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Queensland
Government

BUNDABERG
HEALTH SERVICE DISTRICT
SERVICE AGREEMENT
2004/05

Leaders in Health – Partners for Life

BUNDABERG
HEALTH SERVICE DISTRICT
SERVICE AGREEMENT 2004/05

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SECTION A INTRODUCTION AND SIGNATORY PAGE

The overall mission of Queensland Health is to *promote a healthier Queensland* through:-

- ◆ **Prevention** to secure a healthier lifestyle
- ◆ **Protection** to ensure a healthier environment
- ◆ **Patient care** that is client-focussed and based on evidence and best practice
- ◆ **Partnerships** to provide coordinated services that impact on health across all sectors
- ◆ **Positive ideas** to drive innovation, creativity and health enhancements

With a vision to be *Leaders in health – partners for life*

In so doing we recognise that Queenslanders trust us to act in their interest at all times. To fulfil our mission and sustain this trust we share four core values:

- ◆ **Quality and recognition**
- ◆ **Professionalism**
- ◆ **Teamwork and**
- ◆ **Performance Accountability**

Queensland Health's Strategic Plan 2004-2010 (QHSP 0410), which underpins Queensland Health's mission, vision and core values has five Strategic Intents identified for the balance of this decade (2004-2010).

- Healthier Resources
- Healthier Partnerships
- Healthier People and Communities
- Healthier Hospitals
- Healthier Staff

These Strategic Intents (Goals) and their associated objectives will influence budget negotiations and service enhancements over the current decade. The QHSP 0410 provides a framework for planning at all levels of the organisation to provide clearly integrated health services for all Queenslanders.

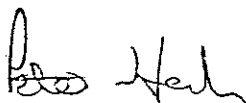
At the same time, Queensland Health has made an explicit and ongoing commitment to performance accountability. The purpose of the 2004/05 Service Agreement is therefore to provide:

- an accountability mechanism for the provision of quality health services in Queensland, and
- a tool to facilitate performance improvement consistent with Corporate, Zonal and District level planning priorities for the delivery of services within each Health Service District.

The Service Agreement is between the Senior Executive Director Health Services, the Zonal Manager and the District Manager, Bundaberg Health Service District of Queensland Health. It constitutes the accountability of the District Manager to the Director-General in relation to the resources allocated to the Health Service District for the 2004/2005 financial year and the service and corporate responsibilities to be discharged in return for these resources.

Underpinning the Agreement is the obligation to adhere to relevant Acts of Parliament, Queensland Health and Government policies, practices, guidelines, standards and administrative procedures.

Signed by:



District Manager
Bundaberg Health Service District
8/11/2004.

Zonal Manager
Central Zone
/ / 2004.

Senior Executive Director, Health Services
/ / 2004.

GUIDING PRINCIPLES

The management and delivery of services within each Health Service District will be in accordance with the Strategic Intent (Goals) and Strategic Objectives (Objectives) of the Queensland Health Strategy Map 2004 - 2010 as developed from the Queensland Health Strategic Plan 2004-2010.

The Strategic Intent is:-

- **Promoting a Healthier Queensland**

Queenslanders will be healthier, more confident in our health system and will experience high quality services

- **Healthier People and Communities**

A new focus on the promotion of healthier lifestyles for individuals and the prevention and management of chronic diseases in the community

- **Healthier Partnerships**

Working with others to harmonise programs and activities that impact on health

- **Healthier Hospitals**

Hospitals provide high quality and equitable acute and emergency care, integrated with community care

- **Healthier Resources**

Employing our finite resources to maximum advantage

- **Healthier Staff**

Adequate staffing levels and staff who have the right knowledge and skills and who work in an environment that values their experience and supports innovation and creativity

PERFORMANCE ACCOUNTABILITY

Performance Accountability requires a range of management activities including the setting of clear performance targets, implementation of effective systems and processes, delivering of specific programs and projects and managing resources in line with allocated budgets.

These activities form the basis of the Service Agreement. The other requirements to meet the Performance Accountability expectation relate to "people" factors in particular, modelling behaviour and working with District Executives to embed Queensland Health's values and ensuring a culture of team and personal performance across the District.

The other key components as identified in the Queensland Health Success Program are:

- Review of Leadership Accountabilities and Capabilities
- Performance feedback forums and processes including 360 degree feedback
- An Executive Accountability Agreement and an Executive Development Plan

Each District Manager will be required to enter a annual performance accountability agreement with the Zonal Manager.

