

Report of Operations

Victorian Health Promotion Foundation
2020–21

Declaration by Chair of the Responsible Body

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 2021.



The Hon. Nicola Roxon
Chair of the Board

27 August 2021

Section 1: Year in review

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 State Parliament of Victoria with the statutory objectives mandated by the *Tobacco Act 1987 (Vic)* (the Act). The responsible minister is the Minister for Health, the Hon. Martin Foley 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.

Functions

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.

Our commitment

- Fairness – we focus on health equity by prioritising our work for Victorians who face the greatest barriers to health and wellbeing.
- Evidence-based action – we create and use evidence to identify the issues that need action and to guide policy and practice by VicHealth and our partners.
- Working with community – we work with communities to set priorities, make decisions and create solutions.
- Partnerships across sectors – we collaborate with governments at all levels and nurture strong relationships with others in health promotion, health, sports, research, education, work and the arts, including local communities, the private sector and the media, to collectively tackle complex health and wellbeing challenges.

Our difference

For over 30 years, VicHealth has been a pioneer and world leader in health promotion. We are highly respected for our knowledge, skills and experience. We work in partnership across sectors and with the Victorian community as a trusted, independent source of evidence-based practice and advice.

We take action where there's the greatest need and potential for positive impact, which in 2020–21 included supporting the community's health and wellbeing through the ongoing coronavirus pandemic. We make the most of our resources by building on and complementing the efforts of governments and other organisations that are also promoting health, including in ways that complement the priorities of the Victorian Department of Health and other departments and agencies. The breadth of our work and our structure allow VicHealth to be agile and respond to community needs as they arise. Community-led approaches to addressing complex health problems, adopting systems based strategies that are place based are all foundational to the way VicHealth works.

Our culture of innovation enables us to tackle the rise of chronic diseases by bringing the best approaches across the world to test and trial in Victoria.

Chair's report

I am honoured to take on the role of Chair of the VicHealth Board. I have long admired VicHealth for its unique contribution and innovative approach. I'm excited by the prospect of contributing to an organisation with such a strong history, and so much opportunity to make a difference, now and long into the future.

The events of the last year showed that our work is more important than ever, with health and wellbeing a central focus of communities, organisations and governments.

As we approach the final 2 years of our 2013–2023 Action Agenda, it is absolutely critical that we maintain our impact and focus, while also recalibrating to meet the changing needs and aspirations of Victorians.

Listening and understanding

Listening to and understanding the lives, experiences and needs of people and communities is essential if we are to meet those needs and improve the health and wellbeing of 1 million more Victorians by 2023.

This year, we asked thousands of people across Victoria how they were affected by coronavirus. Our Coronavirus Victorian Wellbeing Impact Study provided valuable data and insights about the pandemic's impact on people's health and wellbeing, including in relation to psychological distress, social connection, food insecurity and physical activity.

The results were clear, and provided critical information to inform our work, enabling us to tailor support to the people and communities who needed it most – young people and those who already face greater barriers to health and wellbeing.

These insights informed not only our work, but also allowed other organisations across the health promotion and community sectors to understand Victorians' experiences and respond with the supports they needed.

Driving change through partnerships

VicHealth is only able to deliver impact through strong and collaborative partnerships. That's why, despite the upheaval of the year, we partnered with more than 700 organisations to support Victorians to get active, to increase availability and affordability of healthier foods, improve mental wellbeing, and prevent the use of tobacco and harms from alcohol.

Our deep and lasting commitment to partnerships is demonstrated by the following major initiatives:

- Enabling grassroots organisations to support their communities with locally led solutions, with \$6.8 million of funding via our Reimagining Health Grants.
- Engaging children and young people to create a healthier future, by partnering with 16 fast-track councils as part of the VicHealth Local Government Partnership.
- Exposing the social determinants of health and shining a light on a way forward by joining forces with the *Medical Journal of Australia* and leading thinkers across Australia to create the supplement 'Australia in 2030: what is our path to health for all'.
- Supporting the Barpirdhila Foundation's youth programs to continue to provide platforms that nurture, develop and support Aboriginal excellence within the creative industries.

On behalf of the VicHealth Board, I acknowledge and thank Nick Green OAM for his work as Chair of the Board, smoothly steering the organisation through these recent challenging times. I would like to thank Dr Bridie O'Donnell and Sheena Watt MP, who made invaluable contributions to the Board during their tenures.

I would also like to pay tribute to Stephen Walter for his tireless contribution to VicHealth over 9 years as a valued Board member. Stephen passed away in early 2021. We are grateful for his passion and guidance and will miss his diligence and friendly nature. Our condolences go to his family.

And finally, thank you to Dr Sandro Demaio, to all Board members, committees and the entire VicHealth team for your care and commitment to our organisation and to the health and wellbeing of all Victorians. It is through your hard work and passion that we are able to continue to deliver for communities right across Victoria.



The Hon. Nicola Roxon
Chair, VicHealth

Chief Executive Officer's report

During the past 12 months, coronavirus has continued to impact our lives more than we could have imagined.

The pandemic continues to highlight the significant health and social inequities that exist in our community. Those who were already facing greater barriers to health and wellbeing, along with children and young people, have borne the greatest burden.

There are fundamental issues that must be addressed if we're to achieve health and wellbeing for all Victorians, regardless of postcode, bank balance or background.

For our organisation, it has been a time of deep reflection, as we build to better enable VicHealth to act swiftly and effectively to provide the support that Victorians need from us.

Reaffirming our roots

Addressing health outcomes in an equitable way has been a priority since our establishment. We reaffirmed this commitment during the last year.

Through the Reimagining Health Grants we reprioritised our investments, supporting those facing the greatest hardships throughout the pandemic. We were proud to support over 700 local and grassroots community organisations with \$6.8 million in funding to keep their communities active, connected and eating well.

Reconnecting with our partners

Our connections to our community partners, stakeholders and health promotion colleagues have been critical. VicHealth convened several COVID-19 Working Groups in the areas of mental wellbeing, food relief and active communities. This cross-sector collaboration strengthened our understanding of the experiences and hardships that so many Victorians faced, allowing us to respond more meaningfully and effectively.

To maintain these close connections, VicHealth moved from our home of 20 years in Carlton to a new, state-of-the-art collaboration hub in Spencer St, West Melbourne. The Victorian Health Promotion Hub will enable us to co-locate, host and better connect with regional partners. Every aspect of this new space has been designed with community stakeholders, and a new post-pandemic workforce, in mind.

Refocusing our efforts

Our Coronavirus Wellbeing Impact Study showed us that children and young people were greatly impacted by the pandemic, with long lasting effects on their physical and mental health. In response, a huge focus of our work this year has been on supporting their wellbeing.

In addition to the Reimagining Health Grants, VicHealth launched the VicHealth Local Government Partnership (VLGP), working with councils across Victoria to build health promotion capacity and leadership, and to centre young peoples' voices as they create communities that prioritise health and wellbeing.

Looking to the future, VicHealth will use every lever available to us as we continue to prioritise working with children and young people, and to call out the sources of inequity that many Victorians face.

Repositioning VicHealth

As the world transforms, so too has the way we connect and VicHealth is now a 'digital first' agency. With new content creation and design capabilities in-house, we will produce more engaging, tailored and agile health communications more efficiently, ensuring we reach new audiences and communities where they're at.

Many Victorians looked to online platforms to keep active during the pandemic. The This Girl Can – Victoria campaign created practical, accessible at-home workouts to support women to get active, even in lockdown. The campaign inspired more than 320,000 women to get active – despite the coronavirus pandemic.

Strong governance

Our Board continued to provide astute governance, leadership and strategic guidance. I would like to welcome The hon. Nicola Roxon as our new Chair. Nicola's deep experience in health policy and government will help position VicHealth for significant impact.

We were saddened by the loss of Board member Stephen Walter in early 2021. On behalf of our organisation, I'd like to acknowledge and thank Stephen for his outstanding contribution to VicHealth over the past 9 years. Our condolences go to his family. He leaves a wonderful legacy.

Finally, I want to say a heartfelt thankyou to each and every one of the VicHealth team for their resilience, passion and dedication. I look forward to continuing our work to create significant and sustainable impact for Victorians.

