

Statement of Priorities 2023-24 for HealthShare Victoria

OFFICIAL

Department of Health
Statement of Priorities
2023-24



Department
of Health

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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.

To receive this document in an accessible format, phone using the National Relay Service 13 36 77 if required, or [Commissioning and System Improvement; Accountability on](#) <Accountability@health.vic.gov.au>

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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 the key accountability agreements between the Victorian State 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*.

Statement of Priorities are consistent with the health services' strategic plans and aligned to government policy directions and priorities. For 2023-24, the Statement of Priorities also refer to the *Department of Health Strategic Plan 2023-27* (Strategic Plan). 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.

Statement of Priorities consists of four main parts:

- Part A provides the strategic priorities for the health service to contribute to 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.

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 2023-24* (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 on behalf of government delivers policies, programs and services that support and enhance the health and wellbeing of all Victorians. 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 the *Department of Health Strategic Plan 2023-27* (Strategic Plan) with seven guiding strategic priorities, to shape the health system's direction. Health services will contribute to the department's strategic priorities through signing and enacting the Statement of Priorities. The seven strategic priorities are:

- Keeping people healthy and well in the community
- Providing care closer to home
- Keep innovating and improving care
- Improving Aboriginal health and wellbeing
- Moving from competition to collaboration
- A stronger and more sustainable workforce
- A safe and sustainable health, wellbeing and care system

Government Commitments

The Victorian Budget 2023–24 (the budget) continues to invest in building hospitals, supporting our health system to meet growing demand and supporting our hardworking healthcare workers to ensure Victorians get the care they need, close to home. This budget provides investment in essential services including:

- \$1.5 billion to boost deferred elective surgery and ease the pressure on our hospitals.
- \$776 million for critical bed-based services, alcohol and other drug services, infrastructure, earlier support in community mental health services and the roll-out of the new Mental Health and Wellbeing Act.
- \$320 million to plan the delivery of major investments at seven hospitals across the state to ensure Victorians receive the highest quality healthcare.
- A \$270 million investment in our health workforce to make it free to study nursing and midwifery for nurses that join the public health system.
- A \$201 million system wide boost to support timely emergency care, including more ambulance services and improvements to emergency department programs, to get patients the care they need as quickly as possible.
- \$162 million for better aged care services across regional Victoria, to build new public aged care services in Cohuna, Maffra and Numurkah.
- \$157 million for critical bed-based mental health services across our state including more Hospital in the Home beds for Barwon Health, improving in-home mental health care for acutely unwell residents across the Geelong region.
- \$154 million to give women's health the focus and funding it deserves, including 20 new comprehensive women's health clinics at public hospitals.

Part A: Department of Health Strategic Plan

The Statement of Priorities are aligned with the [Strategic Plan 2023-27](https://www.health.vic.gov.au/our-strategic-plan-2023-27).
<<https://www.health.vic.gov.au/our-strategic-plan-2023-27>>.

HealthShare Victoria will contribute to the Strategic Plan 2023-27 by agreeing to the following priorities:

Ministerial Priorities

1. Improved health system culture, grounded in respect and safety.
2. A supported, growing, and fit-for-purpose health workforce.
3. A reformed overall health system (community-based and acute health services), with reforms to service models and enablers (structural, financial and cultural), delivering improved patient safety, experiences and outcomes, particularly for people in regional and rural Victoria.
4. A step-change in women's health.
5. Nation-leading reductions in rates of vaping.
6. Improved health equity through:
 - determination and ceding power.
 - Family-centred health models for priority populations.
 - Intersectional improvements in health access and outcomes for priority cohorts.
7. Improved mental health system through:
 - New and transformed integrated services through the implementation of the Royal Commission into Victoria's Mental Health System.
 - Strengthening system guidance, stewardship and commissioning.
 - Realising the vision of the new Mental Health and Wellbeing Act 2022 by driving cultural change.
 - Supporting a culture that embraces lived experience leadership at every level of the mental health and wellbeing system.
 - Investing in suicide prevention and mental health and wellbeing promotion.

