

Statement of Priorities

2018–19 Agreement between the Minister for Health and Health Purchasing Victoria.

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Background

Statements of Priorities are key accountability agreements between Government and Victorian publicly funded health, mental health and ambulance services. The content and process for preparation and agreement of the annual Statement of Priorities is consistent with sections 40G, 65ZFA, 65ZFB and section 26 of the Health Services Act 1988.

Statements of Priorities are consistent with the health services' strategic plans and aligned to government policy directions and priorities. The annual agreements support the delivery of, or substantial progress towards the key shared objectives of quality and safety, good governance and leadership, access and timeliness, and financial sustainability.

A Statement of Priorities consists of four parts:

- Part A provides an overview of the service profile, strategic priorities and deliverables the health service will achieve in the year ahead.
- Part B lists the performance priorities and agreed targets.
- Part C lists funding and associated activity.

Performance expectations and mechanisms used by the Department of Health and Human Services to monitor and manage performance are described in the *Victorian Health Service Performance Monitoring Framework 2018-19*.

High standards of governance, transparency and accountability are essential. In this context, the Victorian Government commits to publish Statements of Priorities by 1 November each year and place more data about the performance of our health system into the public domain.

Strategic priorities

The Victorian Government is responsible for ensuring that a wide range of health services are delivered to the Victorian community. The Department of Health and Human Services (the department) develops policy, funds and regulates health services and activities that promote and protect the health of Victorians. Through the department, the government funds more than 500 organisations to provide various health services to Victorians.

Government commitments

The *Victorian Budget 2018-19* provides an extra \$2.77 billion over 5 years for health, mental health, ambulance and aged care services across Victoria, including:

- \$1.6 billion over four years to meet hospital services demand to respond to growing patient demand across Victoria
- \$583.8 million over four years for mental health and drug services
- \$362.2 million over four years to improve access to elective surgery, to respond to demand, reduce waiting times and to maintain the current performance of Victoria's health service system.
- \$50 million (in 2017-18) for a *Winter Blitz* package to support health services to prepare for the 2018 winter flu season.
- \$55.1 million over four years for an additional 90 paramedics to meet increases in demand for ambulance services.

To support this investment, the Andrews Labor Government is funding an \$1.3 billion acute health capital, infrastructure and equipment program.

This investment will support the implementation of Health 2040: advancing health, access and care - which presents a clear vision for the health and wellbeing of Victorians and for the Victorian healthcare system.

Part A: Strategic overview

Vision

Advancing safe, affordable and sustainable healthcare.

Values

Health Purchasing Victoria's (HPV's) values drive our culture, processes and behaviours, and how we work internally and externally to achieve our vision. The values of HPV are:

WE ARE CUSTOMER-FOCUSED

- We focus on customer and patient outcomes

WE KEEP IT SIMPLE

- We strive for efficient and effective ways to achieve our goals

WE ARE COLLABORATIVE

- We work as a team toward common goals

WE TAKE RESPONSIBILITY

- We challenge the status quo. We are responsible for our behaviours, actions and results

WE INSPIRE CONFIDENCE

- We do the right thing. We are open, honest and trustworthy

Service profile

Established in 2001, HPV works in partnership with Victoria's public health services and hospitals to understand their requirements and support high-quality patient outcomes.

HPV is an independent statutory authority under section 129 of the *Health Services Act 1988* and is responsible to the Minister of Health, whilst working closely with the Department of Health and Human Services.

HPV facilitates large-scale collective tenders in collaboration with health services for the goods and services they purchase, manages common-use contracts on behalf of the state, and drives supply chain and probity initiatives that add value to Victoria's health sector. HPV also develops, implements and reviews policies and practices to promote best value and probity, providing advice, staff training and consultancy services.

