

Report of Operations

Victorian Health Promotion Foundation
2018–19

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 2019.



Fiona McCormack
Chair of the Board

3 September 2019

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 and Ambulance Services, The Hon. Jenny Mikakos, MP.

The objects 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 objects.

Functions

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

- promote its objects
- make grants from the Health Promotion Fund for activities, facilities, projects or research programs in furtherance of the objects of VicHealth
- provide sponsorships for sporting or cultural activities
- keep statistics and other records relating to the achievement of the objects of VicHealth
- provide advice to the Minister on matters related to its objects referred by the Minister to VicHealth and generally in relation to the achievement of its objects
- make loans or otherwise provide financial accommodation for activities, facilities, projects or research programs in furtherance of the objects 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 promote fairness and opportunity for better health and wellbeing for all Victorians, by making health equity a focus of our work.
- 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 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 with all sectors 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. 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 Human Services and other departments and agencies.

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

The production of the *VicHealth 2018–19 Annual Financial Report* is an opportunity to reflect not only on our performance in the preceding year, but on the privileged responsibility we have to contribute to a future where all Victorians can benefit, equitably and sustainably, from better health and an enriched sense of wellbeing.

When VicHealth was established in 1987, the reduction of smoking rates was identified as the number one health priority. Over a quarter of a century later, as the 2013–2023 Action Agenda for Health Promotion was being developed, the context had changed and the challenges and priorities shifted. Alongside ongoing efforts to reduce tobacco use, we committed ourselves to increasing physical activity, improving mental wellbeing, promoting healthy eating and preventing alcohol harm.

Now, as we enter the last four years of that plan, we are in a position to assess the progress we have made and to take stock of the work still to be done:

- We remain committed to reducing the prevalence of smoking in disadvantaged communities who, despite a 32 per cent drop in overall smoking rates since the 1980s, continue to be burdened by the ill effects of smoking at rates more than double those in more privileged parts of the state.
- We are dedicated to pursuing further gains in healthy eating and physical activity, particularly given that less than a third of Victorians meet recommended levels of activity and two-thirds are beset by health risks that come with being overweight or obese.
- We are determined to make a difference to the mental health of Victorians, especially the 1 in 4 young Victorians who struggle to find the social support they need, and the 1 in 8 who experience intense loneliness.
- And we embrace the challenge of supporting the subpopulations where risky drinking behaviours are entrenched, contributing to the 1,200 alcohol-related deaths and 40,000 hospitalisations in Victoria every year.

In recent months, we have finalised our updated Action Agenda for 2019–23. While our key priorities remain, we are aware, more than ever, that addressing the systems and structures underpinning health and wellbeing requires a greater focus on the health gains that can be enjoyed by all Victorians.

Health, in its broadest definition, plays out in diverse settings, not just in sporting grounds or parks but in families, workplaces and schools, on the daily commute, in the design of new suburbs and when socialising among friends. Right from the start in 1987, VicHealth was charged with working in partnership with sporting bodies and cultural organisations to promote and facilitate good health. Increasingly, we see health also playing a role in discussions around education, employment and infrastructure.

Understanding and tracking these complex interactions requires deep research and interrogation. As this report demonstrates, VicHealth continues to invest in a strong evidence base that can be utilised by all our partners to inform and direct their activities, and to connect and refine our combined efforts to drive gains where they are needed most. We are also committed to expanding and deepening our networks so that we can benefit from knowledge generated and experience gained by our peers.

The Board and staff are committed to VicHealth's work to enable cooperation and collaboration across disciplines and sectors, contributing to a broader culture in which knowledge is shared more widely, implementation is achieved more rapidly, and real and lasting benefits are felt by more Victorians.

We support the health priorities outlined by the government's Victorian Public Health and Wellbeing Plan 2015–2019 and we greatly appreciate the ongoing support and involvement of the Victorian Minister for Health, The Hon. Jenny Mikakos, MP, who took over from our long-time associate, The Hon. Jill Hennessy, MP, after the 2018 State Election. On behalf of the VicHealth Board, I would also like to thank the current Minister for Mental Health, The Hon. Martin Foley, MP; the Minister for Tourism, Sport and Major Events, The Hon. Martin Pakula, MP; the Minister for Women and Prevention of Family Violence, The Hon. Gabrielle Williams, MP; and other ministers, advisers and members of the Victorian Parliament.

Thank you, too, to my colleagues on the VicHealth Board, including representatives from the political parties, Ms Natalie Suleyman, MP and Ms Wendy Lovell, MP. Their cross-party support makes it possible for VicHealth to pursue a bold and innovative agenda for the future good health of all Victorians.

I also acknowledge the work of the VicHealth Committees (the Finance, Audit and Risk Committee and the Workforce and Remuneration Committee), our taskforces and panels and all the VicHealth team – an extraordinarily skilful and spirited group, devoted to working towards better health outcomes for communities right across Victoria. Their professionalism and commitment have supported us through a period of change that saw us farewell long-time CEO Jerril Rechter. Jerril will be remembered for her significant contributions to VicHealth, including helping to transform the organisation from a funding body into a strategic investor, and pioneering many key cross-sectoral alliances. Stepping into the CEO role in an acting capacity, Dr Lyn Roberts AO did an exceptional job of keeping the team positive and productive, and pursued an updated Action Agenda that will give us new momentum as we work towards our 2023 goals.

Finally, I would like to thank our partners in health promotion across so many sectors. Thank you for the generosity with which you share your expertise and ideas, and for your collaboration and partnership.

The appointment of Dr Sandro Demaio to the CEO role has been announced and will take place later in 2019. I look forward to working with Sandro and to seeing how his diverse experiences as an advocate for healthy, active lives contribute to the ongoing success of the organisation.

This *VicHealth 2018–19 Annual Financial Report* is an excellent account of our progress over the last year and will be of interest to all who care about the health and wellbeing of Victorians.



Fiona McCormack
Chair of the Board, VicHealth

Chief Executive Officer's report

All Victorians have the right to the resources and environments they need to live a healthy, happy life. Yet, many in our community face multiple barriers to good health and wellbeing. This is particularly the case in a complex and rapidly changing world.

As Victoria's pioneering health promotion agency, VicHealth works with our partners in health, sport, the arts, communities, workplaces, research and education to discover, implement and share solutions for long-term health. Promoting good health and preventing illness allows more Victorians to enjoy better health and wellbeing, which means they will have more time and energy for the things they enjoy.

In the last 12 months, we have made further strides towards the goals first articulated in our 2013–2023 Action Agenda for Health Promotion of increasing physical activity, preventing tobacco use, improving mental wellbeing, promoting healthy eating and preventing harm from alcohol. The depth and breadth of these achievements are evidence of our commitment to equitable and sustainable gains across the community, and a testament to our staff who consistently do their work with passion, conviction and intellectual rigour. As ever, our initiatives are built on a firm foundation of evidence and made more effective and more impactful through our dynamic cross-sectoral collaborations.

Buoyed by the output of the last 12 months, we have recently spent some time reflecting on the goals set in 2013 and how they have been affected by emerging social, political, environmental and technological developments. This has led to the development of six insights to help guide our work over the next four years: social, unstructured physical activity; young men and gender equality; fear of judgement; social groups and cultural changes; local communities and capacity; and rising loneliness.

These insights are informed by a wealth of knowledge from our health promotion programs, research, social marketing, participatory democracy and behavioural approaches to health and wellbeing. The thinking is reflected in our updated Action Agenda for 2019–2023, which renews our commitment to our five strategic imperatives and focuses our efforts on broadening the reach and impact of our programs.

I would like to take this opportunity to acknowledge the contribution of Jerril Rechter in her seven years as VicHealth CEO. Jerril delivered a true strategic vision for the organisation and helped to establish a working culture distinguished by innovation. I also extend a warm welcome to Dr Sandro Demaio, who will join us as CEO later in 2019 and will infuse the organisation with a new energy as we work towards the successful delivery of the goals set out in the updated Action Agenda.

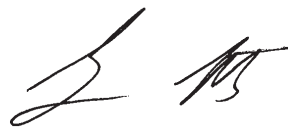
I am also appreciative of our cross-sectoral partners in all levels of government, health, sport, education, the arts, innovation, the not-for-profit sector, the private sector and the media. Our partnerships are fundamental to our way of working as we rely on our collaborators' skills and insights to bring health and wellbeing ideas to life.

I am grateful to the Department of Health and Human Services for their ongoing input and support of VicHealth as we work towards the same goals for Victorians' better health.

Our outstanding staff benefit from knowing that the work they do is supported wholeheartedly by the major political parties of the Victorian Parliament and aligns with the strategic priorities of the Victorian Government.

Our Board has continued to provide us with good governance, expert leadership and support, with our Chair Fiona McCormack and Dr Sally Fawkes, who was Acting Chair while Fiona was on extended leave.

