

Statement of Priorities

2016-17 Agreement between Minister for Health and Peter
MacCallum Cancer Centre

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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 65ZFA and 65ZFB 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.
- 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 and Human Services to monitor and manage performance are described in the *Victorian Health Service Performance Framework* and the *Victorian Health Agency Monitoring and Intervention*.

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.

Policy directions and priorities

The Victorian Government is committed to treating more patients sooner, support ongoing efforts to improve the overall health and wellbeing of Victorians by investing in the Victorian health system, and to work with Victoria's doctors, nurses, paramedics and others across the sector to increase capacity and improve access to high quality care for all Victorians. The Victorian Government continues to invest in hospital capacity to support current and future demand across the state. Government will work with all health, mental health and ambulance services to ensure all Victorians, no matter where they live or their socioeconomic status, are able to access the care they need. High-quality person-centred healthcare will be provided by a diverse and adaptable workforce with the right mix of skills to meet the needs and expectations of consumers.

To support a healthy population and sustainable health system, the Government is committed to an increased focus on prevention, community and primary health services, care in the home and health promotion.

Whether it's through building new facilities, providing extra funding and resources, or promoting better health outcomes in the community; the Victorian Government is committed to securing a stronger and more reliable health system for all Victorians.

The Better Care Victoria Innovation Fund will provide funding for sector-led innovation projects and support the development of innovation capability across the state. In 2016–17 the Better Care Victoria Innovation Fund will have \$10 million to invest across Victoria. Funded projects will be required to demonstrate a strong ability to significantly improve timely and appropriate access to high-quality care for Victorians. Initially this investment will be across five focus areas: chronic complex medical patients; outpatients; care outside the hospital walls; variance in practice in delivering defined areas of care; and the 24-hour health system.

Government commitments

Improving health services

- Funding to enable health services to respond to growing patient demand across Victoria (\$978.4 million). Targeted services include emergency department presentations, intensive care, maternity admissions, specialist clinics, palliative care, chemotherapy, radiotherapy and subacute care.
- Additional elective surgery activity to meet existing demand and significantly reduce waiting times (\$335 million).
- The *2016-17 Victorian Budget* invests an additional \$356 million in mental health and drug treatment funding, which will help deliver the Government's 10-year Mental Health Plan.
- Additional mental health and drug funding will increase support for Victorians with a mental illness and their families, including supporting young Victorians and responding to vulnerable children, families and trauma.
- Additional funding will assist in managing critical demand in the mental health system and ensuring people with a mental illness receive the specialist intensive care they need (\$132 million).
- Strengthening oversight of quality and safety across Victorian health services (\$16.8 million).

- Provide certainty and direction on system health design, configuration and distribution services by developing a Statewide Design, Service and Infrastructure Plan for Victoria's health system, including a series of new design, service and infrastructure plans for each of Victoria's major service streams, including cardiac, maternity and newborn, clinical mental health, surgical, cancer, and genetics services.
- Implement Victoria's 10-year mental health plan to improve the mental health and wellbeing of Victorians. Through the plan, Victorians will: have genuine choice about options and services available; be supported through services that build optimism and hope; have universal access to high-quality, integrated public services; and access to specialist mental health services where and when needed the most.
- Report on the implementation of Victoria's 10-year mental health plan through an annual report to Parliament.
- Strengthen mental health support for marginalised Victorians including development of targeted support for Victorians with a mental illness, focusing on disadvantaged people with moderate severity mental illness, including Aboriginal, transgender and gender diverse people (\$9.9 million).
- Strengthen maternity care through the expansion of training for smaller, generally rural, services that otherwise have limited access to specialist training.
- Strengthened incident reporting mechanisms to improve hospital data timeliness and reliability, and ensure early identification of quality and safety issues.