Strategic planning

In order to deliver more for Victoria's public health services, HPV's five-year strategy focuses on redefining its value proposition to go beyond cost reduction and deliver increased value. HPV is expanding its focus in five key areas:

- Deliver best value healthcare outcomes
- Increase customer engagement
- Support procurement and probity practice improvement
- Improve the integrity and availability of information used to drive supply chain decisions
- Enhance capability and capacity

Health Purchasing Victoria's Strategic Plan 2018-2022 is available online at:

<https://www.hpv.org.au/assets/Uploads/HPV-2018-2022-Strategy3.pdf>

Strategic priorities

In 2018-19 HPV will contribute to the achievement of the Victorian Government's commitments by:

Goals	Strategies	Deliverables
Deliver best value healthcare outcomes	Achieve benefits from HPV agreements	Achieve financial benefit of \$101m* from HPV agreements. *incorporating cost reduction, cost avoidance and further opportunities. (Excludes Interpreter Services that is transitioning to a State Purchasing Contract).
		Establish collective agreements covering \$1.01 billion of annual health service expenditure.
	Implement the 3 year strategic procurement roadmap to extend value add beyond collective sourcing	Deliver 5 cluster sourcing projects to support rural and regional collaborations that encourage opportunities for local content and employment.
	Implement the five year clinical engagement roadmap	Identify and undertake clinical improvement initiative eg reduction of infection risk, over 3 categories supported by health service clinicians.
Increase customer engagement	Enhance stakeholder relationships	100 per cent of health services engaged bi-monthly.
		Positive trend in overall satisfaction of stakeholder engagement through the Customer Engagement survey.
	Achieve response time for health service queries	85 per cent of urgent queries closed within 3 business days.
75 per cent of complex queries closed within 15 business days.		
Support procurement and probity practice improvement	Deliver procurement training program to metro and regional health services	500 participants complete online procurement training.
		Deliver 12 health service based face to face training sessions.
	Maximise health services compliance with the five Health Purchasing Policies (HPP)	90 per cent of mandated health services compliant to HPP.
	Maximise health services compliance with the HPV Collective Agreements	95 per cent of health services, using each HPV Collective Agreements, are compliant.

Goals	Strategies	Deliverables
Improve the integrity and availability of information used to drive supply chain decisions	Implement the Common Catalogue.	Implement the Common Catalogue across 20 health services by 30 June 2019.
	Roll out e-procurement platform (Bravo) to health services	Implement Bravo across 8 health services by 30 June 2019.
Enhance capability and capacity	Operationalise the new HPV Procurement Strategy.	Deliver 3 regional supplier forums.
		Establish a training and education framework to assist health services implement the Victorian Social Procurement Framework.
Specific 2018-19 priorities (mandatory)	<p>Disability Action Plans</p> <p>Draft disability action plans are completed in 2018-19.</p>	Submit a draft disability action plan to the department by 30 June 2019. The draft plan will outline the approach to full implementation within three years of publication.
	<p>Bullying and harassment</p> <p>Actively promote positive workplace behaviours and encourage reporting. Utilise staff surveys, incident reporting data, outcomes of investigations and claims to regularly monitor and identify risks related to bullying and harassment, in particular include as a regular item in Board and Executive meetings. Appropriately investigate all reports of bullying and harassment and ensure there is a feedback mechanism to staff involved and the broader health service staff.</p>	<p>HPV has a zero tolerance to bullying.</p> <p>Continuing to support organisational initiatives to minimise bullying eg. tailored training and education throughout the employee life cycle.</p>

Goals	Strategies	Deliverables
	<p>Environmental Sustainability</p> <p>Actively contribute to the development of the Victorian Government’s policy to be net zero carbon by 2050 and improve environmental sustainability by identifying and implementing projects, including workforce education, to reduce material environmental impacts with particular consideration of procurement and waste management, and publicly reporting environmental performance data, including measureable targets related to reduction of clinical, sharps and landfill waste, water and energy use and improved recycling.</p>	<p>Develop a formal social procurement plan for HPV collective procurement to implement Victoria’s Social Procurement Framework.</p> <p>Maintain reporting to the Environmental Data Management System relating to; Waste, Natural Gas, Electricity, office paper and nitrous oxide.</p> <p>Source a food organics recycling service offer for metropolitan hospitals.</p> <p>Support efforts to reduce the Greenhouse Gas emissions associated with anaesthetic gases through analysis and workforce education about usage, costs and impacts of the various anaesthetic gases.</p> <p>Review the upcoming Sustainability Victoria research report on Waste in Health, and provide a response on recommendations that are related to HPV’s functions.</p>
	<p>LGBTI</p> <p>Develop and promulgate policies to avoid discrimination against LGBTI staff and stakeholders, and actively promote rights to free expression of gender and sexuality.</p>	<p>Update the diversity and workplace respect procedure ensuring inclusiveness of LGBTI and alignment to the DHHS Rainbow eQuality Guide by December 2018.</p>

