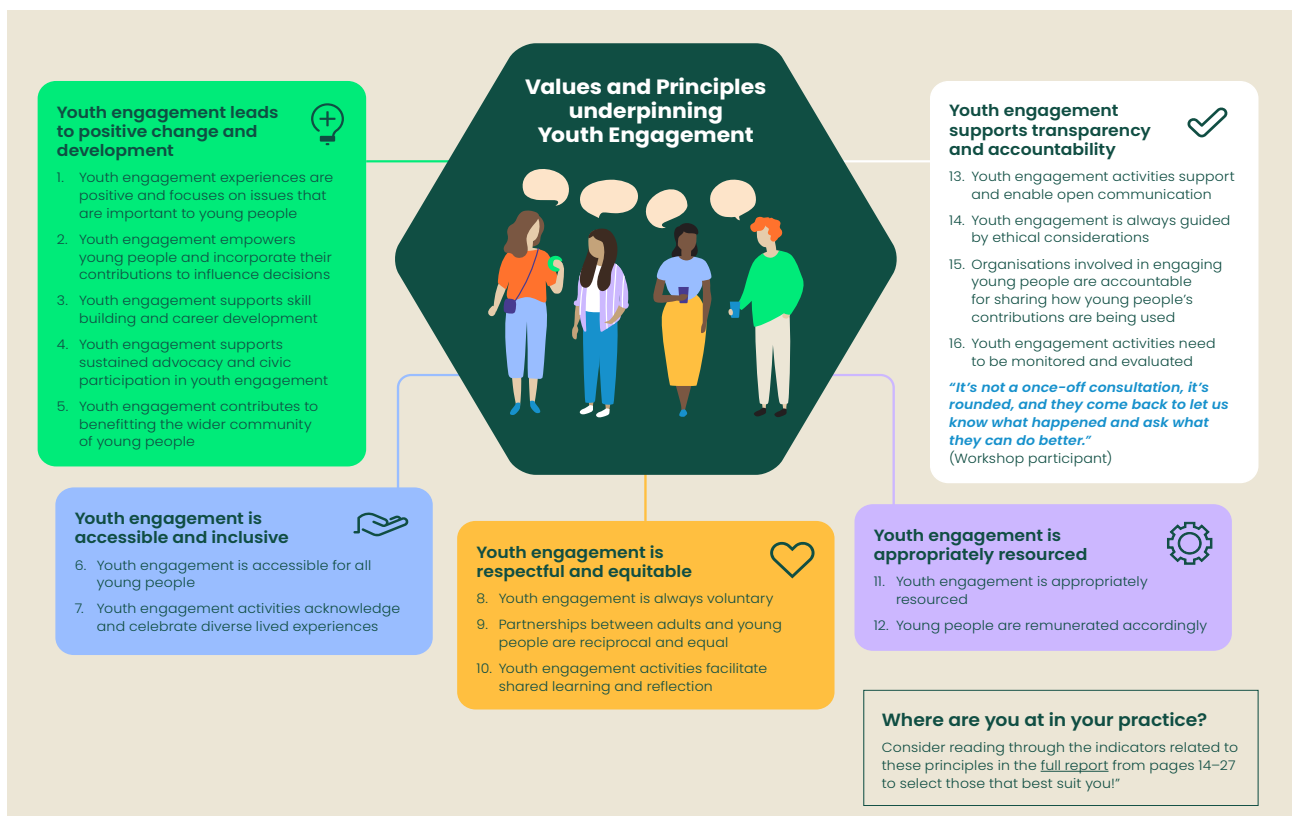
VicHealth commissioned the framework in collaboration with the University of Melbourne, and the 8 organisations in our Youth Peak Partnership.

The framework formally acknowledges young people’s right to be involved and values the knowledge they contribute. It outlines a set of principles, processes and enabling conditions that organisations and programs should follow to ensure effective youth engagement occurs.

What makes this engagement framework unique?

Effective youth engagement done well is pivotal to the health and wellbeing of young people, especially those from communities that have faced structural and systemic barriers.

We need to be able to provide opportunities for enhancement and advancement, not just treatment-centred approaches. This provides a framework for evaluating current state and values and principles that allow for successful practice in youth engagement.





People using the Victorian Health Promotion Hub

Victorian Health Promotion Hub

The Victorian Health Promotion Hub is a co-working space where our partners can meet and connect with us, and each other, more closely.

We know that collaboration is the foundation to success, and the Hub provides an environment that enables people and organisations working in health promotion and beyond to come together, connect and collaborate.

We now have well over 100 partner organisations signed up and using the Hub. Our Hub partners include organisations from the arts, culture, sports, recreation, health, community and food systems sectors.

Victorian Health Promotion Awards

The 2022 Victorian Health Promotion Awards celebrated 9 organisations and individuals for their extraordinary efforts to improve the health and wellbeing of communities across the state.

Congratulations to the recipients of the 2022 Victorian Health Promotion Awards!

OUTSTANDING HEALTH PROMOTION AWARD: HEALTHABILITY, BABY MAKES 3, SUPPORTING FAMILIES TO THRIVE

Focused on education and social change for gender equality in parenting, Baby Makes 3 provides support to new parents. The program shapes attitudes and social norms by challenging outdated gender expectations of becoming a parent.

BUILDING BACK BETTER AWARD: BROPHY FAMILY AND YOUTH SERVICES, STOKED SURF THERAPY

STOKED is a surf therapy program for young people aged from 14 to 25 years. The program aims to teach surfing as a coping strategy for mental health, connect young people to community, deliver education on mental health and wellbeing, and provide exposure to the healing powers of the ocean.

DRIVING HEALTH EQUITY AWARD: TRANSOMATICS, ARTS GEN

The Transomatics podcast supports the trans community to connect with their bodies through gender-diverse, inclusive content focused on breathing and movements.



FUTURE HEALTHY AWARD: SURFING VICTORIA, VICTORIAN INDIGENOUS SURFING PROGRAM

The Victorian Indigenous Surfing Program is one of the longest running First Nations engagement programs in the country. Moving into its 25th year, the program uses surfing as a way to connect First Nations Victorians with the ocean, their community and nature while learning new skills, water safety and healthy habits.

COMMUNITY LEGEND AWARD: ANNIE VICKERS-WILLIS

Annie Vickers-Willis spends between 30 and 35 hours every week organising and inspiring other women to walk through her passion project, Women on Walks. The Facebook group is home to more than 8,000 participants who connect via a shared passion of walking.

LEADING HEALTH PROMOTION RESEARCH AWARD: BENDIGO HEALTH, MAKING EVERY CONSULTATION COUNT

Bendigo Health’s research looked at cost-effective ways to integrate preventative health advice into routine hospital visits, where surgeons talked to patients about their physical activity levels, provided advice and referred them to a telephone coaching program.

OUTSTANDING MEDIA REPORTING AWARD: ZAIN NABI, SBS NEWS, THE DISRUPTIVE COMPANION

SBS podcast *The Disruptive Companion* shed light on eating disorders, where journalist Zain Nabi spoke to more than 50 people, advocates and experts. Stories featured those with lived experience, including those from CALD and Indigenous communities, with key parts translated into 12 languages.

STEPHEN WALTER EXCELLENCE IN HEALTH PROMOTION MARKETING AWARD: DPV HEALTH, LET’S BRING CHANGE TOGETHER

A co-designed and community-led campaign created for South Asian women in the Whittlesea community to highlight the issue of family violence, motivate discussion and promote the importance of feeling safe.

FUTURE CHANGEMAKER AWARD: KRUSHNADEVSINH RAVALJI

Krushnadevsinh (Kano) Ravalji is an independent youth and diversity advocate, focused on young people and multicultural communities to promote inclusion, healthy living and physical activity.





Our team

Our people and culture drive our organisation and make VicHealth a more collaborative and inspiring place to work. So we can achieve maximum impact, we're continually improving our ways of working and using better tools and processes, while also modernising our systems.

VicHealth is committed to equity, diversity and inclusion in all we do. All staff participate in workshops that focus on how we enhance our workplace culture to be culturally safe for all of our people and partners. This year, we continued implementing our Reconciliation Action Plan, including a NAIDOC leave policy, education and awareness sessions.

We also continued implementing our Gender Equality Action Plan 2021–25, which looks at a range of continual improvements for our organisation. These include removing systemic barriers or challenges to career progression for diverse groups of employees and improving workplace flexibility arrangements.

We invest in our team's professional development in a range of ways, by reviewing our career progression opportunities and professional development policies to support our team to deliver impactful work for the Victorian community.

Our Employee Culture Charter drives our work and sets the cultural and professional standards for our team.

By building our organisational capability and improving our effectiveness to meet existing and emerging needs, we can continue to deliver high quality services to the Victorian community.

Operational and budgetary objectives and performance against objectives

Operational performance against budget

VicHealth's 2022–23 operational and financial performance responded to the needs of all Victorians. We delivered the final year of our Action Agenda 2013–2023 and developed our new long-term strategy, 'The Next 10 Years 2023–2033: Reshaping Systems Together for a Healthier, Fairer Victoria'.

During 2022–23, VicHealth implemented the second year of its successful 3-year Future Healthy strategy and associated The Big Connect and JumpStart! funding, its Move the Dial targeted funding programs, continued its active engagement with local governments through the VicHealth Local Government Partnership, engaged with community across the state through our community visits, and further enhanced our funding and reputation in evidenced-based research programs. The \$29.4m spent on grants and funding in 2022–23 was the highest level of health promotion funding delivered by VicHealth in our history.

Total income was \$45.2m in 2022–23, up from \$43.1m in the 2022–23 budget. The increase of \$2.1m primarily reflected:

- the indexation adjustment for appropriation from the Department of Health (DoH) being 2.5% rather than the Board approved budget at 2.0%, representing additional appropriation revenue of \$0.2m

- additional appropriation revenue from the DoH of \$0.9m received in the first half of 2022–23 as a one-off sustainability payment to meet cost pressures in 2022–23, including the Fair Work decision to increase minimum and award wages and respond to growing additional cost pressures and issues with workforce shortages and job insecurity
- additional appropriation revenue from the DoH of \$0.6m received in 2022–23 for Local Health Promotion Unit (LPHU) capacity support
- additional interest revenue of \$0.3m, reflecting increasing interest rates.

Total expenditure for 2022–23 of \$45.3m is \$2.0m above the budget of \$43.3m, primarily reflecting expenditure associated with the additional appropriation of \$1.7m received from the DoH in 2022–23.

VicHealth's grants and program funding and additional appropriation, referenced earlier, mean that VicHealth substantially increased its total grants funding and program expenditure (including support costs) in 2022–23 from 2021–22 levels to \$30.3m (up \$1.2m or a 4.1% increase against the 2022–23 budget figure of \$29.2m). The increase included \$0.6m of additional appropriation funding from the DoH for LPHU capacity support and \$0.5m of Quit funding brought forward from 2023–24.

Employee expenses of \$11.1m were \$0.8m above the budget primarily due to:

- 6 months of 5 additional 12-month contract staffing positions focusing on capability and capacity building (\$0.3m), as well as adjustments to executive salaries (from 1 July 2022) (\$0.2m) to bring those in line with Victorian Public Sector Commission executive classifications, all fully funded by the one-off sustainability appropriation payment from the DoH, as referenced earlier
- temporary staff costs for Phoenix training of \$0.1m connected to culture check-in commitments approved by the Board and the Executive, and a data engineer of \$0.1m related to the development of VicHealth's Commercial Determinants of Health – Harmful Industries Portal. Both funded by additional interest rates revenue received in 2022-23.

In relation to wages and on-costs, it is worth noting that in line with Victorian Government reporting under Australian accounting standards, all of VicHealth's employee expenses are disclosed in the Financial Statements as a separate expense within total expenses. The reporting of employee expenses as a single item does not adequately reflect the role of VicHealth staff in contributing to health promotion outcomes for the Victorian community. If staff costs associated with health promotion delivery were added to grant funding and program costs, the overall proportion of VicHealth's operating result delivering health promotion outcomes would be over \$37.9m in 2022-23, over 88% of the total budgeted appropriation from the DoH under VicHealth's externally focused organisational structure.

Operating costs including depreciation and amortisation of \$4.0m were \$0.1m above budget primarily due to additional ICT costs of \$0.2m, reflecting higher ICT platform subscription costs for services required by VicHealth. VicHealth continues to closely monitor its ICT platforms and business requirements through its ICT Governance Committee.

The comprehensive result for the year was a deficit of \$0.2m from DoH appropriation funded activities and a break-even result from special purpose funded activities.

Our operating budget performance is summarised in Table 1.

Table 1. Operational performance against budget for 2022–23

	Appropriation funds		Special purpose funds		Total	
	Actual (\$'000)	Budget (\$'000)	Actual (\$'000)	Budget (\$'000)	Actual (\$'000)	Budget (\$'000)
Income						
Appropriation – indexed	43,209	42,984	-	-	43,209	42,984
Appropriation – one-off	1,488	-	-	-	1,488	-
Other income	393	69	85	-	478	69
Total income	45,090	43,053	85	-	45,175	43,053
Grants & direct project implementation	30,171	29,171	85	-	30,256	29,171
Employee expenses						
(i) Health promotion delivery	7,776	7,525	-	-	7,776	7,525
(ii) Management & support	3,281	2,686	-	-	3,281	2,686
Operating costs	4,030	3,907	-	-	4,030	3,907
Total expenses	45,258	43,289	85	-	45,343	43,289
Operating surplus/(deficit)	(168)	(236)	-	-	(168)	(236)

Under section 33 of the *Tobacco Act 1987*, the budget of VicHealth must provide for payments to sporting bodies (not less than 30%) and to bodies for the purpose of health promotion (not less than 30%). These important statutory requirements were both achieved.

The VicHealth Board also sets strategic guidelines on grant expenditure for the financial year.

These targets, among other criteria, are used to guide the level of investment in each strategic imperative, and in research and evaluation. The statutory objective of payments to sporting bodies is a key reason VicHealth's expenditure on physical activity is significantly higher than on other imperatives.

All statutory and strategic targets were met in 2022–23, except for Tobacco due to VicHealth spending \$2.5m from its 2022–23 Tobacco budget in 2021–22.

Our performance against these targets is summarised in Table 2.

Our performance against these targets is summarised in Table 2.

Table 2. Performance against statutory and VicHealth Board policy expenditure targets⁽ⁱ⁾

Performance measures	2022–23 guideline	2022–23 budget (\$'000)	2022–23 actual	2022–23 amount (\$'000)
Statutory expenditure target⁽ⁱⁱ⁾				
Sporting bodies	At least 30%	13,100	34.6%	14,869
Health promotion	At least 30%	15,172	33.9%	14,570
Board policy expenditure guideline				
Promote healthy eating	5%	7,666	14.4%	6,187
Encourage regular physical activity	21%	8,996	22.9%	9,864
Prevent tobacco use ^(iv)	13%	2,961	8.5%	3,661
Prevent harm from alcohol	5%	2,199	5.4%	2,340
Improve mental wellbeing	8%	6,450	17.5%	7,516
Research and evaluation ⁽ⁱⁱⁱ⁾	12%	5,271	13.7%	5,904

Notes:

- (i) Percentage figures are calculated as expenditure as a proportion of our budgeted government appropriation for the financial reporting period. For the 2022–23 financial year our budgeted appropriation was \$43.0m. Figures include payments from additional appropriation but exclude payments sourced from special purpose funds unless otherwise indicated.
- (ii) Spend against statutory expenditure targets is not exclusive of spend against the Board's strategic imperative targets. Expenditure coded against the statutory targets is also coded against the Board's expenditure targets. Expenditure on 'health promotion' in this instance is defined as total grant payments less grant monies issued to sporting bodies.
- (iii) The research and evaluation figure may include expenditure allocated to other statutory and Board expenditure categories.
- (iv) Actual percentage is lower than the guideline reflecting \$2.5m from the 2022–23 Tobacco budget being paid in 2021–22.