Capital investments

- Goulburn Valley Health's Shepparton campus will be redeveloped, including a new four-storey tower delivering theatres and new wards, refurbishment of the existing theatres, expansion of the Emergency Department including the addition of treatment bays and a new short stay unit, expansion of medical imaging, and the refurbishment of the maternity ward including a new Special Care Nursery (\$169 million).
- Urgent works will be completed at Footscray Hospital to improve infrastructure and engineering services while planning is undertaken for the future redevelopment of Footscray Hospital (\$61.3 million).
- Infrastructure will be upgraded across the Austin Hospital campus in Heidelberg to improve service reliability and minimise risks to patients and staff (\$40.8 million).
- Works at the Broadmeadows Surgery Centre will be undertaken to expand surgery capacity at Northern Health by providing two additional operating theatres, expanding the Central Sterile Services Department and enhancing patient reception and recovery facilities (\$17.3 million).
- Work will also begin on Australia's first specialist stand-alone heart hospital at Monash University in Clayton (\$135 million).
- A new purpose built mental health unit will be co-located and integrated with the new Monash Children's Hospital in Clayton. The new facility will deliver specialist assessment and treatment mental health services for children and adults up to 25 years of age including inpatient beds, community treatment and intensive and specialist care (\$14.6 million).
- The Victorian Government will rebuild Orygen Youth Mental Health, a major clinical and research facility for young people across Victoria with serious mental illness. This will house both Orygen Youth Mental Health Services' Clinical Program, and Orygen, the National Centre of Excellence in Youth Mental Health, combining clinical, education and training, and research services (\$59.0 million).
- A 12-bedroom facility for women, capable of also accommodating up to three young dependent children, will increase the range and number of services available to people with a mental illness and their families. This will ensure that women with an acute mental illness in the north and west of Melbourne, and their dependents, have access to a flexible, safe and appropriate facility for short stay periods (\$8.4 million).

Health workforce

- Working with health services in 2016-17 to address the issues of inappropriate workplace behaviours, including bullying and harassment and create a culture and environment that supports both staff and patient safety in healthcare settings.
- Initiatives across occupational violence, bullying and harassment and worker health and wellbeing are aimed at ensuring health services are safe, respectful and healthy places to work.
- Training for up to 9,700 health and human services workers who may have contact with people who are affected by ice. Training and support will be tailored to address the specific needs of vulnerable population groups, including Aboriginal people and LGBTIQ groups (\$6 million).

Rural and regional health

- The Regional Health Infrastructure Fund will allow for the upgrade of regional hospital facilities to meet the needs of their local communities (\$200 million).
- Additional ambulance services (emergency transports, non-emergency transports and treatments not requiring transport) for eligible concession card holders (\$64 million).
- Alcohol and drug residential rehabilitation services across the state will be expanded by developing an 18-20 bed residential alcohol and drug rehabilitation facility in the Grampians region servicing the Ballarat community (\$6 million).

Other initiatives

- Fix ambulance services, giving paramedics the support and resources they need to save lives (\$143 million).
- Ensure access to medical cannabis, a life-changing treatment for those who are seriously ill in exceptional circumstances, through the establishment the establishment of the Office of Medicinal Cannabis and an independent Medical Advisory Committee (\$28.5 million).
- Continued prevention and early detection of perinatal depression to support new mothers experiencing depression (\$1.6 million).
- Improve ambulance response times, and build and upgrade facilities and equipment (\$5 million)
- Funding for new suicide prevention initiatives under the Victorian Government's 10-year Suicide Prevention Framework. The framework aims to halve the number of suicides over the next decade (\$27.5 million).
- Real time prescription monitoring system. Pharmacy prescription records for Schedule 8 and other dangerous medicines will be connected in real time to a centralised system, which will also be accessible to doctors (\$29.5 million).

Part A: Strategic overview

Mission statement

Peter Mac's mission is to minimise the impact of cancer on its patients and the community.

Service profile

Peter Mac is Australia's only public health service entirely dedicated to caring for people with cancer. We are home to Australia's largest centre for cancer research, treatment and care. Peter Mac has played a leading role in understanding the causes of cancer, and improving how the disease is prevented, diagnosed, managed and treated, to the benefit of Victorians and Australians over the past 67 years.