We have a once-in-a-generation opportunity to build back better and fairer. With the team and partners we have in place, and with the voices of community to guide our way, I am confident we will create a future that is healthy for all.



Dr Sandro Demai
Chief Executive Officer, VicHealth

This year's highlights

Through the challenges of 2020–21, VicHealth was proud to work with hundreds of organisations and communities to deliver innovative and impactful work aligned with the long-term vision of our Action Agenda and responsive to the changing needs and priorities of Victorians.

Across the course of the year we sought to deeply understand how we could best support the people and communities who needed it most – young people and those who already face greater barriers to health and wellbeing.

We worked hard to ensure we were the partner, leader and agency that Victorians needed during a challenging year and into the future.



VicHealth the Partner

Our **Coronavirus Victorian Wellbeing Impact Study** clearly identified the challenges that Victorians were facing during the coronavirus restrictions last year. We heard from thousands of people across the state who told us they were struggling to stay connected, to be active and to access nutritious foods. While many also identified 'silver linings' including spending more time with family and taking up new hobbies like gardening, it was apparent that the impact of the pandemic was not evenly distributed among communities. Young people, those already experiencing social disadvantage and communities that had previously been impacted by bushfires all found their health and wellbeing negatively impacted by their experiences of the pandemic.

In response, VicHealth launched its largest grant round to date to support and amplify community-led solutions to improve access to nutritious food, physical activity and building social connection for young people and Victorians experiencing disadvantage. Over 2 phases, the **Reimagining Health Grants** provided \$6.8 million in funding to more than 700 organisations. We are proud as an organisation to partner with incredible local movements that were able to support their communities so effectively in a time of need.

To encourage meaningful collaboration between VicHealth and our community partners, we established the Victorian Health Promotion Hub. This new, modern co-working space will allow our partners in health promotion along with arts and cultural organisations, sports and recreation clubs and community groups to connect with us and each other more closely. Partners can use meeting rooms and collaborative spaces, enhancing their capacity to create the greatest impact possible with their work. It transforms our offices into a social good and presents a totally new way of working.

To ensure strategic alignment, connection and collaboration at a time when many felt disconnected from their colleagues and sector, VicHealth convened **COVID-19 Working Groups** in key focus areas. The working groups saw leaders in food security, mental wellbeing, health promotion research and active communities meet regularly to develop coordinated efforts and strategies to address the immediate needs of Victorians during a challenging time.

The valuable opportunities for these sectors to come together will be continued and further embedded into the work of VicHealth.

Strengthening existing relationships and developing new connections with communities is a priority for our agency. As such, we have integrated **regional and community visits** into our everyday business. The meaningful relationships and open communication channels we have established with our community partners across the state this past year have allowed us to be the responsive and insights-driven partner that Victorians needed during this challenging period.



VicHealth the Leader

We launched the **VicHealth Local Government Partnership (VLGP)** in May 2021, representing a new approach that will deliver long-term and place-based support in creating local communities where children and young people grow up active, socially connected and healthy. The partnership amplifies the voices, ideas and experiences of children and young people to create a healthier future. We are working with 16 'fast track' councils who are leading the way and committed to prioritising young people in their Municipal Public Health and Wellbeing Plans 2021–25 and finding ways to embed children and young people's voices in council activity. A series of evidence-based health promotion modules were developed to support councils to implement health actions at the local level. All Victorian councils will soon have access to these modules, providing the building blocks for effective change in their communities. By partnering with local governments in this way we will see stronger and long-lasting outcomes for more Victorians.

These partnerships build on existing relationships and the influential work that VicHealth has delivered with local councils since its establishment. In a bid to phase out unhealthy food vouchers in kids' sport, VicHealth joined forces with 5 local councils to create the **Healthy Sports Reward** initiative. A Victorian first, this will see junior sports clubs replace vouchers for fast food and takeaway with healthy activities, like free or discounted access to a local pool or tennis court.

Enabling these types of healthy partnerships and minimising children and young people's exposure to harmful products such as unhealthy food, alcohol and tobacco is a key focus of VicHealth's **Harmful Industries** program. Building on the learnings of longstanding partnerships, including Quit Victoria, this policy-research program is building the capacity of the health promotion sector to understand and counter harmful industry activity and drive reform on digital marketing of harmful products to children, with a particular emphasis on marginalised populations.

VicHealth also works to inform policy development at a state and federal level, often bringing learnings from the innovative approaches of other jurisdictions to inform how we might strengthen the policy environment for health and wellbeing in Victoria and Australia. In 2020, VicHealth commissioned The George Institute for Global Health to draw upon international case studies to analyse the potential for a **wellbeing economy in Victoria**. This work drew lessons from the Wales Well-being of Future Generations Act and New Zealand's Wellbeing Budget to highlight barriers and opportunities to adopting similar policies at a national or state government level in Australia.

This research produced a report titled **Integrating wellbeing into the business of government: The feasibility of innovative legal and policy measures to achieve sustainable development in Australia**, which will underpin a partnership between VicHealth, The George Institute and the Victorian Council of Social Service (VCOSS) aiming to explore the feasibility of such a policy mechanism in Victoria. The partnership aims to inspire and support ambitious policy development to improve the wellbeing of current and future generations of Victorians.

As we have seen throughout this year, these issues and the relationship between them are more important than ever before. To understand the path we might take to better address the structural barriers to good health VicHealth sponsored a supplement in the **Medical Journal of Australia, Australia 2030: what is our path to health for all?** The supplement outlined how health and wellbeing for current and future generations can be achieved with evidence-based action on the multiple and complex determinants of health. This project brought together over 40 leading experts from universities, research institutes, government departments and health promotion organisations, providing a roadmap for the public health sector.

A key learning from this supplement was the importance of handing the communities who we hope to benefit from our programs the power to make decisions that will positively impact their future. Through our **Reimagining Health Grants** process, we gave power to young people as they were central to selecting the community organisations that received a share of \$6.8 million of funding. A first of its kind nationally, this approach saw young people involved in the initial selection process, grant assessment panel and finally presenting their recommendations to the CEO. By continuing to evolve new, participatory models VicHealth hopes to be first in class in centering the voices and priorities of community.

Examining the results of the Coronavirus Victorian Wellbeing Impact Study and listening to our community partners we saw the indirect impacts of the pandemic on young people and its potential long-term consequences for Victorian communities. It resulted in the development of **Future Healthy**, a new and exciting integrated investment for VicHealth. Future Healthy will place young people, their voices and their priorities at the center of a \$45 million investment over 3 years. They will guide programmatic investments, advocacy and communications as they tell us what a future that is healthy looks like for them and their communities.



VicHealth the Agency

Ensuring VicHealth is best placed to deliver on a strengthened commitment to health equity and to greater connection and engagement with people's lived experience was a key driver for a structural review and realignment process in 2020–21. Our **new organisational structure** delivers capability and capacity to meet the needs and expectations of the Victorian community and to be more responsive in doing so.

The new structure brings content creation and design capabilities in-house at VicHealth to support an important shift to a **'digital first' agency**. This shift has been even more critical as much of our program activity transitioned from face-to-face to online delivery in response to coronavirus restrictions. It has ensured that we are able to engage with our community in a way that's accessible and easy for them, creating new audience interactions and opportunities for health promotion.

The impact of this digital shift is clear in the results of the 2020 **This Girl Can – Victoria** campaign. As we adapted the campaign to support women to get active at home and in lockdown, we created online workout videos and hosted virtual events, inspiring almost 320,000 Victorian women to get active – more than any previous campaign year to date.

Maximising VicHealth's reach and impact in the community underpins a shift that is underway to become a more outcomes-driven organisation. Enabling and supporting this shift has been the introduction of our new **fully integrated stakeholder, project and grant management ICT platform**, Phoenix. This platform provides new data-driven capability to VicHealth and our partners to support stronger evaluation processes and more informed decision-making.

This data-driven capability has also been critical in more strongly **operationalising our approach to health equity**, as it allows us to identify and understand the barriers that Victorians are facing to achieving good physical and mental health. Combining the insights that VicHealth gains through collecting data, commissioning research and listening to the lived experience of Victorians we have attuned our investments to the needs of Victorians. By dismantling the barriers that are faced by Victorians including discrimination, exclusion and lack of opportunities to access nutritious foods, areas to be physically active in and to connect with each other we can create a state that is healthier and fairer for all.