My thanks also go to our various taskforces for their counsel and input to the updated Action Agenda. The expertise and involvement of our partners and stakeholders make it possible for VicHealth to think big, work hard and deliver lasting positive change for communities right across Victoria.



Dr Lyn Roberts AO
Acting Chief Executive Officer, VicHealth

This year's highlights

Encouraging more physical activity

- After two years, our groundbreaking This Girl Can – Victoria campaign has now empowered more than 396,000 (or 1 in 5) Victorian women to be more active. It has also galvanised over 950 Campaign Supporters to tailor opportunities and champion women's participation.
- We supported partners including Football Victoria, Bowls Victoria, Surfing Victoria and Touch Football Victoria to come up with new and innovative ways to make their sports more accessible to women and girls through the Active Women and Girls program.
- We have started working with a number of national and state sports organisations to develop sports activities that will appeal particularly to less active teenagers, such as the Freestyle Golf program and the She Rolls roller skating fitness program.
- We continued to encourage Victorian local councils and sporting bodies to create opportunities for people with various abilities and people experiencing cultural, social and economic disadvantage to get active through our Innovation Challenges grants program, first run in 2014.
- We backed 385 local sports clubs to increase participation opportunities with a focus on social sport and women and girls in their communities through the Active Club Grants program.
- We celebrated the ongoing success of the Walk to School program, which last year saw 147,000 kids from Victorian primary schools participate by walking, riding or scooting to and from school.

Preventing tobacco use

- We continued to collaborate with the Victorian Government, Cancer Council Victoria and the Heart Foundation to further the work of Quit Victoria and the Quitline, who this year launched a series of highly successful mass media and digital media campaigns, including the You Quit, You Win television campaign.
- We partnered with the Royal Australian College of General Practitioners to support health professionals to provide effective, evidence-based cessation support to people who smoke.
- We funded research into smoking cessation support for vulnerable communities with particularly high and persistent smoking rates, including Aboriginal and Torres Strait Islander people, people experiencing homelessness and those in prison.

Improving mental wellbeing

- Through the Bright Futures Challenge, we funded four local councils to run innovative programs that will build social connections among young people in their communities. These councils are now 'integrators', mentoring other local governments to replicate their success.
- We learned more about the development and influence of healthy masculinities and ways to engage men in discussions about gender equality.
- We have shared what we know about how behavioural insights can drive progress in gender equality, by inviting our partners and the broader community to get involved in the Leading Thinkers initiative through events such as the Leading Thinker Symposium, which involved one of our current leading thinkers, Harvard University's Professor Iris Bohnet and The Hon. Julia Gillard AC, former Prime Minister of Australia, as speakers.

Promoting healthy eating

- We built on the success of the Salt Reduction Partnership – led by VicHealth – with peak public health organisations: The George Institute for Global Health, the Heart Foundation, Deakin University's Institute for Physical Activity and Nutrition, National Stroke Foundation, Kidney Health Australia, the Victorian Department for Health and Human Services, Baker Heart and Diabetes Institute and the High Blood Pressure Research Council. The Partnership worked with food manufacturers on salt reformulation projects and released a new industry guide, *Reformulation readiness: A best practice guide to salt reduction*.
- We worked with the Heart Foundation as co-lead on a consumer awareness campaign for salt reduction, including the informative Unpack the Salt website.
- We encouraged sporting facilities, especially those managed by councils, to promote water as the drink of choice, making it easier for Victorians to drink more water and consume less sugary drinks.

Reducing harm from alcohol

- Together with 4 councils, we initiated targeted local programs under the Alcohol Culture Change initiative to help shift the culture of risky drinking that persists among specific social groups, particularly among men, who are significantly more likely than women to drink at risky levels.
- We reached 8 million people and directly engaged 216 young people through the Top Spin initiative, asking them how they feel about the tactics used by the alcohol industry, and challenging the commercial drivers of pervasive drinking cultures.

VicHealth Action Agenda for Health Promotion 2013–2023

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

OUR 10-YEAR GOALS

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
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RESULTS: We track our progress through the VicHealth Action Agenda for Health Promotion Scorecard



* A technical paper describes the calculations underpinning the 10-year goals and three-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.

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: one million more Victorians with better health and wellbeing by 2023.

To achieve that target, VicHealth committed to five strategic imperatives that have the greatest potential to improve the health of the Victorian population:

- encourage regular physical activity
- prevent tobacco use
- promote healthy eating
- prevent harm from alcohol
- improve mental wellbeing.

The Action Agenda was revised and refreshed in 2016, outlining a continued commitment to our five strategic imperatives and setting specific targets for each strategic imperative over the three years from 2016 to 2019.

As we reach the end of the 2016–2019 period, the Action Agenda has again been reviewed, with its final update for 2019 to 2023 to be released in the first quarter of 2019–2020.

Our focus

Aligned with the World Health Organization's Ottawa Charter for Health Promotion, VicHealth takes action at multiple levels:

- building healthy public policy in all sectors and at all levels of government
- creating supportive environments for health where people live, work and play
- strengthening community action for social and environmental change
- developing personal skills that support people to exercise greater control over their own health
- reorienting services to promote better health.

Our operating model

INNOVATE

discovering how to accelerate outcomes for health promotion

INFORM

giving individuals and organisations the best information for healthier decisions

INTEGRATE

helping Victoria lead health promotion policy and practice

Our actions

- introducing cutting-edge interventions
- empowering through digital technologies
- undertaking pioneering research
- leveraging cross-sectoral knowledge
- utilising social marketing
- fostering public debate
- providing tools and resources
- developing strategic partnerships
- advancing best practice
- supporting policy development
- strategic investments and co-funding
- building capacity in individuals, communities and organisations

Our difference

We are proud of what sets us apart:

- a track record of delivering innovation
- an independent, trusted and credible voice
- investment in research to drive change
- connection with people where they live, learn, work and play
- a focus on a positive state of health.

Our origin

VicHealth is the world's first health promotion foundation, established in 1987 with funding from government-collected tobacco taxes and mandated to promote good health in the state.

Our healthscape

Social, economic, environmental, technological and demographic trends are driving an epidemic of non-communicable chronic diseases globally. The Victorian Government is committed to addressing the social determinants of health and their unequal distribution across the population, as evidenced by:

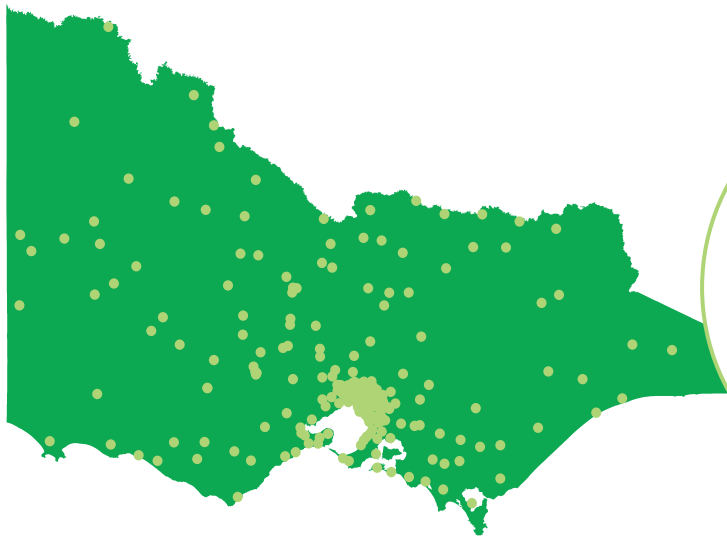
- the Victorian Public Health and Wellbeing Plan 2015–2019
- the Royal Commission into Family Violence
- the *Hazelwood Mine fire inquiry report 2015/2016 – Volume III health improvement*.

VicHealth will prioritise action that advances women and explores new ways of working with communities to address disadvantage. Our status as a World Health Organization Collaborating Centre for Leadership in Health Promotion enables us to share Victoria's world-class health promotion nationally and internationally.

OUR COMMITMENTS: Fairness | Evidence-based action | Working with community | Partnerships across sectors

FAST FACTS

2018-2019



OUR REACH

VicHealth works in partnership with communities, organisations and individuals across Victoria to promote good health and prevent ill health.

