

Executive Briefing: Short-Term Cuts and Victorian Patient Safety – Public Release

For boards, the Secretary, Department of Health, and professional colleges

Prepared by A/Prof J. Oliver Daly | 28 October 2026

Purpose

This briefing gives senior leaders a verified, decision-ready summary of how recurrent short-term savings interact with Victoria's patient safety system, and why Safer Care Victoria (SCV) and VAHI have limited ability to drive improvement. Full evidence and sources are in the companion detailed report.

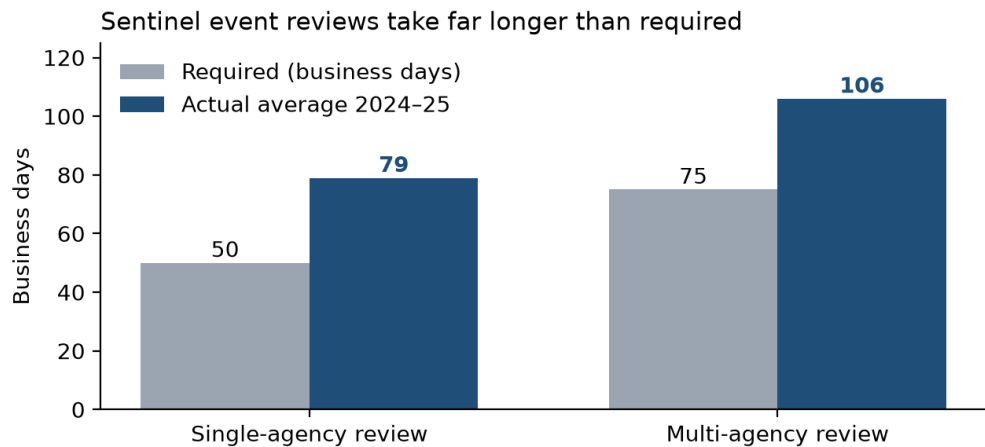
Bottom line

- Victoria's safety system is not meeting its own rules. In 2024–25, 26% of sentinel events were notified on time, and reviews took 79 and 106 business days against 50 and 75 ([SCV](#)).
- Savings are being taken repeatedly, at short notice, from the functions that detect and learn from harm. These functions are not counted as "frontline".
- The savings involved are small next to the cost of avoidable harm, so the approach is likely a false economy. It cannot be proven or disproven while service-level data stays unpublished.
- SCV can review and recommend; action depends on boards, the Secretary and the Minister. Escalation decisions are not visible ([AMA Victoria](#); [performance monitoring framework](#)).
- Budget directions go to every service in writing. Safety interventions are rare and case by case. Formal action on a cluster of deaths or serious morbidity is documented publicly only twice, and none was found for a service that was an outlier on a safety indicator.

What the evidence shows

Issue	Verified fact	Source
Budget pattern	2024 model budgets with cuts, breakeven demands and no further top-ups; Monash asked for about \$200m	VHA ; The Age
Hospital finances	More than \$1bn in combined deficits in 2023–24; Goulburn Valley at –7 days cash	ABC
Department capacity	FTE excluding SCV 2,279 → 2,029 (June 2025 to June 2027); savings targets \$96.6m and \$108.1m	DH questionnaire
Notification	217 sentinel events; 61% involved a death; 26% notified within 3 business days	SCV
Investigation	45% overdue in a leaked quarter; 80–100% at some large services	Border Mail
Public reporting	Quality accounts permanently ceased, citing resourcing pressures	SCV
Information	VAHI absorbed into the department (2021); now the eHealth division. The former eHealth Deputy Secretary reports a “40% reduction in FTE” after a Deloitte affordability review. By January 2025 the Data Request Hub could no longer process new requests from outside the department	VAHI ; SCV ; Emerson ; PAEC ; VAHI hub

Issue	Verified fact	Source
Powers	SCV is an administrative office responsible to the Secretary; the Secretary holds s 42 direction powers	Statement of Expectations; HSA s 42



Source: Safer Care Victoria, Sentinel Events Annual Report 2024-25

Figure 1. Sentinel event review timeliness, 2024-25. Source: [SCV](#).

