

Statement of Priorities

2022-23 Agreement between the Minister for Health and HealthShare
Victoria

OFFICIAL



Department
of Health

The department proudly acknowledges Victoria's Aboriginal communities and their rich culture and pays respect to their Elders past and present.

We acknowledge Aboriginal people as Australia's first peoples and as the Traditional Owners and custodians of the land and water on which we rely.

We recognise and value the ongoing contribution of Aboriginal people and communities to Victorian life and how this enriches us.

We embrace the spirit of reconciliation, working towards the equality of outcomes and ensuring an equal voice.

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Available at [The Department of Health Statements of Priorities](#)

<<https://www.health.vic.gov.au/funding-performance-accountability/statements-of-priorities>>

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Background

Statement of Priorities are key accountability agreements between Victorian State Government and Victorian publicly funded health, mental health, ambulance services and certain state-wide 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*.

Statement of Priorities are consistent with the health services' strategic plans and aligned to government policy directions and priorities. For 2022-23, the Statement of Priorities also make reference to [The Department of Health Operational Plan 2022-23](https://www.health.vic.gov.au/department-of-health-operational-plan-2022-23) (Operational Plan) <<https://www.health.vic.gov.au/department-of-health-operational-plan-2022-23>>. 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 main parts:

- Part A provides the strategic priorities for the department of health to achieve in the year ahead.
- Part B lists the performance priorities and agreed targets.
- Part C lists funding and associated activity.
- Part D forms the service agreement between each health service and the state of Victoria for the purposes of the National Health Reform Agreement. This section is not applicable to HSV and is not included here.

Performance expectations and mechanisms used by the Department of Health (the department) to monitor and manage performance are described in the *Victorian Health Service Performance Monitoring Framework 2022-23* (The Framework).

High standards of governance, transparency and accountability are essential. In this context, the Victorian Government commits to publish Statements of Priorities each year and present data on the performance of our health system in the public domain.

Strategic Priorities

The department delivers policies, programs and services that support and enhance the health and wellbeing of all Victorians.

The [Operational Plan <https://www.health.vic.gov.au/department-of-health-operational-plan-2022-23>](https://www.health.vic.gov.au/department-of-health-operational-plan-2022-23), contains the department's vision is to create a future where Victorians are the healthiest people in the world. A Victoria where children and people thrive, where workplaces are productive and safe, and where communities are more connected.

The department's job is to support Victorians to stay healthy and safe; and to deliver a world-class healthcare system that ensures every single Victorian can access safe, quality care that leads to better health outcomes for all.

To fulfil these obligations, the department has developed seven strategic priorities in the Operational Plan, to shape the year's direction. Health services will contribute to the department's strategic priorities through signing and enacting the Statement of Priorities.

Government Commitments

The Budget includes a \$4.2 billion package to support our ongoing pandemic response with:

- \$522 million to support our hospitals to treat COVID-19
- \$1.1 billion to purchase and distribute free rapid antigen tests to schools, hospitals and Victorians with disability
- \$284 million for Personal Protective Equipment
- \$258 million to protect and vaccinate Victorians against COVID-19
- \$110 million for COVID-19 care pathways, including continuing our 28 general practitioner respiratory clinics.

In addition, a further \$1.5 billion is provided to deliver the *COVID Catch-up Plan* to enable record levels of surgical capacity and \$300 million for the Regional Health Infrastructure Fund to boost regional healthcare.

The budget supports healthcare workers by providing training and the extra pair of helping hands they need. Funding will train and hire up to 7,000 new healthcare workers across the sector, helping to relieve pressure on the system and improve care for all Victorians.

There is strong investment in Ambulance Services, Triple Zero services and hiring more paramedics. This includes \$124.1 million to recruit new paramedics and enhance fleet management, rostering and support functions in order to meet growth in demand for ambulance services as well as establishing a second Mobile Stroke Unit to improve access to pre-hospital stroke treatment.

Part A: Department of Health Operational Plan

The Statement of Priorities is aligned with the *Department of Health Operational Plan 2022-23*¹.

HealthShare Victoria will contribute to the Operational Plan 2022-23 by agreeing to the following priorities:

Keep people healthy and safe in the community:

Embedding COVID-19 functions

- Continue to lead and/or contribute to supply chain issues impacting health services as they arise through the HSV Supply Chain Surety team. The role of this team is to identify and manage supply chain issues as they become aware of them. The team's framework is one that focuses on;
 - a. Developing key mitigation strategies to effectively address supply chain risk(s) and make timely recommendations to the Department of Health.
 - b. Act on these recommendations to implement effective supply chain risk mitigation strategies and support the management of issues until the affected supply chain is recovered.
 - c. Work with other State and Inter-State government and other pertinent agencies to facilitate optimal outcomes.
- Maintain and embed the co-ordination, procurement and supply chain surety functions associated with COVID-19 PPE - primarily implemented through the transition of the state supply chain to HealthShare Victoria, noted below.

Keep improving care:

Climate Change Commitments

- Contribute to enhancing health system resilience by improving the environmental sustainability, including identifying and implementing projects and/or processes that will contribute to committed emissions reduction targets through reducing or avoiding carbon emissions and/or implementing initiatives that will help the health system to adapt to the impacts of climate change.

Transitioning the State Supply Chain to HealthShare Victoria

- Effectively manage the transition of the State Supply Chain and its functions from Monash Health to HealthShare Victoria, ensuring there is no disruption to the supply of PPE, medical equipment and consumables to the sector.

Whole of Victorian Government (WoVG) PPE

- Engage, as agreed, with the Department of Health and the Department of Government Services in the development of the Government's recommendation to consolidate health and non-health PPE procurement and inventory management under HealthShare Victoria.