EXPENDITURE ACROSS OUR STRATEGIC IMPERATIVES

\$13.5m



INCREASING PHYSICAL ACTIVITY

\$5.0m



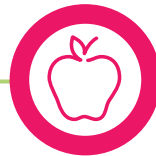
PREVENTING TOBACCO USE

\$4.7m



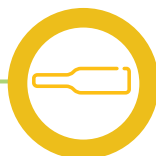
IMPROVING MENTAL WELLBEING

\$2.6m



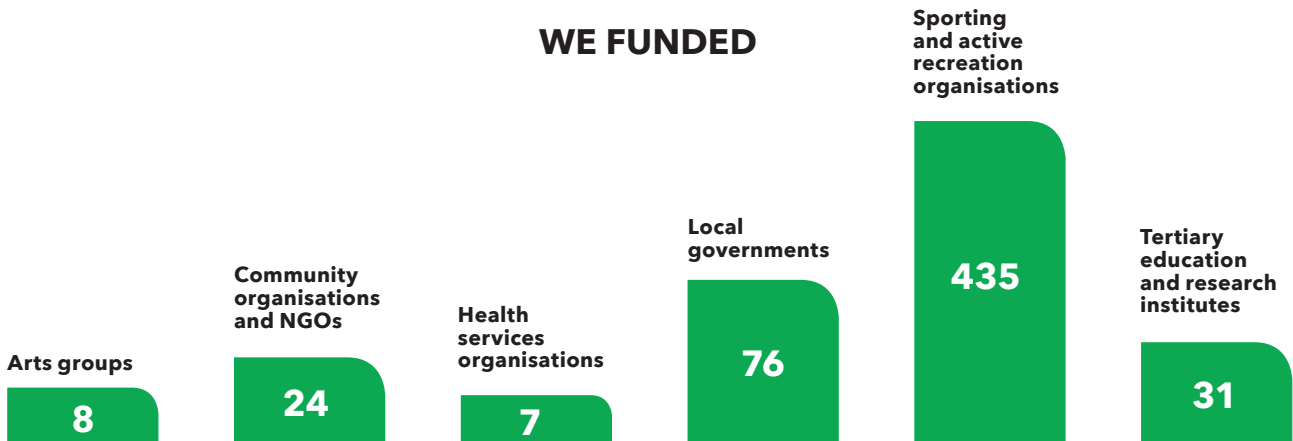
PROMOTING HEALTHY EATING

\$1.9m

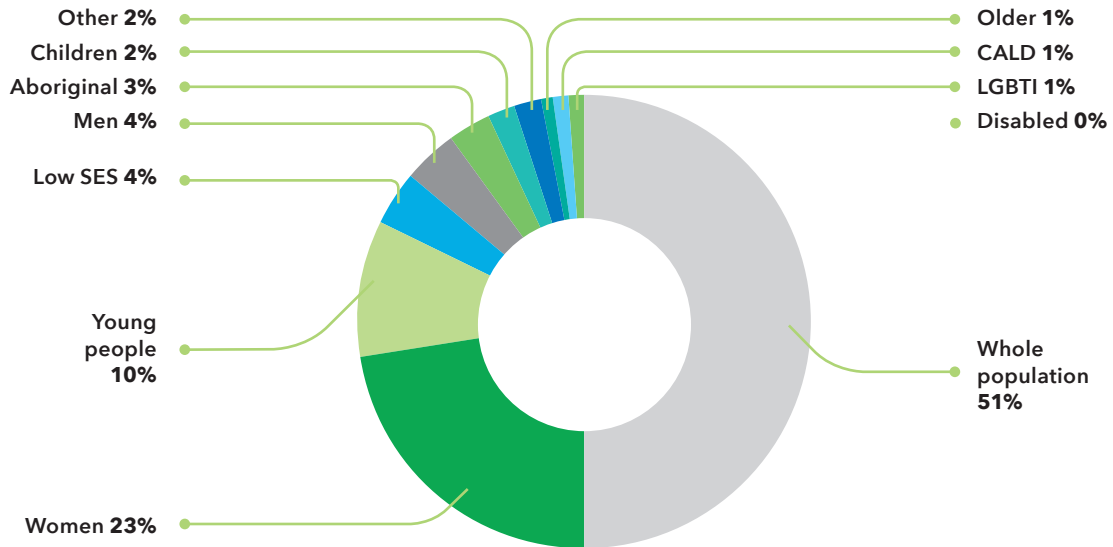


PREVENTING HARM FROM ALCOHOL

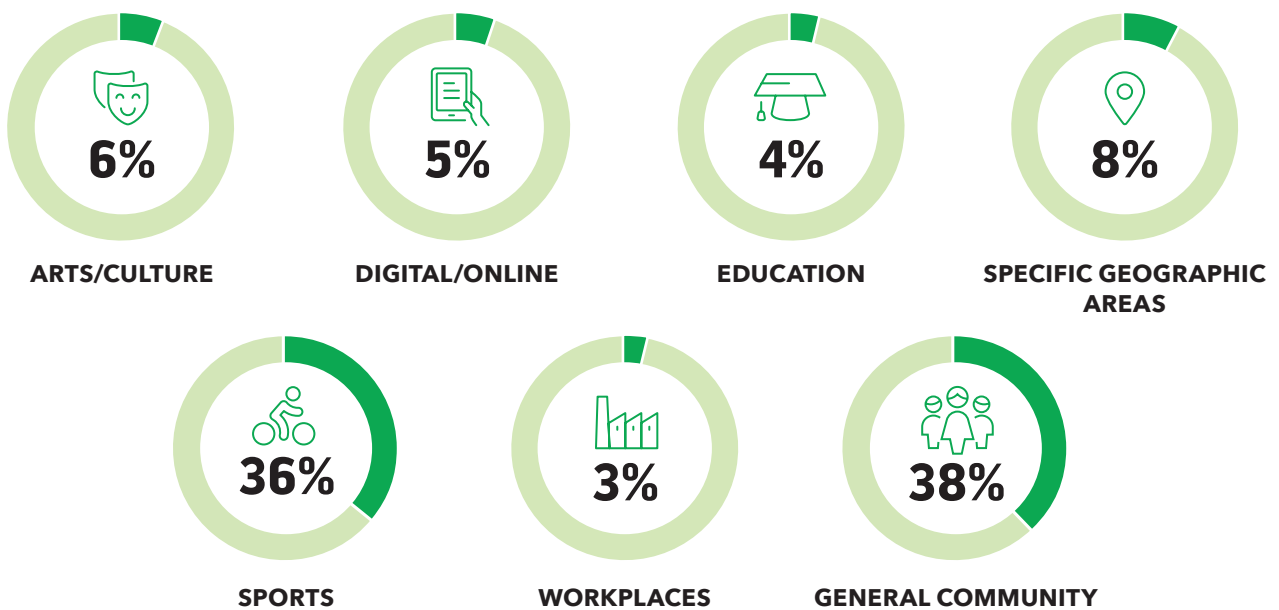
WE FUNDED



EXPENDITURE ACROSS TARGET POPULATION GROUPS



EXPENDITURE ACROSS SETTINGS



THIS GIRL CAN - VICTORIA: KEY ACHIEVEMENTS



MORE THAN
396,000
women
BECAME ACTIVE



OVER
950
CAMPAIGN
SUPPORTERS



Performance strongest
in regional areas
WITH CALD COMMUNITIES
AND THOSE LIVING WITH
DISADVANTAGE

Operational and budgetary objectives and performance against objectives

Operational performance against budget

Total income was \$40.7 million, which exceeded the budget by \$0.3 million. Funding was received to deliver special projects, Bystanders for Primary Prevention (\$0.18 million) and Sports Participation Research (\$0.08 million) and was the main reason for exceeding the revenue target. The appropriation received from the Department of Health and Human Services of \$40.2 million was \$0.3 million above our budget submission to the Minister for Health. Total expenditure was \$40.9 million: \$0.6 million (or 1.5 per cent) lower than the target.

Total grant expenditure from appropriation was \$28.0 million, which exceeded budget by \$0.8 million (or 3 per cent) as a result of an increase in appropriation funds combined with a forecast underspend in employee expenses and allowed a further \$1.1 million to be directed to program/campaign expenditure. Further grant and project implementation costs of \$0.6 million were expended from funding received to deliver special projects.

Wages and on-costs of \$8.8 million were \$0.7 million (or 7 per cent) lower than the budget due to staff vacancies and employee provisions being lower than expected.

Operating costs of \$3.2 million were \$0.1 million (or 2 per cent) over budget, due to minor unfavourable variances across employee development and wellbeing, general administration and occupancy costs.

The comprehensive result for the year includes a surplus of \$0.21 million from general appropriation-funded activities offset by a deficit of \$0.40 million from special purpose-funded activities, resulting in a net deficit comprehensive result of \$0.19 million for the year. This deficit 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 in accordance with Note 2, with the delivery of the program occurring over subsequent and/or multiple financial years.

Most notably, and in line with Victorian Government reporting according to Australian accounting standards, all VicHealth's employee expenses are disclosed in the Financial Statements as a separate expense within total expenses. When management considers the level of direct contribution VicHealth staff makes to delivering health promotion programs and projects for all Victorians, around 31 per cent or \$2.7 million of VicHealth's 2018–19 employee expenses could be considered program and project expenditure if VicHealth were to capture and apply time and employee expenses of staff whose time is spent directly on programs and projects in the field. This would take the total grants and direct project implementation costs for 2018–19 in the Operating Statement to \$31.4 million or over 78 per cent of the appropriation income. Taking a broader organisational view, all teams with the exception of the Chief Executive Officer's Office and the Corporate Services Group can be considered to have directly contributed to VicHealth's delivery of health promotion programs and projects, representing around 71 per cent or \$6.3 million of VicHealth's 2018–19 employee expenses and taking the total grants and direct project implementation costs of 2018–19 to \$35.1 million or over 87 per cent of the appropriation income.

