

# Planned Surgery in Victoria

August 2025

Independent assurance report to Parliament  
2025–26:2



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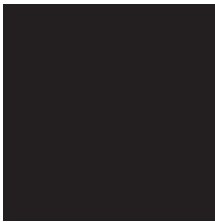
The Hon Shaun Leane MLC  
President  
Legislative Council  
Parliament House  
Melbourne

The Hon Maree Edwards MP  
Speaker  
Legislative Assembly  
Parliament House  
Melbourne

Dear Presiding Officers

Under the provisions of the *Audit Act 1994*, I transmit my report *Planned Surgery in Victoria*.

Yours faithfully



Andrew Greaves  
Auditor-General  
13 August 2025

The Victorian Auditor-General's Office (VAGO) acknowledges the Traditional Custodians of the lands and waters throughout Victoria. We pay our respects to Aboriginal and Torres Strait Islander communities, their continuing culture, and to Elders past and present.

Contents

Audit snapshot..... 1

1. Our key findings..... 2

2. Our recommendations ..... 7

3. Performance against the plan's targets ..... 8

4. Public surgeries in private hospitals and additional facilities for planned surgeries..... 14

5. Appendices..... 18

# Audit snapshot

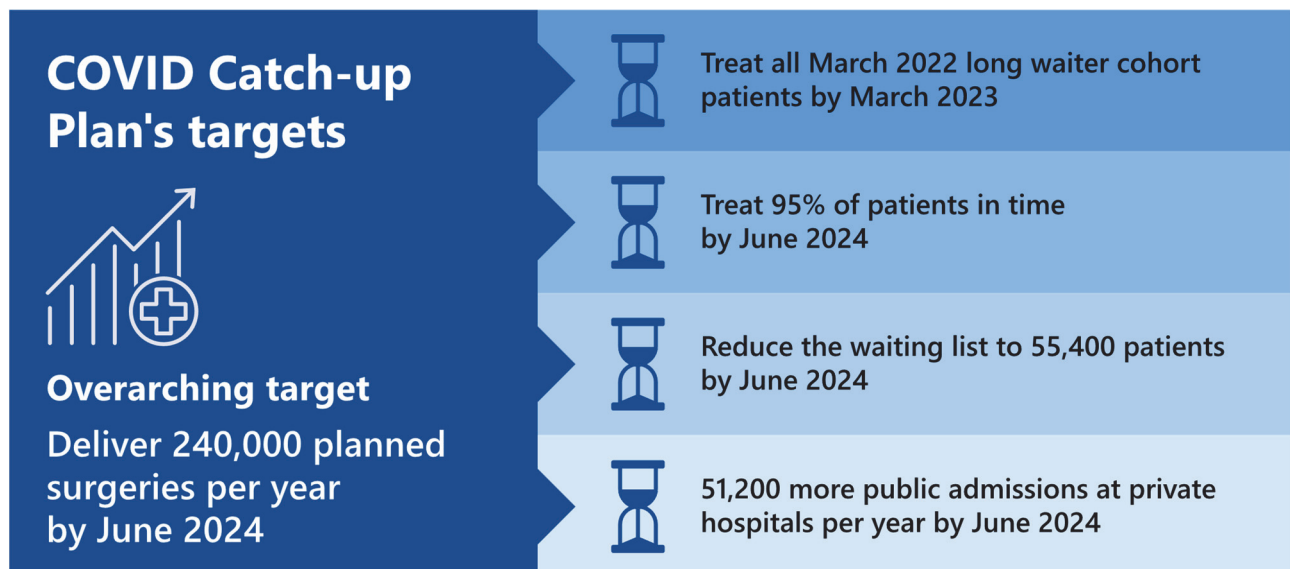
## Did the COVID Catch-up Plan for planned surgery deliver its intended outcomes?

### Why we did this audit

During the COVID-19 pandemic many planned surgeries were deferred to increase the health system's capacity to respond to the health emergency. This led to growing waiting lists. In April 2022 the government allocated \$1.5 billion to the COVID Catch-up Plan (the plan). The plan aimed to improve the health system's capacity to deliver planned surgeries and address the backlog from the pandemic. The Department of Health (the department) delivered the plan.

We did this audit to see if the plan delivered its intended outcomes.

### Key background information



Source: VAGO, based on the plan.

### What we concluded

The plan increased the number of planned surgeries and reduced the backlog caused by the pandemic.

In 2023–24 the department delivered 209,925 planned surgeries, compared with the target of 240,000. Around two-thirds of this shortfall was mainly because fewer public surgeries were delivered in private hospitals than expected.

The department:

- reduced the waiting list by 30,958 patients (35 per cent), from 88,434 in March 2022 to 57,476 by June 2024. This was 4 per cent short of the target of 55,400
- aimed to treat 95 per cent of patients within clinically recommended timeframes. It did not meet this target but it improved from 72 per cent in March 2022 to 83 per cent by June 2024
- did not meet the target to treat all patients who had been on the waiting list for longer than the recommended timeframe by March 2023. However, 96 per cent of these patients were treated by June 2024.

The plan came in \$356.4 million under budget. This was mainly because fewer private hospitals partnered with public health services to deliver surgeries than the department planned and budgeted for. The department reallocated just under half of this funding to help health services recover after the pandemic.

The plan is finished and was primarily designed to target the backlog from the pandemic and improve planned surgery performance. However, rapid access hubs and planned surgical centres established under the plan will continue to operate.



# 1.

## Our key findings

### What we examined

Our audit followed 2 lines of inquiry:

1. Did the Department of Health (the department) deliver all elements of the COVID Catch-up Plan (the plan)?
2. Were the plan's outcomes achieved?

To answer these questions, we examined the department and the following health services:

- Alfred Health, which runs Sandringham Hospital rapid access hub
- Northern Health, which runs Northern Hospital Epping rapid access hub
- Peninsula Health, which runs Frankston Public Surgical Centre
- St Vincent's Hospital, which runs St Vincent's Hospital on the Park rapid access hub.

#### Terms used in this report

**Planned surgeries** are surgeries that are booked in advance. They can be delayed for at least 24 hours. In contrast, emergency surgeries are unplanned and cannot be delayed.

**Procedures** include surgical and non-surgical activities. While surgeries usually involve an incision, non-surgical procedures are generally less invasive. Some of the plan's rapid access hubs deliver non-surgical procedures such as endoscopies.

