

2025-2026

Engineering Infrastructure Replacement Program and Medical Equipment Replacement Program

FAQs



Revision History

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1 General

1.1 How much funding is available in 2025-26?

The Victorian Government announced in the 2025-26 State Budget \$61.75 million for the Engineering Infrastructure Replacement Program and \$52.25 million for the Medical Equipment Replacement Program which focus on replacing existing end-of-life, critical, high-risk assets that are essential to maintaining life and safety and ensuring service continuity for acute and subacute services in public hospitals.

1.2 What is in-scope for funding?

The **High Value Statewide Replacement Fund** - is available for in-scope assets over \$200,000 (excluding GST) that carry high risk in terms of service provision. In 2026 allocation of high-value funds will include direct allocation for identified high-risk assets across the system, alongside a submission process through which health services submit bids to the Department of Health (the 'department'). Health services with projects selected for direct allocation will be contacted through letter to the CEO. The assessments, prioritisation and allocations will be performed against highest critical risk scoring. Refer to Section A for further information on funding process.

Additionally, **Specific Purpose Capital Grants** are allocated to metropolitan and regional health services to replace in-scope critical at-risk engineering infrastructure and medical equipment valued at up to \$200,000 (excluding GST). The grants can also be used to replace engineering infrastructure and medical equipment greater than \$200,000 (excluding GST) if the health service considers it to be the highest risk of all the outstanding in-scope assets.

Also noting, **Public Health Reference Laboratories** which is a part of the broader medical equipment replacement program (MERP) is to replace existing, end-of-life, critical high-risk assets that are essential to service continuity in eligible public health reference laboratory services. The laboratories will be provided up to \$1.2m in total for state-wide services.

1.3 What is the Methodology for Direct Allocations?

The direct allocation pilot has been extended in 2025-26 to support a more risk-based and system-level approach to asset replacement.

Projects are identified primarily through health service Asset Management Plans (AMP's) and validated against the Department's Asset Information Management System (AIMS). Other sources may be used to corroborate, validate and refine risk prioritisation, including critical asset information and structured engagement with health services.

Asset replacement prioritizes identified through the direct allocation process are discussed with health services to confirm accuracy, feasibility and alignment, and to identify any material changes to asset risk or delivery considerations following identification.

All asset replacement projects proposed for direct allocation are reviewed by the Department's Program Working Group (PWG) which includes representatives from Hospitals and Health Services and System Design groups to confirm they meet the high-value, high-risk criteria, consistent with the assessment approach applied to submission-based bids.

Health services will be formally notified of direct allocation outcomes and provisional budgets via correspondence to the Chief Executive Officer and will be required to provide supporting documentation, including detailed costings and delivery plans.

Direct allocation does not replace submission-based funding but operates as a complementary pathway for the highest-risk asset replacement priorities.

In-scope asset replacement projects that are not funded through direct allocation remain eligible for submission through EOI stage of the high-value submission program. This mitigates the risk of lower-priority assets from non-pilot health services being funded ahead of higher-risk assets identified through the pilot process.

Final budget approval is subject to review and formalisation following assessment of full documentation, equivalent to the submission-based application process.

Appendix 1 of the Guidelines set out eligible and ineligible asset replacement items.

1.4 Is there an online webinar with further information?

Yes, the Victorian Health Building Authority Health (VHBA) will host an online briefing webinar for eligible Health Services/Agencies, details will be provided in due course.

1.5 What naming conventions for the type of medical equipment and engineering infrastructure should be used in applications?

The 2025-26 MERP&EIRP guidelines **Appendix 1** offers conventions and file types to be used in the submission.

1.6 Are medical equipment or engineering infrastructure assets that are in aged care, dental health, and mental health areas eligible for replacement?

Assets in aged care, dental health and mental health are only eligible where they represent the most critical risk assets and they can be demonstrably linked back to the delivery of acute services.

1.7 Are major technical upgrades to existing assets to extend effective life eligible under the Fund?

Yes. Where the upgrade results in a major extension of an asset's effective life and with demonstrated benefits.

1.8 Is an asset that is leased eligible for replacement under the Fund?

Yes. If the asset is at end of lease and end of life and has been in use at the health service for several years. Documentation relating to the lease will need to be submitted to the department.

2 Eligibility

My Health Service/Agency is not listed within the Funding Guidelines but believe it should be, can it be added?

If you believe that your Health Service /Agency should be listed as eligible, please send an email to VIDA-Health-MERPandEIRP@vida.vic.gov.au

2.1 We have not applied for or received funding from previous MERP and EIRP rounds, are we still eligible?

Yes, VHBA actively encourages all eligible Health Service/Agencies that have a compelling need for funding, to apply.

3 Project Types

3.1 Can I submit previously submitted projects that were not funded in previous MERP and EIRP rounds or other grant programs?