System Priorities

Excellence in procurement, purchasing and logistics services

Goals

- Through effective sector consolidation, foster the provision of improved State-wide procurement, purchasing and logistics services.
- Develop strong and effective relationships with partners to drive service improvements.
- Ensure, where applicable, that HSV procurement policies and practices comply with any relevant Victorian Government policies and guidelines regarding local content, for example Local Jobs First, and the Guide to procuring uniforms and personal protective equipment.

HealthShare Victoria deliverables:

- Onboard health services to HSV's purchasing and logistics functions, commencing with Monash Health in FY 24. (See Part B).

- Facilitate stakeholder engagement by providing assistance to health services with change management activities required in transitioning their products and services and rationalise warehousing needs to HSV.
- Prepare an appropriately sequenced onboarding timeline for all applicable Health Services to enable the growth and pace required by HealthShare Victoria to achieve its savings target. Schedule to be available by 30 June 2024.
- Ensure appropriate systems capability is in place to ensure ongoing effective, reliable service provision.
- Expand the number of products and services under collective contracts, including medical supplies, pharmaceuticals and other indirect categories.
- Establish and/or progress initiatives to support consistent purchasing across the health sector.
- Continually assess and improve the operational efficiency of HealthShare Victoria.
- Continue compliance with relevant Victorian Government “local first” procurement policies, subject to any exemptions.

Ensuring financial sustainability

Goals

- Support the financial stability of the Victorian Health System through the implementation of remodeled procurement and supply chain savings initiatives.
- Effectively manage the wind-down of the State Supply Chain.
- Co-operate with and support DH-led reforms that address financial sustainability, operational performance and system management.

HealthShare Victoria deliverables:

- Achieve agreed savings targets as outlined in this Statement of Priorities (Part B).
- Support reduced procurement and supply chain costs aligned to the supply chain savings initiatives.
- Support the donation and sale of excess in-date PPE.
- Dispose optimally of all expired and undistributed PPE by no later than 30 June 2026.
- Minimise the warehousing footprint of undistributed State Supply Chain PPE as efficiently and effectively as possible by 30 June 2026.
- Support the transition of health services into Regional Procurement Groups / Clusters to facilitate targeted group purchasing of goods/services.

Improving equitable access to healthcare and wellbeing for Aboriginal and Torres Strait Islander people

Goals

- Cultural safety and self-determination of Aboriginal and Torres Strait Islander people as a foundational principle of all operations, underpinning HealthShare Victoria's continuous quality improvement process.
- Provide a culturally safe workplace for Aboriginal and Torres Strait Islander employees.

HealthShare Victoria deliverables:

- Provide a welcoming environment that is culturally appropriate and safe for Aboriginal and Torres Strait Islander people, including through the alignment of staff practice, operational processes, and the physical environment.
- Provide an enabling environment that supports, promotes, and builds the role of Aboriginal and Torres Strait Islander people in senior leadership and board positions within HealthShare Victoria

A stronger workforce

Goals

- Deliver programs to improve employee experience across four initial focus areas: Leadership, health and safety, flexibility, and career development and agility.
- Prioritise the wellbeing of HealthShare Victoria staff and implement local strategies to address key issues.

HealthShare Victoria deliverables:

- Meet or exceed a 70% overall positive result in the People Matter Survey (in applicable years) outcomes related to questions on safety culture.
- Continue initiatives to ensure OH&S measures are delivered and maintained.
- Maintain the endorsed Gender Equality Plan and promote access to equal power, resources and opportunities – regardless of gender.
- Leverage on the Employee Value Proposition (EVP) to foster a supportive, cohesive organisational culture to be reflected in People Matter Survey results (in applicable years).

Support health services to be more resilient and adaptable to climate change

Environmental sustainability is a key consideration of HealthShare Victoria's service delivery to health services and HSV supports health services in taking effective action to achieve net zero emissions.

Goals

- Support health services to reduce practices that are wasteful, environmentally harmful or carbon intensive, to effectively contribute towards achievement of net zero emissions.
- Support health services by facilitating collection of data to better understand their carbon footprint, including Scope 3 (indirect emissions), and inform targeted and effective action.