**Clinically recommended timeframes** are the waiting times that the *National Elective Surgery Urgency Categorisation* recommends for planned surgeries. Waiting times are based on the following urgency categories:

- Category 1 surgeries are considered urgent and should be done within 30 days. These surgeries include procedures such as mastectomies, neonatal surgery, limb amputations and biopsies.
- Category 2 surgeries are considered semi-urgent and should be done within 90 days. These include procedures such as heart valve replacements and nerve decompression surgery.
- Category 3 surgeries should be delivered within one year. These surgeries include procedures such as tonsillectomy, non-emergency hip replacements and non-cosmetic rhinoplasties.

**Non-surgical treatment pathways** are evidence-based treatments that divert or delay the need for surgery, or interventions to improve patients' health before, during and after surgery.

**March 2022 long waiter cohort** refers to a group of patients who were on the planned surgery waiting list for longer than the clinically recommended timeframe as at March 2022.

### COVID Catch-up Plan

During the COVID-19 pandemic the department paused non-urgent surgeries. This led to Victorians waiting longer for care.

The number of patients on the planned surgery waiting list increased by 73 per cent from approximately 51,000 in January 2020 to 88,434 by March 2022.

The proportion of patients treated within clinically recommended timeframes decreased from over 90 per cent in June 2019 to 72 per cent by March 2022.

To reduce the backlog and waiting times the government allocated \$1.5 billion to the plan. The plan also aimed to increase the public health system's ongoing capacity to deliver planned surgery.

The plan was launched on 3 April 2022 and ran to 30 June 2024.

The plan's initiatives

As Figure 1 shows, the plan had 15 initiatives under 5 components.

Figure 1: The plan's initiatives

Component	Initiatives
Maximise public activity and throughput	<ul style="list-style-type: none"><li>• Increase after-hours surgeries and twilight activity</li><li>• Expand same-day surgery/procedure room activity in all major metro and regional health services</li><li>• Establish rapid access hubs to deliver low-complexity, high-volume procedures</li><li>• Establish the Surgical Equipment Innovation Fund to modernise and replace surgical equipment</li><li>• Increase high-intensity throughput activity (an additional initiative funded in 2023–24 from the plan's underspend)</li></ul>
Maximise private capacity	<ul style="list-style-type: none"><li>• Transform Frankston Private Hospital into a public surgical centre dedicated to planned surgery</li><li>• Transform Bellbird Private Hospital in Blackburn into a public surgical centre dedicated to planned surgery</li><li>• Establish public-in-private contracts to create extra capacity in the public system</li></ul>
Rapid patient prioritisation and assessment	<ul style="list-style-type: none"><li>• Establish surgery recovery patient support units in ESIS-reporting* health services</li><li>• Enable evidence-based non-surgical treatment pathways</li></ul>
Workforce expansion	<ul style="list-style-type: none"><li>• Upskill nurses in surgical ward nursing and post-recovery care</li><li>• Upskill additional theatre sterilisation technicians</li><li>• Recruit healthcare workers through an international strategy</li></ul>
Delivery pillars	<ul style="list-style-type: none"><li>• Establish a surgery recovery and reform taskforce and a chief surgical advisor</li><li>• Establish delivery and innovation teams at ESIS-reporting sites</li></ul>

Note: \*ESIS stands for Elective Surgery Information System.  
Source: VAGO, based on the plan's business case.

Public-in-private surgery

A public-in-private surgery is when public surgeries take place in private facilities under an agreed contract between the services.

Throughput

For planned surgery, throughput refers to the number of patients who were admitted as planned for surgery from the waiting list.

The plan's overarching target

The plan's overarching target was to deliver 240,000 planned surgeries per year by June 2024. This is 40,000 more than the public health system delivered in 2018–19 before the pandemic.

The plan intended for this target to be ongoing each financial year. However, the government reduced it to 210,000 for the 2024–25 financial year to align with 2023–24 activity levels.

The plan's targets

The plan had the following targets:

- 51,200 more public admissions at private hospitals per year by 30 June 2024
- treat all March 2022 long waiter cohort patients by 31 March 2023
- treat 95 per cent of patients within clinically recommended timeframes by 30 June 2024
- reduce the waiting list to 55,400 patients by 30 June 2024.



Some initiatives also had their own targets, including around 15,000 expected procedures for 2 new public surgical centres in Frankston and Blackburn.

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## What we found

This section focuses on our key findings, which fall into 3 areas:

1. The department increased the number of planned surgeries and reduced the waiting list, but did not fully meet the plan's targets.
2. The shortfall against the overarching target was mainly from the public-in-private initiative.
3. The plan delivered additional facilities for planned surgeries, but their current and future impact on the health system's performance is unclear.

The full list of our recommendations, including agency responses, is at the end of this section.

### Consultation with agencies

When reaching our conclusions, we consulted with the audited agencies and considered their views.

You can read their full responses in Appendix A.

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## Key finding 1: The department increased the number of planned surgeries and reduced the waiting list, but did not fully meet the plan's targets

### Overarching target

In 2023–24 the department delivered 209,925 planned surgeries, compared with the plan's target of 240,000.

The 2023–24 result is 5 per cent higher than the 198,996 surgeries delivered in 2018–19. But it falls 13 per cent short of the plan's target.

### Waiting list target

At the beginning of the plan in March 2022, there were 88,434 patients on the waiting list for planned surgery. The plan aimed to reduce the number of patients on the waiting list to 55,400 by June 2024.

The department was close to meeting this target. The number of patients on the waiting list decreased to 57,476 by June 2024, which is a reduction of 30,958 patients.

### Treatment timeframes target

The plan aimed to increase the proportion of patients treated within the clinically recommended timeframes to 95 per cent.

While the department did not meet this target, it did increase the proportion treated from 72 per cent in March 2022 to 83 per cent in June 2024.

### March 2022 long waiter cohort target

The March 2022 long waiter cohort included 42,478 patients who had been on the waiting list for longer than the clinically recommended timeframe as at March 2022.

The plan aimed to treat all the patients in this cohort by March 2023. Health services treated 75 per cent of these patients by 31 March 2023. By June 2024 there were still 1,699 on the waiting list.

The department told us that as at May 2025 there were 583 March 2022 long waiter cohort patients waiting for surgery.

## Target for Frankston Public Surgical Centre

The plan had an initiative to convert Frankston Private Hospital into a public surgical centre. Peninsula Health runs the centre, which was fully operational from July 2023.