Yes, if you believe that your project demonstrates value against the key objectives of MERP and/or EIRP 2025-26, meets the eligibility and remains a priority for your Health Service/Agency. Any additional work or refinement of previously submitted projects is encouraged along with the submission.

3.2 Can we bundle multiple projects into a single submission?

No. Each project will require a separate submission. Health Service/agencies are required to rank the relative priority of each application on the second page of the application form. Bundled applications may not be considered, unless the assets form an integrated system and replacement is essential for safety or system compatibility. Any applications of this type must clearly articulate how they meet this criterion.

If you are unsure on whether a submission would be considered bundled, please email VIDA-Health-MERPandEIRP@vida.vic.gov.au for guidance.

3.3 When does my project need to be completed?

As per the current Budget Paper 4, MERP and EIRP projects need to be completed by 30th June 2026. However, due to upstream delays, we have put forward a recommendation to Minister/Department Treasury of Finance for an extension on the timeline. Please contact VIDA-Health-MERPandEIRP@vida.vic.gov.au for any further guidance.

4 Applications

4.1 When do applications open for MERP and EIRP 2025-26?

	Requirements	MERP and EIRP <i>Indicative Date</i>
High Value Statewide Replacement Fund	Call for submissions	23 April 2026
Applications for eligible in-scope items greater than \$200,000 (excluding GST) Applications via on-line portal	Close of submissions	19 June 2026
Specific-purpose capital grants For acute and subacute services that address critical risks in metropolitan and regional public hospitals	2025-26 Grant Reporting: Agency Information Management System – 7B Reporting/annual return on expenditure of 2025-26 grant and any carry forward from previous years. Forms will be sent to eligible health services.	4 May 2026

4.2 How do I complete an application form?

Applications are via an on-line form, lodged through the *SmartyGrants* portal, located on the website. Application links will be provided in the email sent to your respective CEOs.

The application form must be completed in its entirety, including all necessary supporting documentation. Please refer to MERP and EIRP Guidelines for more information.

Technical assistance

Technical assistance regarding completion of the on-line form can be obtained through reviewing <https://applicanthehelp.smartygrants.com.au/help-guide-for-applicants/> or contacting *SmartyGrants* via their email address service@smarty.grants.com.au or calling (03) 9320 6888.

4.3 Will hard copies or emailed submissions be accepted?

No. All submissions must be submitted via the *SmartyGrants* Portal.

4.4 What information should the application include?

Applicants should read the DH 2025-26 MERP and EIRP Guidelines before submitting.

Please consider eligibility and alignment of the proposal with the Guidelines and criteria, prior to submitting your health service proposal. The application form must be completed for each proposal. Relevant supporting documentation must be included as attachments to the application.

4.5 Does an application form need to be completed for each asset for both medical equipment and engineering infrastructure?

Yes, there are separate application forms for engineering infrastructure and medical equipment replacements, and these must be authorised by the Chief Executive Officer.

4.6 Can I submit more than one application?

Yes, Health services can submit more than one application per program and in alignment with eligibility criteria. It is important that each application is prioritised according to the Chief Executive Officer's ranking and in alignment with internal strategic plans and Health Service Asset Management Plans.

4.7 Are applications for medical equipment and engineering infrastructure replacement prioritised together?

No. Medical equipment priority replacement is reviewed, assessed, and finalised separate from engineering infrastructure.

4.8 Where do I get the information to score the critical risk categories (Clinical, OH&S and Service Availability)?

The guidelines provide information on critical risk scoring and prioritisation. Risk matrices are incorporated in **Appendix 2** of the Guidelines.

4.9 Does a life cycle costing spreadsheet need to be submitted with each application?

No. A life cycle costing spreadsheet needs to be completed for assets of \$1 million (excluding GST) or greater, or as requested by the department. The spreadsheet is located on the website and needs to be completed and attached to the application form.

4.10 Can I make changes to my application after it has been submitted?

Yes, you can alter your application after it has been submitted by accessing the *SmartyGrants* online portal, but this can only be done before the application period closes.

4.11 How will my application be assessed?

EIRP and MERP applications will follow single stage submission and evaluation process.

All applications will be considered in the context of Program objectives, state-wide priority context and the submission's alignment with Victorian Government objectives. The assessments and prioritisation will be performed in accordance with set criteria.

4.12 How will I know the outcome of my submission?

All applicants will receive written notification of the outcome of their submission following completion of the assessment and approval processes.

4.13 If successful, what are my reporting requirements?

Milestone reporting on the progress of the project will be required monthly and in accordance with the CEO Letter of Acceptance.

5 Further information

5.1 Where can I get further information or assistance?

Technical assistance regarding completion of the on-line form can be obtained through reviewing <https://applicanthelp.smartygrants.com.au/help-guide-for-applicants/> or contacting *SmartyGrants* via their email address service@smarty.grants.com.au or by calling (03) 9320 6888.

For assistance regarding the funding programs please contact VIDA-Health-MERPandEIRP@vida.vic.gov.au

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