Five-year financial summary

Table 3. Five-year financial summary

	2023 (\$'000)	2022 (\$'000)	2021 (\$'000)	2020 (\$'000)	2019 (\$'000)
Operating statement					
Revenue from government	44,697	42,590	41,312	41,272	40,505
Other income	478	258	70	119	222
Total income	45,175	42,848	41,382	41,391	40,727
Grants and funding	30,256	29,097	26,624	28,392	28,819
Employee expenses					
(i) Operational	10,593	10,031	9,662	9,940	8,832
(ii) Once-off costs (including targeted separation packages, pandemic related contract extensions and working from home allowances)	-		886	-	-
(iii) Executive VPSC adjustments	238				
(iv) 12-month contracts from additional appropriation	226				
Total	11,057	10,031	10,548	9,940	8,832
Operating costs (including depreciation/amortisation) ⁽ⁱⁱⁱ⁾					
- Operational	3,940	3,522	3,355	3,066	3,263
- Once-off costs (including relocation, lease related expenses and new 10-year strategic agenda development)	90	190	477	-	-
Total	4,030	3,712	3,832	3,066	3,263
Total expenses	45,343	42,840	41,004	41,398	40,914
Net surplus/(deficit) for the period	(168)	8	378	(7)	(187)
Balance sheet					
Total assets	11,989	14,837	14,837	8,774	8,105
Total liabilities	6,309	8,996	8,996	3,311	2,635
Total equity	5,680	5,841	5,841	5,463	5,470

Note:

- (i) Over 70% of VicHealth's operational staffing costs relate to health promotion delivery, with the remainder providing overall management and support. The increase in operational employee expenses over the 5 years primarily reflects salary increases under VicHealth's 2017 and 2021 Enterprise Agreements.
- (ii) Expenditure in 2020-21 related to one-off expenditure associated with organisational restructure and staffing impacts of the pandemic.
- (iii) Adjustments to executive salaries from 1 July 2022, to bring those in line with Victorian Public Sector Commission executive classifications funded by the one-off sustainability appropriation payment.
- (iv) The impact of 6 months of 5 additional 12-month contract staffing positions focusing on capability and capacity building funded by the one-off sustainability appropriation payment.
- (v) Expenditure in 2020-21 related to one-off expenditure associated with VicHealth's relocation to the Victorian Health Promotion Hub lease at 355 Spencer Street, West Melbourne, and expenditure in 2022-23 related to the development of VicHealth's new 10-year strategy.

Major changes affecting performance compared to previous year

As VicHealth responded to the needs of all Victorians, 2022–23 saw VicHealth deliver its final year under VicHealth’s Action Agenda 2013–2023.

VicHealth implemented the second year of its successful 3-year Future Healthy strategy and associated The Big Connect and JumpStart! funding, its Move the Dial targeted funding programs, continued its active engagement with local government through its VicHealth Local Government Partnership, engaged with community across the state through our community visits, and further enhanced its funding and reputation in evidenced-based research programs. The \$29.4m spent on grants and funding in 2022–23 was the highest level of health promotion funding delivered by VicHealth in its history.

During 2022–23, VicHealth implemented several major changes to drive operational and financial performance over the financial year and into the future:

- development of its new long-term strategy ‘The Next 10 Years 2023–2033: Reshaping Systems Together for a Healthier, Fairer Victoria’, focused on the systemic impacts on the health of Victorians
- enhanced budget phasing in 2022–23 improved resourcing and cashflow resulting in an effective and even spread of payments of grants and programs across the financial year
- continued optimisation of the core ICT platform, Phoenix, with the implementation of project management and stakeholder relationship management within the organisation, as well as the development and implementation of Phoenix training for all staff, and extensive user-centric systems documentation on VicHealth’s intranet
- implementation of systems-based training for health promotion for all staff in preparation for VicHealth’s implementation of its new 10-year strategy.

Total income was \$45.2m in 2022–23, up from \$42.8m in 2021–22. The increase of \$2.4m primarily reflected:

- a 2.5% indexation adjustment for general appropriation from the Department of Health (DoH) of \$1.1m
- additional appropriation revenue from the DoH in 2022–23 of \$1.5m received as a one-off sustainability payment (\$0.9m) to meet the cost pressures across 2022–23, and Local Health Promotion Unit (LHPU) capacity support (\$0.6m), up from the \$0.5m in additional appropriation from the DoH in 2021–22 for mental health awareness following the pandemic
- other revenue of \$0.2m primarily due to increased interest rates.

Resulting primarily from the additional appropriation of \$2.1m received in 2022-23 (highlighted above), total expenses increased to \$45.3m, up \$2.5m from 2021-22, reflecting:

- Expenditure on grants and program funding (including support costs) of \$30.3m was up \$1.2m since last year with the successful delivery of VicHealth’s health promotion strategies referenced earlier. The increase included \$0.6m of additional appropriation funding from the DoH for LHPU capacity support and \$0.5m of Quit funding brought forward from 2023-24.
- Employee expenses of \$11.1m were \$1.0m above 2021-22, which in addition to salary increases under VicHealth’s Enterprise Agreement 2021 were primarily due to the impact of:
 - 6 months of 5 additional 12-month contract staffing positions focusing on capability and capacity building (\$0.3m), as well as adjustments to executive salaries (from 1 July 2022) (\$0.2m) to bring those in line with Victorian Public Sector Commission executive classifications, all fully funded by the one-off sustainability appropriation payment referenced earlier.
 - temporary staff costs for Phoenix training of \$0.1m connected to culture check-in commitments approved by the Board and the Executive, and a data engineer of \$0.1m related to the development of VicHealth’s Commercial Determinants of Health – Harmful Industries Portal. Both funded by additional interest rates revenue received in 2022-23.
- Operating costs (including depreciation and amortisation) have increased by \$0.3m from 2021-22 primarily due to:
 - consulting costs of \$0.1m related to the development of VicHealth’s new long-term strategy ‘The Next 10 Years 2023-2033 Reshaping Systems Together for a Healthier, Fairer Victoria’
 - additional ICT costs of \$0.2m reflecting higher ICT subscription costs for services required by VicHealth, which continue to be closely monitored through the ICT Governance Committee.

Refer Note 3. Expenses from Transactions on page 89 within the Financial Statements for 2022-23.

Significant changes in financial position during the year

VicHealth's cash balance of \$4.4m, is up \$0.1m from the year prior, despite a record level of health promotion grant and program expenditure in 2022-23. This primarily reflects the additional appropriation received by VicHealth during 2022-23. The cash balance of \$4.4m, up from the \$4.3m (10% of budgeted appropriation) minimum set by the VicHealth Board, is within appropriate levels of cash reserve holdings required by VicHealth's Reserves Policy.

The value of total assets is \$12.0m, a decrease of \$1.0m from 2021-22, primarily reflecting depreciation and amortisation following the implementation of Phoenix, the fit-out of the Victorian Health Promotion Hub at 355 Spencer Street, West Melbourne, and recognition of right of use assets under the Accounting Standard AASB 16 Leases in 2020-21.

Receivables are \$0.7m, which mainly comprises GST receivables. The GST receivable figure is down from the 2022-23 figure, as budget phasing in 2022-23 improved resourcing and cashflow and resulted in a lower level of grants and programs expenditure in the final quarter of 2022-23 compared to 2021-22.

Total liabilities are \$6.3m with the decrease of \$0.9m from 2021-22 primarily related to a \$0.5m decrease in payables. The decrease in payables is also reflective of budget phasing in 2022-23 improving resourcing and cashflow and resulting in a greater number of payments of grants and programs being finalised in June compared to 2021-22.

The VicHealth Board set financial targets within our Reserves Policy. All of these financial targets related to cash holdings, retained earnings and working capital surplus requirements as at 30 June were exceeded.

Subsequent events

There were no events subsequent to 30 June 2023 that would impact the accuracy of these financial statements.

Granting funds

As part of its core business, VicHealth has continued to help organisations deliver program outputs against our strategic framework through granting funds for health promotion and prevention purposes. Grant expenditure includes health promotion expenditure such as programs, funding rounds, research grants, campaigns and directly associated activities.

Significant grant expenditure is defined as:

- (i) any grant funding round where payments to successful organisations total \$250,000 or more during the financial reporting period
- (ii) single projects where payments to the organisation total \$250,000 or more during the financial reporting period.

Details of significant grant funding rounds are provided in Table 4.

Table 4. Grants⁽ⁱ⁾ with payments totalling \$250,000 or more during the reporting period

Funding round	No. of organisations receiving payments	Payments (\$'000)
Quit Victoria 2020-24 – Partnerships	1	2,950
VicHealth's Future Healthy Food Hubs	7	2,254
JumpStart! Round 2 Tier 2	72	2,201
Production of Activations Future Reset Collective Activation Funding 2023-2025	9	1,545
VicHealth Local Government Partnership	16	1,390
Regional Sports Assembly Partnerships 2022-2023 and 2023-2025	9	1,250
Impact Research Grants 2023	5	868
JumpStart! Round 2 Tier 1	106	764
JumpStart! Round 1 Tier 2	90	678
The Big Connect	27	567
Local Government Project Module Implementation Funding 2023	19	554
Impact Research Grants 2022	6	553
Victoria Walks 2020-23 Partnerships	1	350

Note:

- The table relates to payments made during the financial year. The funding or grant round may have been awarded in a previous year or the current year and/or may be part of a multi-year funding agreement.

Details of significant project payments to individual organisations are provided in Table 5.

Table 5. Organisations receiving project payments totalling \$250,000 or more during the reporting period

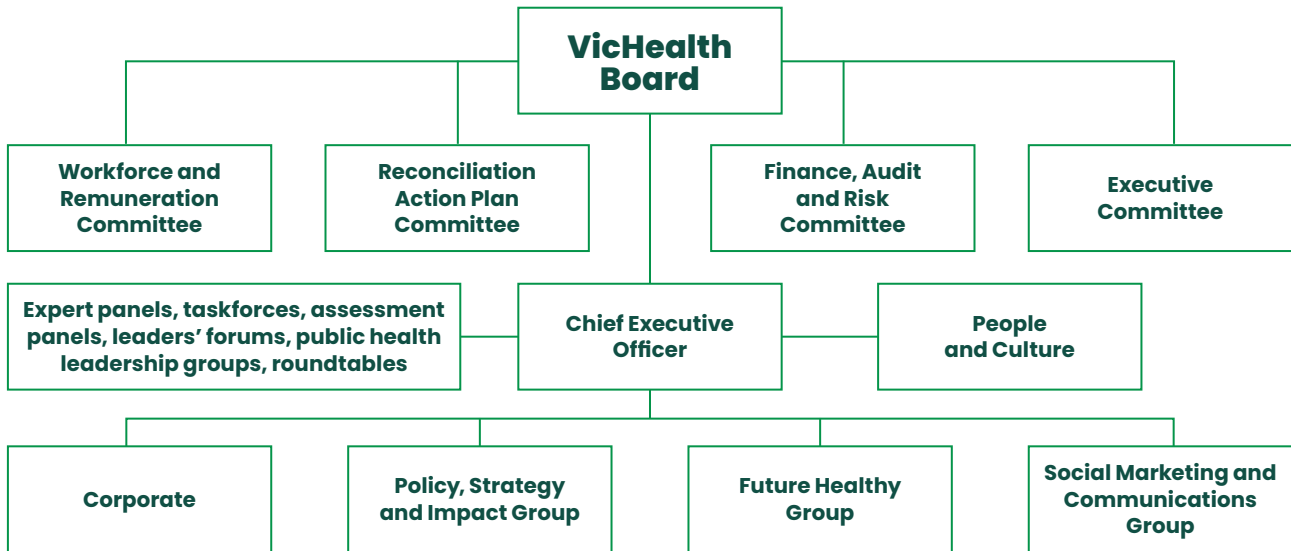
Organisation name	Project name(s)	Payments (\$'000)
Acres and Acres Co-Op Ltd	Acres and Acres Food Hub	380
Bendigo Foodshare	Bendigo Community Food Hub; a collaboration for food security and sovereignty Food initiatives that break down barriers and connect to culture	367
Cancer Council Victoria	Assessing and addressing impacts of marketing claims on toddler food products Obesity Policy Coalition 2020-23 Quit Victoria 2020-2024	3,213
Common Ground Project	Common Ground Project Food Hub Farm Your Own Food	327
Deakin University	ADVANCing Equity and commUnity voiceS in food policymaking (ADVANCE-US) Developing a public health advocacy framework for engaging young people in local government policy development Food and nutrition policies for Aboriginal Victorians: evidence and advocates for change Harmful Industries Monitoring Hub Fellow-3 Healthy and sustainable cities: tool for assessing local government food policy It takes a village: a neighbourhood approach to improve health and wellbeing Making big business everybody's business TransformUs Wellbeing	597
GippSport	GippSport: Regional Sport Partnership 2022-23 KIDDO Gippsland	290

Table 5. Organisations receiving project payments totalling \$250,000 or more during the reporting period (cont)

Organisation name	Project name(s)	Payments (\$'000)
Royal Melbourne Institute of Technology	Black Rhinos: A primary prevention approach Developing tools for knowledge translation in transport and health modelling Early childhood data to decisions: equitable child development neighbourhoods Social connections in neighbourhood houses The Children's Sensorium – exhibition for children's resilience and wellbeing Urban Commons: co-creating place with young people through creative play	436
Sunraysia Mallee Ethnic Communities Council	Nourish Sunraysia	365
United African Farm INC	The Roots Project: (People, Culture and Food) Ubuntu Food Hub	266
Victoria Walks Inc	Victoria Walks 2020-23 Victoria Walks Sustainability Plan 2022	380
Whittlesea Community Connections INC.	Kids Get Active Whittlesea Food Collective	374

Section 2: VicHealth organisation structure, culture, capability and capacity

VicHealth organisation structure



PEOPLE AND CULTURE

Ensure that VicHealth's culture and people management practices support effective execution of the organisational strategy.

CORPORATE SERVICES GROUP

Provide finance; budgeting; facilities, fleet and administration management; business planning; information technology and information management; policy management; business improvement and project management; risk management; contract management and procurement; manage the governance framework to support the work of VicHealth's Board and associated committees; and manage the Victorian Health Promotion Hub.

POLICY, STRATEGY AND IMPACT GROUP

Ensure VicHealth's research investments, policy influence and strategic direction contribute to the health promotion capacity of VicHealth and add value to the public policy process to deliver sustained health benefits for Victorians.

FUTURE HEALTHY GROUP

Design and execute program investment, grants, funding rounds and partnership activities to maximise outcomes of the Action Agenda for Health Promotion.

SOCIAL MARKETING AND COMMUNICATIONS GROUP

Amplify and deliver health promotion activities to improve the health and wellbeing of all Victorians. Develop and deliver multichannel social marketing and communications initiatives including media and public relations, social media, events, digital marketing, branding, social marketing campaigns, design and multimedia content.

Executive management

The following people held executive management positions as at 30 June 2023:



DR SANDRO DEMAIO
Chief Executive Officer



KRIS COONEY
Executive Manager,
Policy, Strategy, and
Impact Group

VACANT
DR SANDRO DEMAIO
(ACTING)
Executive Manager,
Future Healthy Group



REBECCA AHERN
Executive Manager,
Social Marketing and
Communications Group



PAUL CRAPPER
Executive Manager,
Corporate Services Group



PADAM CHIRMULEY
Executive Lead,
People and Culture

Victorian Health Promotion Hub

Following VicHealth's relocation to 355 Spencer Street, West Melbourne, in March 2021, the Victorian Health Promotion Hub was opened by the then Minister for Health, Martin Foley, in February 2022. The Hub continues to successfully support and foster collaboration between VicHealth partners and stakeholders, with registered organisations now totalling over 100.

VicHealth core ICT operations platform – Phoenix

Following its implementation in late July 2020, VicHealth's grants, stakeholder and project management system known as Phoenix has delivered significant risk reductions, cost savings in administrative burden and greater collaboration across all health promotion groups and teams within the organisation.

Optimisation of Phoenix within the ways we work and our Enterprise Data Management Plan in 2022–23 have included the following:

- a very successful pilot of project management functionality in the Future Healthy Group, which has since been rolled out across the organisation, including staff training and the development of support materials online
- implementation and rollout of stakeholder management functionality
- capability uplifts in grants and program financial management and forecasting, including the phasing of all health promotion grants and programs over the financial year to ensure effective use of people and financial resources.

Employee committees

VicHealth has several cross-organisational employee committees or groups to assist management in operations:

- Executive Leadership Team
- Management Team
- VicHealth Consultative Forum
- Inclusion, Diversity, Equity and Accessibility Committee
- Reconciliation Action Plan Working Group
- Employee Wellbeing and OHS Committee
- Incident Management Team
- Business Continuity Management Team
- ICT Governance Committee.

In addition to these formal groups, there is a range of other cross-functional groups that are convened from time to time to support VicHealth's operations.