VicHealth Action Agenda for Health Promotion 2013–2023

In 2013, VicHealth released a 10-year plan that outlined our vision for a Victoria where everyone can experience better health.

The VicHealth Action Agenda for Health Promotion 2013–2023 set an ambitious target:

By 2023, one million more Victorians will experience better health and wellbeing*

BY 2023:

200,000

more Victorians adopt a healthier diet

300,000

more Victorians engage in physical activity

400,000

more Victorians tobacco-free

200,000

more Victorians drink less alcohol

200,000

more Victorians resilient and connected

* A technical paper describes the calculations underpinning the 10-year goals and 3-year priorities. As some individuals may achieve goals across more than one imperative, the total number in each 10-year target exceeds one million to account for this.

As we approach the final years of the Action Agenda, we will continue reaffirming our roots, reconnecting with our partners, refocusing our efforts and repositioning for the future.

We are still focused on our **5 strategic imperatives** that have the greatest potential to improve the health of the Victorian population. We will continue to work with the public and stakeholders and influence the policy and practice of organisations and government.



Promote healthy eating



Encourage regular physical activity



Prevent tobacco use



Prevent harm from alcohol



Improve mental wellbeing

We also have **3 cross-imperative strategies** that apply across our work:



Health equity

Putting equity at the heart of everything we do



Research

Generating new evidence for direct application and knowledge translation to health promotion practice



Arts

Promoting the health and wellbeing benefits of the arts

The VicHealth Action Agenda Framework 2019–2023 summarises the approach to our work in the final years of our Action Agenda. It illustrates how our work meets our legislative requirements, how our programs meet our 10-year target and how we contribute to key Victorian Government priorities in health and wellbeing, mental wellbeing, fairness and inclusivity, and gender equality.

Operational and budgetary objectives and performance against objectives

Operational performance against budget

VicHealth's 2020–21 operational performance against budget included the impacts of the coronavirus pandemic on stakeholders, partners and the organisation, organisational change and its relocation to the Victorian Health Promotion Hub at 355 Spencer Street, West Melbourne.

The impact of the pandemic has seen a reduction in total grants funding and program expenditure, which has led to VicHealth delivering a small surplus of \$0.4m for 2020–21 (0.9% of total appropriation).

The total income for the year was \$41.4m in line with the budgeted income of \$41.4m.

Total grant funding and program expenditure from appropriation was \$26.6m (down \$1.1m against the \$27.7m budget), as VicHealth needed to adjust its grant and program deliverables over the 2020–21 period reflecting impacts on stakeholders, partners and grant recipients as a result of the coronavirus pandemic. Of the \$1.1m variance, \$0.3m is related to project support costs with \$0.8m specifically related to grants and programs funding to stakeholders, partners and grant recipients as a result of programs not proceeding due to the direct impacts of the pandemic.

Wages and on-costs of \$10.5m were \$0.4m above the budget primarily due to 15 unbudgeted redundancy/termination payments to staff during the organisation's realignment change process, working from home allowances during the coronavirus pandemic and pandemic related contract extensions.

In respect to wages and on-costs, most notably, and in line with Victorian Government reporting according to 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 outcomes for the Victorian community. If staff costs associated with health promotion delivery (excluding redundancy/termination payments to staff) were added to grant funding and program costs, the overall proportion of VicHealth's operating result delivering health and wellbeing outcomes would be in the order of \$30m in 2020–21, over 72% of the total appropriation from the Department of Health.

Operating costs including depreciation and amortisation of \$3.8m were \$0.2m below budget due to: favourable employee development and wellbeing costs of \$0.1m primarily reflecting training costs, conference costs and personal development course costs being down due to the impact of the coronavirus pandemic; and favourable consultancy costs of \$0.1m primarily reflecting lower than budgeted general consultancy costs because of a focus by management on continuing to reduce consultancy costs in 2020–21. Most notably operating costs in 2020–21 included a one-off \$0.3m related to a make good payment at the end of VicHealth's 10-year lease at Pelham Street, Carlton (ending 31 March 2021) and one-off relocation and lease costs related to VicHealth's move to Spencer Street, West Melbourne.

The comprehensive result for the year was a surplus of \$422,000 from general appropriation funded activities less a deficit of \$44,000 from special purpose funded activities, resulting in a surplus comprehensive result of \$378,000 for the year. The surplus from special funded activities has resulted from timing differences in the receipt and expenditure of special appropriations or other grants to deliver specific programs, which are often received upfront and recognised as revenue with the delivery of the program occurring over subsequent and/or multiple financial years. Special purpose funding where programs have not yet been delivered is captured in reserves on the balance sheet.

Our operating budget performance is summarised in Table 1.

Table 1: Operational performance against budget for 2020–21

	Appropriation funds		Special purpose funds		Total	
	Actual (\$'000)	Budget (\$'000)	Actual (\$'000)	Budget (\$'000)	Actual (\$'000)	Budget (\$'000)
Income						
Appropriation	41,312	41,315	-	-	41,312	41,315
Other income	70	111	-	-	70	111
Total income	41,382	41,426	-	-	41,382	41,426
Grants & direct project implementation	26,580	27,766	44	-	26,624	27,766
Employee expenses						
– Health promotion delivery	7,247	7,488	-	-	7,247	7,488
– Management & support	3,301	2,612	-	-	3,301	2,612
Operating costs	3,832	3,980	-	-	3,832	3,980
Total expenses	40,960	41,846	44	-	41,004	41,846
Operating surplus/(deficit)	422	(420)	(44)	-	378	(420)

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 the following 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.

Our performance against these targets is summarised in Table 2.

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

Performance measures	2020–21 guideline	2020–21 budget (\$'000)	2020–21 actual	2020–21 amount (\$'000)
Statutory expenditure target⁽ⁱⁱ⁾				
Sporting bodies	At least 30%	13,698	31.2%	12,902
Health promotion	At least 30%	13,250	32.0%	13,226
Board policy expenditure guideline⁽ⁱⁱⁱ⁾				
Promote healthy eating	5%	6,076	7.3%	3,036
Encourage regular physical activity	21%	8,794	25.6%	10,580
Prevent tobacco use	13%	6,169	14.8%	6,110
Prevent harm from alcohol	5%	2,344	2.5%	1,053
Improve mental wellbeing	8%	3,565	12.9%	5,349
Research and evaluation ^(iv)	12%	4,370	11.3%	4,681

Notes:

- (i) Percentage figures are calculated as expenditure as a proportion of our budgeted government appropriation for the financial reporting period. For the 2020–21 financial year our budgeted appropriation was \$41.3m. Figures 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 policy 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) Underspends in several strategic imperative areas against the Board policy expenditure guideline reflected impacts to spend allocation caused by the coronavirus pandemic.
- (iv) The research and evaluation figure may include expenditure allocated to other statutory and Board expenditure categories.

5-year financial summary

Table 3: 5-year financial summary

	2021 (\$'000)	2020 (\$'000)	2019 (\$'000)	2018 (\$'000)	2017 (\$'000)
Operating statement					
Revenue from government	41,312	41,272	40,505	39,863	38,558
Other income	70	119	222	226	215
Total income	41,382	41,391	40,727	40,089	38,773
Grants and funding	26,624	28,392	28,819	26,596	27,455
Employee expenses ^(i,ii,iv)					
– Operational	9,662	9,940	8,832	8,964	7,782
– Once off costs (including targeted separation packages, pandemic related contract extensions and working from home allowances)	886	-	-	-	-
– Total	10,548	9,940	8,832	8,964	7,782
Operating costs (including depreciation/amortisation) ⁽ⁱⁱⁱ⁾					
– Operational	3,355	3,066	3,263	2,803	3,115
– Once off costs (including relocation and lease related expenses)	477	-	-	-	-
– Total	3,832	3,066	3,263	2,803	3,115
Total expenses	41,004	41,398	40,914	38,363	38,352
Net surplus/(deficit) for the period	378	(7)	(187)	1,726	421
Balance sheet					
Total assets	14,837	8,774	8,105	7,935	5,987
Total liabilities	8,996	3,311	2,635	2,279	2,057
Total equity	5,841	5,463	5,470	5,656	3,930

Note:

- (i) Around 70% of VicHealth's operational staffing costs relate to health promotion delivery, with the remainder providing overall management and support.
- (ii) Expenditure in 2020–21 related to one-off expenditure associated with organisational restructure and staffing impacts of the pandemic.
- (iii) 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.
- (iv) The increase in operational employee expenses over the 5 years primarily reflects salary increases under VicHealth's Enterprise Agreements.