Part B: Performance Priorities

The *Victorian Health Services Performance monitoring framework* outlines the Government's approach to overseeing the performance of Victorian health services.

Changes to the key performance measures in 2018-19 strengthen the focus on high quality and safe care, organisational culture, patient experience and access and timeliness in line with Ministerial and departmental priorities.

Further information is available at www2.health.vic.gov.au/hospitals-and-health-services/funding-performance-accountability

Effective financial management

Key performance indicator	Target
Finance	
Operating result (\$m)	- \$0.735
Average number of days to paying trade creditors	60 days
Adjusted current asset ratio	Maintain a current asset ratio greater than 1.5
Number of days of available cash	14 days
Measures the accuracy of forecasting the Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ \$250,000

Part C: Activity and funding

The performance and financial framework within which state government-funded organisations operate is described in 'Volume 2: Health operations 2018-19 of the *Department of Health and Human Services Policy and funding guidelines 2018*.

The *Policy and funding guidelines* are available at <https://www2.health.vic.gov.au/about/policy-and-funding-guidelines>

Further information about the Department of Health and Human Services' approach to funding and price setting for specific clinical activities, and funding policy changes is also available at

<https://www2.health.vic.gov.au/hospitals-and-health-services/funding-performance-accountability/pricing-funding-framework/funding-policy>

Funding type	Budget
Operational funding	\$14,126,208
Targeted Initiatives	\$810,000
Total	\$14,936,208

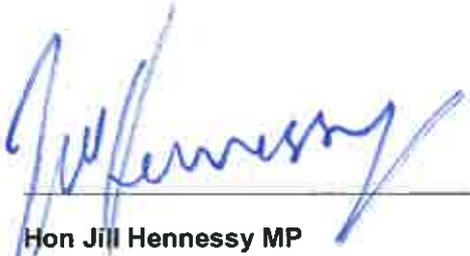
Accountability and funding requirements

The health service must comply with:

- All laws applicable to it;
- The National Health Reform Agreement;
- All applicable requirements, policies, terms or conditions of funding specified or referred to in the Department of Health and Human Services policy and funding guidelines 2018;
- Policies and procedures and appropriate internal controls to ensure accurate and timely submission of data to the Department of Health and Human Services;
- All applicable policies and guidelines issued by the Department of Health and Human Services from time to time and notified to the health service;
- Where applicable, all terms and conditions specified in an agreement between the health service and the Department of Health and Human Services relating to the provision of health services which is in force at any time during the 2018-19 financial year; and
- Relevant standards for particular programs which have been adopted e.g. International Organisation for Standardisation standards and AS/NZS 4801:2001, Occupational Health and Safety Management Systems or an equivalent standard.

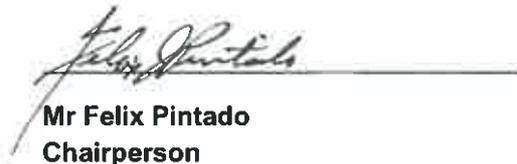
Signature

The Minister and the health service board chairperson agree that funding will be provided to the health service to enable the health service to meet its service obligations and performance requirements as outlined in this Statement of Priorities.



Hon Jill Hennessy MP
Minister for Health

Date: *14/8* /2018



Mr Felix Pintado
Chairperson
Health Purchasing Victoria

Date: *14/08* /2018