Our operating budget performance is summarised in Table 1.

Table 1: Operational performance against budget for 2018–19

	Appropriation funds		Special purpose funds		Total	
	Actual (\$'000)	Budget (\$'000)	Actual (\$'000)	Budget (\$'000)	Actual (\$'000)	Budget (\$'000)
Income						
Appropriation	40,223	39,890	282	347	40,505	40,237
Other income	222	195	-	-	222	195
Total income	40,445	40,085	282	347	40,727	40,432
Grants & direct project implementation	28,229	27,229	590	340	28,819	27,569
Employee expenses & operating costs	12,014	12,715	81	18	12,095	12,733
Total expenses	40,243	39,944	671	358	40,914	40,302
Operating surplus/(deficit)	202	141	(389)	(11)	(187)	130

Under section 33 of the *Tobacco Act 1987*, the budget of VicHealth must provide for payments to sporting bodies (not less than 30 per cent) and to bodies for the purpose of health promotion (not less than 30 per cent). 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	2018–19 minimum or guideline	2018–19 budget (\$'000)	2018–19 actual	2018–19 amount (\$'000)
Statutory expenditure target⁽ⁱⁱ⁾				
Sporting bodies	At least 30%	12,059	34%	13,810
Health promotion	At least 30%	14,288	34%	13,635
Board policy expenditure guideline				
Promote healthy eating	5%	2,086	7%	2,621
Encourage regular physical activity	21%	12,782	34%	13,546
Prevent tobacco use	13%	5,329	13%	5,031
Prevent harm from alcohol	5%	2,334	5%	1,918
Improve mental wellbeing	8%	3,618	12%	4,720
Research and evaluation ⁽ⁱⁱⁱ⁾	12%	5,771	15%	5,866

Notes:

- (i) Percentage figures are calculated as expenditure as a proportion of our budgeted government appropriation for the financial reporting period. For the 2018–19 financial year our budgeted appropriation was \$39.9 million. 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) The research and evaluation figure may include expenditure allocated to other statutory and board expenditure categories.

Five-year financial summary

Table 3: Five-year financial summary

	2019 (\$'000)	2018 (\$'000)	2017 (\$'000)	2016 (\$'000)	2015 (\$'000)
Operating statement					
Revenue from government	40,505	39,863	38,558	38,305	37,503
Other income	222	226	215	256	371
Total income	40,727	40,089	38,773	38,561	37,874
Grants and funding	28,819	26,596	27,455	26,451	29,915
Employee expenses and other costs	12,095	11,767	10,897	11,143	11,298
Total expenses	40,914	38,363	38,352	37,594	41,213
Net surplus/(deficit) for the period	(187)	1,726	421	967	(3,339)
Balance sheet					
Total assets	8,105	7,935	5,987	5,494	5,825
Total liabilities	2,635	2,279	2,057	1,985	3,283
Total equity	5,470	5,656	3,930	3,509	2,542

Major changes affecting performance

Total income was \$40.7 million, an increase of \$0.6 million compared to the \$40.1 million received in 2017–18, due to a \$1.15 million indexation of the appropriation received under the Act. Additionally, VicHealth was provided with special purpose funding to deliver projects such as Bystanders for Primary Prevention of Violence Against Women.

Total expenses were \$40.9 million, an increase of \$2.6 million. Expenditure on grants and funding of \$28.8 million increased since last year due to an increase in appropriation funding and expenditure on special purpose projects, which is a major contributor to the operating deficit this year of \$0.2 million.

Employee expenses and other operating costs have increased by \$0.3 million due to the expenditure incurred in the second stage of the Core Systems Replacement Project.

Significant changes in financial position during the year

The value of total assets is \$8.1 million, an increase of \$0.2 million. VicHealth's cash balances remain consistent with the year prior of \$7.0 million.

Receivables have increased from \$0.6 million to \$0.7 million, mainly due to the value of GST credits receivable from the ATO.

Liabilities are \$2.6 million with the increase of \$0.3 million mostly relating to an increase in the amount of outstanding grants payable at balance date.

Subsequent events

There were no subsequent events occurring after the balance date to significantly affect VicHealth's operations in subsequent reporting periods.

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)
Active Club Grants	385	1,231
Active Women and Girls	9	1,185
Alcohol and Drug Foundation Connecting Diversity	1	300
Alcohol Culture Change Initiative	10	667
ARC & NHMRC Partnership Grants	4	259
Arts Strategy	5	481
Bright Futures Challenge	16	802
Growing Participation in Sport Program	20	2,300
Quit Victoria	1	4,695
Regional Sport Program	9	1,515
Salt Partnership	3	689
This Girl Can – Victoria	50	2,148
VicHealth Innovation & Impact Research Grants	4	263
VicHealth Innovation Challenge: Physical Activity	16	300
Victoria Walks Partnership	1	450
Walk to School	71	1,080
Water in Sports Initiative	11	440

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)
Alcohol and Drug Foundation	Alcohol and Drug Foundation Connecting Diversity	325
Australian Football League	Active Women and Girls Growing Participation in Sport Program VicHealth Innovation Challenge: Physical Activity	302
Cancer Council Victoria	Obesity Policy Coalition Quit Victoria SunSmart Program Alcohol Legal Policy Project	5,225
City of Melbourne	Arts Strategy Gender Equality and Arts White Night Melbourne	632
Deakin University	ARC & NHMRC Partnership Grant Innovation Research Grant Alcohol Culture Change Grants Initiative Warrnambool Last Drinks project Bright Futures Challenge Healthy Living Apps Project Promoting Healthy Food in Sport Water in Sport Initiative	757
Football Victoria	Active Women and Girls Growing Participation in Sport Program	325
GippSport	Regional Sport Program	306
La Trobe University	ARC & NHMRC Partnership Grant Impact Research Grant VicHealth Indicators Active Club Grants Active Women and Girls Alcohol Culture Change Grants Initiative Drinking Culture & Youth Social Movements Examining How Alcohol Outlets Relate to Family Violence Rates This Girl Can – Victoria Growing Participation in Sport Program Healthy Masculinities Research Grants Investment Review Stakeholder Survey Social Connection Measure VicHealth Innovation Challenge: Physical Activity	1,258
Mediacom	This Girl Can – Victoria	971
Monash University	ARC & NHMRC Partnership Grant Innovation Research Grant Impact Research Grant Healthy Masculinities Men's Risky Drinking Initiative PhD Students (GRIP Behaviour Change) Pride Game	565

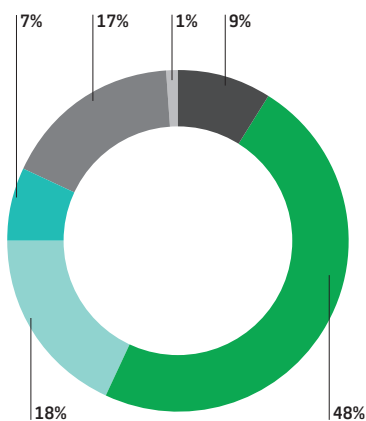
Organisation name	Project name(s)	Payments (\$'000)
National Heart Foundation of Australia (Vic Division)	Salt partnership	580
Netball Victoria	Active Women and Girls Growing Participation in Sport Program	270
Surfing Victoria	Active Women and Girls – Participation Growing Participation in Sport Program Indigenous Surfing Program	300
The Behavioural Insights Team	Bystanders for Primary Prevention of Violence Against Women Leading Thinkers: Gender Equality PVAW Integration/Gender Equality	322
The Sax Institute	Mental Wellbeing Evidence Review (Royal Commission) Mental Wellbeing Loneliness Evidence Review Mental Wellbeing Arts & Health Evidence Review Evidence Reviews for VicHealth Indicators TAPPC NHMRC Partnership	333
The University of Melbourne	ARC & NHMRC Partnership Grant Health Education & Literacy in Pornography Project Leading Thinkers Evaluation Sustainable Development Goals Partnership Grant PVAW Integration/Gender Equality Innovation Research Grant Youth Engagement Evaluation and Resilience Indicators Research Youth Engagement Project	402
Touch Football Australia Incorporated	Active Women and Girls VicHealth Innovation Challenge: Physical Activity	270
Victoria University	Alcohol Culture Change Initiative Bystanders for Primary Prevention of Violence Against Women Gender Equality and Arts Investigating Potential Community Physical Activity Hubs Sport Participation Research Project	278
Victoria Walks Inc.	Change to Walking (previously VicHealth Walking Investment) Victoria Walks Victoria Walks & Parks Vic Walk to School	521
Victorian Cricket Association	Active Women and Girls	310
Western Bulldogs Football Club	Active Women and Girls Sons of the West 2019 and 2020 (Footscray Football Club)	281

The following graphs (1–5) represent the proportion of our total grants and funding expenditure of \$28.8 million during the financial year.