The plan aimed for the centre to deliver 9,000 procedures per year in 2023–24.

The centre did not meet this target, but it did improve Peninsula Health's overall performance. The centre delivered 6,053 planned surgeries in 2023–24, compared with 2,809 in 2022–23.

The shortfall against the target was mainly because the centre was not fully operational until July 2023, which was about 4 months behind schedule. The department told us this was due to capital works delays, COVID-19 and industrial action.

Peninsula Health also told us the modelling the department used to set the target did not adequately consider:

- workforce factors
- some patients having more than one procedure per session
- patients cancelling surgeries at short notice or not being fit to have the surgery on the day
- the requirement to re-screen existing waitlisted patients, which took extra time, to confirm suitability for their procedure at the public surgical centre.

The department told us that Peninsula Health was closely consulted in establishing the Frankston Public Surgical Centre, including the procedural capacity of the site.

## Target for Blackburn Public Surgical Centre

The plan had an initiative to convert Bellbird Private Hospital in Blackburn to a public surgical centre. Eastern Health runs the centre.

The plan aimed for the centre to deliver 5,760 surgeries per year until June 2024. But it delivered 1,519 surgeries, comprising 877 surgeries in 2022–23 and 642 surgeries in 2023–24.

The centre opened in October 2022 with 2 theatres. But it closed:

- between January and February 2023 due to flood damage
- from October 2023 to June 2024 to add 2 more theatres and refurbish its facilities.

It reopened with 4 theatres in January 2025. This was 7 months after the plan ended.

While the plan initially intended for the centre to be short term, it is now a permanent site that Eastern Health acquired and uses for general surgeries and gynaecology procedures.

## Elective Surgery Information System monitoring information

The department collects performance data about planned surgeries through the Elective Surgery Information System (ESIS). ESIS contains data about planned surgeries and waiting lists from Victorian health services.

There are some health services that do a small number of planned surgeries each year that do not report into ESIS. As these health services received minimal funding under the plan, we do not consider this impacts the reliability of the department's reporting against the plan's targets.

While ESIS adequately captures planned surgery activity funded under the plan, there is no single complete data source for all Victorian planned surgery activities.

## Addressing this finding

To address this finding we made 2 recommendations to the department about:

- working with relevant health services to make sure all public planned surgeries in Victoria are captured in ESIS
- actively monitoring the status of the March 2022 long waiter cohort patients and working with health services to ensure patients ready for surgery are treated as soon as practicable.

## Key finding 2: The shortfall against the overarching target was mainly from the public-in-private initiative

Public health services often contract private hospitals to deliver public surgeries. Public-in-private surgeries increase the public health system's capacity to deliver timely and high-quality procedures.

The plan had an initiative to increase the number of partnerships between public and private hospitals. Its target was to increase public admissions in private hospitals by 51,200 admissions by June 2024.

From April 2022 to June 2024, 20 public health services entered into public-in-private contracts with private providers. This was fewer contracts than the department expected. The department told us the shortfall in contracts was mainly because private hospitals:

- faced similar system pressures to the public health system and prioritised their own backlogs from the pandemic
- quoted costs that were too high
- only requested low-complexity patients.

As a result, these contracts only led to 31,209 additional public-in-private surgery admissions.

The shortfall of around 20,000 admissions was about two-thirds of the shortfall against the plan's overarching target.

The department only paid private providers after they delivered the procedures they agreed to in their contracts. The shortfall in admissions meant the department did not spend as much on this initiative as it planned. It reallocated this funding to public health services and a new initiative, which we discuss in Section 4.

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## Key finding 3: The plan delivered additional facilities for planned surgeries, but their current and future impact on the health system's performance is unclear

The plan delivered 12 rapid access hubs and the Frankston and Blackburn public surgical centres. But their impact on the system's performance is unclear.

The department estimated these facilities could deliver just under 28,000 planned surgeries each year. The department engaged with health services, including through performance monitoring meetings. But:

- it could not directly report on the hubs' performance
- the surgical centres did not achieve their targets under the plan.

How these facilities contribute to the health system's performance in the future depends on factors such as funding, how and when they are used, and the system's future needs.

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# 2.

## Our recommendations

We made 2 recommendations to address our findings. The Department of Health has accepted the recommendations in full or in principle.

### Agency response

**Finding: The Department of Health increased the number of planned surgeries and reduced the waiting list, but did not fully meet the plan's targets**

Department of Health	1	Work with relevant health services to make sure all public planned surgeries delivered in Victoria are captured in the Elective Surgery Information System (see Section 3).	Accepted in principle	Orange
	2	Actively monitor the status of the March 2022 long waiter cohort patients and work with health services to ensure patients ready for surgery are treated as soon as practicable (see Section 3).	Accepted	Green

# 3.

## Performance against the plan's targets

The plan reduced the waiting list and backlog from the pandemic, but the department did not fully meet its key targets.

Health services delivered 209,925 planned surgeries in 2023–24. This is an increase of 5 per cent from before the pandemic in 2018–19. But it is around 30,000 fewer than the plan's target of 240,000.

Under the plan the number of patients on the waiting list decreased by 35 per cent from 88,434 in March 2022 to 57,476 in June 2024. The department was close to reaching its target of 55,400 patients remaining on the list in June 2024.

The department increased the proportion of patients treated within recommended timeframes from 72 per cent in March 2022 to 83 per cent in June 2024. But this was less than the plan's target of 95 per cent.

The department did not treat all the March 2022 long waiter cohort by March 2023. At 31 March 2023, 25 per cent of these patients were still waiting for treatment.

The department did not meet its planned surgery targets for the 2 new public surgical centres by June 2024. But these centres are now fully operational.

Covered in this section:

- ESIS adequately captures planned surgery activity funded under the plan, but does not capture activity among health services that complete low levels of planned surgeries
- The department reached 87 per cent of its overarching target for planned surgeries in 2023–24
- The department reduced the number of patients on the waiting list but fell just short of the plan's target
- More patients are being treated within clinically recommended timeframes
- The number of March 2022 long waiter cohort patients decreased
- The plan's 2 public surgical centres did not meet their targets but are now fully operational

## ESIS adequately captures planned surgery activity funded under the plan, but does not capture activity among health services that complete low levels of planned surgeries

### ESIS monitoring information

Twenty-three health services in Victoria use ESIS, including all major metropolitan health services.

A further 34 public health services deliver planned surgeries but do not use ESIS.