Major changes affecting performance

VicHealth's 2020–21 financial performance against prior years included the impacts of the pandemic on stakeholders, partners and the organisation, organisational change and its relocation to the Victorian Health Promotion Hub at 355 Spencer Street, West Melbourne.

The impact of the pandemic has seen a reduction in total grants funding and program expenditure, which has led to VicHealth delivering a small surplus of \$0.4m for 2020–21 (0.9% of total appropriation).

Total income was \$41.4m, in line with the \$41.4m received in 2019–20. VicHealth received a 2% indexation of the appropriation under the Act in 2020–21, representing an increase of \$0.1m. Additional special purpose funding from the Department of Health received in 2019–20 of \$0.1m to deliver projects such as Bystanders for Primary Prevention of Violence Against Women was not received in 2020–21 therefore offsetting the variance increase in total income.

Total expenses were \$41.0m, a decrease of \$0.4m from 2019–20. Expenditure on grants and funding of \$26.6m decreased by \$1.8 million since last year reflecting the impact of the coronavirus pandemic on stakeholders, partners, grant recipients and events over 2020–21. Expenditure on grants and funding are budgeted to return to normal levels in 2021–22 post impacts of the pandemic.

Employee expenses and other operating costs have increased by \$1.4m primarily due to 15 unbudgeted redundancy/termination payments to staff during the organisation's realignment change process, working from home allowances during the coronavirus pandemic, pandemic related contract extensions, increased depreciation and amortisation, a one-off make good lease payment related to the end of the 10-year lease at Pelham Street, Carlton, one-off relocation and lease costs related to the move to Spencer Street, West Melbourne, and an increase in costs related to VicHealth's new ICT platform known as Phoenix.

Refer Note 3 Expenses from Transactions on pages 51 and 52 within the Financial Statements for 2020–21.

Significant changes in financial position during the year

The value of total assets is \$14.8m, an increase of \$6.1m reflecting 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 AASB16 Leases. VicHealth's cash balances are \$5.2m, down \$1.2m from the year prior, primarily reflecting the net effect of VicHealth's investment in the Victorian Health Promotion Hub and a decrease in expenditure.

The cash balance of \$5.2m (above the \$4.1m minimum and within appropriate levels of cash reserve holdings required by VicHealth's Reserves Policy) is a sound management cash outcome considering business as usual grants and programs funding over 2020–21 while delivering major 10-year change projects: the final stages of VicHealth's new fully integrated stakeholder, grant and project management ICT platform Phoenix, the Victorian Health Promotion Hub and the organisational change realignment process.

Receivables have increased from \$0.8 million to \$1.0 million, mainly due to the value of GST credits receivable from the ATO.

Total liabilities are \$9.0m with the increase of \$5.7m related to recognition of right of use liability under the new Accounting Standard AASB16 Leases and an increase in payables at 30 June 2021.

Subsequent events

There were no events subsequent to 30 June 2021 that would impact the accuracy of these financial statements.

Granting of funds

As part of its core business, VicHealth has continued to provide assistance to organisations to deliver program outputs against our strategic framework, through the granting of 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:

- any grant funding round where payments to successful organisations total \$250,000 or more during the financial reporting period
- 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)
Everyday Creativity Grants 2020–22	7	327
Growing Participation in Sport 2018–21	18	2,143
Impact Research Grants 2021	4	360
Partnership Grants 2020–21 Round 1	457	3,606
Partnership Grants 2020–21 Round 2	283	2,731
Quit Victoria 2020–2024	1	5,950
Regional Sport Assembly 2018–21	9	900
Regional Sport Assembly 2021–22	9	400
VicHealth Local Government Partnership	16	687
Victoria Walks 2020–23	1	600

Note:

- (i) 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.

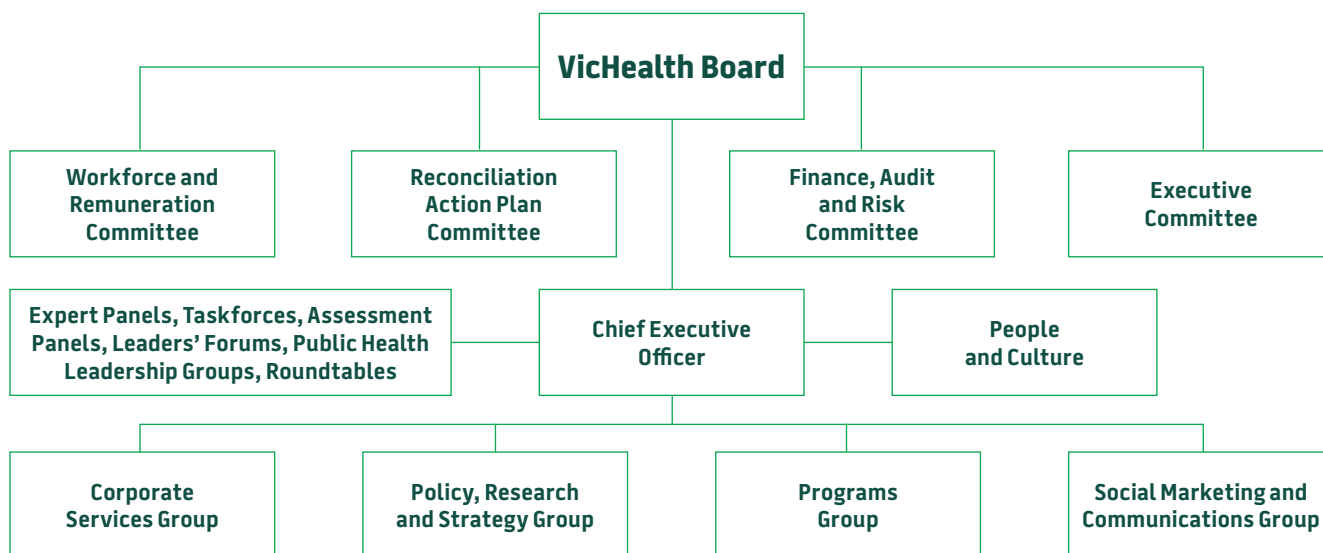
Details of significant project payments to individual organisations are provided in Table 5.

Table 5: Organisations receiving grant payments totaling \$250,000 or more during the reporting period

Organisation name	Project name(s)	Payments (\$'000)
Cancer Council Victoria	Obesity Policy Coalition 2020–23 Partnerships Quit Victoria 2020–24 Partnerships	6,175
Victoria Walks	Victoria Walks 2020–23 Partnerships	600
Monash University	ARC Linkage Grants 2018–19 Coronavirus Cycling and Walking Program 2020 – Research Service Procurement Impact Grants 2018–19 Impact Research Grants 2021 Men’s Risky Drinking Grants 2019–21 Partnership Grants 2020–21 Round 1 Partnership Grants 2020–21 Round 2 VLGP Module Development Partners	541
Deakin University	Early Years Nutrition 2020 – Scoping Food Environments Zoning 2021 Healthy Sports Vouchers 2020 – Evaluation Impact Grants 2019–20 Impact Research Grants 2021 NHMRC Partnership Grants 2017–18 NHMRC Partnership Grants 2018–19 NHMRC Partnership Grants 2019–20 Partnership Grants 2020–21 Round 1 UNICEF 2020 – Research Service Procurement Unhealthy Sponsorship in Sport 2019–20 – Unhealthy Food Sponsorship	511
La Trobe University	ARC Linkage Grants 2018–19 Growing Participation in Sport 2018–21– Evaluation Impact Research Grants 2021 LGBTQA+ Aboriginal and Torres Strait Islanders Research Project Partnership Grants 2020–21 Round 1 Partnership Grants 2020–21 Round 2 Partnership Grants 2020–21 Round 2	468
Leisure Networks	IC Grant Round 2019–20 – Sport R7 Partnership Grants 2020–21 Round 1 Partnership Grants 2020–21 Round 2 Regional Sport Assembly Grant Round 2018–21 Regional Sport Assembly Grant Round 2021–22	258
GippSport	Regional Sport Assembly Grant Round 2018–21 Regional Sport Assembly Grant Round 2021–22	255

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

VicHealth organisation structure



The key function of each of the groups/offices is outlined as follows.