Child health and safety

To achieve the best outcomes for children who engage with VicHealth or engage with services to children funded by us and as a key risk mitigation strategy, VicHealth continues to provide funding in line with the National Principles for Child Safe Organisations and Victorian Child Safe Standards and meet obligations under the National Redress Scheme. This is reflected in VicHealth's Child Safety and Wellbeing Policy and Procedures, as well as a supporting statement of commitment and code of conduct, and organisational policies and agreements (across funding, risk management, insurance, legal, communications, procurement, privacy, people management and records management operations).

VicHealth Board

The VicHealth Board members during the year were:



THE HONOURABLE NICOLA ROXON, CHAIR

Nicola Roxon joined the VicHealth Board as Chair in November 2020 and also serves on the Workforce and Remuneration Committee.

Nicola is an experienced chair and non-executive director who has served in various board roles on listed, unlisted and not-for-profit boards for the last 10 years.

Currently she is Chair of HESTA, a large health and community sector superannuation fund, and is a non-executive director of listed companies Dexus and Lifestyle Communities, and the Murdoch Children's Research Institute.

Nicola served as a member of the Australian Government for 15 years (1998 to 2013), representing the western suburbs Melbourne seat of Gellibrand. She served as Australia's Health Minister for 4 years from 2007 and oversaw major reforms to Australia's public hospital, primary care and preventative health systems. In 2011 Nicola became Australia's first female Attorney-General.

With Nicola's leadership, Australia successfully introduced a world first: requiring all tobacco to be in plain packaging with large, graphic health warnings. She has received national and international awards in recognition of this public health work, and plain packaging has now been introduced in many countries around the world.

Originally trained as a lawyer, protecting the dignity of workers and promoting the standing of women has been a hallmark of Nicola's career. Prior to entering Parliament, Nicola worked as an industrial lawyer, union organiser and an Associate to High Court Judge Mary Gaudron.



STELLA SMITH, DEPUTY CHAIR

Stella Smith joined the VicHealth Board in September 2018 and currently serves on the Finance, Audit and Risk Committee.

Stella is the Chief Executive of Crime Stoppers Victoria and a Director of Crime Stoppers Australia. She has previously held senior executive roles with Melbourne Victory Football Club and 'Life. Be in it.' Australia.

She has also previously held board positions with Blue Light Victoria, Women's Health East and the Melbourne Victory FC Academy. She has considerable experience in community sporting organisations and was an inaugural 'Change Our Game' Ambassador through the Office for Women in Sport and Recreation.

Stella has broad experience in community, government and stakeholder engagement, advertising and health promotion. Her experience spans commercial, sport and the not-for-profit sectors.

She is passionate about promoting gender equality, encouraging social inclusion and using sport to create greater opportunities for community engagement.



VEDRAN DRAKULIC OAM

Vedran Drakulic joined the VicHealth Board in July 2022.

Vedran Drakulic is the CEO of Gandel Foundation, one of the largest private family foundations in Australia, providing grants and funding in areas of public health, mental wellbeing, support for First Nations initiatives and community resilience.

Previously, Vedran was General Manager, Public Affairs with RACV Ltd. He has worked in the humanitarian field for over 15 years, including with the Australian and International Red Cross and Oxfam Australia.

A respected community leader and advocate, Vedran's knowledge, skills and experience includes resource mobilisation, fundraising, advocacy, public relations, marketing and communications, strategic planning, project management and stakeholder relations.

Vedran is currently Deputy Chair of AMES Australia, Non-Executive Director of GMCT and the Order of Australia Association Foundation, and a trustee with the Betty Amsden Foundation. He is also an Adjunct Professor at RMIT, in the School of Global, Urban and Social Studies.

As a refugee from the Bosnian war, Vedran has worked hard to start a new life in Australia. In 2017 he was awarded the Medal of the Order of Australia (OAM) for 'service to the community through a range of charitable organisations'.

Vedran holds a Masters Degree in Public Advocacy and Action from Victoria University, and he is a member of the Fundraising Institute of Australia and the Australian Institute of Company Directors.

DR SALLY FAWKES

Dr Sally Fawkes served on VicHealth's Board from October 2016 to September 2022. She was appointed Deputy Chair of the Board from July 2018 and chaired the Workforce and Remuneration Committee.

Dr Fawkes is an independent consultant and researcher, with an adjunct appointment at La Trobe University. She has been an expert advisor to WHO for over 25 years on projects spanning futures thinking in policy, national health promotion systems, leadership development and urban health/Healthy Cities.

Dr Fawkes is currently Chair, Governance and Policy Working Group and Treasurer for the International Network of Health Promoting Hospitals & Health Services' Governance Board, following terms as Vice-Chair.

Her career in Australia has featured frontier roles in health promotion innovation at several Victorian hospitals, Victorian Healthcare Association and Deakin and La Trobe universities. Previous governance roles include Council of Academic Public Health Institutions Australasia Executive Committee, Women's Health Victoria Board, Vision 2020 Australia Global Committee and community health services.

Dr Fawkes holds a Bachelor of Science, Graduate Diploma in Health Education, Master of Business Administration and PhD (health policy). She is Associate Fellow of Australasian College of Health Service Management and Full Member of Association of Professional Futurists. Her current professional interests are in conceptual and policy breakthroughs to drive investments in future generations' health and wellbeing.



NICK GREEN OAM OLY

Nick Green joined the Board of VicHealth in July 2014, has served on the Finance, Audit and Risk Committee and is currently a member of the Reconciliation Action Plan (RAP) Advisory Committee.

Nick Green is an experienced leader who has worked in senior roles across global corporations, national sport and public-sector organisations. He is currently a Senior Commercial Director at Allianz SE, a global provider of insurance and professional services. Previous to this role, Nick was the Growth Director at Aon and Chief Executive Officer of Cycling Australia.

Nick has extensive experience in commercial growth, people and stakeholder leadership, governance and government relations. He has held many voluntary positions including President – Victorian Olympic Council, Chairman – Julius Patching Foundation, Director of the Australian Olympic Committee and Director of Leadership Victoria.

Nick is a dual Olympian and has attended eight Olympic Games in various roles.

He was the Chef de Mission for the 2012 Australian Olympic Team.

Nick has received life memberships of the Victorian Olympic Council and Rowing Australia, awarded an Order of Australia Medal and inducted into the Sport Australia Hall of Fame, in recognition of his contribution to sport. He is a Fellow of Leadership Victoria and studied at VCAH Burnley (now Melbourne University) and the Melbourne Business School.



IAN HAMM

Ian Hamm joined the VicHealth Board in October 2021.

A Yorta Yorta man, Ian Hamm has extensive government and community sector experience, particularly at executive and governance levels. Ian has overseen major policy and strategic reforms for government and community organisations.

He works with people from a vast array of backgrounds, managing complex and sensitive relationships to achieve mutually beneficial outcomes. Ian was CEO of a major Aboriginal community organisation from January to August 2018.

Ian sits on a number of boards as chair and member. He also devotes himself to improving the representation of Aboriginal people on boards and other high-level governance, through strategic action, advocacy and mentoring.



CATHERINE HARDING

Catherine Harding served on the VicHealth Board from March 2020 to December 2022.

Catherine Harding is a non-practising lawyer who has spent over 15 years working in social policy across the government, non-profit and corporate sectors across Australia. Currently the Chief Operating Officer at Australia for UNHCR, Catherine is driven to find creative and innovative solutions to complex problems, and is experienced in setting organisational strategies to drive the growth and performance of organisations.

Catherine's career has encompassed policy areas including justice, health, education, family violence, sport and human rights as a Director at KPMG, and in prior roles with the Victorian and Australian governments. She is a passionate public health advocate, and has worked on healthy eating campaigns with The Good Foundation and Jamie Oliver.

Catherine has served as a Non-Executive Director of Vicsport from 2018 to 2022 and previously at GenWest (formerly Women's Health West).



JAMIE LEWIS

Jamie Lewis joined the VicHealth Board in July 2022 and serves on the Workforce and Remuneration Committee and the Reconciliation Action Plan (RAP) Advisory Committee.

Jamie is a Singaporean-Australian artist, curator, dramaturg and facilitator. She creates experimental and contemporary intercultural work, facilitating participatory experiences on identity, place and time, through autobiographical stories, conversation and food. She creates and curates site-responsive performances that engage audiences as participants, and communities as artists. Jamie also has a long-term creative partnership, curiously exploring place and new vantage points with Dan Koop as Jamie, Dan & Co.

Committed to diversifying practice, Jamie seeks alternative models in her work and a re-imagining of leadership, governance and structures. Jamie's practice also shapes her experience in audience development – focusing on strategies that are underpinned by mutuality, conversation and conviviality. She is a passionate artist and arts worker with a broad understanding of national narratives in the arts and cultural sector. Her relationship management and communication-centred approach with communities is reflected in her strong networks across the sector.

Jamie is currently CEO / Executive Director at Next Wave. She has previously been on the Board of MAV (Multicultural Arts Victoria), Program Manager at TNA (Theatre Network Australia), and was in the 2018 cohort of Australia Council for the Arts' Future Leaders program.



PROFESSOR ANNA PEETERS AM

Professor Anna Peeters joined the VicHealth Board in July 2019 and currently serves on the Finance, Audit and Risk Committee.

Professor Peeters is Director of the Institute for Health Transformation and Professor of Epidemiology and Equity in Public Health at Deakin University. Anna also sits on the board of Western Health. She is Past President of the Australian and New Zealand Obesity Society and sits on national and international advisory boards and steering committees.

In 2014 she was awarded the World Obesity Federation Andre Mayer Award for research excellence in obesity and a Churchill Award for innovative work in equity and population prevention.

Professor Peeters leads the NHMRC Centre of Research Excellence into Healthy Food Retail (RE-FRESH, 2018–2022) and the Nourish Network and is the recipient of an NHMRC Investigator Grant (2020–25).



DIV PILLAY

Div Pillay joined the VicHealth Board in July 2021 and currently serves as Chair of the Workforce and Remuneration Committee.

Div Pillay is an experienced and respected diversity and inclusion practitioner, leader and advocate, for over 20 years. She is an entrepreneur, leading award-winning consultancy MindTribes and social enterprise Culturally Diverse Women. Prior to founding MindTribes in 2012, Div held senior human resource leader roles in public and private sectors, working across Australia, Malaysia, India, the Philippines and South Africa (where she was born and raised). Her work is backed by her education in behavioural psychology, economics and business. She holds a Masters in Human Resource Management.

Div is award-winning and recognised for her impact. She has been listed as one of the 100 Women of Influence (AFR & Qantas) 2018; one of 2 Australians in a global list of 25 influential leaders by the (AACSB), the world's largest business education alliance and is one of the Top 5 LinkedIn Voices for Gender Equity in Australia. Div has been a Board Director at STREAT 2018–21 and has been the Chair of Diversity and Inclusion Committee at the American Chamber of Commerce since 2019. She is passionate about health equity, specifically the impact on mental health from exclusionary acts and behaviours, like racism, bullying, harassment and gender inequality.

Members of Parliament appointed to the Board:



PHIL WADE

Phil Wade joined the VicHealth Board in October 2021.

Phil Wade is a marketing, ecommerce and digital professional. He is currently the Director of Marketing for the Bunnings Group and has held various director and leadership roles across the world at the Qantas Group, TJX, Unilever and Wesfarmers. He is an experienced non-executive director and independent advisor, and has a deep passion for health and wellbeing and equality of outcomes for all. Phil holds a Master's degree in politics and economics from the London School of Economics. He is part of a global family, originally British but now a dual Australian citizen living in Melbourne with his South African wife and 2 children.



SARAH CONNOLLY MP

October 2019 to September 2022

Sarah Connolly is a member of the Victorian Parliament in the Legislative Assembly. She represents the multicultural district of Tarneit, located in Melbourne's outer west. Her electorate of Tarneit sits within one of Australia's largest growth corridors. Sarah currently chairs the Legislative Assembly's Environment and Planning Committee, and sits on the Scrutiny of Acts and Regulations Committee.

Sarah is a highly qualified policy and regulatory expert, community advocate and engagement specialist. Prior to entering politics, she worked for over a decade across the country on Australia's energy future. She has worked at the Australian Competition and Consumer Commission, Australian Energy Regulator and across public and privately owned energy networks.

Prior to that, she worked in various areas of the criminal justice system. Sarah holds a Bachelor of Laws from the University of Queensland and Graduate Diploma of Legal Practice from the Queensland University of Technology.



ANDY MEDDICK MP

October 2019 to September 2022

Andy Meddick is a dedicated social justice advocate and the Animal Justice Party Member for Western Victoria. He is passionate about bringing positive policy and legislative change to improve the lives and safety of Victorians.

After being elected to the Victorian Parliament in 2018, he served as a member on the Environment and Planning Committee and the Electoral Matters Committee. He also chaired 2 taskforces, one of which established LGBTIQ+ Safe Spaces across Geelong, the Surf Coast and Ballarat – with a focus on youth mental health support and suicide prevention.

Prior to being elected, Andy worked for many years in the construction industry, which led to him becoming passionate about workplace occupational health and safety. He has been proud to support reforms to protect working Victorians in his time in Parliament.

Andy is passionate about mental health, healthy eating and the wellbeing of Victorians.



BRIDGET VALLENCE MP

October 2019 to September 2022, reappointed June 2023

Bridget Vallence was elected to the Victorian Parliament in 2018 to represent the Evelyn District and is the Shadow Minister for Industry and Innovation, Manufacturing, Employment and Industrial Relations, and Skills and Training.

Previously, Bridget has also been Shadow Minister for Medical Research and the Digital Economy, Environment and Climate Change, Youth Affairs, and Equality.

Bridget has served on the Parliament's Public Accounts and Estimates Committee (PAEC) and the Parliament's Environment and Planning Committee.

Bridget is an Advisory Committee Member for the Pathways to Politics Program for Women (Victoria), and is a Director of Mont De Lancey Historical Museum in Wandin.

Prior to entering Parliament, Bridget was a procurement executive in the automotive industry in both the manufacturing and retail sectors in Australian, Asian and global markets, and is also experienced with organisational change and business transformation projects.

Bridget holds a Bachelor of Arts and Bachelor of Commerce (Honours) from the University of Melbourne. She is passionate about helping people, volunteer groups and businesses to thrive, and lives in the Yarra Valley with her husband and 2 sons.



KATHLEEN MATTHEWS-WARD MP

Appointed June 2023

Kathleen Matthews-Ward has made significant contributions to public policy and the community throughout her professional life.

In 2022, she was elected to represent the district of Broadmeadows in Parliament, where she works to improve housing, transport, education, social connection and employment conditions for her community.

Before entering Parliament, Kathleen was a policy advisor to the Parliamentary Secretary for Carers and Volunteers, the Minister for Disability, Ageing and Carers, and the Deputy Premier and Minister for Education and Mental Health.

Kathleen also served on the Moreland Council from 2004–2012, driving many local projects to improve planning outcomes, parks and sports facilities, and increase opportunities for walking and active transport.

Kathleen has worked in retail, hospitality, financial planning and the credit union movement, and has volunteered with the SES to tree planting and many community organisations, including as chair of the Glenroy Neighbourhood Learning Centre and as District Chair for Scouts Victoria.

Kathleen has a Specialist Certificate in Public Administration through the University of Melbourne School of Government and is currently studying the Graduate Certificate of Public Health at Deakin University.



DR TIM READ MP

Appointed June 2023

Dr Tim Read is the Greens MP for Brunswick in the Victorian Parliament.

He was first elected in 2018 after working first as a GP, then a sexual health physician and ultimately as an NHMRC-funded researcher with a PhD in the epidemiology of sexually transmitted infections.

His research interests included HIV treatment and prevention and the management of antibiotic-resistant sexually transmitted infections.

As a medical student Tim campaigned against cigarette advertising and was arrested for spray-painting health warnings on cigarette billboards. As a doctor, he worked to obtain affordable HIV medicines for overseas-born patients who did not have access to Medicare.

Tim Read is now the Victorian Greens spokesperson for population health, mental health and integrity, and he chairs Parliament's Integrity and Oversight Committee. He is particularly interested in the health effects of climate change, air pollution and advertising.

Board committees

EXECUTIVE COMMITTEE

The purpose of the committee is to facilitate urgent and/or critical matters between scheduled Board meetings, and at short notice, as determined by the Board Chair or the Board. The committee was actively reconstituted during 2022–23 by the Board Chair.