Strategic imperatives

VicHealth’s expenditure aligns with our five strategic imperatives. The major proportion of our grants and funding is related to encouraging more Victorians to engage in physical activity (\$13.5 million), largely due to the statutory requirement to spend at least 30 per cent of our appropriation with sporting bodies (Graph 1: Expenditure by strategic imperative). Over \$5.0 million was invested to encourage more Victorians to be tobacco-free, largely in our long-term partnership with the Cancer Council to deliver the Quit program.

Graph 1: Expenditure by strategic imperative

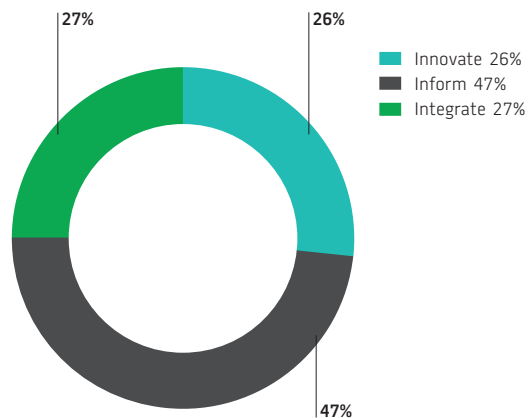


- More Victorians adopt a healthier diet 9%
- More Victorians engage in physical activity 48%
- More Victorians tobacco-free 18%
- More Victorians drink less alcohol 7%
- More Victorians resilient and connected 17%
- Other 1%

Operating model

VicHealth’s operating model covers three pillars: Innovate, Inform and Integrate. Graph 2: Expenditure by operating model indicates VicHealth’s 2018–19 investments in driving new ways to address our health priorities (Innovate); instigating action, deploying new ideas and broadening our impact (Inform); and embedding proven interventions in the preventive system (Integrate). A key component of Inform is communicating ideas, learnings and key messages to our stakeholders and broader audiences – this includes consumer-facing work undertaken through the Quit program and the This Girl Can – Victoria campaign.

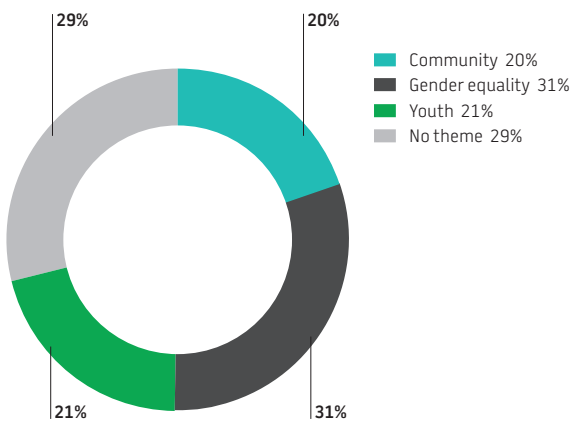
Graph 2: Expenditure by operating model



Key themes for action

In addition to the five strategic imperatives, VicHealth actively considers three themes: gender, youth and community. The 2018–19 investment reflects a strong gender equality focus, including investment in Active Women and Girls program (sports) and the This Girl Can – Victoria campaign (Graph 3).

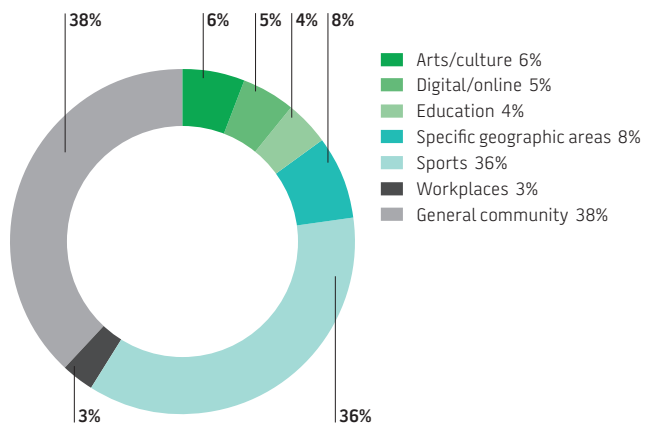
Graph 3: Expenditure by key themes for action



Settings

Graph 5 depicts the proportion of grant funding allocated within each setting. The largest setting is general community, closely followed by sports, which reflects VicHealth’s statutory obligation to provide grants to sporting bodies.

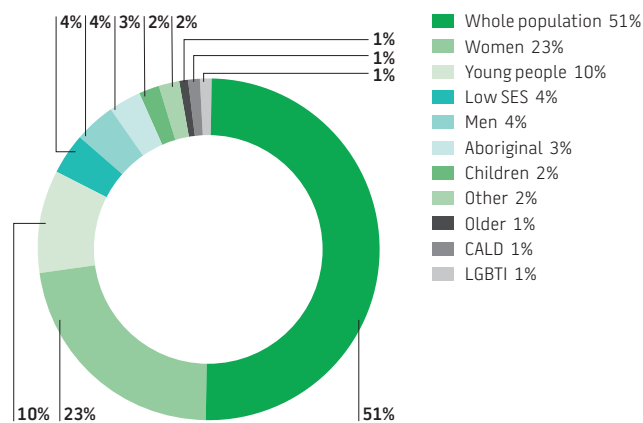
Graph 5: Allocation of grant expenditure across settings⁽ⁱⁱ⁾



Target populations

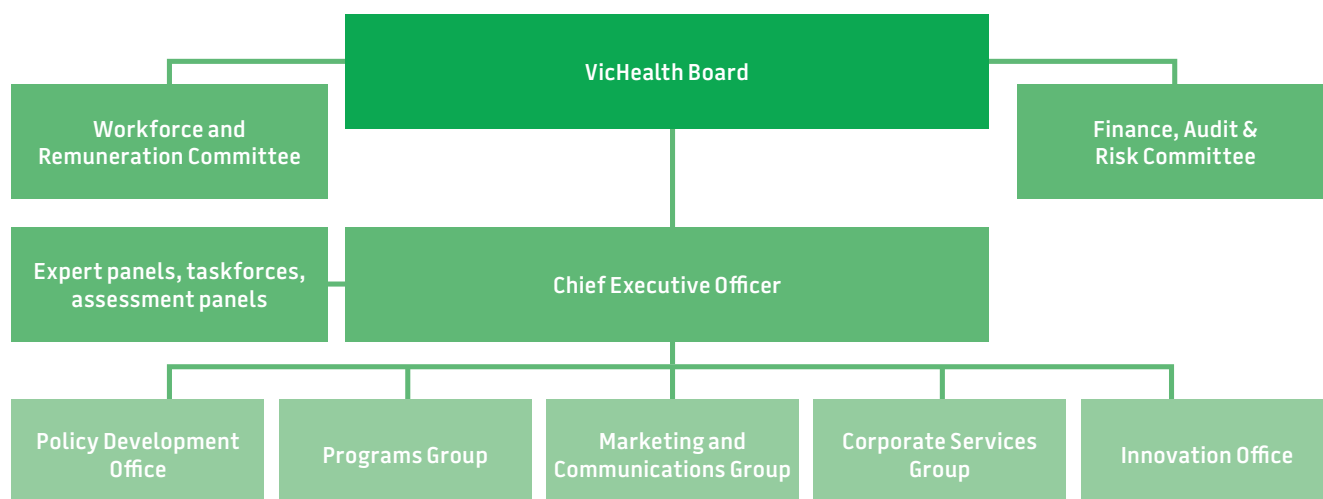
Approximately half of our grant funding was targeted at whole-of-population approaches to health promotion. The remaining balance was targeted at one or more of our target populations, including women, children, Aboriginal and low socioeconomic groups, as summarised in Graph 4.

Graph 4: Allocation of grant expenditure across target population groups



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.

Programs Group

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

Marketing and Communications Group

Develop and deliver organisational marketing and communications strategies, including branding, social marketing campaigns, communications, publications and events to enhance VicHealth's unique brand and reputation.

Policy Development Office

Ensure VicHealth's health promotion, knowledge and action add value to the public policy process to deliver sustained health benefits for Victorians.

Innovation Office

Trial the strategies, approaches, insights and collaborations that can fast track our aim to create healthier lives.

Corporate Services Group

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

Executive Management

The following people held executive management positions as at 30 June 2019:

Acting Chief Executive Officer
Dr Lyn Roberts AO

Executive Manager, Programs Group
Ms Kirstan Corben

Executive Manager, Corporate Services Group
Mr Paul Crapper

Executive Manager, Marketing and Communications Group
Mr Stefan Grun

Executive Lead, Policy Development Office
Ms Kellie Horton

Executive Lead, Innovation Office
Ms Nithya Solomon

Employee Committees

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

- Diversity and Inclusion Committee
- Employee, Wellbeing and OHS Committee
- Enterprise Agreement Group
- Executive Management Team
- Incident Management Team
- Management Team

In addition to these formal groups, there are a range of other cross-functional groups in operation.