People and Culture

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

Corporate Services Group

Provide finance, facilities and administration management, business planning, information technology and information management, business improvement and project management, and manage the governance framework to support the work of VicHealth.

Policy, Research and Strategy 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.

Programs Group

Design and execute program investment, grants, funding rounds, research 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 multi-channel 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 2021:

Chief Executive Officer
Dr Sandro Demaio

Executive Manager, Policy, Research and Strategy Group
Ms Kellie Horton

Acting Executive Manager, Programs Group
Ms Maya Ravis

Executive Manager, Social Marketing and Communications Group
Ms Melanie Fineberg

Executive Manager, Corporate Services Group
Mr Paul Crapper

Executive Lead, People and Culture
Mr Padam Chirmuley

Victorian Health Promotion Hub

VicHealth's 15–31 Pelham Street, Carlton, office leases expired on 31 March 2021.

The VicHealth Board approved VicHealth's move to Level 2, 355 Spencer Street, West Melbourne, at its July 2020 meeting.

VicHealth finalised its relocation to 355 Spencer Street, West Melbourne, on 25 March 2021, commencing its 10-year lease from 1 April 2021 (with rental payments commencing 1 May 2021). The Victorian Health Promotion Hub extends over 1,280 sq m with an open plan fit-out that focuses on improved culture, collaboration across the organisation, environmental sustainability and staff health and wellbeing. It incorporates the sharing of office space with VicHealth stakeholders and partners in the delivery of health promotion programs for the benefit of all Victorians.

The relocation to West Melbourne has delivered a reduction of \$170,000 per annum in VicHealth's gross rental costs compared to its lease in Carlton, achieving a financially sound result for Victorians. With the 355 Spencer Street fit-out delivered on time and in line with the Board approved budget of \$1.7m, the Victorian Health Promotion Hub was fully funded from VicHealth's cash reserves.

Supporting the project, VicHealth completed a compliance assessment in 2020–21 under the Standing Directions of the Minister for Finance related to the Public Construction Checklist under the *Project and Construction Management Act 1994* in relation to the development of VicHealth's new offices in West Melbourne. The project was fully compliant.

Core Systems Replacement Project – Phoenix

In late July 2020 at a final cost of \$2.1 million, VicHealth's new grants, stakeholder and project management system known as Phoenix was cutover to VicHealth's identified business requirements. The system cutover occurred following full training and user acceptance testing. The system was fully funded from VicHealth's cash reserves and despite being delayed 3 months due to the impacts on face-to-face system training caused by the coronavirus pandemic, the system was delivered on budget.

Supporting the implementation of the new core system was the delivery of a range of business improvement projects in the areas of project planning, delivery, monitoring, human resource management, recording and reporting associated with VicHealth's grants and programs' key business processes and procedures. Integrated with the new system, these business improvement projects have delivered new ways of working.

Project reporting for Whole of Victorian Government ICT Projects over \$1.0m to the Department of Premier and Cabinet's Digital Strategy and Transformation Branch occurred quarterly throughout the Core Systems Replacement Project.

Employee Committees

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

- Executive Management Team
- Management Team
- VicHealth Consultative Forum
- Diversity and Inclusion Committee
- Employee Wellbeing and OHS Committee (EWOC)
- Incident Management Team
- Business Continuity Management Team
- ICT Governance Committee

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

VicHealth Board

The VicHealth Board members during the year were:

The Hon. Nicola Roxon, Chair (24 November 2020 – 30 June 2021)

The Honourable Nicola Roxon is an experienced Chair and non-executive director who has served in various board roles for the last 7 years. Currently she is Chair of HESTA, a large health and community sector superannuation fund, and a non-executive director of listed companies, Dexus and Lifestyle Communities, and the charity Health Justice Australia.

Ms Roxon served as a member of the Australian Parliament for 15 years, representing the Western suburbs Melbourne seat of Gellibrand. Elected at 31, 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 Ms Roxon became Australia's first female Attorney-General, and the Minister for Emergency Management in 2012. She has received national and international awards in recognition of her public health work, particularly in tobacco control.

With Ms Roxon's leadership Australia successfully introduced a world first: all tobacco sold must now be in plain packaging with large, graphic health warnings.

Trained as a lawyer, protecting the dignity of workers and promoting the standing of women has been a hallmark of Ms Roxon's career.

Prior to entering parliament, Ms Roxon worked as an industrial lawyer, union organiser and an Associate to High Court Judge Mary Gaudron. Ms Roxon resigned her ministerial positions February 2013 and finished her period in Parliament in August 2013.

Mr Nick Green OAM (Chair 1 July 2020 – 23 November 2020)

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 Director and Industry Practice Leader at Aon, a global provider of risk management, insurance and professional services. Previous to this role, Mr Green was the Chief Executive Officer of Cycling Australia.

Mr Green has served as President of the Victorian Olympic Council from 2005 to 2016, an Executive Board Member of the Australian Olympic Committee (2005–2017), a Fellow and Director of Leadership Victoria (2014–2016) with further studies (science and governance) at the University of Melbourne (VCAH Burnley) and Melbourne Business School.

Mr Green has attended 8 Olympic Games and was the Chef de Mission for the 2012 Australian Olympic Team. He was awarded the Order of Australia Medal and inducted into the Sport Australia Hall of Fame in recognition of his sporting achievements as a World and Olympic rowing champion, and founder partner of the Oarsome Foursome. Mr Green has been awarded life memberships of Victorian Olympic Council and Rowing Australia in recognition of his contribution.

Mr Green joined the Board of VicHealth in July 2014. He also serves on the Finance, Audit and Risk Committee.

Dr Sally Fawkes, Deputy Chair

Dr Sally Fawkes has served on VicHealth's Board since 2016, including as Chair (Acting) for periods in 2019 and 2020. A senior academic at La Trobe University, she directs and teaches into the Doctor of Public Health and masters and doctoral subjects. Dr Fawkes brings extensive international and Australian governance, policy and practice experience, as well as academic expertise, to Board activities.

Following roles at World Health Organization (WHO) Regional Office for Europe in Denmark, Dr Fawkes has been a WHO technical advisor for 25 years in Asia and Pacific, Europe and Middle East. This work has involved thought leadership, projects and research across diverse areas including transdisciplinary approaches applied to public health (policy foresight, futures studies, systems thinking), capacity building on leadership for health promotion (WHO ProLEAD), national health promotion/prevention systems assessment, people-centred health care, urban health/Healthy Cities and health literacy. In 2020, Dr Fawkes completed a fourth term as elected member of the International Network of Health Promoting Hospitals & Health Services (HPH) Governance Board, one as Vice Chair. She led development of the Network's Global HPH Strategy 2021–2025, and chairs the Governance & Policy Working Group.

In Australia, Dr Fawkes has held frontier positions in health promotion at Alfred Health, Royal Melbourne Hospital, Eastern Health, Victorian Healthcare Association and Deakin University. Board and executive committee appointments have included Council of Academic Public Health Institutions Australasia, Women's Health Victoria and Victorian 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 a published researcher, journal editor and reviewer, and co-author of *Public Health Practice in Australia: The Organised Effort*.

Ms Catherine Harding

Catherine Harding is a qualified lawyer who has spent over 15 years working in social policy across the government, non-profit and corporate sectors across Australia. Her work 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.

Ms Harding 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. She is also a passionate public health advocate, and has worked on healthy eating campaigns with The Good Foundation and Jamie Oliver.

Ms Harding has served as a non-Executive Director of Vicsport since 2018 and of Women's Health West since 2014.

Dr Bridie O'Donnell (1 July 2020 – 15 July 2020)

Dr Bridie O'Donnell is a medical doctor, champion cyclist and the first head of the Victorian Government's Office for Women in Sport and Recreation.