FINANCE, AUDIT AND RISK COMMITTEE

The purpose of the committee is to assist the VicHealth Board with fulfilling its governance duties by ensuring that effective financial management, auditing, risk management and reporting processes (both financial and non-financial) are in place to monitor compliance with all relevant laws and regulations and ensure best practice. Since 2021–22 the committee has expanded its focus to include cybersecurity oversight as a key risk mitigation function.

RECONCILIATION ACTION PLAN COMMITTEE

The purpose of the committee is to establish, monitor and ensure VicHealth's accountability and delivery against the actions within the Reconciliation Australia and Board-approved Reconciliation Action Plan; provide strategic advice to the CEO on VicHealth's delivery against the Reconciliation Action Plan; and assist VicHealth's engagement with Aboriginal and Torres Strait Islander organisations and individuals to assist VicHealth deliver its Reconciliation Action Plan.

The work of the Reconciliation Action Plan Committee has been supplemented in 2022–23 with the development and implementation of a Reconciliation Action Plan Working Group within VicHealth's employee committees. The working group's focus being to drive the delivery against the actions within the Reconciliation Action Plan.

WORKFORCE AND REMUNERATION COMMITTEE

The purpose of the committee is to provide strategic advice on workforce strategy and planning, remuneration, human resource policies and alignment of VicHealth's policies with relevant industrial relations and employment legislation and Victorian Government policies. Additionally, the committee reviews the CEO's performance and remuneration.

Meetings

Table 6 lists the members of VicHealth's committees and their attendance at meetings during 2022-23.

Table 6. Meetings attended

	Board		Finance, Audit and Risk Committee		Workforce and Remuneration Committee		Reconciliation Action Plan Committee	
	Chair: The Hon Nicola Roxon		Chair: Gaye Mason		Chair: Div Pillay		Chair: Seona James	
Board members	E	A	E	A	E	A	E	A
The Honourable Nicola Roxon	6	6			6	6		
Sarah Connolly MP	2	2						
Vedran Drakulic*	6	5	3	2				
Dr Sally Fawkes	2	2			1	1		
Nick Green OAM	6	4					3	3
Catherine Harding	4	4			3	3		
Ian Hamm	6	6			2	1		
Jaime Lewis	6	6			6	5	3	3
Kathleen Matthews-Ward MP	0	0						
Andy Meddick MP	2	2						
Prof Anna Peeters	6	5	4	3				
Div Pillay	6	6			6	6		
Tim Read MP	0	0						
Stella Smith	6	6	4	4				
Bridget Vallence MP	2	2						
Phil Wade	6	6						
Independent members								
Gaye Mason#	6	6	4	3				
Joanne Booth			2	2				
John Gavens			4	4				
Seona James							3	3
Rachelle Tippet			3	3				

E = Meetings eligible to attend
A = Meetings attended

* = Ex-officio member of the Finance, Audit and Risk Committee
= Board Advisor

VicHealth Governance Charter

The Governance Charter, reviewed in 2021–22:

- reflects best practice in Victorian Government
- creates clear distinctions between legislative, strategic and operational considerations
- accords with all Victorian Government requirements
- identifies the strategy-makers and decision-makers and their distinction from stakeholder governance groups whose advice enhances VicHealth's governance and decision-making.

Stakeholder Group Governance Framework

VicHealth's Stakeholder Group Governance Framework comprises 6 types of stakeholder groupings used as needed to support the development, implementation and operation of VicHealth's work. They exist to provide VicHealth management with informed recommendations and advice to assist them in making decisions that are in the best interests of VicHealth, its stakeholders and the wider community.

The groups consist of:

Expert panels provide diverse perspectives, with technical or lived experience experts, in relevant areas. These panels provide VicHealth with guidance as to the future strategic direction of VicHealth in particular areas of interest. An expert panel will be established for a period of 2 years.

Taskforces provide operational advice and implementation input to VicHealth on VicHealth's strategic imperatives and other key strategic priorities. A taskforce will be established for one year (renewable as required).

Leaders' forums provide a leadership role across health promotion related matters in Victoria, to advise VicHealth and support the health promotion work of their own organisations. Leaders' forums will be established for an indefinite period of time.

Public health leaderships groups comprise of policymakers, experts and public health leaders to provide thought leadership and policy coordination for specific public health priority issues.

Groups will be established with an ongoing tenure, with a yearly review.

Roundtables are a meeting on a priority issue to commence a conversation or discuss ideas for future strategies and action. Roundtables are scheduled as required and are one-off meetings or gatherings.

Assessment panels guide funding, grant decisions and/or procurement decisions. Assessment panels have a more operational perspective to assist in guiding the organisation in its expenditure of public funds. An assessment panel is established for a finite period and is likely to meet over a short period of time (such as 3 months).

During 2022–2023 the following groups were convened:

Public health leadership groups

- Health Promotion Peaks CEO Group
- State Health Prevention Agencies Collaborative Meetings

Expert panels

- Arts Expert Advisory Panel
- Research Expert Advisory Panel

Assessment panels

- Alcohol Commissioned Research Grant Round 2022–23 Assessment Panel
- Alcohol Prevention Grants Assessment Panel
- Future Healthy Move the Dial Tender – Future Reset: Young People, Arts and Mental Wellbeing
- Impact Research Grant Round 2023 Assessment Panel
- Jumpstart! Grant Round Assessment Panel
- Research Fellowship Program 2023
- Supply of community engagement expertise to reduce alcohol harm
- VicHealth Data Platform Tender Panel
- VLGP Community-driven Implementation Funding Panel
- VLGP Fast-track Intake Panel

Roundtables

- Harmful industries roundtable
- VLGP First 2,000 Days module roundtables

Other

- Food Security/Food Systems COVID-19 Working Group
- Healthy Supermarkets Community of Practice
- Health Promotions Agencies & Food Security Group
- Regional Sport Partnership Major Investment Review Taskforce
- Vicsport Major Investment Review Taskforce
- Victoria Walks Major Investment Review Taskforce
- Victorian e-Cigarette Working Group
- VLGP Fast-track Community of Practice

In addition to these groups, VicHealth consulted with a range of other health experts and stakeholders on specific health promotion and prevention topics and projects.

Patron-in-Chief

During 2022–23, VicHealth was pleased and honoured to have as its Patron-in-Chief, the Hon Linda Dessau AC, Governor of Victoria.

Section 3: Workforce data

Occupational health and safety (OHS) management

As Victoria has emerged from the COVID-19 pandemic, VicHealth has continued to focus on the health, safety and wellbeing of its people.

Some key outcomes this year have included:

- continuing the employment of a Wellbeing Assistant, to help teams implement and deliver consistent OHS practices, including OHS refresher training
- regular meetings of the Employee Wellbeing and OHS Committee (EWOC) and EWOC events, such as mental health in the workplace workshops and online yoga classes, to ensure learning, collaboration and social connection
- continuing our commitment to flexible working arrangements, in line with Victorian Government guidelines
- training 3 staff in mental health first aid and appointing them as mental health first aid officers
- instituting regular meetings with 3 Health and Safety Representatives (HSRs) on health and safety matters.

These initiatives were supported by VicHealth executive leaders and managers and actioned by the EWOC, with support from the Wellbeing Assistant.

Our performance against key OHS indicators in the past 2 financial years is summarised in Table 7.

Table 7. Performance against OHS management measures

Measure	Indicator	2022-23	2021-22
Incidents	No. of incidents	2	1
	No. of hazards reported	0	0
Claims	No. of standard claims	1	0
	No. of lost time claims	1	0
	No. of claims exceeding 13 weeks	0	0
Claim costs	Average cost per standard claim ⁽ⁱ⁾	\$546.50	\$0

Note:

(i) Average cost per claim includes medical expenses only and does not include salary or wages.

Equity, diversity and inclusion

VicHealth has committed to building a workforce that reflects the diversity of our community, demonstrates our organisational values of equity and inclusion, and delivers benefits across social, cultural and economic domains. During the year, the organisation commenced a significant piece of work to understand and embed culturally safe practices, in support of our deep and long-standing commitment to equity in our community.

This work is also in support of an action in VicHealth's 2021-2025 Gender Equality Action Plan (GEAP) to deliver education to address societal norms and create a culture of understanding intersectionality and diverse lived experience.

Working with an experienced external consultant, this work has involved workshops with all VicHealth staff, including leaders, to deepen understanding of equity principles, build capability to work in culturally safe ways, consider intersections with anti-racism practice, and to understand intersectionality.

This work will be underpinned by a systems mapping tool, the results of which will enable VicHealth to understand the areas where it can improve equity, by reducing the unconscious application of existing organisational systems.

Compliance with the Disability Act 2006

The *Disability Act 2006* (Vic) reaffirms and strengthens the rights of people with a disability and recognises that this requires support across the government sector and within the community.

VicHealth has complied with its obligations to prepare a Disability Action Plan for the purpose of:

- reducing barriers to access goods, services and facilities
- reducing barriers to a person with a disability obtaining and maintaining employment
- promoting inclusion and participation in the community
- achieving tangible changes in attitudes and practices that discriminate against people with a disability.

Reconciliation Action Plan

VicHealth continues to focus on supporting First Nations people by integrating our actions under the Innovate Reconciliation Action Plan with our operations. Key actions taken include:

- Developing and implementing a Reconciliation Action Plan Working Group to drive actions outlined in the Reconciliation Action Plan.
- The Future Healthy Group is developing the 'Strong Young Mob' action plan with 13 Aboriginal organisations to build meaningful relationships with First Nations young people, to elevate their voices and identify areas of action for VicHealth.
- NAIDOC Week leave, leave to attend Aboriginal community meetings, leave to attend Annual General Meetings of Aboriginal community organisations, Ceremonial leave, and First Peoples' Assembly of Victoria leave are all included in VicHealth's Enterprise Agreement 2021.
- Education and awareness sessions were held in June, starting with National Reconciliation Week and concluding with NAIDOC Week.

The VicHealth Board's Reconciliation Action Plan Committee continues to meet at least twice a year, with VicHealth appointing a First Nations woman, Seona James, to the position of Committee Chair in 2022–23.

Workforce data

Table 8 describes the profile of VicHealth's workforce.

Table 8. Workforce data

	All employees				Ongoing						Fixed term & casual			
	Number (HC)		FTE		Full-time (HC)		Part-time (HC)		FTE		Number (HC)		FTE	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Gender														
Male	26	26	27.4	25.4	18	19	1	1	19.9	19.9	7	6	7.0	5.5
Female	60	56	55.6	52.2	35	36	11	11	41.4	43.8	14	9	12.2	8.4
Self-described	0	0	0.0	0.0	0	0	0	0	0.0	0.0	0	0	0.0	0.0
Age														
15–24	5	3	4.8	3.0	4	3	1	0	3.8	3.0	0	0	0	0.0
25–34	39	36	37.6	35.1	24	23	1	1	24.9	23.6	14	12	12.7	11.5
35–44	26	24	23.3	21.7	10	14	10	8	18	19.6	6	2	5.5	1.9
45–54	8	13	7.8	12.3	6	11	1	1	6.8	11.8	1	1	1.0	0.5
55–64	7	5	7	4.8	7	4	0	1	7.0	4.8	0	0	0.0	0.0
65+	1	1	1	0.7	1	0	0	1	1.0	0.7	0	0	0.0	0.0
VicHealth EA														
Grade A	1	2	0.8	1.5	0	0	1	2	0.8	1.5	0	0	0.0	0.0
Grade B	7	7	6.2	6.6	4	4	1	0	4.8	4.0	2	3	1.4	2.6
Grade C	22	20	21.5	19.6	13	14	1	1	13.9	14.6	8	5	7.6	5.0
Grade D	37	33	34.4	30.1	19	18	7	8	24.2	23.8	11	7	10.2	6.3
Grade E	14	14	13.6	13.8	12	13	2	1	13.6	13.8	0	0	0.0	0.0
Grade F	0	0	0.0	0.0	0	0	0	0	0.0	0.0	0	0	0.0	0.0
Total VicHealth EA (A–F Grade)	81	76	76.5	71.6	48	49	12	12	57.3	57.7	21	15	19.2	13.9
Senior employees														
Executives	5	6	5.0	6.0	5	6	0	0	5.0	6.0	0	0	0.0	0.0
Total senior employees	5	6	5.0	6.0	5	6	0	0	5.0	6.0	0	0	0.0	0.0
Total other	0	0	0.0	0.0	0	0	0	0	0.0	0.0	0	0	0.0	0.0
Total employees	86	82	81.5	77.6	53	55	12	12	62.3	63.7	21	15	19.2	13.9

Notes:

All workforce data figures reflect active employees in the last full pay period of June of each year.

'FTE' means full-time staff equivalent. 'HC' means headcount.

'Ongoing employees' means people who were active in the last full pay period of June and who are engaged in an open-ended contract of employment, and executives engaged on a standard executive contract unless they are employed for discrete projects.

Headcounts exclude those persons on leave without pay (including on unpaid parental leave) or absent on secondment, external contractors or consultants, temporary staff employed by employment agencies, and a small number of people who are not employees but appointees to a statutory office, as defined in the *Public Administration Act 2004* (for example, persons appointed to a non-executive board member role, to an office of Commissioner, or to a judicial office).

Executives include the Accountable Officer (CEO).

Executive officer data

An executive officer is defined as a person employed as a public service body head or other executive under Part 3, Division 5 of the *Public Administration Act 2004*. All figures reflect employment levels at the last full pay period in June of the current and corresponding previous reporting year.

Table 9 outlines the number of executive officers (including the Accountable Officer, VicHealth's CEO) employed in the last pay period in June. The table includes executive officers on parental leave arrangements.

Table 9. Breakdown of executive officers

	June 2023				June 2022			
	Male	Female	Self-described	Vacancies	Male	Female	Self-described	Vacancies
Chief Executive Officer	1	0	0	0	1	0	0	0
Executive Managers	1	2	0	1	1	3	0	0
Executive Leads	1	0	0	0	1	0	0	0
Total	3	2	0	1	3	3	0	0

Table 10. Reconciliation of executive numbers

		2022-23	2021-22
	Executives with total remuneration package (TRP) over \$150,000*	4	5
<i>Add</i>	Vacancies (Table 12)	1	1
	Executives employed with TRP below \$150,000	0	0
	Accountable Officer (Chief Executive Officer)	1	1
<i>Less</i>	Separations	1	1
Total executive numbers at 30 June		5	6

A summary of executive remuneration is contained in the Financial Statements (Note 8.5).

* Executive remuneration is based on full-time annualised base salary.

Section 4: Other disclosures

Consultancies

Table 11 details the consultancies valued at more than \$10,000 that were engaged in the last financial year.

Table 11. Details of consultancies over \$10,000 (excluding GST)

Consultant	Purpose of consultancy	Total approved project fee (\$'000)	2022–23 actual expenditure (\$'000)	Future expenditure (\$'000)
Day Four Projects	Action plan facilitation	14	14	-
Demand IT	ICT advisory	11	11	-
Drucker Weber Trust	Project management essentials	15	15	-
Thought Police	Creative campaign consulting	36	36	-
iHR Asia Pty Ltd	Senior workplace relations advisory	11	11	-
Betty Wants In	Marketing videography consulting	20	20	-
The Andersen Partnership Pty Ltd	Executive coaching	37	37	-
First Person Consulting Pty Ltd	Transitioning to a systems-based organisation	23	23	-
Jaen Corp Pty Ltd	Culture leadership	37	37	-
Rebecca Zosel	Strategy development	18	18	-
Ensemble Strategy	Support for development of next VicHealth Action Agenda	78	78	-

Note: Consultancy agreements cover the period 1 July 2022 to 30 June 2023.

Unless otherwise indicated, there is no ongoing contractual commitment to these consultants. These consultants may be engaged beyond June 2023 as required.

Consultants disclosed in this table exclude consultants engaged under a VicHealth grant or funding agreement.

Details of consultancies under \$10,000

In 2022–23, there were 15 consultancies where the total fees payable to the consultants was less than \$10,000. The total expenditure incurred during the financial year in relation to these consultancies was \$105,000 (excluding GST).

Information, communication and technology (ICT) expenditure

Table 12 details the ICT expenditure during the financial year.

Table 12. ICT expenditure during 2022–23 (excluding GST)

Expenditure	(\$'000)
Business as usual ICT expenditure	1,523
Non-business as usual ICT expenditure Total = A + B	2,054
Non-business as usual Operational expenditure A	1,485
Non-business as usual Capital expenditure B	387

Advertising expenditure

In the last financial year, VicHealth delivered one campaign for which the media expenditure was greater than \$100,000 (see Table 13).