About the earlier analysis

The SafetyVsBudget analysis is sound on direction but not on its numbers. Its \$261.0m saved / \$406.2m lost / \$145.2m net figures, and its liquidity projections for local networks, are model outputs from assumed inputs (detailed report, Section 1, validation table). Its claims that "leaked files prove" the loss and that duty of candour carries financial penalties are not supported. Its Treasury memo reference is a template and is not genuine. Leaders should not cite these figures as fact.

How the powers have been used

Lever	Verified public record	Source
Financial directions	The Secretary and the Minister wrote to all boards in May 2024 requiring them to operate within budget. Budget action plans had to break even by 30 June 2025. Funded activity was cut, and small rural services were asked to give up to 70% of their cash reserves.	PAEC; VHA
Hospitals Victoria	Operational from 19 August 2024, with a "more assertive role in the financial sustainability of the system". Quality is led elsewhere in the department.	DH Annual Report 2024-25
Board delegates and monitors	Yarram (2021), Albury Wodonga (2022), Mildura (2025) and cohealth (monitor, 2026; the review recommended dismissing the board). Gazette notices state no reasons.	Gazette; Gazette; Gazette; Premier
Board dismissal	Djerriwarrh, 2015, after a perinatal mortality cluster. This is the only case found.	VAGO 2016
Response to clusters of harm	Djerriwarrh deaths (delegate, investigation, board dismissal). Albury Wodonga recall of about 2,000 colonoscopy patients, 2023.	VAGO 2016; SCV

Lever	Verified public record	Source
Response to safety indicators	No public example of a tier change, direction, suspension or funding consequence for a service that was an outlier on a mortality, morbidity or complication indicator.	PMF 2024–25
s 42 directions	Used, for example for influenza vaccination of staff in 2022. None found for a safety failure.	Secretary directions

Resourcing and safety

- **Nurse staffing:** Queensland ratio legislation was associated with lower odds of death (OR 0.89) ([McHugh et al., Lancet 2021](#)).
- **Crowding:** hospital overcrowding and occupancy of 100% or more were each associated with higher 7-day mortality (HR 1.3) ([Sprivulis et al., MJA 2006](#)). Mortality rises with delays to admission beyond 5 hours ([Jones et al., EMJ 2022](#)).
- **Cost of harm returns:** Victoria's public hospital medical indemnity premium is \$380.9m in 2025–26, up 26.4%, and claims frequency rose 47% over four years ([VMIA](#)).

Why SCV and VAHI have not been enabled

- **Dependency:** SCV relies on health services to notify and investigate, on boards to implement, and on the Secretary and Minister to enforce ([AMA Victoria](#); [SCV](#)).
- **No sanctions:** the CQSO can review, require documents and enter premises ([Landers](#)), but cannot direct or penalise.
- **Invisible escalation:** the [2026–27 framework](#) allows escalation up to board dismissal, but service tiers and safety directions are not published.
- **Shrinking transparency:** quality accounts have ended, sentinel event reports are de-identified ([DH QON](#)), and SCV reviews of individual services are not routinely published.
- **Overload:** SCV is absorbing the Health Complaints Commissioner and new statewide functions ([SCV Annual Plan 2026–27](#)).

Recommended actions

For	Action
Boards	Treat quality, risk, incident review and data roles as safety-critical; require a safety impact assessment before any Budget Action Plan cut; report review timeliness and overdue recommendations at every meeting
Secretary and department	Publish quarterly service-level timeliness and SDC compliance; publish performance tiers and safety directions; state the reasons for each board delegate or monitor appointment; align the 30- and 50-day standards; move to multi-year funding envelopes
Government and Parliament	Legislate SCV as an independent statutory authority with its own appropriation; reinstate a lean public quality account; publish SCV and CQSO reviews by default
Professional colleges	Seek pre-election commitments from both parties; support members who escalate safety concerns; advocate for an independent health information function

Decision sought

Endorse the principle that safety-critical oversight functions are protected from short-term savings, and commission a published safety impact assessment of the 2025-27 savings measures.