After competing in rowing and Ironman Triathlon, Dr O'Donnell began road cycling and raced in the Australian National Team, and then professional teams in Europe and the United States, from 2008 to 2012, representing Australia at 3 World Championships.

In 2013 she returned to Melbourne to work as a behaviour change physician at Epworth HealthCheck and the Epworth Breast Service, with a part-time role teaching doctor-patient communication at Deakin University Medical School.

From 2013 to 2016, Dr O'Donnell also managed and raced for Rush Women's Team, a National Road Series cycling team in Australia. In 2016, she became the first Australian woman to make an attempt on the UCI World Hour record in 15 years, setting a new world record of 46.882km at the Adelaide SuperDrome.

In November 2017, Dr O'Donnell was appointed the inaugural Head of the Office for Women in Sport and Recreation by the Victorian Government and in 2018 she published *Life and Death* – a cycling memoir about her experiences as a professional cyclist in the international peloton.

Dr O'Donnell is currently Executive Director of the Public Events Team in the Department of Jobs, Precincts and Regions and she recently completed an Executive Master of Public Administration at the Australian & New Zealand School of Government.

She is a strong advocate for promoting gender equality and improving the health of the community through sport.

Ms Peggy O'Neal AO

Peggy O'Neal has specialised in superannuation and financial services law for more than 25 years, is presently a consultant to Lander & Rogers and was previously a partner at Herbert Smith Freehills from 1995 to 2009. Ms O'Neal has been President of the Richmond Football Club since October 2013, having served on the Club's board since 2005. She is the first woman to be president of an AFL club.

In 2014 she was appointed to chair the Victorian Minister for Sport's year-long Inquiry into 'Women and Girls in Sport and Active Recreation' and until 2018 was convenor of the Minister's Change Our Game Champions program. From 2017 to 2020, Ms O'Neal was a member of Victoria's Ministerial Council on Women's Equality.

In 2019, she was appointed to the Australian Institute of Sport Athlete Wellbeing and Engagement Advisory Committee, as well as the AFL's Mental Health Steering Committee.

Ms O'Neal holds senior board and advisory roles within the financial services sector and is on the board of Women's Housing Limited and on the investment advisory panel of Home for Homes (an initiative of the Big Issue). Ms O'Neal also serves on the board of Dementia Australia Network and the Fulbright Australia Commission.

She is a Fellow of the Australian Institute of Company Directors and is also a member of Chief Executive Women and the Melbourne Forum. In 2019, Ms O'Neal was made an Officer of the Order of Australia for her services to Australian rules football, financial services law and women in leadership roles. She has an honorary Doctor of Laws from Swinburne University.

Ms Veronica Pardo

Veronica Pardo is the CEO of Multicultural Arts Victoria, the state's leading organisation on diversity in the arts, having spent 10 years leading Arts Access Victoria with a focus on cultural participation by people with disability and those experiencing mental health issues.

Ms Pardo is an experienced leader who has led an ambitious agenda of social and artistic transformation in the creative industries. She has spearheaded campaigns relating to social justice, equity and the inclusion of all people in arts and culture, as audiences and cultural innovators.

Ms Pardo has held senior roles in the non-government sector and academia, leading significant research projects aimed at embedding meaningful and lasting change, towards equality.

Professor Anna Peeters

Professor Peeters is Director of the Institute for Health Transformation and Professor of Epidemiology and Equity in Public Health at Deakin University. 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 improving the equity of population prevention initiatives.

Professor Peeters leads the NHMRC Centre of Research Excellence into Healthy Food Retail (RE-FRESH, 2018–2022) and is the recipient of an NHMRC Investigator Grant (2020–2025).

Ms Stella Smith

Stella Smith is the Chief Executive of Crime Stoppers Victoria and has previously held senior executive roles with Melbourne Victory Football Club and 'Life. Be in it' Australia. Ms Smith is also a Director of Blue Light Victoria and a 'Change Our Game' Ambassador through the Office for Women in Sport and Recreation.

Ms Smith has broad experience in community, government and stakeholder engagement, advertising and health promotion. Her experience spans commercial, sport and the not-for-profit sectors. Ms Smith has also previously held board positions with Women's Health East and the Melbourne Victory FC Academy and has considerable experience in community sporting organisations.

Ms Smith holds a Master of Marketing and Graduate Diploma of Business and is passionate about promoting gender equality, encouraging social inclusion and using sport to create greater opportunities for community engagement.

Mr Stephen Walter (1 July 2020 – 15 May 2021)

Stephen Walter was a corporate affairs professional with over 35 years' experience in corporate communications, media and stakeholder relations, brand management, marketing, advertising and business development gained through the public and private sectors. He was Executive Director of Persuade Consulting, principally an international tennis management consultancy. Prior to this, he was Chief of Staff and Group General Manager, Corporate Public Affairs at Australia Post where he also served on the Executive Committee for a decade.

Mr Walter formerly held board memberships at the Australian Association of National Advertisers and RMIT Alumni Association. His community contributions include pro-bono work for Cottage by the Sea, a charity supporting disadvantaged children, and for the development of East Timor's visual arts community.

Stephen Walter passed away on 15 May 2021. We thank him for his passion and guidance throughout his 9 years on the Board.

Ms Sheena Watt (1 July 2020 – 12 October 2020)

Sheena Watt is a public health advocate and a proud Yorta Yorta woman.

Prior to joining the Victorian Parliament as the Member of the Legislative Council for Northern Metropolitan Region in October 2020, Ms Watt was the Executive Manager, Aboriginal and Torres Strait Islander Policy & Programs for AFL SportsReady, a national not-for-profit that delivers employment and education for young people.

Ms Watt has served on the boards of the Victorian Council of Social Services, Women's Health Victoria, Merri Health and Progressive Public Health Australia.

The Members of Parliament appointed to the Board are:

Ms Sarah Connolly MP

Sarah Connolly is a member of the Parliament of Victoria 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.

Ms Connolly 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.

Ms Connolly holds a Bachelor of Laws from the University of Queensland and a Graduate Diploma of Legal Practice from the Queensland University of Technology.

Mr Andy Meddick MP

Andy Meddick is a social justice and animal rights campaigner and has dedicated many years to achieving positive change for animals. After standing as a candidate in Council, State and Federal elections, Andy was successfully elected as a Member of the Legislative Council for Western Victoria in the 2018 Victorian State Election.

Before being elected he spent many years working in the construction industry as a scaffolder, working on some of Melbourne's largest buildings.

Mr Meddick is passionate about healthy eating and the wellbeing of Victorians.

Ms Bridget Vallence MP

Bridget Vallence was elected as the Member for Evelyn in the Victorian Parliament in November 2018 and was immediately appointed to the Shadow Cabinet as Shadow Cabinet Secretary and Shadow Assistant Minister for Industry. In March 2020 Ms Vallence was promoted to the roles of Shadow Minister for Environment and Climate Change and Shadow Minister for Youth, portfolios she believes are critical to our community and future prosperity. In March 2021, Ms Vallence was additionally appointed to the role of Shadow Minister for Equality.

Ms Vallence served on the Parliament's Public Accounts and Estimates Committee (PAEC), which examines expenditure of public money to improve outcomes for the Victorian community and was recently appointed to the Parliament's Environment and Planning Committee.

Ms Vallence is passionate about helping people, volunteer groups and businesses in her local community and across Victoria to thrive. Ms Vallence lives in the Yarra Valley with her husband and 2 sons and is also a Director of Mont De Lancey Historical Museum in Wandin, a member of the Lilydale RSL, and patron at Seville Community House.

Prior to entering Parliament, Ms Vallence worked for 16 years in the automotive industry as a procurement executive in both the manufacturing and retail sectors in Australian, Asian and global markets. She is also experienced with organisational change and business transformation.

Ms Vallence holds a Bachelor of Arts and Bachelor of Commerce (Honours) from the University of Melbourne. In 2016, Ms Vallence was an inaugural fellow of the Melbourne School of Government Pathway to Politics Program for Women. Ms Vallence is a Trustee of the Alfred Deakin Lecture Trust.