¹ [Department of Health Operational Plan 2022-23](https://www.health.vic.gov.au/department-of-health-operational-plan-2022-23) <<https://www.health.vic.gov.au/department-of-health-operational-plan-2022-23>>

A Health system you can count on:

- Onboarding of health services to supply chain operations, with a target of one regional health service and the processes to onboard two metropolitan health services by 30 June 2023.
- Supporting the financial stability of the Victorian Health System through the development and implementation of remodelled procurement and supply chain (logistics) savings initiatives and achievement of agreed savings targets.

Improve Aboriginal health and wellbeing:

Supporting Aboriginal Cultural Safety

- Embed the Aboriginal and Torres Strait Islander Cultural Safety Framework and build a continuous quality improvement approach to improving cultural safety, underpinned by Aboriginal self-determination, and provide culturally safe workplaces for Aboriginal employees.

A stronger workforce:

Improve workforce wellbeing

- Prioritise the wellbeing of HealthShare Victoria staff and implement local strategies to address key issues.

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 2022-23 strengthen the focus on high quality and safe care and cultural safety.

Further information is available at the [Funding, Performance and Accountability webpage](https://www.health.vic.gov.au/funding-performance-accountability/performance-monitoring-framework) <<https://www.health.vic.gov.au/funding-performance-accountability/performance-monitoring-framework>>.

Strong Governance, leadership and culture

Key Performance Measure	Target
Organisational culture	
People Matter Survey – Percentage of staff with an overall positive response to safety culture survey questions	60%

Effective financial management

Key performance measure	Target
Operating result - surplus	0.00
Average number of days to paying trade creditors	60 days
Average number of days to receiving health service fee debtors	60 days
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ \$250,000
*Generate benefits in FY 23 of	\$159.7 million
*Generate new cumulative sector wide benefits from FY 21 of \$ million; by: FY23 by: FY 24 by: FY 25	\$345.6 million \$561.4 million \$838.5 million
Adjusted current asset ratio (Variance between actual ACAR and target, including performance improvement over time or maintaining actual performance)	Maintain a current asset ratio greater than 1.5

* Note revised savings/benefits modelling is currently under review with central agencies and the information regarding savings/benefits in this table is subject to change.

Effective operational management

Key performance measure	Target
Complete the transition of the State Supply Chain from Monash Health to HSV	By 30 June 2023
<p>Onboarding of health services to supply chain operations Year End FY 2023</p> <ul style="list-style-type: none"> • Facilitate the onboarding one regional health service to HSV’s state-wide procurement and logistics model, and • Establish necessary processes to onboard two metro health services to HSV’s state-wide procurement and logistics model 	By 30 June 2023
Advance the development of the Surety Function’s Critical Supplies Register to identify and agree critical products for inclusion with a view to mitigation in subsequent periods.	By 30 June 2023
Number of surety incidents or near misses managed by the Surety Team	Reported through the Supply Chain Surety Taskforce
Milestones achieved and quarterly financial reporting on cost saving initiatives as agreed with the Department of Health	To be confirmed.

Part C: Activity and Funding

The performance and financial framework within which state government-funded organisations operate is described in *The Policy and Funding Guidelines – Funding Rules*. The Funding Rules details funding and pricing arrangements and provides modelled budgets and targets for a range of programs. The [Policy and Funding Guidelines](https://www.health.vic.gov.au/policy-and-funding-guidelines-for-health-services) webpage <<https://www.health.vic.gov.au/policy-and-funding-guidelines-for-health-services>>.

Period 1 July 2022 – 30 June 2023

Table 1 HealthShare funding summary for 1 July 2022 – 30 June 2023

Funding type		Budget (\$'000)
Government Initiatives		
Core Functions		15,111
Strategic Initiatives		35,881
Other specified funding		0
Total Funding		50,993

Please note:

- Base level funding, related services and activity levels, outlined within the Policy and Funding Guidelines are subject to change throughout the year. Further information about the department's approach to funding and price setting for specific clinical activities, and funding policy changes is also available from: [Policy and funding guidelines for health services](https://www.health.vic.gov.au/policy-and-funding-guidelines-for-health-services) <<https://www.health.vic.gov.au/policy-and-funding-guidelines-for-health-services>>
- In situations where a change is required to Part C, changes to the agreement will be actioned through an exchange of letters between the department and the health service's Chief Executive Officer.

Accountability and funding requirements

HealthShare Victoria 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 *Policy and Funding Guidelines 2022-23*;
- Policies and procedures and appropriate internal controls to ensure accurate and timely submission of data to the Department of Health;
- All applicable policies and guidelines issued by the Department of Health from time to time and notified to HealthShare Victoria;
- Where applicable, all terms and conditions specified in an agreement between HealthShare Victoria and the Department of Health relating to the conduct of its business which is/are in force at any time during the 2022-23 financial year; and
- Relevant standards for 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.
- Any other relevant, applicable statutory, regulatory or accountability rules, policies, plans, procedures or publications.

Please note, this is not an exhaustive list.

Signing Page

The Minister for Health and HealthShare Victoria Board Member (on behalf of Chairperson) agree that funding will be provided to HealthShare Victoria to enable it to meet its service obligations and performance requirements as outlined in this Statement of Priorities.

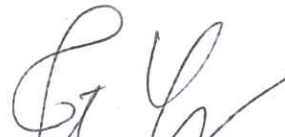


Hon Mary-Anne Thomas MP

Minister for Health

Minister for Ambulance Services

Date: 11 / April / 2023



Ms Janet Young

Board Member

**Chair, Finance Audit and Risk
Management Committee**

HealthShare Victoria

Date: 11 / April / 2023