Peter Mac is a national and international leader in multi-disciplinary cancer care, and one of a unique group of hospitals world-wide to have our own integrated cancer research program and laboratories.

We care for more cancer patients each year than any other Australian hospital and our highly skilled medical, nursing and allied health team is backed by the largest cancer research group in this country.

Through a continued commitment to excellence, innovation and compassion, Peter Mac has grown from humble beginnings – with just a handful of staff in a one-room clinic – to more than 2,500 staff at five sites across Victoria.

Every year, we see around 31,000 patients, provide over 261,000 episodes of care, and care for inpatients requiring around 51,000 bed days.

Our research program encompasses 35 laboratories and more than 580 laboratory-based researchers, clinician researchers, research nurses, allied health professionals and support staff are involved in basic, pre-clinical and translational research, clinical trials and research to improve the social, emotional and physical impacts of cancer on patients, their families and carers.

The past 12 months have represented a landmark year in the 67-year history of Peter MacCallum Cancer Centre. A smooth and successful move to our new home within the state-of-the-art, \$1 billion Victorian Comprehensive Cancer Centre (VCCC) building was completed in June 2016. It follows a decade of meticulous planning, preparation and development.

The safe and timely transition of Peter Mac inpatients to the new building occurred on 23 June 2016, with full patient services – including specialist clinics, radiation therapy and chemotherapy - commencing seamlessly the following day.

The physical move involved the relocation of over 2,500 Peter Mac staff, 35 research laboratories, thousands of pieces of high-tech medical and research equipment, more than 2,000 computers and supporting IT infrastructure and more than 800 pieces of art from the Peter Mac collection.

The VCCC building was then officially opened by the Premier of Victoria, the Hon. Daniel Andrews MP and the Federal Health Minister, the Hon. Sussan Ley on 17 July 2016. The day included an historic visit and address by the Vice President of the United States, the Hon. Joseph Biden attended by our Chair, Chief Executive and members of our clinical and research leadership team. Peter Mac also has sites in Bendigo, Box Hill, Moorabbin and Sunshine, all offering leading-edge radiation therapy which allows many of our patients to access ongoing treatment closer to where they live.

Our model of treating patients with cancer is to tailor treatment to the patient. Multidisciplinary teams are organised into 13 cancer streams which cover different areas of the body and cancer types. Multidisciplinary teams, consisting of doctors, nurses and allied health professionals, who are specialists

in a tumour type, develop comprehensive and coordinated treatment plans, ensuring our patients get both treatment and a team tailored to their needs.

In 2016/17, our model has evolved through the development of the Parkville Cancer Clinical Services Operating Model.

Our team has been integral in the development and implementation of the new approach to providing cancer clinical services across The Royal Melbourne Hospital, The Royal Women's Hospital and Peter Mac - now co-located together. Our three health services are working together to deliver cancer care to our patients - a change which will see thousands of additional patients accessing Peter Mac services each year. In 2016/17, we will continue to work with our Parkville Precinct Partners to embed the new model and deliver ongoing service improvements.

Strategic planning

The Peter MacCallum Cancer Centre Strategic Directions 2015–2019 can be read at www.petermac.org

The Strategic Directions build on our long-term values of innovation, excellence and compassion, together with our specialist expertise in cancer care, treatment, research and education. They set a clear course for our future, guiding actions and decisions in our focused pursuit of better treatments, better care and cures for cancer.

Strategic priorities

In 2016-17 HealthServiceName will contribute to the achievement of the Government's commitments by:

Domain	Action	Deliverables
Quality and safety	Implement systems and processes to recognise and support person-centred end of life care in all settings, with a focus on providing support for people who choose to die at home.	Improve implementation of Peter Mac's end of life plan and ongoing monitoring and reporting.
	Advance care planning is included as a parameter in an assessment of outcomes including: mortality and morbidity review reports, patient experience and routine data collection.	Continue to review all deaths at Peter Mac and adoption of advanced care plans.
	Progress implementation of a whole-of-hospital model for responding to family violence.	Review current policy being trailed at the Royal Women's Hospital and assesses suitability for implementation at Peter Mac.
	Use patient feedback, including the Victorian Healthcare Experience Survey to drive improved health outcomes and experiences through a strong focus on person and family centred care in the planning, delivery and evaluation of services, and the development of new models for putting patients first.	Quarterly feedback of VHES provided to all relevant departments for ongoing development of service improvements.