Organisational culture, capability and capacity

VicHealth has identified three key enablers required to drive organisational capability within VicHealth's operating model going forward:

- culture
- capability
- capacity

Two strategic projects commenced in 2018–19 – the Core Systems Replacement Project and the People Strategy Project, which will deliver enhancements in VicHealth's organisational capability to deliver its Action Agenda as well as to achieve good governance, statutory compliance and efficient and effective use of our financial and human resources.

Core Systems Replacement Project

VicHealth has identified the need for significant investment in its ageing ICT applications to ensure our systems meet the requirements of VicHealth and other stakeholders and to facilitate the management of health promotion grants and activities and decision-making.

A business case was made following an assessment of whether VicHealth's ageing core ICT and business systems meet VicHealth's current and anticipated future business requirements, and the indicative cost to replace these systems, during the 2017–18 financial year. The Board approved this business case and gave approval to proceed with the procurement phase of the project.

A total of \$2.1 million has been budgeted for VicHealth's new grants, stakeholder and project management system, to be spent over 2018–19 and 2019–20, with \$0.19 million spent in the 2018–19 financial year. In recent years, VicHealth has had a financial strategy to increase its cash and other reserves to fund acquisition of the new system.

Supporting the implementation of the new core system is the delivery of a range of business improvement projects in the areas of project planning, delivery, monitoring, recording and reporting associated with VicHealth's grants and programs' key business processes and procedures. These business improvement projects will deliver efficient and effective new ways of working, integrated with the new core system.

Cutover to the new fully integrated system is expected in April 2020.

People Strategy

As a reflection of the importance for VicHealth, a small independent statutory authority, to attract and retain staff and capture and maintain intellectual property, VicHealth launched its People Strategy in 2018–19 for the next three years. Our People Strategy identifies the ways VicHealth will support, develop and enhance each of the three organisational key enablers which are culture, capability and capacity, focusing on such matters as workplace wellbeing, organisational culture, change management, learning and development, internal communications and improvement in the clarity and efficiency of approvals processes.

VicHealth Board

The VicHealth Board members during the year were:

Ms Fiona McCormack, Chair

(Leave of absence: 10 December 2018 – 10 June 2019)

Fiona McCormack was the Chief Executive Officer of Domestic Violence Victoria, the peak body for family violence services for women and children in Victoria, until June 2019, before taking up the position of Victims of Crime Commissioner in early July.

During a career spanning more than 20 years, Ms McCormack has worked at the forefront of community change in Victoria, with a focus on changing systems to improve outcomes for women and children at risk of family violence and highlighting the impact of gender on population health outcomes.

Ms McCormack has provided advice to governments through a number of high-profile advisory committees at state and national levels.

Internationally recognised as an expert in her field, she has presented at many high-profile forums, including the Victorian Royal Commission into Family Violence as well as a number of Senate Committees and United Nations forums.

With a background in social sciences, Ms McCormack also has extensive experience in community health – particularly working with culturally and linguistically diverse communities – as well as education, training and policy development.

**Dr Sally Fawkes, Deputy Chair
(Acting Chair 10 December 2018 – 10 June 2019)**

Dr Sally Fawkes is a senior academic at La Trobe University where she coordinates health professional doctorates and postgraduate health promotion studies. She is an academic adviser to the Australian Futures Project hosted by La Trobe: a multisector, non-profit initiative striving to make 'long-termism' easier. She holds a Bachelor of Science, Master of Business Administration and a PhD in health policy. Dr Fawkes is a technical adviser for the World Health Organization and has been on the faculty of the WHO health leadership development program, ProLead, since 2004.

She is serving a third term as an elected member of the Governance Board of the WHO-affiliated International Network of Health Promoting Hospitals and Health Services, and was instrumental in establishing the Victorian chapter, now a national network.

Dr Fawkes' research, teaching and professional work emphasise the application of foresight, systems thinking and health promotion in public sector governance, strategy and administration. Her active fields of interest include leadership and foresight practice to improve health in Asia and the Pacific, and health literacy and urban health in the context of the UN Sustainable Development Goals. She is a regular reviewer for national and international journals and is editorial adviser to *Cities & Health*. Dr Fawkes has previously worked for the WHO Regional Office for Europe, Victorian Healthcare Association and several universities and teaching hospitals. She has held board appointments with Women's Health Victoria and community health services.

**Mr Nick Green, OAM
(Acting Deputy Chair 10 December 2018 – 10 June 2019)**

Nick Green is an experienced leader who has worked in senior roles across global corporate, national sport and public sector organisations. He is currently the Industry Practice Leader for Aon, a global provider of risk management, insurance and professional services. Before this role, Mr Green was the Chief Executive Officer of Cycling Australia and Group Manager of Acquisition and Development at the Victorian Major Events Company (now Visit Victoria).

Mr Green has served as President of the Victorian Olympic Council from 2005–2016, an Executive Board Member of the Australian Olympic Committee (2005–2017), and a Fellow and Director of Leadership Victoria (2014–2016).

Mr Green has attended eight 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 founding member of the 'Oarsome Foursome'.

**Professor Margaret Hamilton, AO
(1 July 2018 – 9 November 2018)**

Professor Hamilton has over 45 years' experience in the public health field, specialising in alcohol and drugs, including clinical work, education and research. She has a background in social work and public health and was the Founding Director of Turning Point Alcohol and Drug Centre in Victoria and Chair of the Multiple and Complex Needs Panel in Victoria. More recently, she has been a member of the Civil Society Task Force on Drugs contributing to UN consideration of international drug policy. She is now a member of the Mental Health Tribunal and has been appointed to chair the Review Panel for the Medically Supervised Injecting Facility in Victoria and the Board of the National Centre for Clinical Research on Emerging Drugs.

She served as an Executive member of the Australian National Council on Drugs and on the Prime Minister's Council on Homelessness. She is a member of Cancer Council Victoria and retired as President in 2015.

Professor Hamilton holds an honorary position at the University of Melbourne.

Mr Ben Hartung

Ben Hartung is currently the Acting Group Manager of Insights and Strategy at Sport and Recreation Victoria.

Mr Hartung has served on the Board of VicHealth since October 2016. He served on the Board of the Sports Federation of Victoria (Vicsport) during November 2012 – November 2017 as well as on the boards of Commonwealth Games Australia and the Australian Commonwealth Games Foundation during March 2017 – November 2018.

Mr Hartung held various senior executive positions, including a period as interim Chief Executive Officer, at Hockey Australia from 2014 to 2019. He was the CEO of Hockey Victoria from 2008 to 2014, and prior to this was the Event Manager at the Australian Grand Prix Corporation. His more than 20 years' experience in sports administration and teaching also includes roles as a physical education and psychology teacher in secondary schools.

Thriving on continual education, Mr Hartung has completed a Bachelor of Arts, Graduate Diploma in Education, Graduate Diploma in Sports Science, Graduate Diploma of Sports Management, Master of Sport Management and a Graduate Diploma in Sports Law. He has also completed the Performance Leaders Program at the Australian Institute of Sport.

Sport has been a lifelong passion for Mr Hartung: he has been actively involved in many sports as a player, coach and administrator for over 35 years.

Mr Hartung is committed to creating healthy, safe, welcoming and inclusive sporting and recreational environments for all.

Ms Veronica Pardo
(1 July 2018 – 9 November 2018)

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 of 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.

Mr Simon Ruth
(1 July 2018 – 9 November 2018)

Simon Ruth is CEO of Thorne Harbour Health (formerly the Victorian AIDS Council). He has more than 20 years of experience in the fields of AIDS and HIV awareness, advocacy and treatment, alcohol, drug treatment and Indigenous services, youth work and community development.

Ms Stella Smith
(4 September 2018 – 30 June 2019)

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, with 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 enhance opportunities for community engagement.

Mr Stephen Walter

Stephen Walter is a senior corporate affairs professional with over 35 years' experience in corporate communications, stakeholder relations, marketing and business development gained through the public and private sectors. He is currently principal and owner of Persuade Consulting. Previous to this, he was Chief of Staff and Head of Corporate Affairs at Australia Post, where he was a member of 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 advisory services to Opera Australia.

Ms Sheena Watt
(4 September 2018 – 30 June 2019)

Sheena Watt is a public health advocate and company director. Ms Watt, a proud Yorta Yorta woman, is a board member of Progressive Public Health Australia and until recently was a board member of the Centre for Australian Progress and the Queen Elizabeth Centre. She is a member of the Clinical Governance Committee at Merri Health and the Policy and Programs Task Group at Women's Health Victoria.