Table 13. Advertising expenditure exceeding \$100,000 during 2022–23 (excluding GST)

Campaign	
Name of campaign	This Girl Can
Campaign summary	This Girl Can – A statewide mass media campaign aimed at increasing physical activity and supporting gender equality. This campaign empowers women to be active however, wherever and whenever they want.
Start/end date	31 July – 27 November
Advertising (media) (\$'000)	653
Creative and campaign development (\$'000)	113
Research and evaluation expenditure (\$'000)	75
Other campaign expenditure (\$'000)	142

Compliance with the Building Act 1993

VicHealth does not own or control any government buildings and consequently is exempt from notifying its compliance with the building and maintenance provisions of the *Building Act 1993*.

Freedom of Information

The *Freedom of Information Act 1982* allows the public a right of access to documents held by VicHealth. Information is available under the *Freedom of Information Act 1982* by contacting the following person:

Information Coordinator
Victorian Health Promotion Foundation
355 Spencer Street
West Melbourne VIC 3003
Phone: (03) 9667 1333

Additional information about how to lodge an FOI request is available from the VicHealth website.

VicHealth received no freedom of information requests in the reporting period.

Compliance with the Public Interest Disclosures Act 2012 (Vic)

The *Public Interest Disclosures Act 2012 (Vic)* encourages and assists people to make disclosures of improper conduct by public bodies, public officers and public sector employees.

The Act further provides protection to those who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and for rectifying action to be taken.

VicHealth has structures in place to take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent legally possible.

During their induction, VicHealth employees are provided with information on the Act and its operation and the ways that they can make a disclosure.

Additional information about VicHealth's protected disclosure policy and process is available from the VicHealth website.

No disclosures were made within the financial reporting period.

Compliance with DataVic Access Policy

Consistent with the DataVic Access Policy of the Victorian Government in 2012, the information included in this Annual Report will be available at www.data.vic.gov.au in electronic readable format. VicHealth will progressively release other data in the future as appropriate.

Local Jobs First Act 2003

VicHealth abides by the requirements of the Local Jobs First Policy in its procurement practices.

During the reporting period, no tenders or projects were deemed as falling within the scope of Local Jobs First Strategic Project (those with a budget of \$20m or more), Local Jobs First Standard Project (those with a budget of \$3m or more in metropolitan Melbourne or \$1m in rural Victoria) or projects that the Major Projects Skills Guarantee has been applied to.

Competitive Neutrality Policy

During this reporting period, VicHealth did not undertake any activities that require reporting against the National Competition Policy including compliance with the requirements of the policy statement *Competitive Neutrality Policy Victoria* and any subsequent reforms.

Office-based environmental performance

VicHealth understands its responsibility to use its resources more efficiently and reduce our impact on the environment. VicHealth also acknowledges the complementary role that a healthy environment plays in supporting the social and economic determinants of health.

VicHealth completed a Carbon Footprint Assessment Report in October 2022 at its offices at Level 2, 355 Spencer Street, West Melbourne, with a comparison to a Carbon Footprint Assessment Report completed in late 2019 at its former offices in Pelham Street, Carlton. The relocation of its operation of the Victorian Health Promotion Hub at the 1880s Sands & McDougall building at 355 Spencer Street, West Melbourne, within an environmentally sustainable office fit-out yielded a 39.6% reduction in VicHealth's carbon emissions per annum.

Consistent with FRD24, introduced by the Victorian Government in June 2022 relating to the Reporting of Environmental Data by Government Entities, VicHealth as a Tier 4 classified entity reports the environmental information for the 2022-23 reporting period in Table 14.

Table 14. Environmental data

Total electricity consumption segmented by source	64,534 kWh
Total electricity offsets segmented by offset type	0 kWh
Number and proportion of vehicles in the organisation boundary segmented by engine/fuel type and vehicle category	<ul style="list-style-type: none"> • 1 small hybrid electric fleet vehicle (Toyota Corolla Hybrid) • 1 SUV petrol fleet vehicle (Toyota Kluger, petrol)
NABERS energy rating of VicHealth's sustainable tenancy fit-out at Level 2, 355 Spencer Street, West Melbourne (occupied in March 2021)	4 Stars

During the reporting period, VicHealth also continued its commitment to environmentally sustainable procurement by:

- using AFS and PEFC certified recycled paper where the paper supplier contributes to planting 2 trees for every one tree used in producing the paper
- using sustainable choices for office supplies
- using sustainable choices for catering
- purchasing fair-trade coffee
- providing public transport tickets for staff travelling to and from meetings
- promoting bicycle use, including providing bike racks and end of trip facilities for those riding to the office.

Social Procurement Framework activities

In 2022–23, VicHealth engaged in a number of social procurement activities, with the primary focus being work in the First Nations space. The core focus has been around development of the First Nations Action Plan, the intention of which is to transform the way VicHealth engages with First Nations peoples, communities and organisation in our work.

In this financial year, we have committed \$95,570 to First Nations organisations, including:

- \$50,755 to Supply Nation certified suppliers
- \$44,815 to other First Nations social enterprises/charitable organisations, non-profits, SMEs and sole traders.

A case study of our work in this area is the engagement of young First Nations artists, represented by not-for-profit First Nations Arts collective Kaiela Arts, to provide audio-visual media to be used in the First Nations Action Plan upon its publication. The First Nations Action Plan underpins VicHealth's aspirations in transforming our way of working with and engaging with First Nations organisations, as well as co-creating a better governance and consultation process for funding programs which affect First Nations people.

Victorian Government Purchasing Board procurement

VicHealth is included as an agency in the Victorian Government Purchasing Board's (VGPB) procurement reform.

VicHealth has implemented changes to ensure compliance with the VGPB's procurement governance framework, with VicHealth's final change being compliance with state purchasing contracts from 31 December 2023. In the past VicHealth has aligned itself to VGPB procurement policies.

Victorian Government Risk Management Framework

The Victorian Government Risk Management Framework (VGRMF) provides a minimum risk management standard for the Victorian public sector. The framework applies to departments and public bodies covered by the *Financial Management Act 1994*. VicHealth has implemented the revised VGRMF, which took effect on 1 July 2021.

VicHealth has attested to its compliance with the revised VGRMF in 2022–23.

VicHealth has policies, processes and practices that align to the revised VGRMF, including:

- annual review of VicHealth’s risk management policy and framework
- defining and reviewing VicHealth’s risk appetite annually including a combined Board/Finance, Audit and Risk Committee Risk Management Workshop in February 2023 to review the Board’s risk appetite as VicHealth finalised the development of its new multi-year strategy
- strategic and business planning decision-making that embeds risk management
- ensuring we minimise our insurable risk exposure by reviewing our insurance requirements with the Victorian Managed Insurance Authority annually.

ICT governance

VicHealth’s 2021–24 ICT 3-Year Strategy completed and endorsed by the ICT Governance Committee and approved by the Executive Team in 2021–22 continued to be actively delivered in 2022–23. The key strategic principles that underpin the ICT Strategy are:

- a digital-enabled organisation
- better, fairer, more accessible ICT services
- a thriving health promotion sector.

VicHealth’s ICT Governance Committee formed in 2020–21, comprising key executives, business process improvement and ICT management and an external ICT advisor, and continues to meet on a bimonthly basis to ensure the activities of the ICT team are focused on the delivery of VicHealth’s ICT Strategy, ICT decisions of the VicHealth Board, the creation of value for VicHealth and compliance with Victorian Government ICT and Information Management Policy.

Additional information available on request

In compliance with the requirements of the Standing Directions of the Minister for Finance, additional information has been retained by VicHealth and is available to the relevant Ministers, Members of Parliament and the public on request (subject to freedom of information requirements).

For further information, please contact:

Chief Finance and Accounting Officer
Victorian Health Promotion Foundation
Level 2, 355 Spencer Street
West Melbourne VIC 3003
Phone: (03) 9667 1333

Integrity, Fraud and Corruption Declaration

I, Sandro Demaio, certify that VicHealth has put in place appropriate internal controls and processes to ensure that integrity, fraud and corruption risks have been reviewed and addressed at VicHealth during the year.



Dr Sandro Demaio
Accountable Officer
VicHealth

25 August 2023

Data Integrity Declaration

I, Sandro Demaio, certify that VicHealth has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. VicHealth has critically reviewed these controls and processes during the year.



Dr Sandro Demaio
Accountable Officer
VicHealth

25 August 2023

Conflict of Interest Declaration

I, Sandro Demaio, certify that VicHealth has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and 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 VicHealth 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 Board meeting.



Dr Sandro Demaio
Accountable Officer
VicHealth

25 August 2023

Attestation of compliance with Ministerial Standing Direction 5.1.4.

I, Nicola Roxon, Board Chair on behalf of the Responsible Body, certify that, to the best of my knowledge, VicHealth has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



The Hon Nicola Roxon
Chair of the Board

25 August 2023

Victorian Health Promotion Foundation (VicHealth)

Section 5: **Financial statements**

2022–2023

Board member's, Accountable Officer's and Chief Finance and Accounting Officer's Declaration

The attached financial statements for the Victorian Health Promotion Foundation (VicHealth) have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer 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 2023 and financial position of VicHealth at 30 June 2023.

At the time of signing, we are not aware of any circumstance that would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on this day.



The Hon Nicola Roxon
Chair of the Board

Melbourne
25 August 2023



Dr Sandro Demaio
Accountable Officer

Melbourne
25 August 2023



Tony Busuttill
Finance and Administration
Manager

Melbourne
25 August 2023



Victorian Auditor-General's Office

Independent Auditor's Report

To the Board of Victorian Health Promotion Foundation

Opinion	<p>I have audited the financial report of Victorian Health Promotion Foundation (the foundation) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2023 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • board member's, accountable officer's and chief finance & accounting officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the foundation as at 30 June 2023 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the foundation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (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.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Other information	<p>The Board of the foundation is responsible for the Other Information in the foundation's annual report for the year ended 30 June 2023, but does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p>
Board's responsibilities for the financial report	<p>The Board of the foundation is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the foundation'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.</p>

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 foundation'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 foundation'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 foundation 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
8 September 2023



Sanchu Chummar
as delegate for the Auditor-General of Victoria

Comprehensive operating statement

for the financial year ended 30 June 2023

	Notes	2023 (\$'000)	2022 (\$'000)
Income from transactions			
Appropriations and grants	2.1	44,782	42,767
Interest and other income	2.2	393	82
Total income		45,175	42,849
Expenses from transactions			
Employee expenses	3.1 (a)	9,623	8,793
Other employee expenses	3.1 (b)	1,434	1,238
Depreciation and amortisation	3.1 (c)	1,004	965
Grants and funding	3.1 (d)	30,256	29,097
Operating costs	3.1 (e)	3,026	2,748
Total expenses		45,343	42,841
Net result for the year		(168)	8
Comprehensive result for the year	8.1	(168)	8

The comprehensive operating statement should be read in conjunction with the accompanying notes.

Balance sheet

as at 30 June 2023

	Notes	2023 (\$'000)	2022 (\$'000)
Assets			
Current assets			
Cash and cash equivalents	4.1	4,415	4,264
Receivables	4.2	674	1,216
Prepayments		322	349
Total current assets		5,411	5,829
Non-current assets			
Property, plant and equipment	5.1	5,093	5,816
Intangible assets	5.2	1,485	1,373
Total non-current assets		6,578	7,189
Total assets		11,989	13,018
Current liabilities			
Payables	6.1	1,024	1,485
Borrowings	6.1	405	360
Employee-related provisions	6.2	1,160	1,285
Total current liabilities		2,589	3,130
Non-current liabilities			
Employee-related provisions	6.2	253	145
Borrowings	6.1	3,467	3,894
Total non-current liabilities		3,720	4,039
Total liabilities		6,309	7,169
Net assets		5,680	5,849
Equity			
Accumulated surplus		5,680	5,849
Total equity		5,680	5,849

The balance sheet should be read in conjunction with the accompanying notes.

Statement of changes in equity

for the financial year ended 30 June 2023

2023	Equity at 1 July 2022 (\$'000)	Transfer of reserves (\$'000)	Net result for the year (\$'000)	Equity at 30 June 2023 (\$'000)
Accumulated surplus	5,849	-	(168)	5,680
Reserves	-	-	-	-
Total equity	5,849	-	(168)	5,680

2022	Equity at 1 July 2021 (\$'000)	Transfer of reserves (\$'000)	Net result for the year (\$'000)	Equity at 30 June 2022 (\$'000)
Accumulated surplus	5,706	135	8	5,849
Reserves	135	(135)	-	-
Total equity	5,841	-	8	5,849

The statement of changes in equity should be read in conjunction with the accompanying notes.

Cash flow statement

for the financial year ended 30 June 2023

	Notes	2023 (\$'000)	2022 (\$'000)
Cash flows from operating activities			
Receipts			
Receipts from government		44,703	42,767
Receipts from other entities		85	37
Interest received		393	45
Goods and services tax (paid to)/refund from the ATO		3,974	2,315
Total receipts		49,155	45,164
Payments			
Payment of grants and funding		(37,361)	(32,602)
Payments to suppliers and employees		(10,868)	(12,868)
Total payments		(48,229)	(45,470)
Net cash flow provided by/(used in) operating activities	8.2	926	(306)
Cash flows from investing activities			
Payments for non-financial assets		(398)	(248)
Net cash flows provided by/(used in) investing activities		(398)	(248)
Cash flows from financing activities			
Repayment of principal portion of lease liabilities		(377)	(361)
Net cash flow provided by/(used in) financing activities		(377)	(361)
Net increase/(decrease) in cash and cash equivalents		151	(915)
Cash and cash equivalents at the beginning of the financial year		4,264	5,179
Cash and cash equivalents at the end of the financial year	4.1	4,415	4,264

Note:

(a) VicHealth has recognised cash payments for the principal portion of right-of-use lease payments as financing activities.

The cash flow statement should be read in conjunction with the accompanying notes.

Notes to the financial statements

for the year ended 30 June 2023

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Notes to the financial statements

for the year ended 30 June 2023

Note 1. Summary of significant accounting policies

The annual financial statements represent the audited general purpose financial statements for the Victorian Health Promotion Foundation (VicHealth) for the year ended 30 June 2023. The purpose of the report is to provide users with information about VicHealth's stewardship of resources entrusted to it.

1.1 Statement of compliance

These financial statements are general purpose financial statements that have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards (AASs), which include interpretations, issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of *AASB 1049 Whole of Government and General Government Sector Financial Reporting*.

The financial statements also comply with relevant Financial Reporting Directions (FRDs) issued by the Department of Treasury and Finance, and relevant Standing Directions (SDs) authorised by the Assistant Treasurer.

The Victorian Health Promotion Foundation (VicHealth) is a not-for-profit entity for financial reporting purposes under AAS and therefore applies the additional AAS paragraphs applicable to not-for-profit entities. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Apart from the changes in accounting policies, standards and interpretations as noted below, material accounting policies adopted in the preparation of these financial statements are the same as those adopted in the previous period.

The annual financial statements were authorised for issue by the Board of VicHealth on 25 August 2023.

1.2 Reporting entity

The financial statements relate to VicHealth as an individual reporting entity. Its principal address is:

VicHealth
Level 2, 355 Spencer Street
West Melbourne Vic 3003

VicHealth was established under the *Tobacco Act 1987*. A description of the nature of VicHealth's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

1.3 Basis of accounting preparation and measurement

ACCOUNTING POLICIES

Accounting policies are selected and applied in a manner that ensures that the resulting financial information satisfies the concepts of relevance and reliability, and consequently that the substance of the underlying transactions or other events are reported.

The accounting policies in this report have been applied in preparing the financial statements for the year ended 30 June 2023, and the comparative information presented in these financial statements for the year ended 30 June 2022.

GOING CONCERN

The going concern basis was used to prepare the financial statements.

Notes to the financial statements

for the year ended 30 June 2023

Note 1. Summary of significant accounting policies (cont)

CURRENCY

These financial statements are presented in Australian dollars, the functional and presentation currency of VicHealth.

ROUNDING

Amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated. Minor discrepancies in tables between totals and sum of components are due to rounding.

ACCURAL BASIS OF ACCOUNTING

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items; that is, they are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

IMPACT OF CORONAVIRUS (COVID-19) GLOBAL PANDEMIC

The Pandemic (Public Safety) Order 2022 (No. 5) that commenced on 22 September 2022 ended on 12 October 2022 when it was allowed to lapse and was revoked. Long-term outcomes from COVID-19 infection are currently unknown and while the pandemic response continues, a transition plan towards recovery and reform in 2022-2023 was implemented. Victoria's COVID-19 catch up plan is aimed at addressing Victoria's COVID-19 case load.