Domain	Action	Deliverables
Access and timeliness	Ensure the development and implementation of a plan in specialist clinics to: (1) optimise referral management processes and improve patient flow through to ensure patients are seen in turn and within time; and (2) ensure Victorian Integrated Non-admitted Health data accurately reflects the status of waiting patients.	Develop a Specialist KPI report aligned to the access policy. Implement strategies to monitor long waiting patients within tumour streams. Streamline the process of referrals been received and triaged ensuring all urgent referrals are triaged in a timely fashion.
	Identify opportunities and implement pathways to aid prevention and increase care outside hospital walls by optimising appropriate use of existing programs (i.e. the Health Independence Program or telemedicine).	Assess existing access policies and guidelines to support the precinct model of care and develop an access strategy. Review access to services provided outside the hospital setting such as Hospital In The Home, rehabilitation, palliative care and aged care, and identify opportunities to increase and improve utilisation of these services where appropriate. Options for telemedicine will be investigated pending funding.
	Increase the proportion of patients (locally and across the state) who receive treatment within the clinically recommended time for surgery and implement ongoing processes to ensure patients are treated in turn and within clinically recommended timeframes.	Continue to monitor and assess the treat-in-turn policy and its implementation. Add additional surgery lists from January 2017. Access arrangements with Private Operator for skin patients (to increase access).
	Develop and implement a strategy to ensure the preparedness of the organisation for the National Disability and Insurance Scheme and Home and Community Care program transition and reform, with particular consideration to service access, service expectations, workforce and financial management.	Review Peter Mac's HACC program and consider opportunities of aligning HACC with the precinct partners. Peter Mac will engage with its Parkville Precinct Partners to support access to the NDIS.
Supporting healthy populations	Support shared population health and wellbeing planning at a local level - aligning with the Local Government Municipal Public Health and Wellbeing plan and working with other local agencies and Primary Health Networks.	Engage with the Parkville Precinct Primary Care and Population Health Committees and Primary Health Networks to understand opportunities to support shared planning and implement relevant strategies.
	Focus on primary prevention, including suicide prevention activities, and aim to impact on large numbers of people in the places where they spend their time adopting a place based, whole of population approach to tackle the multiple risk factors of poor health.	Continue to develop primary cancer prevention messages to advocate to the Peter Mac community in conjunction with key partners such as CCV and generally support research efforts in the field of cancer prevention.

Domain	Action	Deliverables
	Develop and implement strategies that encourage cultural diversity such as partnering with culturally diverse communities, reflecting the diversity of your community in the organisational governance, and having culturally sensitive, safe and inclusive practices.	Appoint a Director of Wellbeing who will develop and implement a diversity agenda including building new networks with culturally diverse communities.
	Improve the health outcomes of Aboriginal and Torres Strait Islander people by establishing culturally safe practices which recognise and respect their cultural identities and safely meets their needs, expectations and rights.	Peter Mac is a member of the Improving Cancer Outcomes for Aboriginal Communities Victorian Working Group and will work with all sector members to advance outcomes for Aboriginal and Torres Strait Islander Patients including our practices. Identify opportunities to work with Parkville Precinct partners to develop and improve services, policies and practices.
	Drive improvements to Victoria's mental health system through focus and engagement in activity delivering on the 10 Year Plan for Mental Health and active input into consultations on the Design, Service and infrastructure Plan for Victoria's Clinical mental health system.	Appoint a new Professor/Director of Psychosocial Oncology, who will develop a program for mental health / psychosocial oncology improvement at Peter Mac.
	Using the Government's Rainbow eQuality Guide, identify and adopt 'actions for inclusive practices' and be more responsive to the health and wellbeing of lesbian, gay, bisexual, transgender and intersex individuals and communities.	Review and identify measures to implement and improve LGBTI health and wellbeing.
	Further engagement with relevant academic institutions and other partners to increase participation in clinical trials.	Peter Mac has developed a research strategy that identifies priority areas to increase innovative clinical trials and build on existing strengths. Priorities include: <ul style="list-style-type: none"> • Enhance tumour-stream based clinical research. • Cancer immunology. • Support clinical trials in all disciplines including multi-disciplinary clinical trials and cancer experiences research. • Mentor, recruit and retain established and emerging clinical researchers. • Develop world-class translational platforms for clinical trials including genomics, imaging, a biopsy service and immune profiling. Peter Mac has strong academic partners that it will continue to maintain and grow.