Ms Watt is the Executive Manager of the Aboriginal and Torres Strait Islander Policy & Programs at AFL SportsReady and Fellow of the Centre for Sustainability Leadership. With a career background in Aboriginal and multicultural affairs, Ms Watt has particularly focused on health equality, clinical governance and workforce reform.

Ms Watt was recently recognised as a Top 50 Australian Advanced Not-For-Profit Governance Leader.

The Members of Parliament appointed to the Board are:

The Hon. Wendy Lovell, MP (1 July 2018 – 11 April 2019)

Wendy Lovell has represented the Northern Victoria Region as a Liberal Party member in the Victorian Legislative Council since 2002 and served as Minister for Housing and Minister for Children and Early Childhood Development from 2010 until 2014. She is currently the Deputy President of the Legislative Council.

Through her role as a regional Member of Parliament and her former ministerial responsibilities, Ms Lovell has developed a strong interest in maternal and child health as well as health outcomes of rural and regional communities.

Prior to entering parliament, Ms Lovell enjoyed a career in small business as a newsagent and is well known for her commitment to community service and strong advocacy for her region.

Ms Natalie Suleyman, MP (1 July 2018 – 11 April 2019)

Natalie Suleyman is the State Member for St Albans.

In 2019, Ms Suleyman was appointed Chair of the Victorian Legislative Assembly's Legal and Social Issues Committee. Ms Suleyman is also the Co-convenor of the Victorian Parliamentary Friends of Poland and the Secretary of the Victorian Parliamentary Friends of Turkey.

In 2018, Ms Suleyman was honoured to be a recipient of the Knight's Cross of the Order of Merit of the Republic of Poland.

Previously, Ms Suleyman served as a local councillor at Brimbank City Council, including three terms as mayor. She was awarded a Certificate of Outstanding Service – Mayor Emeritus by the Municipal Association of Victoria and received the Victorian Multicultural Award for Excellence – Local Government.

The opening of the new Joan Kirner Women's and Children's Hospital was a major achievement for Ms Suleyman, who worked closely with the community to deliver the health and medical precinct for Melbourne's west.

Table 6: VicHealth Board attendance register

Board	No. of meetings attended in 2018–19	Eligible meetings in 2018–19
Ms Fiona McCormack, ⁽¹⁾ Chair 1 July 2018 – 30 June 2019	3	6
Dr Sally Fawkes 1 July 2018 – 30 June 2019	6	6
Mr Nick Green OAM 1 July 2018 – 30 June 2019	5	6
Prof Margaret Hamilton AO 1 July 2018 – 9 November 2019	1	2
Mr Ben Hartung 1 July 2018 – 30 June 2019	6	6
The Hon. Wendy Lovell, MP 1 July 2018 – 11 April 2019	3	5
Ms Veronica Pardo 1 July 2018 – 9 November 2018	2	2
Mr Simon Ruth 1 July 2018 – 9 November 2018	2	2
Ms Stella Smith 4 September 2018 – 30 June 2019	4	5
Ms Natalie Suleyman, MP 1 July 2018 – 11 April 2019	2	5
Ms Stephen Walter 4 September 2018 – 30 June 2019	5	6
Ms Sheena Watt 4 September 2018 – 30 June 2019	4	5
Mr Peter Moloney (Board adviser and Chair of Finance, Audit and Risk Committee)	3	4

(1) Ms McCormack was on leave of absence from 10 December 2018 to 10 June 2019.

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 2018–19	Eligible meetings in 2018–19
Mr Peter Moloney, Chair 1 July 2018 – 30 June 2019 Independent	4	4
Ms Joanne Booth 1 July 2018 – 30 June 2019 Independent	4	4
Ms Kerry Bradley 1 July 2018 – 30 June 2019 Independent	4	4
Mr Nick Green OAM 1 July 2018 – 30 June 2019 Board member	4	4
Mr Simon Ruth 1 July 2018 – 9 November 2018 Board member	1	1
Mr Adam Todhunter 1 July 2018 – 30 June 2019 Independent	4	4

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

Table 8: Workforce and Remuneration Committee members and attendance register

Workforce and Remuneration Committee	No. of meetings attended in 2018–19	Eligible meetings in 2018–19
Dr Sally Fawkes, Chair 28 August 2018 – 30 July 2019 Board member	4	4
Ms Fiona McCormack ⁽¹⁾ Chair: 1 July 2018 – 27 August 2018 Deputy Chair: 28 August 2018 – 30 June 2019 Board member	4	4
Ms Veronica Pardo 1 July 2018 – 9 November 2018 Board member	1	4
Mr Stephen Walter 1 July 2018 – 30 June 2019 Board member	3	4

(1) Ms McCormack was on leave of absence from 10 December 2018 to 10 June 2019.

Core Systems Replacement Project Steering Committee

VicHealth established an internal Core Systems Replacement Project Steering Committee in 2018–19 to oversee the governance, procurement, development and implementation of VicHealth’s new \$2.1 million grants, stakeholder and project management system, which will replace its ageing legacy systems. This committee comprises internal leaders of VicHealth as well as external experts in IT governance, change management and the core systems provider; it was also supported throughout the procurement phase with external advice from KPMG and the Victorian Government Solicitor’s Office. The committee reports to both the Executive Management Team and the Finance, Audit and Risk Committee.

Advisory Governance Framework

The VicHealth Advisory Governance Framework outlines VicHealth’s decision-making processes regarding the provision of programs, research and grants. The principles provide VicHealth, stakeholders and the community with confidence that the processes are efficient, financially responsible and are meeting the objectives, policies and strategic plans of VicHealth.

The Advisory Governance Framework comprises three distinct groups that make recommendations to the VicHealth CEO. These groups are established as required to examine specific health promotion and prevention issues, and consist of:

- expert panels – to examine key strategic matters that affect the pillars of the Action Agenda for Health Promotion
- taskforces – to investigate and provide operational and implementation advice on key strategic priorities and high-profile community health issues
- assessment panels – to determine funding recommendations and/or review major funding/grant, and/or procurement proposals.

During 2018–19 the following groups were convened:

Expert panels

Arts Roundtable

Taskforces

Alcohol

Healthy Eating

Leading Thinkers Behavioural Insights & Gender Equality

Mental Wellbeing

Physical Activity

Quit Review

Research Grants Review

SunSmart Investment Review

Assessment panels

Active Club Grants

Active Women and Girls Sport Partnership Review

ARC Linkage and NHMRC Partnership Research Grant

Gender Equality Arts in Community

Impact Research Grants

Innovation Challenge: Physical Activity

Sustainable Development Goals Grants – Stage 2

Vicsport Review

In addition to these taskforces and panels, 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.

To further these aims, VicHealth has an established Employee Wellbeing and OHS Committee. This committee comprises staff from across the organisation to act as an employee consultation group by undertaking the following tasks and functions:

- providing an avenue for employee consultation relating to wellbeing and OHS
- promoting employee wellbeing and OHS
- delivering employee health and wellbeing activities/topics.

Our performance against key OHS indicators during the past two financial years is summarised in Table 9.

Table 9: Performance against OHS management measures

Measure	Indicator	2018–19	2017–18
Incidents	No. of incidents	1	3
	No. of hazards reported	0	1
Claims	No. of standard claims	0	1
	No. of lost time claims	0	1
	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.

In further support of this, VicHealth has established a Diversity and Inclusion Committee comprising employee representatives from all groups of the organisation.

As part of our diversity commitment, we have engaged employees and recognised experts in the development and updating of a range of diversity and inclusion documents, including:

- the Diversity and Inclusion Framework and Disability Action Plan, which have recently been formally launched
- the draft Innovate Reconciliation Action Plan, which VicHealth is currently working on with Reconciliation Australia to achieve endorsement
- the Equity, Diversity and Inclusion Policy, which was finalised in early 2019.

We participated in the People Matter Survey, which collected information on staff perception of inclusion, diversity and equity within the VicHealth workplace, and used the survey results to inform action plans to work on identified key areas for improvement.

Public administration values and employment principles

VicHealth continues to implement the directions of the Commissioner for Public Employment relating to upholding public sector conduct, managing and valuing diversity, managing underperformance, reviewing personal grievances and selecting on merit.

VicHealth regularly reviews its suite of detailed employment policies, including policies relating to grievance resolution, recruitment, performance management, learning and development, management of conflicts of interest and gifts, benefits and hospitality.