These 34 health services do a small number of planned surgeries each year and got minimal funding under the plan. We consider any impact of ESIS not capturing these surgeries to be negligible on the department's results against the plan's targets.

But more broadly, there is no complete, single information source for all Victorian planned surgery activities.

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## The department reached 87 per cent of its overarching target for planned surgeries in 2023–24

### Overarching target

The plan's overarching target was to deliver 240,000 planned surgeries per year by June 2024. This target was based on the following sub-targets:

- 51,200 public-in-private surgeries during the plan
- 17,000 planned surgeries per month at public health services.

In 2023–24, the department delivered 209,925 planned surgeries. While this fell short of the plan's overarching target, it is an increase of 5 per cent compared with 198,996 surgeries in 2018–19 before the pandemic.

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### Private-in-public surgeries

Private hospitals delivered 31,209 private-in-public surgeries during the plan, compared to the target of 51,200.

This shortfall was the main reason the department did not meet the plan's overarching target.

We discuss the reasons why the department did not meet this sub-target in Section 4.

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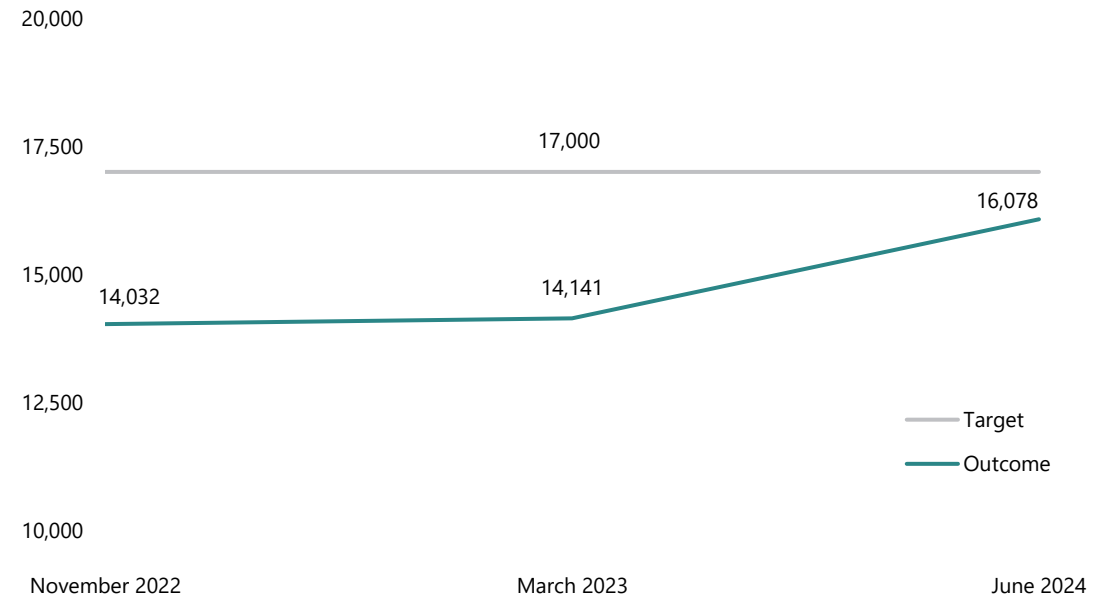
### Surgeries in public health services

Under the plan, the department aimed to deliver 17,000 public planned surgeries per month.

As Figure 2 shows, the number of surgeries increased from 14,032 per month in November 2022 to 16,078 in June 2024.



**Figure 2:** Public planned surgeries per month from November 2022 to June 2024



Source: VAGO, based on data from the department.

## The department reduced the number of patients on the waiting list but fell just short of the plan's target

### Waiting list target

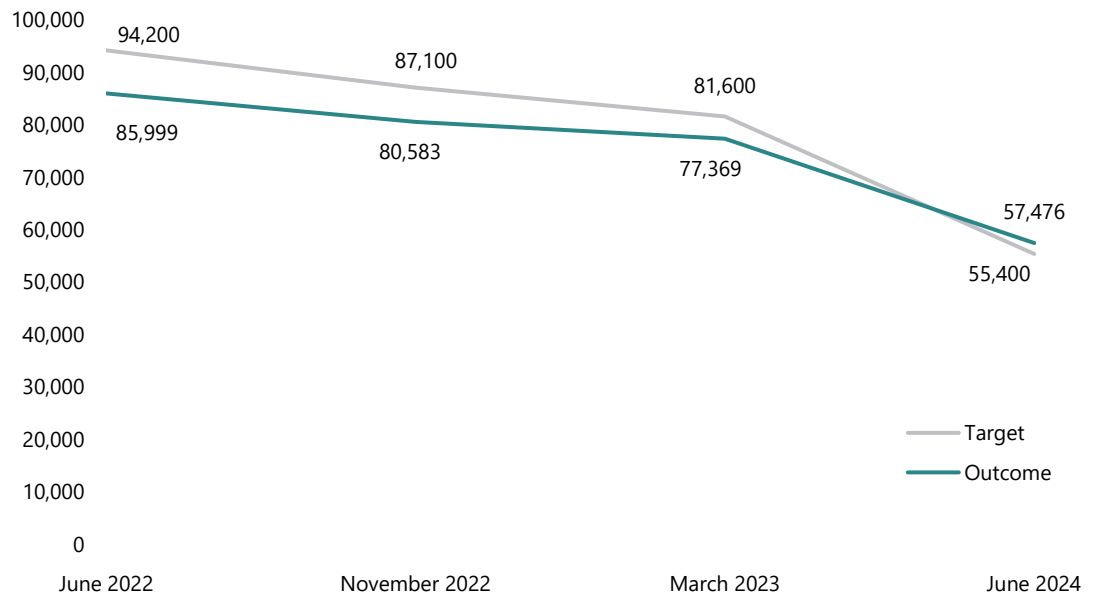
The waiting list for planned surgeries increased from 51,000 in January 2020 to 88,434 in March 2022 while the department and health services redistributed resources to respond to the pandemic.

Under the plan, the department aimed to reduce the waiting list to 55,400.

### Result against the target

As Figure 3 shows, the planned surgery waiting list decreased to 57,476 patients by June 2024. While this was 4 per cent below the plan's target, the number of patients on the list substantially decreased from March 2023.

**Figure 3:** Number of patients on the planned surgery waiting list from June 2022 to June 2024



Source: VAGO, based on data from the department.