Domain	Action	Deliverables
Governance and leadership	<p>Demonstrate implementation of the Victorian Clinical Governance Policy Framework: Governance for the provision of safe, quality healthcare at each level of the organisation, with clearly documented and understood roles and responsibilities. Ensure effective integrated systems, processes and leadership are in place to support the provision of safe, quality, accountable and person centred healthcare. It is an expectation that health services implement to best meet their employees' and community's needs, and that clinical governance arrangements undergo frequent and formal review, evaluation and amendment to drive continuous improvement.</p>	<p>Ensure Peter Mac's clinical governance policy is aligned with the Victorian Clinical Governance Policy Framework.</p> <p>Continue to implement Peter Mac World's Best Cancer Care Framework.</p> <p>Undertake bi-monthly reporting to the Peter Mac Board of Directors Quality Sub-Committee.</p> <p>Develop an electronic quality dashboard for improved performance reporting and monitoring.</p>
	<p>Ensure that an anti-bullying and harassment policy exists and includes the identification of appropriate behaviour, internal and external support mechanisms for staff and a clear process for reporting, investigation, feedback, consequence and appeal and the policy specifies a regular review schedule.</p>	<p>Implement Peter Mac's Anti-Bullying, Discrimination and Harassment Action Plan. This plan consists of cultural change and leadership, education and policies and infrastructure initiatives. Progress on the implementation of the Action Plan and relevant measures will be reported to the organisation.</p>
	<p>Board and senior management ensure that an organisational wide occupational health and safety risk management approach is in place which includes: (1) A focus on prevention and the strategies used to manage risks, including the regular review of these controls; (2) Strategies to improve reporting of occupational health and safety incidents, risks and controls, with a particular focus on prevention of occupational violence and bullying and harassment, throughout all levels of the organisation, including to the board; and (3) Mechanisms for consulting with, debriefing and communicating with all staff regarding outcomes of investigations and controls following occupational violence and bullying and harassment incidents.</p>	<p>Finalise and implement Peter Mac's Wellbeing Strategy for staff and report on key OH&S measures to the Board quarterly.</p>
	<p>Implement and monitor workforce plans that: improve industrial relations; promote a learning culture; align with the Best Practice Clinical Learning Environment Framework; promote effective succession planning; increase employment opportunities for Aboriginal and Torres Strait Islander people; ensure the workforce is appropriately qualified and skilled; and support the delivery of high-quality and safe person centred care.</p>	<p>Implement the actions outlined in year 2 of Peter Mac's People Strategy and provide regular reporting to the Board. Actions include the establishment of a staff Diversity and Inclusion Committee and customer service capability development.</p>