However, apart from staff being required to work from home, COVID-19 has not had a significant impact on VicHealth operations and has not resulted in a change to any critical judgements or assumptions underlying the preparation of the financial statements.

The COVID-19 pandemic has created economic uncertainty.

Actual economic events and conditions in the future may be materially different from those estimated by the health service at the reporting date. Management recognises that it is difficult to reliably estimate with certainty the potential impact of the pandemic after the reporting date on the health service, its operations, its future results and financial position.

IMPACT OF CLIMATE CHANGE

VicHealth has considered climate-related matters in the preparation of the financial statements. There are no known impacts of climate change impacting the estimates in the financial statements.

Notes to the financial statements

for the year ended 30 June 2023

Note 1. Summary of significant accounting policies (cont)

ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of AASs, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision, and future periods, if the revision affects both current and future periods. Judgements made by management in the application of AASs that have significant effects on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, relate to:

- the fair value of plant and equipment (refer to Note 5.1)
- assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount (refer to Note 6.2).

GOODS AND SERVICES TAX (GST)

Income, expenses, assets and liabilities are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities that are recoverable from, or payable to, the taxation authority are presented as an operating cash flow.

Commitments for expenditure and contingent assets and liabilities are presented on a gross basis.

Notes to the financial statements

for the year ended 30 June 2023

Note 2. Income from transactions

2.1 Appropriation and grants

	2023 (\$'000)	2022 (\$'000)
General appropriation	44,697	42,590
Grants and special purpose funding	85	177
Total appropriation and grants	44,782	42,767

REVENUE RECOGNITION

Income is recognised for each of VicHealth's major activities as follows:

APPROPRIATION INCOME

Appropriated income becomes controlled, and is recognised by VicHealth when it is appropriated from the consolidated fund by the Victorian Parliament and applied to the purposes defined under the relevant appropriations Act and working agreement with the Department of Health (DoH).

General appropriations relate to monies paid to VicHealth under section 32 of the *Tobacco Act 1987*.

Under the VicHealth's working agreement with the DoH, in addition to annual indexed appropriation from the DoH of \$43.2m in 2022-23, VicHealth received additional appropriation income from the DoH of \$1.5m, which included a one-off sustainability payment (\$0.9m) to meet the cost pressures across 2022-23 including the Fair Work decision to increase minimum and award wages and respond to growing additional cost pressures and issues with workforce shortages and job insecurity, and Local Health Promotion Unit Capacity Support (\$0.6m). VicHealth received \$0.5m additional appropriation in 2021-22 for mental health awareness following the pandemic.

GRANTS AND SPECIAL PURPOSE FUNDING

Other grants relate to miscellaneous funding and/or grants to deliver specific programs from other organisations.

Special purpose funding relates to funding to deliver specific programs from the Australian or Victorian Government.

Grants and other transfers of income are recognised as income in accordance with AASB 15 where there is an enforceable contract with the customer and the conditions are sufficiently specific to enable determination if the conditions have been satisfied. Where sufficiently specific performance obligations do not exist, revenue is recognised upon receipt in line with AASB 1058.

COVID-19 IMPACT ON REVENUE

Revenue recognised to fund the delivery of our services during the financial year was not materially impacted by the COVID-19 coronavirus pandemic.

Notes to the financial statements

for the year ended 30 June 2023

Note 2. Income from transactions (cont)

2.2 Interest and other income

	2023 (\$'000)	2022 (\$'000)
Interest income	349	45
Other income	44	37
Total interest and other income	393	82

INTEREST INCOME

Interest income includes interest received on bank and term deposits. Interest income is recognised on a time-proportionate basis that considers the effective yield on the financial asset.

Interest significantly exceeded VicHealth's expectations in 2022-23 due to interest rate increases across the financial year from the Reserve Bank of Australia passed on by the Victorian Government Central Banking System.

OTHER INCOME

Other income represents fees and charges from miscellaneous services. Income is recognised to the extent that it is probable that the economic benefits will flow to VicHealth and the income can be reliably measured at fair value.

Notes to the financial statements

for the year ended 30 June 2023

Note 3. Expenses from transactions

3.1 Expenses

	2023 (\$'000)	2022 (\$'000)
(a) Employee expenses		
Salaries, wages and leave payments	9,623	8,793
Total employee expenses	9,623	8,793
(b) Other employee expenses		
Agency and temporary staff	208	193
Board and committee members fees	151	141
Fringe benefits tax	6	13
Superannuation	994	824
WorkCover premium	75	67
Total other employee expenses	1,434	1,238
(c) Depreciation and amortisation		
Depreciation		
Office equipment	99	119
Office furniture	25	48
Fixtures and fittings	3	2
Leasehold improvements	138	138
Motor vehicles	11	11
Buildings – right-of-use	467	467
Total depreciation	743	737
Amortisation – IT software	261	228
Total depreciation and amortisation	1,004	965
(d) Grants and funding		
General purpose grants and funding	29,439	28,392
Program support expenses	817	705
Total grants and other expense transfers	30,256	29,097

Notes to the financial statements

for the year ended 30 June 2023

Note 3. Expenses from transactions (cont)

	2023 (\$'000)	2022 (\$'000)
(e) Operating costs		
Audit and legal fees	126	134
Consultancy fees	406	501
Employee development and wellbeing	378	227
General administration	221	165
Information, communications and technology systems	1,528	1,304
Occupancy costs	293	336
Lease interest – right-of-use assets	74	81
Total operating costs	3,026	2,748

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

Total expenses of \$45.3m in 2022-23 included expenditure associated with additional appropriation of \$1.5m received during the financial year from the DoH as referenced in 'Appropriation Income' at Note 2.1.

EMPLOYEE EXPENSES

Employee expenses include wages and salaries, Board and committee fees, leave entitlements, fringe benefits tax, WorkCover premiums and superannuation expenses. The name and details of the major employee superannuation funds and contributions made by VicHealth are outlined in Note 3.2.

In addition to staff salary increases under VicHealth's Enterprise Agreement 2021, the increase in employee expenses and other employee expenses in 2022-23 included 6 months of 5 additional 12-month contract staffing positions focusing on capability and capacity building (\$0.3m) as well as adjustments to executive salaries (from 1 July 2022) (\$0.2m) to bring those in line with Victorian Public Sector Commission executive classifications, all fully funded by the one-off sustainability appropriation payment referenced in 'Appropriation Income' at Note 2.1.

Notes to the financial statements

for the year ended 30 June 2023

Note 3. Expenses from transactions (cont)

DEPRECIATION

Depreciation is calculated on a straight-line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and depreciation method for all assets are reviewed at least annually, and adjustments made where appropriate. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term.

Depreciation is provided on property, plant and equipment. Depreciation begins when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in a manner intended by management.

Assets with a cost of more than \$2,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives.

The following are estimated useful lives for non-current assets on which the depreciation charges are based for both current and prior years:

- office equipment: 3 to 5 years
- office furniture: 10 years
- fixtures and fittings: 10 years
- motor vehicles: 6 years
- buildings (right-of-use): 10 years
- leasehold improvements: 10 years.

AMORTISATION

Intangible assets with a cost of more than \$2,000 are capitalised. Amortisation is allocated to intangible assets with finite useful lives on a straight-line basis over the asset's useful life. Amortisation begins when the asset is available for use; when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period.

In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the asset concerned is tested as to whether its carrying value exceeds its recoverable amount.

Any excess of the carrying amount over the recoverable amount is recognised as an impairment loss.

Intangible assets with finite useful lives are amortised over 2 to 7 years in both the current and prior years.

Notes to the financial statements

for the year ended 30 June 2023

Note 3. Expenses from transactions (cont)

GRANTS AND FUNDING

Grants and funding to third parties (other than contributions to owners) are recognised as an expense in the reporting period in which they are paid or payable. These relate to funding and other agreements for delivery of health promotion programs and campaigns and direct implementation costs.

They include transactions made to sporting organisations, local government, not-for-profit organisations, universities and community groups.

The increase in grants and funding in 2022-23 to \$29.4m included additional appropriation received from the DoH for specific programs totalling \$0.6m as referenced in 'Appropriation Income' at Note 2.1 and \$0.5m of Quit funding brought forward from 2023-24.

Program support expenses

Non-grant costs attributable to supporting the delivery of health promotion programs, campaigns and associated activities.

OPERATING COSTS

Operating costs generally represent the day-to-day running costs incurred in normal operations and include such things as:

- *Audit and legal fees.* Fees paid or payable to the Victorian Auditor-General's Office for the audit of these financial statements, costs incurred for the provision of internal audit services and associated activities and costs associated with the provision of legal advice for funding, contract and employment-related matters.
- *Consultancy costs.* Provision of expertise and advice.
- *General administration.* Costs incurred due to the administration of VicHealth such as legal, marketing and advertising, printing and stationery.
- *Information, communications and technology systems.* Rental costs for IT equipment, non-capitalised IT hardware and software purchases, licence fees and associated services, support and maintenance.
- *Occupancy costs.* Costs associated with the lease of the office building and the associated outgoings.

COVID-19 IMPACT ON EXPENSES

Expenses incurred to deliver services during the financial year were not materially impacted by the COVID-19 coronavirus pandemic.

Notes to the financial statements

for the year ended 30 June 2023

Note 3. Expenses from transactions (cont)

3.2 Superannuation

	Paid contribution for the year	
	2023 (\$'000)	2022 (\$'000)
(a) Defined benefit plan		
ESSSuper New Scheme	10	10
Total defined benefit plan	10	10
(b) Defined contribution plan		
HESTA	70	76
UniSuper	87	67
Australian Super	184	150
Aware Super	283	264
Rest Superannuation	49	33
Hostplus Super	51	44
Australian Retirement Trust	15	14
Cbus Super	30	21
Vision Super Saver	25	17
Australian Ethical Super	38	29
Other	176	120
Total defined contribution plan	1,008	835
Total superannuation contributions	1,018	845

Employees of VicHealth are entitled to receive superannuation benefits and VicHealth contributes to both the defined benefit and defined contribution plans.

DEFINED CONTRIBUTION SUPERANNUATION PLANS

In relation to defined contribution (i.e. accumulation) superannuation plans, the expenditure is simply the employer contributions that are paid or payable in respect of employees who are members of these plans during the reporting period. Contributions to defined contribution superannuation plans are expensed when incurred. VicHealth pays superannuation contributions in accordance with the superannuation guarantee legislation.

DEFINED BENEFIT SUPERANNUATION PLANS

The defined benefit plan provides benefits based on years of service and final average salary. The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by VicHealth to the superannuation plans in respect of the services of current VicHealth staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan and are based upon actuarial advice.

Notes to the financial statements

for the year ended 30 June 2023

Note 4. Financial assets

4.1 Cash and cash equivalents

	2023 (\$'000)	2022 (\$'000)
Cash on hand	1	3
Cash at bank	4,414	4,261
Total cash and cash equivalents	4,415	4,264

Cash and cash equivalents comprise cash on hand and cash at bank, deposits at call, term deposits and highly liquid investments with an original maturity of 3 months or less, which are held for meeting short-term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. VicHealth's cash at bank is held within the Central Banking System of Victorian Government.

Notes to the financial statements

for the year ended 30 June 2023

Note 4. Financial assets (cont)

4.2 Receivables

	2023 (\$'000)	2022 (\$'000)
(a) Contractual		
Debtors	12	53
Total contractual receivables	12	53
(b) Statutory		
GST credits receivable	662	1,163
Total statutory receivables	662	1,163
Total receivables	674	1,216

Receivables consist of:

- contractual receivables, which consists of debtors in relation to goods and services and accrued investment income
- statutory receivables, which predominantly includes amounts owing from the goods and services tax (GST) input tax credits recoverable.

Receivables that are contractual are classified as financial instruments and categorised as financial assets at amortised cost.

Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are recognised initially at fair value and subsequently measured at amortised cost less any accumulated impairment.

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 Impairment of Assets.

VicHealth assesses at each end of the reporting period whether a financial asset or group of financial assets is impaired.

AGEING ANALYSIS OF RECEIVABLES

All contractual receivables are not past due and not impaired as at 30 June 2023 and 30 June 2022.

NATURE AND EXTENT OF RISK ARISING FROM RECEIVABLES

Refer to Note 7.1 (b) for the nature and extent of credit risk arising from contractual receivables.

Notes to the financial statements

for the year ended 30 June 2023

Note 5. Non-financial assets

5.1 Property, plant and equipment

5.1 (a) Property, plant and equipment schedule

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2023 (\$'000)	2022 (\$'000)	2023 (\$'000)	2022 (\$'000)	2023 (\$'000)	2022 (\$'000)
Office equipment	632	647	519	446	113	201
Office furniture	251	268	56	48	195	220
Fixtures and fittings	31	20	6	2	25	18
Leasehold improvements	1,384	1,384	311	173	1,073	1,211
Motor vehicles	66	66	39	28	27	38
Buildings – right-of-use	4,672	4,672	1,011	544	3,661	4,128
Total	7,036	7,057	1,942	1,241	5,094	5,816

VALUATION AND MEASUREMENT

All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned. Refer to Note 3.1 for details of the depreciation policy.

There were no changes in valuation techniques throughout the period to 30 June 2023. For all assets measured at fair value, the current use is considered the highest and best use. There have been no transfers between levels during the period.

REVALUATIONS OF NON-CURRENT PHYSICAL ASSETS

Non-current physical assets are measured at fair value in accordance with FRD 1031 non-current physical assets. In accordance with FRD 1031, VicHealth's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required. Based on the short-term nature of assets held by VicHealth, no assets were assessed as requiring revaluation.

Notes to the financial statements

for the year ended 30 June 2023

Note 5. Non-financial assets (cont)

RIGHT-OF-USE ASSETS ACQUIRED BY LEASES – INITIAL MEASUREMENT

VicHealth recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentive received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

RIGHT-OF-USE ASSETS – SUBSEQUENT MEASUREMENT

VicHealth depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation. In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

Right-of-use assets are subsequently measured at fair value, with the exception of right-of-use asset arising from leases with significantly below-market terms and conditions, which are subsequently measured at cost, less accumulated depreciation and accumulated impairment losses where applicable.

Right-of-use assets are also adjusted for certain remeasurements of the lease liability (for example, when a variable lease payment based on an index or rate becomes effective).

VALUATION HIERARCHY

Consistent with AASB 13 Fair Value Measurement, VicHealth determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment and financial instruments, and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant FRDs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, VicHealth has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Where applicable, VicHealth determines whether transfers have occurred between levels in the hierarchy by re-assessing 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.

Notes to the financial statements

for the year ended 30 June 2023

Note 5. Non-financial assets (cont)

Based on the above assessment, all property, plant and equipment held by VicHealth is deemed to be valued under Level 3 as at 30 June 2023 and at 30 June 2022.

VEHICLES

VicHealth 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 VicHealth who set relevant depreciation rates during use to reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying value (depreciated cost).

OFFICE EQUIPMENT, FURNITURE, AND FIXTURES AND FITTINGS

Office equipment, furniture, and fixtures and fittings is held at carrying value (depreciated cost). When office equipment, furniture, and fixtures and fittings is specialised in use, such that it is rarely sold other than as part of a going concern, the depreciated replacement cost is used to estimate the fair value. Unless there is market evidence that current replacement costs are significantly different from the original acquisition cost, it is considered unlikely that depreciated replacement cost will be materially different from the existing carrying value.

There were no changes in valuation techniques throughout the period to 30 June 2023.

DISPOSAL OF NON-FINANCIAL ASSETS

Any gain or loss on the sale of non-financial assets is recognised in the comprehensive operating statement at the date that control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Apart from intangible assets with indefinite useful lives and assets not yet available for use, all other non-financial assets are assessed annually for indications of impairment.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an expense except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that same class of asset.