## More patients are being treated within clinically recommended timeframes

### Clinically recommended timeframes and target

The department follows clinically recommended waiting times for planned surgeries. It bases these timeframes on how urgent the surgery is. The waiting times for planned surgery are:

- within 30 days for urgent surgery (category 1)
- within 90 days for semi-urgent surgery (category 2)
- within 365 days for non-urgent surgery (category 3).

Patients who do not receive surgery within the recommended timeframe may experience worsening health and less successful surgical outcomes.

The proportion of patients treated within clinically recommended timeframes was 72 per cent in March 2022.

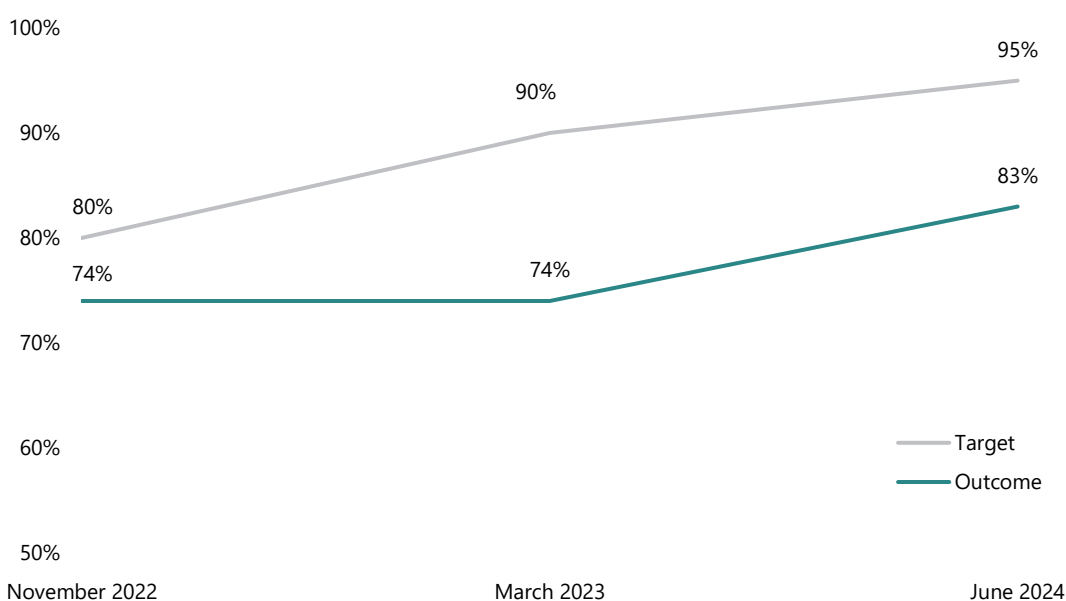
Under the plan, the department aimed to treat 95 per cent of patients within clinically recommended timeframes across all categories by June 2024.

### Result against the target

The department increased the proportion of patients treated within clinically recommended timeframes, but it did not reach the target.

As Figure 4 shows, the proportion of patients treated within clinically recommended timeframes increased to 83 per cent by June 2024. But the department fell short of its June 2024 target by 12 per cent.

**Figure 4:** Proportion of patients treated within clinically recommended timeframes from November 2022 to June 2024



Note: The department did not set a target for June 2022. Targets were set for November 2022, March 2023 and June 2024.  
Source: VAGO, based on data from the department.

## The number of March 2022 long waiter cohort patients decreased

### March 2022 long waiter cohort

Due to the pause in planned surgeries during the pandemic, there were 42,478 patients who had been on the waiting list for longer than the recommended timeframe as at March 2022.

The department refers to these patients as the March 2022 long waiter cohort.

The plan had a target to get all these patients off the waiting list by March 2023.

### Result against the target

The plan had the following targets for the March 2022 long waiter cohort patients:

- treat 12,000 patients by June 2022
- treat 31,500 patients by November 2022
- treat all remaining patients by March 2023.

The department treated 14,091 patients by June 2022, which exceeded the target. However, at March 2023 there were still 10,672 patients on the waiting list.

In June 2024 there were 1,699 patients on the waiting list. This means the department still had not met its target over 15 months after the scheduled completion date. The department told us at May 2025 there were 583 March 2022 long waiter cohort patients waiting for surgery.

## The plan's 2 public surgical centres did not meet their targets but are now fully operational

### Target for Frankston Public Surgical Centre

Under the plan, Frankston Private Hospital was converted into a public surgical centre. Peninsula Health runs the centre.

The plan had a target for the centre to deliver 9,000 procedures per year when it was fully operational in 2023–24. But Peninsula Health told us it only delivered 6,053 procedures in 2023–24.

Peninsula Health told us that delays in building 2 additional operating theatres at the centre was the main reason it did not meet the target. Other reasons for the delays include the impact of COVID-19 and industrial action. The theatres were fully operational in July 2023, rather than February 2023 as intended.

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#### Issues with Frankston's target

Peninsula Health told us the modelling the department used to set the plan's target did not adequately consider:

- workforce factors
- some patients having more than one procedure per session
- patients cancelling surgeries at short notice or not being fit to have the surgery on the day
- the requirement to re-screen existing waitlisted patients, which took extra time, to confirm suitability for their procedure at the public surgical centre.

Peninsula Health also told us that having the public surgical centre had an unintended adverse impact on its main facility Frankston Hospital's ability to achieve its set targets. Frankston Hospital is the biggest public hospital that Peninsula Health runs.

Peninsula Health moved high volumes of low-complexity surgeries from Frankston Hospital to the public surgical centre. As a result, the hospital now does more complex surgeries, which uses more resources.

The department told us both sites operate to their clinical capability level. It said Frankston Hospital is more suitable for complex surgeries and the public surgical centre for less complex surgeries.

The department told us that Peninsula Health was closely consulted in establishing the Frankston Public Surgical Centre, including the procedural capacity of the site.

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#### Target for Blackburn Public Surgical Centre

Under the plan, the department converted Bellbird Private Hospital into a public surgical centre. Eastern Health runs the centre, which first opened in October 2022.

The plan had a target for the centre to deliver 5,760 procedures per year until June 2024. However, the centre closed in January and February 2023 due to flood damage.

Between February 2023 and October 2023, it was open with 2 theatres in operation. It closed again between October 2023 and June 2024 to construct 2 additional theatres. It reopened with 2 theatres in June 2024.