Domain	Action	Deliverables
	<p>Create a workforce culture that: (1) includes staff in decision making; (2) promotes and supports open communication, raising concerns and respectful behaviour across all levels of the organisation; and (3) includes consumers and the community.</p>	<p>Collaborate with staff and consumers to clarify behavioural expectations and integrate messages about behaviours into a range of communications.</p> <p>Implement actions to encourage staff to "Speak Up and Be Heard" in relation to raising concerns and promoting respectful behaviour.</p>
	<p>Ensure that the Victorian Child Safe Standards are embedded in everyday thinking and practice to better protect children from abuse, which includes the implementation of: strategies to embed an organisational culture of child safety; a child safe policy or statement of commitment to child safety; a code of conduct that establishes clear expectations for appropriate behaviour with children; screening, supervision, training and other human resources practices that reduce the risk of child abuse; processes for responding to and reporting suspected abuse of children; strategies to identify and reduce or remove the risk of abuse and strategies to promote the participation and empowerment of children.</p>	<p>Develop child safe policy.</p> <p>Implement Working With Children checks for all eligible staff and update policies and procedure to reflect this approach to ensure child safe standards are met.</p> <p>Include child safety into the Peter Mac staff code of conduct.</p> <p>Increase awareness of child safety and improve compliance and responses.</p>
	<p>Implement policies and procedures to ensure patient facing staff have access to vaccination programs and are appropriately vaccinated and/or immunised to protect staff and prevent the transmission of infection to susceptible patients or people in their care.</p>	<p>Ongoing implementation of the staff immunisation policy, which has been aligned across the Parkville Precinct.</p> <p>Annual immunization programs (eg, flu) with promotion and education, with the goal of exceeding the benchmark target.</p> <p>Pre-employment immunization programs in place.</p>
Financial sustainability	<p>Further enhance cash management strategies to improve cash sustainability and meet financial obligations as they are due.</p>	<p>Maintain detailed cash forecasting, at all times, to ensure there is adequate cash to meet the operational financial obligations while segregating restricted funds for the purposes they were intended for.</p> <p>Provide regular reporting to ensure adequate oversight of actual and forecast cash movements.</p>

Domain	Action	Deliverables
	<p>Actively contribute to the implementation 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>Ensure Project Co establishes, maintains and operates an Environmental Management System in accordance with the Project Agreement, certified to ISO14001 and in accordance with all applicable Laws relating to the environment, including:</p> <ul style="list-style-type: none"> • An environmental policy. • A conservation management plan. • Regular review of the Facility's environmental aspects. • Setting objectives and targets to improve environmental impacts. • Monitoring and recording of the Environmental Management System implemented <p>A proactive and integrated approach to sustainable development, including in relation to the following areas: conservation (energy, wood, paper, horticulture and water); pollution; procurement of materials, equipment, consumables; and waste recycling.</p>

Part B: Performance priorities

The *Victorian health agency monitoring and intervention* describes the Department of Health and Human Services' approach to monitoring and assessing the performance of health agencies and detecting, actively responding and intervening in relation to performance concerns and risk. This document aligns with the measuring and monitoring element of the *Victorian health services performance framework*.

Changes to the key performance measures in 2016-17 strengthen the focus on quality and safety, in particular maternity and newborn, and access and timeliness in line with ministerial and departmental priorities.

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

Quality and safety

Key performance indicator	Target
Accreditation	
Compliance with NSQHS Standards accreditation	Full compliance
Infection prevention and control	
Compliance with cleaning standards	Full compliance
Compliance with the Hand Hygiene Australia program	80%
Percentage of healthcare workers immunised for influenza	75%
Patient experience	
Victorian Healthcare Experience Survey - data submission	Full compliance
Victorian Healthcare Experience Survey – patient experience	95% positive experience
Victorian Healthcare Experience Survey – discharge care	75% very positive response
Healthcare associated infections	
Number of patients with surgical site infection	No outliers
ICU central line-associated blood stream infection	No outliers
SAB rate per occupied bed days ¹	<2/10,000

Governance and leadership

Key performance indicator	Target
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¹ SAB is staphylococcus aureus bacteraemia

Key performance indicator	Target
People Matter Survey - percentage of staff with a positive response to safety culture questions	80%