HealthShare Victoria deliverables:

- Develop the HSV's organisational sustainability strategy statement that will identify projects and processes that address environmental sustainability issues, particularly supporting carbon emissions reduction.
- Contribute to the Victorian public health system meeting its emissions reduction targets by identifying and implementing projects and/or process changes that will reduce the carbon emissions of Victorian health services and/or the health supply chain.

Part B: Performance Priorities

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

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 (applicable years) – Percentage of staff with an overall positive response to safety culture survey questions	> 70%
Embed the Aboriginal and Torres Strait Islander Cultural Safety Framework at HealthShare Victoria.	30 June 2024
Establish mandatory HealthShare Victoria Aboriginal cultural safety training requirements, including for senior leadership and board.	30 June 2024
HealthShare Victoria to develop a statement of its organisational sustainability strategy	30 June 2024

Effective financial management

Key Performance Measure	Target
Operating result (\$m)	\$0.00
Average number of days to pay trade creditors	30 Days
Average number of days to receiving HSV fee debtors	45 Days
Variance between actual and actual Net result from transactions (NRFT) for the current financial year ending 30 June	Variance ≤\$250,000
Generate minimum gross savings in FY24 of	\$24.97 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.

Effective operational management

Key Performance Measure	Target
Complete (or demonstrated reasonable progress towards) the onboarding of Monash Health to the HSV state-wide purchasing and logistics model.	As noted
a. Business due diligence completed by:	30 June 2024
b. Managing and operating logistics by:	TBA, post due diligence

Key Performance Measure	Target
c. Monash logistics transferred to HSV facility by:	Leads to complete
d. Onboarding completed by:	Not applicable
Provide a draft timeline for the onboarding of all applicable health services to HSV's state-wide purchasing and logistics model.	30 June 2024
Progress the disposal of expired and undistributed PPE to minimise warehousing requirements (winding down the State Supply Chain (SSC)) - to be completed by:	30 June 2026
Provide SSC PPE inventory reconciliations (dollars and pallets) on a quarterly basis. Quarterly to:	30 June 2026
Provide SSC Operational funding reconciliations on a quarterly basis. Quarterly to:	30 June 2026
Required reporting aligned (and delivered) with Future Health Taskforce requirements.	TBA

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 2023 – 30 June 2024

Table 1 HealthShare Victoria funding summary for 1 July 2023 – 30 June 2024

Funding Type	Activity	Budget (\$'000)
Public Health		
COVID-19 Rapid Antigen Testing		4,000
Acute Health Services		
Core Functions		24,007
Strategic Initiatives		30,844
Health Workforce (State Supply Chain Operations)		44,802
Cbs Compensation		15
Total Funding		103,668

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>>
- Each funding type row (eg “emergency services”) comprises a mix of activity based funding and block grants. Funding depends on the service profile. For further details, refer to the Policy and funding guidelines for health services (see above point for link).
- 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.

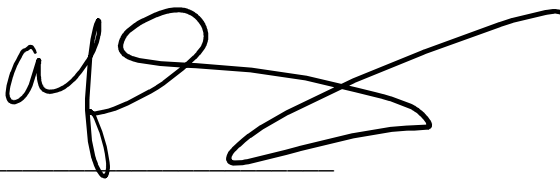
Accountability and funding requirements

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 2023-24*.
- 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 the health service.
- Where applicable, all terms and conditions specified in an agreement between the health service and the Department of Health relating to the provision of health services which is in force at any time during the 2023-24 financial year.
- 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.
- Where applicable, this includes the National Safety and Quality Health Service Standards ('NSQHS standards') as accredited through the Australian Health Service Safety and Quality Accreditation Scheme.
- Specific to DHSV: in relation to the School Dental Project Plan, as agreed and specified by both parties, including meeting the requirements outlined in the School Licence Agreement.
- Any other relevant, applicable statutory, regulatory or accountability rules, policies, plans, procedures or publications.

Signing Page

The Minister for Health has issued this Statement of Priorities to detail the funding provided to enable HealthShare Victoria to meet its service obligations and performance requirements as outlined.

A handwritten signature in black ink, appearing to be 'a f o', written over a horizontal line.

Hon Mary-Anne Thomas MP

Minister for Health

Date: 6/5/2024