While the centre was closed Eastern Health relocated procedures to its other facilities. Due to the closure, Eastern Health did not finish setting up the centre's 2 additional operating theatres until January 2025. This was 7 months after the plan finished.

As a result, the centre only delivered:

- 877 planned surgeries in 2022–23
- 642 planned surgeries in 2023–24.

The plan intended for the centre to be a short-term initiative. It was only meant to operate from October 2022 to June 2024. But it is now a permanent site, which Eastern Health uses for general surgeries and gynaecology procedures.

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# 4.

## Public surgeries in private hospitals and additional facilities for planned surgeries

The plan had an initiative to increase the number of public surgery admissions in private hospitals. Nearly half of the plan's budget was allocated to this initiative.

However, fewer private hospitals entered into contracts with public health services than the department expected. The initiative fell short of its target by 19,991 admissions. This represents around two-thirds of the shortfall against the plan's overarching target of 240,000 surgeries in 2023–24.

The department reallocated most of the unspent funding from this initiative to other initiatives and to help health services meet cost pressures from the pandemic. There was \$185.95 million of leftover funding, which the department did not distribute to health services.

The plan's 12 hubs and 2 public surgical centres are expected to deliver around 28,000 procedures each year. But their impact on the health system's performance is unclear.

Covered in this section:

- The plan's public-in-private initiative did not meet its target
- The department reallocated part of its budget from the public-in-private initiative
- The current and future impact of the plan's hubs and surgical centres on the health system's performance is unclear

### The plan's public-in-private initiative did not meet its target

**Public-in-private surgery initiative** Public health services regularly contract the private sector to deliver public surgeries using private resources and facilities.

Public-in-private surgeries can increase the public health system's capacity to deliver timely and high-quality surgical care.

Under the plan, the department aimed to increase the number of public-in-private contracts between public health services and private hospitals. It expected these contracts would lead to an additional 51,200 patient admissions over the course of the plan.

#### Contracts and admissions

From April 2022 to June 2024, 20 public and private hospitals entered into public-in-private contracts. Over the course of the plan these contracts led to 31,209 admissions, which was 61 per cent of the plan's June 2024 sub-target of 51,200.

The department told us the shortfall in contracts was because private providers:

- faced similar system pressures to public health services and prioritised their own backlogs from the pandemic
- quoted costs that were too high
- requested only low-complexity patients.

The department also told us that many private hospitals did not deliver the number of procedures agreed to in their contracts.

#### Strategies to address underperformance

The department explored 2 strategies to address underperforming public-in-private contracts. The strategies considered:

- paying for public surgeons and anaesthetists to deliver public surgeries in private hospitals' operating theatres, while the private hospital managed post-surgery care
- setting up central hubs to allocate patients to large private providers.

The department told us it trialled the first strategy. However, it did not increase public-in-private admissions as intended. The department did not proceed with the central hubs strategy.

## The department reallocated part of its budget from the public-in-private initiative

#### Budget revisions and leftover funding

Figure 5 shows the department's budget, spending and underspending for the plan's public-in-private initiative.

**Figure 5:** Public-in-private initiative budget

Initial budget	Budget revised in 2021–22	Funding reallocated to other initiatives	Actual spend in June 2024 on public-in-private surgeries
\$718.0 million	\$473.9 million	\$244.1 million	\$152.0 million

Note: The department allocated \$3.7 million for a new initiative that was not part of the plan's original business case to support high-intensity throughput activity.

Source: VAGO, based on data from the department.

Overall, the plan was under budget. The department:

- spent \$356.4 million less than it budgeted on the plan (in addition to minor overspending and underspending on other initiatives)
- reallocated \$155.5 million to help health services meet cost pressures from the pandemic.

This resulted in \$185.95 million of leftover funding that the department did not distribute to health services.



#### Initiative to support high-intensity throughput

The department has used part of the unspent funding on a new initiative to support high-intensity throughput activity. This initiative aims to:

- make the health system more efficient by improving surgical throughput
- fund projects to make operating theatres more efficient
- deliver high-intensity theatre lists, which maximise the number of procedures a health service delivers by grouping together similar types of surgeries or patients.

This initiative has already led to some health services developing high-intensity theatres lists and incorporating them as part of their standard practice.

For example, Austin Health reduced its orthopaedic waiting list by 10 per cent during its 'Bone and Joint Week' in January 2023. The hospital ran a second week in 2024 and third in 2025 with similar results.

Some health services have adopted similar approaches for other activities, such as dedicating resources to paediatric procedures during school holidays.

From June 2023 to June 2024 the high-intensity throughput initiative supported 5,894 procedures, including 560 high-intensity throughput events, and treated 1,324 March 2022 long waiter cohort patients.

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## The current and future impact of the plan's hubs and surgical centres on the health system's performance is unclear

#### Rapid access hubs

Rapid access hubs are facilities within a health service that are dedicated to planned surgeries.

The plan initially aimed to establish 8 hubs. In 2023–24, the government announced 4 additional hubs, bringing the total to 12 hubs. The department delivered all 12 hubs by 2023–24.

Rapid access hubs can deliver an increased number of planned surgeries and procedures by:

- protecting theatre capacity from emergency demand
- offering alternate care pathways
- reducing waiting times for low-risk, high-volume procedures.

The department intended for these hubs to be ongoing beyond the plan's completion date. It expects the hubs will deliver up to 12,900 procedures per year.

However, the department told us it is not easy for health services to report the number of planned surgeries their hubs deliver when the hub is part of an existing facility. Instead, most health services include their hubs' performance in their overall performance reporting.

The department engaged with health services through regular performance monitoring meetings. But neither the department nor the health services could directly report on the hubs' performance.

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#### Frankston and Blackburn public surgical centres

The Frankston Public Surgical Centre had a target to deliver 9,000 surgeries per year under the plan. However, it delivered 8,862 procedures over the plan's 2-year timeframe.

The centre is unlikely to meet its internal target of 7,425 procedures for 2024–25. It delivered 4,584 procedures from 1 July 2024 to 28 February 2025.

The plan aimed for the Blackburn Public Surgical Centre to deliver 5,760 surgeries per year until June 2024. However, it only delivered 1,519 surgeries.

Both centres have continued to operate beyond June 2024. However, the impact that they will have on the health system's performance is unclear. This is due to uncertainty regarding ongoing resourcing, existing capacity and future needs.

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# 5.