If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

Notes to the financial statements

for the year ended 30 June 2023

Note 5. Non-financial assets (cont)

5.1 (b) Property, plant and equipment reconciliation

2023	Office equipment (\$'000)	Office furniture (\$'000)	Fixtures and fittings (\$'000)	Motor vehicles (\$'000)	Leasehold improvements (\$'000)	Buildings ROU (\$'000)	Total (\$'000)
Fair value							
Opening balance	648	268	20	66	1,384	4,672	7,058
Additions	13	-	11	-	-	-	24
Disposals	(29)	(17)	-	-	-	-	(46)
Fair value closing balance	632	251	31	66	1,384	4,672	7,036
Accumulated depreciation							
Opening balance	446	48	2	28	173	543	1,240
Depreciation	99	25	4	11	138	468	745
Disposals	(26)	(17)	-	-	-	-	(43)
Accumulated depreciation closing balance	519	56	6	39	311	1,011	1,942
Written-down value	113	195	25	27	1,073	3,661	5,094

Notes to the financial statements

for the year ended 30 June 2023

Note 5. Non-financial assets (cont)

5.1 (b) Property, plant and equipment reconciliation (cont)

2022	Office equipment (\$'000)	Office furniture (\$'000)	Fixtures and fittings (\$'000)	Motor vehicles (\$'000)	Leasehold improvements (\$'000)	Buildings ROU (\$'000)	Total (\$'000)
Fair value							
Opening balance	619	266	20	66	1,384	4,672	7,027
Additions	29	2	-	-	-	-	31
Disposals	-	-	-	-	-	-	-
Fair value closing balance	648	268	20	66	1,384	4,672	7,058
Accumulated depreciation							
Opening balance	352	23	1	17	34	77	504
Depreciation	94	25	1	11	139	466	736
Disposals	-	-	-	-	-	-	-
Accumulated depreciation closing balance	446	48	2	28	173	543	1,240
Written-down value	201	220	18	38	1,211	4,129	5,816

Notes to the financial statements

for the year ended 30 June 2023

Note 5. Non-financial assets (cont)

5.2 Intangible assets

5.2 (a) Intangible assets – Gross carrying amount and accumulated amortisation

	2023 (\$'000)	2022 (\$'000)
Intangible produced assets – IT software	2,080	1,590
Less accumulated amortisation	(666)	(412)
	1,414	1,178
Intangible non-produced assets – Core ICT systems replacement work in progress	71	195
	71	195
Total intangible assets	1,485	1,373

5.2 (b) Intangible assets – Reconciliation of the carrying amount by class of asset

	IT software (\$'000)	Work in progress (\$'000)	Total (\$'000)
Balance at 30 June 2021	1,384	-	1,384
Additions	22	195	217
Transfers	-	-	-
Amortisation (Note 3.1)	(228)	-	(228)
Balance at 30 June 2022	1,178	195	1,373
Additions	-	373	373
Transfers	497	(497)	-
Amortisation (Note 3.1)	(261)	-	(261)
Balance at 30 June 2023	1,414	71	1,485

Notes to the financial statements

for the year ended 30 June 2023

Note 5. Non-financial assets (cont)

INTANGIBLE ASSETS

Intangible assets represent identifiable non-monetary assets without physical substance relating to computer software and development costs (where applicable).

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost, less accumulated amortisation and accumulated impairment losses. Refer to Note 3.1 for details of VicHealth's amortisation policy.

Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to VicHealth.

IMPAIRMENT OF INTANGIBLE ASSETS

Intangible assets are tested annually for impairment (i.e. whether their carrying value exceeds their recoverable amount, and so require write-downs) and whenever there is an indication that the asset may be impaired. All other assets are assessed annually for indications of impairment, except for financial assets.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as another economic flow, except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that class of asset.

It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

Notes to the financial statements

for the year ended 30 June 2023

Note 6. Liabilities and commitments

6.1 Payables and borrowings

	2023 (\$'000)	2022 (\$'000)
Current		
(a) Contractual payables		
Trade creditors	674	596
Accrued wages and salaries	-	4
Grants payable	196	717
Accrued expenses	140	163
Total contractual payables	1,010	1,480
(b) Statutory payables		
GST/PAYG payable	1	5
WorkCover payable	13	-
Total statutory payables	14	5
Total payables	1,024	1,485
(c) Contractual borrowings		
Current		
Lease liabilities	405	360
Total current borrowings	405	360
Non-current		
Lease liabilities	3,467	3,894
Total non-current borrowings	3,467	3,894

Notes to the financial statements

for the year ended 30 June 2023

Note 6. Liabilities and commitments (cont)

Payables consist of:

Contractual payables

These consist predominantly of accounts payable representing liabilities for grants, goods and services provided to VicHealth prior to the end of the financial year that are unpaid and arise when VicHealth becomes obliged to make future payments in respect of the purchase of those goods and services or provision of grant conditions.

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

Contractual payables are initially recognised at fair value, and then subsequently carried at amortised cost.

Statutory payables

Statutory payables 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 a contract. Statutory payables (such as GST and fringe benefits tax payable) are paid by the relevant legislative due date.

Contractual borrowings

This consists of lease liabilities in accordance with AASB 16 Leases which include:

- Right-of-use asset – Buildings. This represents the capitalisation of the VicHealth office tenancy leases.

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

To apply this definition, VicHealth 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 VicHealth and for which the supplier does not have substantive substitution rights
- VicHealth 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 VicHealth has the right to direct the use of the identified asset throughout the period of use
- VicHealth has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

Notes to the financial statements

for the year ended 30 June 2023

Note 6. Liabilities and commitments (cont)

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 the VicHealth incremental borrowing rate. Our lease liability has been discounted by rates of between 1% to 2%.

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.

The following types of lease arrangements, contain extension and termination options:

- Lease of offices at Level 2, 355 Spencer Street, West Melbourne. Option for extension of two (2) further terms of three (3) years each.

These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the health service and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term and lease liability if the lease is reasonably certain to be extended (or not terminated).

Potential future cash outflows have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs that affects this assessment and that is within the control of the lessee.

During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of \$nil.

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-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Notes to the financial statements

for the year ended 30 June 2023

Note 6. Liabilities and commitments (cont)

6.2 Provisions: Employee benefits

	2023 (\$'000)	2022 (\$'000)
Current provisions		
Annual leave	648	641
Long service leave	394	511
Annual leave on cost	76	72
Long service leave on cost	42	61
Total current provisions	1,160	1,285
Current employee benefits		
Expected to be utilised within 12 months	791	621
Expected to be utilised after 12 months	369	664
Total current employee benefits	1,160	1,285
Non-current provisions		
Long service leave	224	128
On-costs	29	17
Total non-current provisions	253	145
Total provisions	1,413	1,430
Movement in employee benefits		
Opening balance	1,430	1,870
Settlement made during the year	(1,024)	(1,255)
Provision made during the year	1,007	815
Balance at end of year	1,413	1,430

Notes to the financial statements

for the year ended 30 June 2023

Note 6. Liabilities and commitments (cont)

Reconciliation of movement in on-cost provision

	2023 (\$'000)	2022 (\$'000)
Opening balance	150	145
Additional provisions recognised	108	80
Reductions arising from payments/other sacrifices of future economic benefits	(111)	(77)
Unwind of discount and effect of changes in the discount rate	-	2
Closing balance	147	150
Current	118	133
Non-current	29	17

PROVISIONS

Provisions are recognised when VicHealth has a present obligation, the sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows using a discount rate that reflects the time value of money and risks specific to the provision.

EMPLOYEE BENEFITS

Employee benefits are accrued in respect of annual leave, time in lieu and long service leave for services rendered to the reporting date as an expense during the period the services are delivered.

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 it is taken.

Annual leave and time in lieu

Liabilities for annual leave, purchased leave and time in lieu are recognised in the provision for employee benefits as current liabilities as VicHealth 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 time in lieu are measured at:

- present value – component that VicHealth does not expect to wholly settle within 12 months, or
- undiscounted value – component that VicHealth expects to wholly settle within 12 months.

Notes to the financial statements

for the year ended 30 June 2023

Note 6. Liabilities and commitments (cont)

Long service leave

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

Current liability – unconditional LSL (representing 7 or more years of continuous service) is disclosed in the notes to the financial statements as a current liability even where VicHealth does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- present value – component that VicHealth does not expect to wholly settle within 12 months, or
- undiscounted value – component that VicHealth expects to wholly settle within 12 months.

Non-current liability – conditional LSL (representing less than 7 years of continuous service) is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. Conditional LSL is required to be measured at present value.

Consideration is given to the expected future wage and salary levels, experience of employee departure and periods of service. Expected future payments are discounted using interest rates of Australian Government guaranteed securities in Australia.

On-costs

Employee benefit on-costs, such as worker's compensation premium and superannuation are recognised separately from provisions for employee benefits.

Notes to the financial statements

for the year ended 30 June 2023

Note 6. Liabilities and commitments (cont)

6.3 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note at their nominal value and are inclusive of the goods and services tax (GST) payable. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

6.3 (a) Expenditure commitments

The following commitments have not been recognised as liabilities in the financial statements.

	2023 (\$'000)	2022 (\$'000)
Expenditure commitments		
No longer than 1 year	12,026	12,726
Longer than 1 year and not longer than 5 years	3,086	5,905
Total	15,112	18,631

VicHealth has entered into certain agreements for funding of grants for multiple years. The payment of future years' instalments of these grants is dependent on the funded organisation meeting specified accountability requirements and the continued availability of funds from the Government. Additionally, VicHealth enters into multi-year contracts for the purchase of various goods and/or services.

Notes to the financial statements

for the year ended 30 June 2023

Note 7. Risk, contingencies and valuation uncertainties

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 VicHealth's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in *AASB 132 Financial Instruments: Presentation*.

VicHealth's principal financial instruments comprise:

- cash and cash equivalents
- receivables (excluding statutory receivables)
- payables (excluding statutory payables).

The main purpose in holding financial instruments is to prudentially manage VicHealth's financial risks within the organisation's policy parameters.

CATEGORIES OF FINANCIAL INSTRUMENTS

Financial assets at amortised cost

Financial assets are measured at amortised costs 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 VicHealth 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 subsequently measured at amortised cost using the effective interest method less any impairment. VicHealth recognises the following assets in this category:

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

Derecognition of financial assets

A financial asset is derecognised when:

- the rights to receive cash flows from the asset have expired, or
- VicHealth 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
- VicHealth has transferred its rights to receive cash flows from the asset and either:
 - (i) has transferred substantially all the risks and rewards of the asset, or
 - (ii) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where VicHealth has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of VicHealth's continuing involvement in the asset.

Notes to the financial statements

for the year ended 30 June 2023

Note 7. Risk, contingencies and valuation uncertainties (cont)

Loans and receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs.

Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

The loans and receivables category includes cash and deposits, term deposits with maturity greater than 3 months, trade receivables, loans and other receivables, but not statutory receivables.

The effective interest method is a method of calculating the amortised cost of a financial asset and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.

Financial liabilities at amortised cost

Financial liabilities are recognised when VicHealth becomes a party to the contractual provisions to the instrument. Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately.

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

VicHealth recognises the following liabilities in this category:

- payables (excluding statutory payables)
- borrowings.

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.

Notes to the financial statements

for the year ended 30 June 2023

Note 7. Risk, contingencies and valuation uncertainties (cont)

7.1 (a) Categorisation of financial instruments

The carrying amounts of VicHealth's contractual financial assets and liabilities by category are set out as follows.

2023	Financial assets at amortised cost (\$'000)	Financial liabilities at amortised cost (\$'000)	Total (\$'000)
Contractual financial assets			
Cash and cash equivalents	4,415	-	4,415
<i>Receivables</i> ⁽¹⁾			
Debtors	12	-	12
Total financial assets ⁽¹⁾	4,427	-	4,427
Financial liabilities			
Payables	-	1,024	1,024
Borrowings (Lease liabilities) – current	-	405	405
Borrowings (Lease liabilities) – non-current	-	3,467	3,467
Total financial liabilities ⁽¹⁾	-	4,896	4,896
2022			
	Financial assets at amortised cost (\$'000)	Financial liabilities at amortised cost (\$'000)	Total (\$'000)
Contractual financial assets			
Cash and cash equivalents	4,264	-	4,264
<i>Receivables</i> ⁽¹⁾			
Debtors	53	-	53
Total financial assets ⁽¹⁾	4,317	-	4,317
Financial liabilities			
Payables	-	1,485	1,485
Borrowings (lease liabilities) – current	-	360	360
Borrowings (lease liabilities) – non-current	-	3,894	3,894
Total financial liabilities ⁽¹⁾	-	5,739	5,739

Note:

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

Notes to the financial statements

for the year ended 30 June 2023

Note 7. Risk, contingencies and valuation uncertainties (cont)

7.1 (b) Credit risk

Credit risk arises from the contractual financial assets of VicHealth, which comprises cash and deposits and non-statutory receivables. VicHealth's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to VicHealth. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with VicHealth's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than government, VicHealth has limited credit risk due to limited dealings with entities external to the Victorian or Australian governments.

In addition, VicHealth does not engage in high-risk hedging for its financial assets and mainly obtains financial assets with variable interest rates. Consistent with directions from

the Victorian Government, VicHealth's policy is to deal with financial institutions with high credit ratings.

Provision of impairment for financial assets is calculated based on past experience, and current and expected changes in client credit ratings. Objective evidence includes financial difficulties of the debtor, default payments and debts that are more than 90 days overdue.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents VicHealth's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The following table outlines the credit quality of contractual financial assets that are neither past due nor impaired.

	Government agencies (AAA credit rating) (\$'000)	Financial institutions (AA credit rating) (\$'000)	Other (no credit rating) (\$'000)	Total (\$'000)
2023				
Cash and cash equivalents	-	4,415	-	4,415
Contractual receivables	-	-	12	12
Total	-	4,415	12	4,427
2022				
Cash and cash equivalents	-	4,264	-	4,264
Contractual receivables	-	-	53	53
Total	-	4,264	53	4,317

Notes to the financial statements

for the year ended 30 June 2023

Note 7. Risk, contingencies and valuation uncertainties (cont)

7.1 (c) Ageing of financial assets

All financial assets are not past due and not impaired as at 30 June 2023 and 30 June 2022.

7.1 (d) Liquidity risk

Liquidity risk is the risk that VicHealth would be unable to meet its financial obligations as and when they fall due. VicHealth's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet. VicHealth manages its liquidity risk as follows:

- careful maturity planning of its financial obligations based on forecasts of future cash flows maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations

- holding investments and other contractual financial assets that are readily tradeable in the financial markets.

It operates under the Government's fair payment policy of settling financial obligations generally within 30 days.

VicHealth's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The following table discloses the contractual maturity analysis for VicHealth's contractual financial liabilities.

	Carrying amount (\$'000)	Nominal amount (\$'000)	Maturity dates			
			Less than 1 month (\$'000)	1 to 3 months (\$'000)	3 months to 1 year (\$'000)	1 to 5 years (\$'000)
2023						
Contractual payables	1,024	1,024	1,024	-	-	-
Borrowings (lease liabilities)	3,872	3,872	34	68	306	3,464
Total	4,896	4,896	1,058	68	306	3,464
2022						
Contractual payables	1,485	1,485	1,485	-	-	-
Borrowings (lease liabilities)	4,254	4,254	30	60	270	3,894
Total	5,739	5,739	1,515	60	270	3,894

Notes to the financial statements

for the year ended 30 June 2023

Note 7. Risk, contingencies and valuation uncertainties (cont)

7.1 (e) Market risk

VicHealth's exposure to market risk is primarily through interest rate risk. VicHealth has an insignificant exposure to currency risk and other market risks.

VicHealth does not hold any interest-bearing financial liabilities, therefore has nil exposure to interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

VicHealth has minimal exposure to cash flow interest rate risks through its cash and deposits at call, as these assets are held in variable interest rate accounts. Receivables are non-interest bearing.

Notes to the financial statements

for the year ended 30 June 2023

Note 7. Risk, contingencies and valuation uncertainties (cont)

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates are outlined in the following table.

			Interest rate exposure		
2023	Weighted average interest rate (%)	Carrying amount (\$'000)	Fixed interest rate (\$'000)	Variable interest rate (\$'000)	Non-interest bearing (\$'000)
Financial assets					
Cash and deposits	3.6	4,415	-	4,414	1
Contractual receivables	-	12	-	-	12
Total financial assets		4,427	-	4,414	13
Financial liabilities					
Contractual payables	-	1,024	-	-	1,024
Borrowings (lease liabilities)	1.8	3,872	3,872	-	-
Total financial liabilities		4,896	3,872	-	1,024
			Interest rate exposure		
2022	Weighted average interest rate (%)	Carrying amount (\$'000)	Fixed interest rate (\$'000)	Variable interest rate (\$'000)	Non-interest bearing (\$'000)
Financial assets					
Cash and deposits	0.3	4,264	-	4,261	3
Contractual receivables	-	53	-	-	53
Total financial assets		4,317	-	4,261	56
Financial liabilities					
Contractual payables	-	1,480	-	-	1,480
Borrowings (lease liabilities)	1.8	4,254	4,254	-	-
Total financial liabilities		5,734	4,254	-	1,480

Notes to the financial statements

for the year ended 30 June 2023

Note 7. Risk, contingencies and valuation uncertainties (cont)

7.1 (f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, VicHealth believes the following movement is 'reasonably possible' over the next 12 months: a parallel shift of +2% and -2% in market interest rates (AUD).