Access and timeliness

Key performance indicator	Target
Elective surgery	
Percentage of urgency category 1 elective patients admitted within 30 days	100%
Percentage of urgency category 1, 2 and 3 elective patients admitted within clinically recommended timeframes	94%
20% longest waiting Category 2 and 3 removals from the elective surgery waiting list	100%
Number of patients on the elective surgery waiting list ²	620
Number of hospital initiated postponements per 100 scheduled admissions	≤8 /100
Number of patients admitted from the elective surgery waiting list – annual total	2,988
Specialist clinics	
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days	90%

Financial sustainability

Key performance indicator	Target
Finance	
Operating result (\$m)	0.0
Trade creditors	60 days
Patient fee debtors	60 days
Public & private WIES ³ performance to target	100%
Adjusted current asset ratio	0.7
Number of days with available cash	14 days
Asset management	
Basic asset management plan	Full compliance

² The target shown is the number of patients on the elective surgery waiting list as at 30 June 2017.

³ WIES is a Weighted Inlier Equivalent Separation.

Part C: Activity and funding

The performance and financial framework within which state government-funded organisations operate is described in 'Volume 2: Health operations 2016-17' of the Department of Health and Human Services' *Policy and funding guidelines*.

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 type	Activity	Budget (\$'000)
Acute Admitted		
WIES DVA	149	734
WIES Private	7,435	26,221
WIES Public	14,249	66,115
Acute Non-Admitted		
Radiotherapy WAUs DVA	5,105	1,445
Radiotherapy WAUs Public	272,986	62,514
Specialist Clinics - DVA		287
Specialist Clinics - Public		12,510
Genetic services		1,917
Home Enteral Nutrition	1,289	266
Mental Health and Drug Services		
Mental Health Service System Capacity		209
Other specified funding		6,517
Health Workforce	54	1,862
Total		177,992

Part D: Service Level Agreement for the purposes of the National Health Reform Agreement

The Victorian health system has faced a number of changes to Commonwealth funding since 2012-13. The changes to the funding arrangements announced in the 2014-15 Commonwealth Budget will continue to be applicable for the period 1 July 2016 to 30 June 2017 with funding continued to be linked to actual activity levels.

The Commonwealth funding contribution outlined in the 2016-17 Commonwealth Budget was based on estimates and has since been updated by the Administrator of the National Health Funding Pool, based on latest activity estimates from States and Territories. However, given that final funding amounts are based on actual activity, there may be adjustments to funding throughout the year as a result of reconciliations and other factors outlined below.

Period: 1 July 2016 - 30 June 2017

	Estimated National Weighted Activity Units	Total Funding (\$)	Provisional Commonwealth Percentage (%)
Activity Based Funding	20,440	115,882,515	36.01
Other Funding		64,709,112	
Total		180,591,627	

Note:

- Estimated National Weighted Activity Units may be amended by the Department of Health and Human Services following the finalisation of the 2015-16 reconciliation by the Administrator of the National Health Funding Pool
- Provisional Commonwealth Contribution Percentage is subject to change following state-wide adjustments (i.e. cross border patient flows), the 2015-16 reconciliation and Commonwealth announcements (i.e. Mid-Year Economic and Fiscal Outlook 2016-17)
- Activity loadings are included in the Estimated National Weighted Activity Units (i.e. Paediatric, Indigenous, Remoteness, Intensive Care Unit, Private Patient Service Adjustment, and Private Patient Accommodation Adjustment)
- In situations where a change is required to the Part D, changes to the agreement will be actioned through an exchange of letters between the Department of Health and Human Services and the Health Service Chief Executive Officer.

Ambulance Victoria and Dental Health Services Victoria do not receive a Commonwealth funding contribution under the National Health Reform Agreement. Dental Health Services Victoria receives Commonwealth funding through the National Partnership Agreement.

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 *Victorian health policy and funding guidelines 2016-17*;
- 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 2016-17 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: 18 / 10 / 2016



Hon Maxine Morand
Chairperson
Peter MacCallum Cancer Centre

Date: 18 / 10 / 2016