Table 6: VicHealth Board attendance register

Board	No. of meetings attended in 2020–21	Eligible meetings in 2020–21
The Hon. Nicola Roxon, Chair 24 November 2020 – 30 June 2021	3	3
Mr Nick Green OAM 1 July 2020 – 30 June 2021 (Chair, 1 July – 23 November 2020)	6	6
Ms Sarah Connolly MP 1 July 2020 – 30 June 2021	3	6
Dr Sally Fawkes 1 July 2020 – 30 June 2021	5	6
Ms Catherine Harding 1 July 2020 – 30 June 2021	6	6
Mr Andy Meddick MP 1 July 2020 – 30 June 2021	4	6
Dr Bridie O'Donnell 1 July 2020 – 15 July 2020	0	1
Ms Peggy O'Neal AO 1 July 2020 – 30 June 2021	6	6
Ms Veronica Pardo 1 July 2020 – 30 June 2021	5	6
Prof. Anna Peeters 1 July 2020 – 30 June 2021	5	6
Ms Stella Smith 1 July 2020 – 30 June 2021	6	6
Ms Bridget Vallence MP 1 July 2020 – 30 June 2021	2	6
Mr Stephen Walter 1 July 2020 – 15 May 2021	5	5
Ms Sheena Watt 1 July 2020 – 12 October 2020	2	2
Mr Peter Moloney (Board advisor and Chair of Finance, Audit and Risk Committee) 1 July 2020 – 30 October 2020	3	3
Ms Gaye Mason (Board advisor and Chair of Finance, Audit and Risk Committee) 1 March 2021 – 30 June 2021	1	1

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. Table 7 lists the members on this committee and their attendance at meetings in the last financial year.

Table 7: Finance, Audit and Risk Committee members and attendance register

Finance, Audit and Risk Committee	No. of meetings attended in 2020–21	Eligible meetings in 2020–21
Ms Gaye Mason, Chair 1 July 2020 – 30 June 2021 (Chair 31 October 2020 – 30 June 2021) Independent	4	4
Mr Peter Moloney, Chair 1 July 2020 – 30 October 2020 Independent	1	1
Ms Joanne Booth 1 July 2020 – 30 June 2021 Independent	4	4
Mr John Gavens 4 November 2020 – 30 June 2021 Independent	3	3
Mr Nick Green OAM 1 July 2020 – 30 June 2021 Board member	4	4
Ms Stella Smith 1 July 2020 – 30 June 2021 Board member	4	4

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. Table 8 lists the members of this committee and their attendance at meetings in the last financial year.

Table 8: Reconciliation Action Plan Committee members and attendance register

Reconciliation Action Plan Committee	No. of meetings attended in 2020–21	Eligible meetings in 2020–21
Mr Nick Green OAM 15 September 2020 – 30 June 2021 Board member	2	2
Ms Veronica Pardo 15 September 2020 – 30 June 2021 Board member	2	2

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. Table 9 lists the members on this committee and their attendance at meetings in the last financial year.

Table 9: Workforce and Remuneration Committee members and attendance register

Workforce and Remuneration Committee	No. of meetings attended in 2020–21	Eligible meetings in 2020–21
Dr Sally Fawkes, Chair 1 July 2020 – 30 June 2021 Board member	8	8
Mr Nick Green OAM 1 July 2020 – 23 November 2020 Board member	4	4
Ms Catherine Harding 26 August 2020 – 30 June 2021	7	7
Ms Veronica Pardo 1 July 2020 – 30 June 2021 Board member	7	8
The Hon. Nicola Roxon 24 November 2020 – 1 July 2021 Board Chair	4	4

Stakeholder Group Governance Framework

The 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 relation to a particular area 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 1 year (renewable as required).

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

Public Health Leadership Groups: comprises policy makers, 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: 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 will be established for a finite period and is likely to meet over a short period of time (e.g. 3 months).

During 2020–21 the following groups were convened:

Public Health Leadership Groups

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

Expert Panels

- Arts Expert Advisory Panel
- Young People's Advisory Panel

Assessment Panels

- Future Healthy Community Listening and Stories RFQ
- Reimagining Health Grants 2020–21 Round 1 Advisory Panel
- Reimagining Health Grants 2020–21 Round 2 Advisory Panel
- VicHealth Research Fellowships Assessment Panel
- VicHealth Impact Research Grants Assessment Panel

Roundtables

- Early Years Nutrition Roundtable

Other

- Mental Health COVID-19 Working Group
- Food Security/Food Systems COVID-19 Working Group
- Walking and Bike Riding Post COVID-19 Working Group
- Reimagining Young People's Project Steering Group

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

VicHealth is 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

VicHealth's Occupational Health and Safety (OHS) Policy demonstrates our commitment to the provision of a safe and healthy workplace.

VicHealth is committed to fostering and enshrining a culture within the organisation that values the importance of a healthy and safe work environment, which includes a focus on psychosocial factors and mental wellbeing.

During the COVID-19 pandemic, VicHealth recognised the need to support staff during this time, including:

- a new Employee Assistance Program (EAP) online portal
- commitment to and support for flexible working arrangements
- a 'Buddy' program for new employees
- employee wellbeing workshops and short courses to assist in coping with lockdown
- online cooking and yoga classes.

These initiatives were spearheaded by the Employee Wellbeing and OHS Committee (EWOC), with support from VicHealth executive leadership and management.

Our performance against key OHS indicators during the past 2 financial years is summarised in Table 10.

Table 10: Performance against OHS management measures

Measure	Indicator	2020–21	2020–20
Incidents	No. of incidents	3	2
	No. of hazards reported	0	1
Claims	No. of standard claims	0	0
	No. of lost time claims	0	0
	No. of claims exceeding 13 weeks	0	0
Claim costs	Average cost per standard claim ⁽ⁱ⁾	\$0	\$0

Note:

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

Inclusion, diversity and equity principles

Our Equity, Diversity and Inclusion Policy demonstrates our commitment to creating and maintaining a positive working environment free of discrimination and harassment that provides equal opportunities for all and values diversity and inclusion.

VicHealth's Diversity and Inclusion Committee, comprising employee representatives from across the organisation, supports these efforts.

Innovate Reconciliation Action Plan

Reflecting VicHealth's focus on supporting First Nations people, VicHealth achieved endorsement from Reconciliation Australia of its Innovate Reconciliation Action Plan (RAP), VicHealth's second RAP, in October 2020. The RAP is a 2-year plan for the period 1 July 2020 to 30 June 2022.

The VicHealth Board established a RAP Committee, which held its first meeting in September 2020 following the Board's approval in July 2020 of the Innovate RAP. The role of this committee, which will meet at least twice a year, is to oversee VicHealth's actions in making tangible improvements to the lives of First Nations people.

Public Sector professionalism and integrity

VicHealth continues to implement the directions provided by the Victorian Public Sector Commissioner (VPSC) relating to strengthening the efficiency, effectiveness and capability of the organisation to meet existing and emerging needs and deliver high quality services to the Victorian community.

In order to do this, VicHealth regularly reviews its suite of detailed employment policies, including policies relating to recruitment, selection, diversity and inclusion, harassment and bullying, performance management, learning and development, grievance resolution, management of conflicts of interest and gifts, benefits and hospitality.

In support of the above, VicHealth continues to embed its staff-driven Employee Culture Charter. The Charter outlines 4 principles that set the cultural and professional standards to which we all commit and expect other employees to demonstrate: Trust, Challenge, Accountability and Results. At the end of the year, peer-based recognition is awarded to staff members who best demonstrate these principles.

Workforce data

Table 11 describes the profile of VicHealth's workforce.