## Appendices

There are 3 appendices covering responses from audited agencies and information about how we perform our work.

**Appendix A: Submissions and comments**

**Appendix B: Abbreviations, acronyms and glossary**

**Appendix C: Audit scope and method**

# Appendix A:

## Submissions and comments

We have consulted with the Department of Health, Alfred Health, Northern Health, Peninsula Health and St Vincent's Hospital and we considered their views when reaching our audit conclusions. As required by the *Audit Act 1994*, we gave a draft copy of this report, or relevant extracts, to those agencies and asked for their submissions and comments.

Responsibility for the accuracy, fairness and balance of those comments rests solely with the relevant agency head.

### Responses received

Agency	Page
Department of Health	A-2
Peninsula Health	A-5



Secretary

Department of Health

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Melbourne Victoria 3000  
Telephone: 1300 650 172  
GPO Box 4057  
Melbourne Victoria 3001  
[www.health.vic.gov.au](http://www.health.vic.gov.au)  
DX 210081

BAC-CO-56910

Mr Andrew Greaves  
Auditor-General  
Victorian Auditor-General's Office  
Via e-mail: [REDACTED]

Dear Mr Greaves

**VAGO Proposed Report: *Planned Surgery in Victoria***

Thank you for your letter of 8 July 2025 providing the Proposed Report for the *Planned Surgery in Victoria* performance audit.

I welcome the findings and recommendations in the Proposed Report Planned Surgery in Victoria). I am pleased to provide you with my department's actions in response to the audit report recommendations enclosed with this letter at **Attachment 1**.

The \$1.5 billion COVID Catch-Up Plan was essential in both reducing the backlog of surgical care that was deferred by the pandemic response and improving the state's surgery system, well after the Plan concluded. In addition to the achievements outlined in the Proposed Report, the following initiatives have been pivotal in enhancing the health system's capacity for long-term impact:

- **Appointing a Chief Surgical Adviser** to provide expertise and leadership on behalf of Victoria's surgical community.
- **Investing in surgical equipment and theatre upgrades** across 35 metropolitan and regional health services through the Surgical Equipment Innovation Fund, enabling greater theatre efficiency to support health services in delivering more surgeries.
- **Establishing Patient Support Units** in 23 health services to provide non-surgical treatment pathways and other interventions to optimise the health of patients before, during and after surgery. By October 2024, this initiative had supported over 28,000 patients. In 2025-26, Patient Support Units have been established at an additional five health services.
- **Increasing access to same-day surgeries**, which has saved over 10,000 bed days and \$33.2 million in bed day costs in 2023-24.

The Plan also laid the foundation for the [Planned Surgery Reform Blueprint](#) (the Blueprint), which was delivered in October 2023 and outlines the department's plan to continue improving planned surgery in Victoria. The 10 reforms identified in the Blueprint build on work that is already underway across the state, and will help to continue driving long-term, sustainable changes to planned surgery. This will mean more Victorians can access the care they need, when they need it.

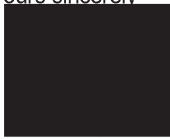


As a result of the Plan's foundational work and Blueprint reforms, I am pleased to report that Victoria's health services have continued to increase the number of patients seen within clinically recommended time and deliver record numbers of surgery year on year. In 2024-25, Victoria has once again exceeded the admissions target of 210,000 surgeries.

I would like to take this opportunity to thank Victorian health services for their continued commitment and enthusiasm to improving the planned surgery system and delivering high quality care to all Victorians. I also thank your staff for their collaborative approach to this audit alongside my department.

Should further information be required, please contact Aleco Lazaridis, Executive Director, Planned Care Recovery and Reform via email at [REDACTED].

Yours sincerely



**Jenny Atta PSM**  
Secretary  
21/07/2025

**Attachment 1:** Department of Health action plan: *Planned Surgery in Victoria*



**Department of Health action plan to address recommendations from *Planned surgery in Victoria***

No.	VAGO recommendation	Acceptance	Agreed management actions	Target completion date
1	The Department of Health work with relevant health services to ensure all public planned surgeries delivered in Victoria is captured in the Elective Surgery Information System (ESIS).	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input checked="" type="checkbox"/> In principle	Since the completion of the COVID Catch-up Plan, the ESIS Expansion Project, led by the department, has already resulted in additional reporting health services reporting to ESIS. One health service commenced reporting in 2024-25, with a further seven sites commencing in 2025-26.  This expansion will bring the total coverage of public planned surgery activity from 87% to over 90%.  The department agrees in principle to bring all public planned surgery and procedural activity into ESIS to achieve 100% coverage over the coming years, noting implementation is contingent on government policy and funding decisions.	1 July 2025
2	The Department of Health actively monitor the status of the March 2022 long waiter cohort patients and work with health services to ensure patients ready for surgery are treated as soon as practicable.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input type="checkbox"/> In principle	The department continues to work with health services to identify the reasons for delay for the March 2022 long waiter cohort and plan to provide the appropriate care to the long waiting patients.	30 June 2026

**OFFICIAL**



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Phone (03) 9784 8211  
[Redacted]

21 July 2025

Mr Andrew Greaves  
Auditor-General  
Victoria Auditor-General's Office  
Level 31/35 Collins Street  
Melbourne Vic 3000

Dear Mr Greaves

**Proposed Report: Planned Surgery in Victoria**

Thank you for your letter of 8 July 2025 providing Peninsula Health with the opportunity to comment on the proposed report Planned Surgery in Victoria.

Peninsula Health welcomes the findings and note there are no recommendations for Peninsula Health. Furthermore, Peninsula Health would like to elaborate regarding the commentary on page 6 and 14 regarding the modelling used to determine the targets. Peninsula Health confirms that they worked closely with the department on the modelling to develop the proposal and in setting targets, however, did not adequately consider the variables as listed in the findings when determining the targets.

Peninsula Health would like to take the opportunity to provide an update on the Frankston Public Surgical Centre (FPSC) activity for 24-25 (page 17). Peninsula Health has considerably improved activity performance at FPSC in the 4<sup>th</sup> quarter and exceeded the 4<sup>th</sup> quarter target overall achieving 7,322 against a target of 7,425.

I would like to take this opportunity to thank VAGO for the way in which the audit was conducted and feel the report presents the information we have provided fairly and accurately.