The table below discloses the impact on net operating result and equity for each category of financial instrument held by VicHealth at year end as presented to key management personnel, if the below movements were to occur.

VicHealth's sensitivity to interest rate risk is considered low and is outlined in the following table.

		-200 basis points	+200 basis points	-200 basis points	+200 basis points
	Carrying amount (\$'000)	Net result (\$'000)	Net result (\$'000)	Equity (\$'000)	Equity (\$'000)
2023					
Financial assets					
Cash and cash deposits	4,415	(88)	88	(88)	88
Receivables	12	-	-	-	-
Total financial assets	4,427	(88)	88	(88)	88
Financial liabilities					
Payables	1,024	-	-	-	-
Borrowings (lease liabilities)	3,872	(77)	77	(77)	77
Total financial liabilities	4,896	(77)	77	(77)	77
2022					
Financial assets					
Cash and cash deposits	4,264	(85)	85	(85)	85
Receivables	53	(1)	1	(1)	1
Total financial assets	4,317	(86)	86	(86)	86
Financial liabilities					
Payables	1,480	-	-	-	-
Borrowings (lease liabilities)	4,254	(85)	85	(85)	85
Total financial liabilities	5,734	(85)	85	(85)	85

Notes to the financial statements

for the year ended 30 June 2023

Note 7. Risk, contingencies and valuation uncertainties (cont)

7.1 (g) 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.

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

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into 3 levels, also known as the fair value hierarchy.

The levels are as follows:

Level 1. Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2. Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3. Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

VicHealth considers that the carrying amount of financial assets and financial liabilities recorded in the financial report to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

Notes to the financial statements

for the year ended 30 June 2023

Note 8. Other disclosures

8.1 Comprehensive result for the year by funding source

	Notes	2023 (\$'000)	2022 (\$'000)
(a) Funding from general appropriation			
General appropriation and other income			
General appropriation income	2.1	44,697	42,590
Interest and other income	2.2	393	82
Expenses from transactions		(45,258)	(42,554)
Net surplus/(deficit) from general appropriation and other income		(168)	118
(b) Funding from grants and special purpose funding			
Income from externally funded programs			
External grants and special purpose funding	2.1	85	177
Expenses from transactions		(85)	(287)
Net surplus/(deficit) from externally funded programs		-	(110)
Comprehensive result for the year		(168)	8

The comprehensive result for the year includes a deficit of \$0.168m from general appropriation funding activities and a breakeven result from special purpose funded activities, resulting in a net deficit comprehensive result for the year of \$0.168m.

Notes to the financial statements

for the year ended 30 June 2023

Note 8. Other disclosures (cont)

8.2 Reconciliation of net result for the period to net cash flows from operating activities

	2023 (\$'000)	2022 (\$'000)
Net result for the period	(168)	8
Non-cash movements		
Depreciation and amortisation	1,004	965
Movements in assets and liabilities		
(Increase)/decrease in receivables	541	(172)
(Increase)/decrease in prepayments	27	360
Increase/(decrease) in payables	(461)	(1,027)
Increase/(decrease) in provisions	(17)	(440)
Net cash flows from/(used in) operating activities	926	(306)

Notes to the financial statements

for the year ended 30 June 2023

Note 8. Other disclosures (cont)

8.3 Responsible persons

8.3 (a) Responsible persons appointments

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

RESPONSIBLE MINISTER

The Hon Mary-Anne Thomas Minister for Health	01/07/2022 – 30/06/2023
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GOVERNING BOARD

The Hon Nicola Roxon Chair	01/07/2022 – 30/06/2023
Sarah Connolly MP	01/07/2022 – 30/09/2022
Vedran Drakulic OAM	01/07/2022 – 30/06/2023
Sally Fawkes	01/07/2022 – 30/09/2022
Nick Green OAM	01/07/2022 – 30/06/2023
Ian Hamm	01/07/2022 – 30/06/2023
Catherine Harding	01/07/2022 – 31/01/2023
Jamie Lewis	01/07/2022 – 30/06/2023
Kathleen Matthews-Ward MP	14/06/2023 – 30/06/2023
Andy Meddick MP	01/07/2022 – 30/09/2022
Prof Anna Peeters	01/07/2022 – 30/06/2023
Div Pillay	01/07/2022 – 30/06/2023
Tim Read MP	14/06/2023 – 30/06/2023
Stella Smith	01/07/2022 – 30/06/2023
Bridget Vallence MP (reappointed)	01/07/2022 – 30/09/2022 14/06/2023 – 30/06/2023
Phil Wade	01/07/2022 – 30/06/2023

ACCOUNTABLE OFFICER

Dr Sandro Demaio	01/07/2022 – 30/06/2023
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Notes to the financial statements

for the year ended 30 June 2023

Note 8. Other disclosures (cont)

8.3 (b) Responsible persons remuneration

The remuneration received or receivable by responsible persons is disclosed as follows:

	2023 (\$'000)	2022 (\$'000)
Total amount	446	450

Income band	No.	No.
\$ 0 – 9,999	10	7
\$ 10,000 – 19,999	6	7
\$ 300,000 – 309,999	-	1
\$ 310,000 – 319,999	1	-
Total numbers	17	15

Remuneration of Board members is prescribed by Governor in Council. The parliamentary members of the Board received no remuneration for their services on the VicHealth Board.

The compensation detailed above excludes the salaries and benefits the responsible ministers receive. The ministers' remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported in the Victorian Government's annual financial report.

Notes to the financial statements

for the year ended 30 June 2023

Note 8. Other disclosures (cont)

8.4 Remuneration of executives

The number of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the table below. During the reporting period a number of employees acted in executive officer positions following employee resignations and/or parental leave. The remuneration in the following table only relates to their remuneration payable in their role as an Executive Officer.

Category	2023 (\$'000)	2022 (\$'000)
Salaries and other short-term benefits	1,125	1,024
Post-employment benefits	128	105
Other long-term benefits	-	38
Termination benefits	121	54
Total remuneration	1,374	1,221
Total number of executive officers	10	11
Total annualised employee equivalent⁽ⁱ⁾	5	5

Note:

(i) Annualised employee equivalent is based on 38 ordinary hours per week over the reporting period. The variance between number of executive officers and annualised employee equivalent is reflective of resignations during the year.

Remuneration comprises benefits in all forms of consideration paid, payable or provided in exchange for services rendered, and is disclosed in the following categories:

- *Salaries and other short-term employee benefits* include amounts such as superannuation entitlements and other retirement benefits paid or payable on a discrete basis when employment has ceased.
- *Post-employment benefits* include amounts such as superannuation entitlements and other retirement benefits paid or payable on a discrete basis when employment has ceased.
- *Other long-term benefits* include long service leave, other long-service benefits or deferred compensation.
- *Termination benefits* include termination of employment payments including leave payments.

Notes to the financial statements

for the year ended 30 June 2023

Note 8. Other disclosures (cont)

8.5 Related parties

VicHealth is a wholly owned and controlled entity of the State of Victoria. Related parties of VicHealth include:

- all key management personnel and their close family members
- all Cabinet Ministers and their close family members
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arms-length basis.

8.5 (a) Key management personnel

Key management personnel (KMP) of VicHealth include the Portfolio Ministers and Cabinet Ministers, VicHealth Board Members and Chief Executive Officer as determined by VicHealth.

Category	2023 (\$'000)	2022 (\$'000)
Salaries and other short-term benefits	408	414
Other long-term benefits	38	36
Total remuneration	446	450

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided in exchange for services rendered, as described and in Note 8.3 Responsible Persons.

Notes to the financial statements

for the year ended 30 June 2023

Note 8. Other disclosures (cont)

8.5 (b) Transactions with key management personnel and other related parties

Given the breadth and depth of Victorian Government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public, for example, stamp duty and other government fees and charges.

Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and codes of conduct and Standards issued by the Victorian Public Sector Commission.

The *Tobacco Act* stipulates that VicHealth has a representational Board member composition, consequently there is an increased likelihood of related party transactions as Board members often are either employed or serve on Boards of organisations that VicHealth transacts with.

During the reporting period, related parties of key management personnel were awarded contracts on terms and conditions equivalent for those that prevail in arms-length transactions under VicHealth's grant-making and procurement policies and guidelines, including management of conflicts of interest.

All other transactions that may have occurred with key management personnel and their related parties have been trivial or domestic in nature. In this context, transactions are only disclosed if they are considered of interest to users of the financial report in making and evaluating decisions about the allocation of scarce resources.

The transactions (generally related to awarding grants and funding) with key management personnel are outlined in the following table:

Key management personnel/transaction	2023 (\$'000)	2022 (\$'000)
Deakin University of which Prof Anna Peeters served as an employee and Dr Sandro Demaio served as an adjunct associate professor	1,748	954
La Trobe University of which Ms Sally Fawkes served as an honorary adjunct senior lecturer	664	426
Vicsport of which Ms Catherine Harding ⁽ⁱⁱ⁾ served as a Board member	200	208
Multicultural Arts Victoria of which Ms Veronica Pardo ⁽ⁱ⁾ served as Chief Executive Officer	171	101
Next Wave Festival of which Ms Jamie Lewis is CEO/Executive Director	200	-
University of Melbourne of which Dr Sandro Demaio served as a principal fellow (associate professor)	400	418

Note:

(i) Ms Veronica Pardo resigned as a VicHealth Board member on 30 June 2022.

(ii) Ms Catherine Harding resigned as a VicHealth Board member on 31 January 2023.

Notes to the financial statements

for the year ended 30 June 2023

Note 8. Other disclosures (cont)

8.5 (c) Significant transactions with government-related entities

During the financial period VicHealth funding received or receivable from government-related entity transactions were:

Entity	2023 (\$'000)	2022 (\$'000)
Department of Health – appropriation	44,697	42,590
Department of Health – Special Purpose Grant	85	177

8.6 Ex-gratia payments

There were no ex-gratia payments made during the reporting period (2022: nil).

8.7 Remuneration of auditors

The payments made to the Victorian Auditor-General's Office during the reporting period are listed in the following table:

	2023 (\$'000)	2022 (\$'000)
Audit and review of the financial statements	26	25

8.8 Economic support

VicHealth is wholly dependent on the continued financial support of the Victorian Government and the Department of Health (DoH). VicHealth's 4-year service agreement with DHHS (Public Health division) expired in June 2019 and was renewed for a further 4 years, expiring in June 2023.

VicHealth received advice on 6 July 2023 that VicHealth's service agreement has been rolled over for 2023–24. VicHealth's budget is required to be submitted to the Minister for Health for approval annually, as per the requirements of the *Tobacco Act 1987*, with the 2023–24 budget submitted prior to 1 June 2023.

8.9 Events subsequent to balance date

There have been no events that have occurred subsequent to 30 June 2023 that would, in the absence of disclosure, cause the financial statements to become misleading.

Notes to the financial statements

for the year ended 30 June 2023

Note 8. Other disclosures (cont)

8.10 Issued but not yet effective Australian accounting and reporting pronouncements

Certain new and revised accounting standards have been issued but are not effective for the 2022–23 reporting period.

These accounting standards have not been applied to the Financial Statements. VicHealth is reviewing its existing policies and assessing the potential implications of these accounting standards, which includes:

- AASB 2020–1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non Current.

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted, however, the AASB has recently issued AASB 2020–1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date to defer the application by one year to periods beginning on or after 1 January 2023. VicHealth will not early adopt the Standard.

VicHealth is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods but are considered to have limited impact on VicHealth’s reporting:

- AASB 17 Insurance Contracts
- AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C)
- AASB 2020–2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities
- AASB 2020–3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments
- AASB 2020–7 Amendments to Australian Accounting Standards – Covid-19–Rent Related Concessions: Tier 2 Disclosures
- AASB 2020–8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2
- AASB 2020–9 Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments.

Notes to the financial statements

for the year ended 30 June 2023

Note 8. Other disclosures (cont)

8.11 Glossary of technical terms

The following is a summary of the major technical terms used in this report.

Amortisation is the expense that results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an 'other economic flow'.

Borrowings refers to interest-bearing liabilities, lease liabilities, service concession arrangements and other interest-bearing arrangements. Borrowings may also include non interest-bearing advances from government that are acquired for policy purposes.

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Comprehensive result is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

Effective interest method is the method used to calculate the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.

Ex-gratia payments mean the voluntary payment of money or other non-monetary benefit (e.g. a write-off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

Financial asset is any asset that is either:

- cash
- an equity instrument of another entity
 1. a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.
- A financial asset can also be a contract that will or may be settled in the entity's own equity instruments and is either:
 1. a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments, or
 2. a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Notes to the financial statements

for the year ended 30 June 2023

Note 8. Other disclosures (cont)

Financial liability is any liability that is either:

- a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity
- a contract that will or may be settled in the entity's own equity instruments and is either:
 1. a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments, or
 2. a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements in the annual report comprise:

- a balance sheet as at the end of the period
- a comprehensive operating statement for the period
- a statement of changes in equity for the period
- a cash flow statement for the period
- notes, comprising a summary of significant accounting policies and other explanatory information
- comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 Presentation of Financial Statements

- a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

Grant expenses and other transfers are transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

Grants can be paid as general-purpose grants, which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants, which are paid for a particular purpose and/or have conditions attached regarding their use.

Notes to the financial statements

for the year ended 30 June 2023

Note 8. Other disclosures (cont)

Interest expense represents costs incurred in connection with borrowings. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of lease repayments, service concession financial liabilities and amortisation of discounts or premiums in relation to borrowings.

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Leases are rights conveyed in a contract, or part of a contract, the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those classified as 'other non-owner movements in equity'.

Non-financial assets are all assets that are not financial assets and may include inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, cultural and heritage assets, intangibles and biological assets such as commercial forests.

Operating result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner movements in equity'. Refer also to 'net result'.

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. In simple terms, other

economic flows are changes arising from market remeasurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal.

Payables includes short and long-term trade debt and accounts payable, grants, taxes and interest payable.

Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films and research and development costs (which does not include the start-up costs associated with capital projects).

Receivables include amounts owing from government through appropriation receivable, short and long-term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between 2 entities by mutual agreement. They also include flows into an entity such as depreciation, where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the Government.

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Our origin

VicHealth (the Victorian Health Promotion Foundation) is the world's first health promotion foundation, created in 1987 with a mandate to promote good health. We were established with cross-party support by the Victorian Parliament with the statutory objectives mandated by the *Tobacco Act 1987 (Vic)* (the Act). The responsible minister is the Minister for Health, the Hon Mary-Anne Thomas MP.

The objectives of VicHealth as set out in the Act are to:

- fund activity related to the promotion of good health, safety or the prevention and early detection of disease
- increase awareness of programs for promoting good health in the community through the sponsorship of sports, the arts and popular culture
- encourage healthy lifestyles in the community and support activities involving participation in healthy pursuits
- fund research and development activities in support of these objectives.

What we do

The functions of VicHealth as set out in the Act are to:

- promote its objectives
- make grants from the Health Promotion Fund for activities, facilities, projects or research programs in furtherance of the objectives of VicHealth
- provide sponsorships for sporting or cultural activities
- keep statistics and other records relating to the achievement of the objectives of VicHealth
- provide advice to the Minister on matters related to its objectives referred by the Minister to VicHealth and generally in relation to the achievement of its objectives
- make loans or otherwise provide financial accommodation for activities, facilities, projects or research programs in furtherance of the objectives of VicHealth
- consult regularly with relevant government departments and agencies and to liaise with persons and organisations affected by the operation of this Act
- perform such other functions as are conferred on VicHealth by this or any other Act.

VicHealth performs and manages these functions by:

- developing a strategic plan, including concept, context and operations
- initiating, facilitating and organising the development of projects and programs to fulfil the strategic plan
- ensuring an excellent standard of project management for all project and program grants paid by VicHealth
- developing systems to evaluate the impacts and outcomes of grants ensuring that such knowledge is transferred to the wider community.

Victorian Health Promotion Foundation

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