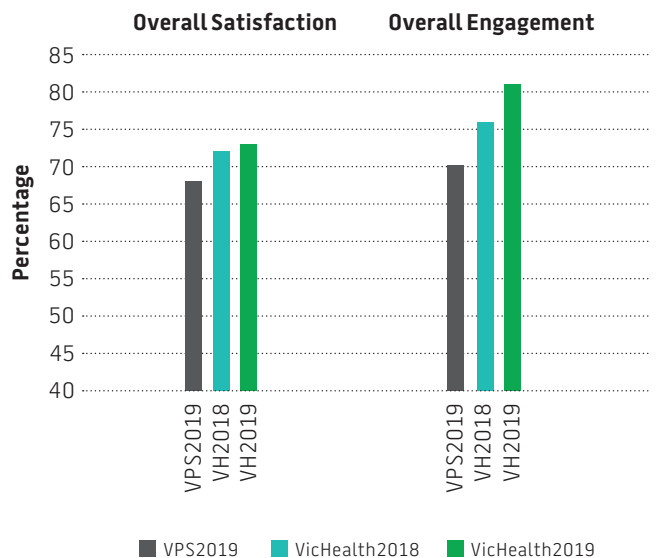
In support of the above, VicHealth continues to embed its staff-driven Employee Culture Charter. The Charter outlines four principles that set the cultural and professional standards to which we all commit and expect other employees to demonstrate. The four principles are: Trust, Challenge, Accountability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

VicHealth workplace

VicHealth participates in the annual People Matter Survey, commissioned by the Victorian Public Sector Commission. VicHealth strives to be an employer of choice by implementing various strategies to provide employees with rewarding and challenging careers, offer workplace flexibility and provide a workplace that embraces a diverse and inclusive culture.

The staff satisfaction and engagement results for 2019 are summarised in Graph 6. It is pleasing that there continues to be an upward trend in VicHealth's results and that VicHealth's results are better than the VPS average. It has been especially pleasing this year to score 81 per cent on overall engagement (up from 76 per cent in 2018) and 73 per cent on overall satisfaction (up from 72 per cent in 2018).

Graph 6: Results from the People Matter survey



Workforce data

Table 10 describes the profile of VicHealth's workforce.

Table 10: Workforce data

	All employees				Ongoing						Fixed term & casual			
	Number (HC)		FTE		Full-time (HC)		Part-time (HC)		FTE		Number (HC)		FTE	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Gender														
Male	15	18	14.5	17.5	11	15	3	2	13.5	16.6	1	1	1	0.9
Female	56	59	48	47.8	24	25	21	24	38.8	41.2	11	10	9.2	6.6
Self-described	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Age														
15–24	0	2	0	1.4	0	0	0	0	0	0	0	2	0	1.4
25–34	18	16	17.2	14.8	11	11	2	3	12.4	12.8	5	2	4.8	2
35–44	27	31	22.8	24.9	13	14	9	14	19	23.3	5	3	3.8	1.6
45–54	17	19	14.5	16.9	6	11	9	5	12.9	14.7	2	3	1.6	2.2
55–64	9	9	8	7.3	5	4	4	4	8	7	0	1	0	0.3
65+	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VicHealth EA														
Grade A	2	3	1.6	2.2	0	0	2	2	1.6	1.6	0	1	0	0.6
Grade B	1	1	.6	0.8	0	0	1	0	.6	0	0	1	0	0.8
Grade C	10	13	9.4	12	7	9	2	3	8.4	11	1	1	1	1
Grade D	37	33	33.2	28.5	19	18	12	13	27.8	27.2	6	2	5.4	1.3
Grade E	21	21	17.7	16.5	9	9	7	6	13.9	12.7	5	6	3.8	3.8
Grade F	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total VicHealth EA (A–F Grade)	71	71	62.5	60	35	36	24	24	52.3	52.5	12	11	10.2	7.5
Senior employees														
Executives ⁽ⁱ⁾	6	6	4.7	5.3	3	4	2	2	4.7	5.3	1	0	1	0
Total senior employees	6	6	4.7	5.3	3	4	2	2	4.7	5.3	0	0	0	0
Total other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total employees	77	77	67.2	65.3	38	40	26	26	57	57.8	12	11	10.2	7.5

Notes:

(i) Executives includes the Accountable Officer (CEO).

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

'Ongoing employees' means people engaged in an open-ended contract of employment and executives engaged on a standard executive contract who were active in the last full pay period of June.

'FTE' means full-time staff equivalent.

'HC' means headcount.

The headcounts exclude those persons on leave without pay 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).

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 11 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 11: Breakdown of executive officers

	June 2019				June 2018			
	Male	Female	Self-described	Vacancies	Male	Female	Self-described	Vacancies
Chief Executive Officer	0	1	0	0	0	1	0	0
Executive Managers	2	1	0	0	2	1	0	0
Executive Leads	0	2	0	0	0	2	0	0
Total	2	4	0	0	2	4	0	0

Table 12: Reconciliation of executive numbers

		2018–19	2017–18
	Executives with remuneration over \$100,000	5	5
<i>Add</i>	Vacancies (Table 11)	0	0
	Executives employed with total remuneration below \$100,000	0	0
	Accountable Officer (Chief Executive Officer)	1	1
<i>Less</i>	Separations	0	0
	Total executive numbers at 30 June	6	6

A summary of executive remuneration is contained in the Financial Statements (Note 8.3).

The role of Chief Executive Officer was held by Ms Jerril Rechter during 1 July 2018 – 15 March 2019. Dr Lyn Roberts AO became Acting Chief Executive Officer for the period 18 March 2019 – 30 June 2019. Ms Jerril Rechter was remunerated as an employee of VicHealth; however, Dr Lyn Roberts AO was remunerated as a consultant during her tenure as Acting Chief Executive Officer.

Section 4: Other disclosures

Consultancies

Table 13 details the consultancies valued more than \$10,000 that were engaged in the last financial year.

Table 13: Details of consultancies over \$10,000 (excluding GST)

Consultant	Purpose of consultancy ⁽ⁱ⁾	Total approved project fee (\$'000)	2018–19 actual expenditure (\$'000)	Future expenditure (\$'000) ⁽ⁱⁱ⁾
Antinomies	Communications consulting	25	25	-
Common State	Communications consulting	20	20	-
Corvus Group	Human resources consulting services	129	129	-
Demand IT	Business and system consulting services	12	12	-
FiveP Australia	Business and system consulting services	25	25	-
KPMG	Business and system consulting services	280	280	-
LR Associates	Business consulting services	230	230	-
RMIT University	Business consulting services	10	10	-
Stellar Partnerships	Business consulting services	17	17	-
The Coaching Panel	Business consulting services	50	50	-
Triskele Labs	Business consulting services	11	11	-
Victorian Government Solicitor's Office	Legal services	15	15	-

Note: Consultancy agreements cover the period 1 July 2018 to 30 June 2019. Unless otherwise indicated, there is no ongoing contractual commitment to these consultants. These consultants may be engaged beyond June 2019 as required.

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

Details of consultancies under \$10,000

In 2018–19, there were 26 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during the financial year in relation to these consultancies was \$72,000 (excluding GST).

Information, communication and technology (ICT) expenditure

Details of ICT expenditure during the financial year were:

Table 14: ICT expenditure during 2018–19 (excluding GST)

Expenditure	(\$'000)
Business as Usual ICT expenditure	1,295
Non-Business as Usual ICT expenditure Total = A + B	652
Non-Business Operational expenditure A	590
Non-Business as Usual Capital expenditure B	62

Advertising expenditure

In the last financial year, VicHealth delivered one campaign for which the media expenditure was greater than \$100,000 (see Table 15).

Table 15: Advertising expenditure during 2018–19 (excluding GST)

Campaign	
Name of campaign	This Girl Can – Victoria
Campaign summary	A statewide mass media campaign – including sports sponsorships and local area government funding – 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	2/12/2018 – 30/6/2019
Advertising (media) (\$'000)	\$1,000
Creative and campaign development (\$'000)	\$236
Research and evaluation expenditure (\$'000)	\$400
Other campaign expenditure (\$'000)	\$1,863

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
15–31 Pelham Street
Carlton VIC 3053
Phone: (03) 9667 1333

Additional information about how to lodge an FOI request is available from the VicHealth website:
<https://www.vichealth.vic.gov.au/about/policies-and-procedures/freedom-of-information-policy>

VicHealth received one Freedom of Information request in the reporting period, which resulted in the release of requested documentation with some redactions.

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:
www.vichealth.vic.gov.au/about/policies-and-procedures/protected-disclosure-procedure

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/au in machine-readable format. VicHealth will progressively release other data in the future as it becomes available.

Victorian Industry Participation Policy

VicHealth abides by the requirements of the Victorian Industry Participation Policy (VIPPP) in its procurement practices. VIPPP requirements must be applied to tenders of \$3 million or more in metropolitan Victoria and \$1 million or more in rural Victoria.

During the financial reporting period, no tenders or contracts fell within the scope of the VIPPP.

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 2018–19, VicHealth continued to operate in an environmentally sustainable manner by:

- using AFS and PEFC certified recycled paper where the paper supplier contributes to the planting of two 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.

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
15–31 Pelham Street
Carlton VIC 3053
Phone: (03) 9667 1333

Attestation of compliance with Ministerial Standing Direction 5.1.4.

I, Fiona McCormack, Board Chair on behalf of the Responsible Body, certify that VicHealth has complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions for the year ended 30 June 2019.



Fiona McCormack
Chair of the Board

3 September 2019