Yours sincerely



**Jana Gazarek**  
**Acting Chief Executive**

Copied to: [Redacted]

# Appendix B:

## Abbreviations, acronyms and glossary

**Abbreviations** We use the following abbreviations in this report:

Abbreviation	Full spelling
the department	Department of Health
the plan	COVID Catch-Up Plan

**Acronyms** We use the following acronyms in this report:

Acronym	Full spelling
ESIS	Elective Surgery Information System
VAGO	Victorian Auditor-General's Office

**Glossary** The following terms are included in or relevant to this report:

Term	Explanation
Level of assurance	<p>This is a measure of the confidence we have in our conclusions. The quality and quantity of evidence we obtain affects our level of assurance.</p> <p>We design our work programs with the information needs of our report users in mind. We consider if we need to provide them with reasonable assurance or if a lower level of assurance may be appropriate.</p>
Limited assurance	<p>We obtain less assurance when we rely primarily on an agency's representations and other evidence generated by that agency. However, we aim to have enough confidence in our conclusion for it to be meaningful. We call these types of engagements <b>assurance reviews</b> and typically express our opinions in negative terms. For example, 'nothing has come to our attention to indicate there is a problem.'</p> <p>See our <a href="#">assurance services fact sheet</a> for more information.</p>
Reasonable assurance	<p>We achieve reasonable assurance by obtaining and verifying direct evidence from a variety of internal and external sources about an agency's performance. This enables us to draw a conclusion against an objective with a high level of assurance. We call these <b>performance audits</b>.</p> <p>See our <a href="#">assurance services fact sheet</a> for more information.</p>

# Appendix C:

## Audit scope and method

### Scope of this audit

**Who we examined**

We examined the following agencies:

Agency	Their key responsibilities
The department	<ul style="list-style-type: none"><li>• Manages the Victorian healthcare system</li><li>• Advises the government on health strategies, policies, planning and funding allocation</li><li>• Oversees health services' performance</li><li>• Led and coordinated the plan's delivery</li></ul>
Alfred Health	Operates Sandringham Hospital rapid access hub
Northern Health	Operates Northern Hospital Epping rapid access hub
St Vincent's Hospital	Operates St Vincent's Hospital on the Park rapid access hub
Peninsula Health	Operates Frankston Public Surgical Centre

**Our audit objective**

Did the COVID Catch-up Plan for planned surgery deliver its intended outcomes?

**What we examined**

We examined if the department delivered all the plan's initiatives and if the plan achieved its outcomes. This involved:

- reviewing business cases, progress reports, strategic plans, evaluations and annual reports
- reviewing evidence to confirm if the plan's initiatives were successfully delivered or not
- interviewing key stakeholders to understand:
  - how effectively the plan was rolled out
  - if the plan's impacts aligned with its objectives
- reviewing relevant data systems, planned-surgery-related data, performance measures and guidance and engaging with the department's data analytics staff
- assessing if the plan was delivered on budget.

**Planned surgery reform blueprint**

The department released the *Planned Surgery Reform Blueprint* in October 2023.




The blueprint sets out a systematic approach to reforming planned surgery in Victoria. It aims to make enduring positive changes that promote timely and equitable access to high-quality care.

The blueprint was not part of the plan and we did not assess it during this audit.




**Aspects of performance examined**

Our mandate for performance audits and reviews includes the assessment of economy, effectiveness, efficiency and compliance (often referred to as the '3Es + C').

In this audit we focused on the following aspects:

Economy	Effectiveness	Efficiency	Compliance
			

Key:

-  Primary focus
-  Secondary focus
-  Not assessed

## Conducting this audit

### Assessing performance

To form a conclusion against our objective we used the following lines of inquiry and associated evaluation criteria.

Line of inquiry	Criteria
1. Did the department deliver all the elements of the plan?	<p>1.1 All aspects of the plan were delivered:</p> <ul style="list-style-type: none"> <li>as planned</li> <li>against intended timelines</li> <li>on budget.</li> </ul>
2. Were the plan's outcomes achieved?	<p>2.1 Target numbers of planned surgeries were delivered within the specified timeframe.</p> <p>2.2 The number of planned surgery patients treated within clinically recommended timeframes has increased, including those receiving non-surgical alternatives.</p> <p>2.3 The number of patients on the planned surgery waiting list has decreased.</p> <p>2.4 The number of patients waiting longer than clinically recommended has decreased.</p> <p>2.5 The plan increased the health system's capacity to deliver planned surgeries.</p>

### Our methods

As part of the audit we:

- reviewed relevant governance structures, policies, guidelines and evaluation reports related to the plan
- assessed reported performance and spending against the plan's business case, budget submissions and related government media releases
- requested key performance data and output results and validated them against relevant databases
- interviewed the department's staff about their administration and reporting on the plan, including their data collection and presentation methods
- interviewed audited health services and reviewed supporting documents about their:
  - delivery of the plan's components
  - ongoing capacity to deliver planned surgeries
- reviewed audited health services' reported performance against the planned surgery targets set in their statements of priorities and analysed trends.

#### Level of assurance

In an assurance review, we primarily rely on the agency's representations and internally generated information to form our conclusions. By contrast, in a performance audit, we typically gather evidence from an array of internal and external sources, which we analyse and substantiate using various methods. Therefore, an assurance review obtains a lower level of assurance than a performance audit (meaning we have slightly less confidence in the accuracy of our conclusion).

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#### Compliance

We conducted our audit in accordance with the *Audit Act 1994* and ASAE 3500 *Performance Engagements* to obtain reasonable assurance to provide a basis for our conclusion.

We complied with the independence and other relevant ethical requirements related to assurance engagements.

We also provided a copy of the report to the Department of Premier and Cabinet and the Department of Treasury and Finance.

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#### Cost and time

The full cost of the audit and preparation of this report was \$920,000.

The duration of the audit was 11 months from initiation to tabling.

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# Auditor-General’s reports tabled in 2025–26

Report title	Tabled
<i>Delivering Savings Under the COVID Debt Repayment Plan</i> (2025–26: 1)	July 2025
<i>Planned Surgery in Victoria</i> (2025–26: 2)	August 2025

All reports are available for download in PDF and HTML format on our website at [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

# Our role and contact details

## The Auditor-General's role

For information about the Auditor-General's role and VAGO's work, please see our online fact sheet [About VAGO](#).

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## Our assurance services

Our online fact sheet [Our assurance services](#) details the nature and levels of assurance that we provide to Parliament and public sector agencies through our work program.

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## Contact details

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