Table 11: Workforce data

	All employees				Ongoing						Fixed term & casual			
	Number (HC)		FTE		Full-time (HC)		Part-time (HC)		FTE		Number (HC)		FTE	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Gender														
Male	18	16	17.9	15.1	15	13	1	2	15.9	14.7	2	1	2.0	0.4
Female	53	62	48.1	55.2	28	26	14	22	38.7	42.4	11	14	9.4	12.8
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	2	0	2.0	0.0	1	0	0	0	1.0	0.0	1	0	1.0	0.0
25–34	22	19	20.6	18.2	13	11	0	1	13.0	11.6	9	7	7.6	6.6
35–44	25	31	22.8	26.8	15	14	8	12	20.9	22.8	1	5	1.0	4.0
45–54	16	20	15.3	18.2	11	10	5	8	15.2	16.4	1	2	1.0	1.8
55–64	6	7	5.3	6.3	3	4	2	2	4.5	5.5	1	1	1.0	0.8
65+	0	1	0	0.8	0	0	0	1	0.0	0.8	0	0	0.0	0.0
VicHealth EA														
Grade A	2	3	1.5	2.3	0	0	2	3	1.5	2.3	0	0	0.0	0.0
Grade B	2	1	1.0	0.6	0	0	0	1	0.0	0.6	2	0	1.0	0.0
Grade C	14	11	13.2	10.6	11	6	1	0	11.6	6.0	2	5	1.6	4.6
Grade D	31	35	29.1	31.7	17	17	8	12	23.1	25.9	6	6	6.0	5.8
Grade E	17	22	16.3	20.0	11	13	3	6	13.5	17.6	3	3	2.8	2.4
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)	66	72	61.1	65.2	39	36	14	22.0	49.7	52.4	13	14.0	11.4	12.8
Senior employees														
Executives	5	6	4.9	5.1	4	3	1	2	4.9	4.7	0	1	0.0	0.4
Total senior employees	5	6	4.9	5.1	4	3	1	2	4.9	4.7	0	1	0.0	0.4
Total other	0	0	0.0	0.0	0	0	0	0	0.0	0.0	0	0	0.0	0.0
Total employees	71	78	66.0	70.3	43	39	15	24	54.6	57.1	13	15	11.4	13.2

Notes:

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

'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.

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

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* (e.g. 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 12 outlines the number of executives (including the Accountable Officer) employed in the last pay period in June. The table does not include employees in acting executive arrangements.

Table 12: Breakdown of executive officers

	June 2021				June 2020			
	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	1	0	1
Executive Leads	1	0	0	0	0	2	0	0
Total	3	2	0	1	2	3	0	1

Table 13: Reconciliation of executive numbers

	2020–21	2019–20
Executives with remuneration over \$100,000*	4	5
<i>Add</i> Vacancies (Table 12)	1	1
Executives employed with total remuneration below \$100,000	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 salary; however, it should be noted that as per Table 11, one of the 5 executives is contracted to part-time hours (0.8 FTE).

Section 4: Other disclosures

Consultancies

Table 14 details the consultancies valued at more than \$10,000 that were engaged in the last financial year.

Table 14: Details of consultancies over \$10,000 (excluding GST)

Consultant	Purpose of consultancy	Total approved project fee (\$'000)	2020–21 actual expenditure (\$'000)	Future expenditure (\$'000)
Corrs Chambers Westgarth	Legal services	58	58	-
Tandem Partners	Business consulting services	86	86	-
Demand IT	Business/systems consulting services	46	46	-
CBRE	Property advisory services	51	51	-
The Anderson Partnership	Business consulting and professional development services	75	75	-
Victorian Government Solicitor's Office	Legal services	45	45	-

Note: Consultancy agreements cover the period 1 July 2020 to 30 June 2021. Unless otherwise indicated, there is no ongoing contractual commitment to these consultants. These consultants may be engaged beyond June 2021 as required.

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

Details of consultancies under \$10,000

In 2020–21, there were 9 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 \$32,000 (excluding GST).

Information, communication and technology (ICT) expenditure

Table 15 details the ICT expenditure during the financial year.

Table 15: ICT expenditure during 2020–21 (excluding GST)

Expenditure	(\$'000)
Business as Usual ICT expenditure	1,909
Non-Business as Usual ICT expenditure	2,316
Total = A + B	
Non-Business as Usual Operational expenditure A	552
Non-Business as Usual Capital expenditure B	1,764

Advertising expenditure

In the last financial year, VicHealth delivered one campaign for which the media expenditure was greater than \$100,000 (see Table 16).

Table 16: Advertising expenditure exceeding \$100,000 during 2020–21 (excluding GST)

Campaign	
Name of campaign	This Girl Can – Victoria
Campaign summary	A statewide mass media campaign aimed at increasing physical activity and supporting gender equality. This campaign aims to empower women to be active however, whenever and wherever they want.
Start/end date	28/02/2021 – 26/6/2021
Advertising (media) (\$'000)	497
Creative and campaign development (\$'000)	122
Research and evaluation expenditure (\$'000)	110
Other campaign expenditure (\$'000)	349

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 one Freedom of Information request in the reporting period. It was forwarded to the correct agency for review and processing. This request is not counted in VicHealth's reporting to the Office of the Victorian Information Commissioner.

Compliance with the *Protected Disclosure Act 2012*

The *Protected Disclosure Act 2012* (replacing the repealed *Whistleblowers Protection Act 2001*) encourages and assists people to make disclosures of improper conduct by public officers and public bodies. This Act provides protection to people 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.

Additional information about VicHealth's protected disclosure policy and process is available from the VicHealth [website](#).

No disclosures were made within this financial reporting period.

Compliance with DataVic Access Policy

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

Local jobs disclosures

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 \$50 million or more), Local Jobs First Standard Project (those with a budget of \$3 million or more in metropolitan Melbourne or \$1 million in rural Victoria) or projects that the Major Projects Skills Guarantee has been applied to.

National Competition Policy

During this reporting period, VicHealth did not undertake any activities that require reporting against the National Competition Policy.

Office-based environmental impacts

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. In 2020–21, VicHealth continued to operate in an environmentally sustainable manner by:

- relocation in March 2021 to the Victorian Health Promotion Hub at the 1880s Sands & McDougall building at 355 Spencer Street Melbourne within an environmentally sustainable office fit-out
- using AFS and PEFC certified recycled paper where the paper supplier contributes to the planting of 2 trees for every one tree used in producing the paper
- using sustainable choices for office supplies
- purchasing fair-trade coffee
- providing public transport tickets for staff travelling to and from meetings
- promoting the use of the Melbourne Bike Share scheme
- use of a hybrid fleet vehicle.

Victorian Government Purchasing Board Procurement Reform Initiative – Effective 1 July 2021

VicHealth is included as an agency in the Victorian Government Purchasing Board's (VGPB) procurement reform initiative. As of 1 July 2021, VicHealth will need to comply to VGPB's procurement governance framework. In the past VicHealth has aligned itself to VGPB procurement policies. However, VicHealth will make changes to existing policy, practices and processes and introduce new strategies to comply with the expansion.

Revised Victorian Government Risk Management Framework – Effective 1 July 2021

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 is implementing the revised VGRMF, which took effect on 1 July 2021.

The first year VicHealth will have to attest to the revised VGRMF is 2021–2022.

The key change impacting VicHealth is the introduction of AS ISO 31000:2018 Risk Management Guidelines to replace the AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines, which management will revise the VicHealth Risk Management Policy and Framework to align.

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

- a) annual review of VicHealth's Risk Management policy and framework
- b) defining and reviewing VicHealth's risk appetite annually
- c) strategic and business planning decision-making that embeds risk management
- d) ensuring we minimise our insurable risk exposure by reviewing our insurance requirements with the Victorian Managed Insurance Authority annually.

Asset Management Accountability Framework maturity assessment

The following section summarises VicHealth's assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the [DTF website](#).

VicHealth's target maturity rating is 'competence', meaning systems and processes are fully in place, consistently applied and are systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.

Leadership and Accountability (requirements 1–19)

VicHealth has met its target maturity level under most requirements within this category.

Planning (requirements 20–23)

VicHealth has met its target maturity level in this category.

Acquisition (requirements 24 and 25)

VicHealth has met or exceeded its target maturity level in this category.

Operation (requirements 26–40)

VicHealth has met its target maturity level in this category.

Disposal (requirement 41)

VicHealth has met its target maturity level in this category.

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
355 Spencer Street
West Melbourne VIC 3003
Phone: (03) 9667 1333

Attestation of compliance with Ministerial Standing Direction 5.1.4.

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

A handwritten signature in black ink, appearing to read 'Nicola Roxon', written in a cursive style.

The Hon. Nicola Roxon
Chair of the Board

27 August 2021