SECTION B

SCHEDULES OF DISTRICT UNDERTAKINGS

SCHEDULE 1

These undertakings are important and should be achieved:

<u>Strategic Intent: HEALTHIER RESOURCES</u>	
<u>Undertakings:</u>	<u>How achieved</u>
• Achieve Budget Integrity	• Management of all elements of resource expenditure and revenue generation.
• Compliance with Asset Strategic Planning activities	• Achievement of activity targets negotiated between the Zone and Districts. • Development of Asset Strategic Plan.
	<u>Reporting requirement</u>
	• Completion of monthly executive report. • Develop and communicate strategies to manage variations. • Asset Strategic Plan completed by September for following year including general plan for out years.

SCHEDULE 1.

These undertakings are important and should be achieved:

<u>Strategic Intent: HEALTHIER PARTNERSHIPS (& RELATIONSHIPS)</u>		<u>How achieved</u>	<u>Reporting requirement</u>
<u>Undertakings:</u>			
High level judgement and quality advice to Minister/Director-General /Zonal Manager/key stakeholders/community and staff		- Respond accurately to briefing requests, QON, PPQ, QTB by deadlines. - Quarterly meetings with Members of Parliament. - Development & implementation of an annual District Communications Plan and the development of specific communications strategies for significant issues.	- As per timeline advised with request or upon approved extension. - Regular review and progress of "District Communications Plan".
	Cross Agency Networks	- Constructive participation in Regional Managers Coordination Networks and associated community development activities. - Active participation in the Indigenous Health Regional Forums and local health forums where relevant. - Development of Primary Care Partnerships and active participation in the Central Zone GP Workgroups and Forums. - Participation in District Queensland Emergency Medical System (QEMS) meetings.	- Addressing identified strategic intent. - Ensure consistent and timely receipt and dissemination of information across all formal and informal networks.

SCHEDULE 1.

These undertakings are important and should be achieved:

<u>Strategic Intent: HEALTHIER PEOPLE AND COMMUNITIES</u>		<u>How achieved</u>	<u>Reporting requirement</u>
<u>Undertakings:</u> • Child Safety • Mental Health • Primary Health Care		• Implementation of QH role in CMC report and specific responsibilities. - eg. District's role in cross departmental SCAN team. • Other agencies roles in SCAN Team (Police, Families, Attorney General).	• Districts comply with the 'Whole of Government Performance Reporting Framework'.
		• The continued implementation of mental health development.	• Six (6) monthly reporting against the 'Central Zone Mental Health Services Development Framework'.
		• Demonstrate HSD contribution to 'Smooth transition between community, services, hospitals and GP's by developing / expanding "link" mechanisms between acute and primary health care services for : - Management of sub-acute patients - Chronic disease management • Work with Public Health for the identification and implementation of 'best buys' for the local community.	• ISAP measure reporting processes.

<u>Strategic Intent: HEALTHIER PEOPLE AND COMMUNITIES</u>		
<u>How achieved</u>		<u>Reporting requirement</u>
Indigenous Health	The continued implementation of Indigenous health improvement initiatives – National, State & local through further implementation of the Aboriginal and Torres Strait Islander Services Development Framework.	Six (6) monthly reporting against the 'Central Zone Aboriginal and Torres Strait Islander Progress Report'.

SCHEDULE I.

These undertakings are important and should be achieved:

Strategic Intent: HEALTHIER HOSPITALS

<u>Undertakings:</u>	<u>How achieved</u>	<u>Reporting requirement</u>
• Election Commitments	• Participation as outlined in individual project plans.	• Monthly status reports to the relevant project sponsor.
• Capital Works	• Strategic options are considered when capital works are being planned. • Recurrent costs arising from capital works are pro-actively managed.	• Timely advice to Zonal Manager and Capital Works when alternate options are identified. • Timely submission for resolution of capital works issues.
• Cold Chain	• Compliance with Cold Chain procedures & guidelines developed by Public Health.	• Actively respond to any audit requirements. • Monitor & report to Public Health Unit.
• Measured Quality	• Actively address significant variances identified in the measured quality process.	• Ensure internal reporting processes highlight action taken to address significant variances.
• Waste Management	• Ensure compliance with legislative and regulatory requirements for clinical waste management.	• Annual reporting of Waste Management performance and compliance.

SCHEDULE I.

These undertakings are important and should be achieved:

<u>Strategic Intent: HEALTHIER STAFF</u>		
<u>Undertakings:</u>	<u>How achieved</u>	<u>Reporting requirement</u>
• Credentialing and Privileging	• Credentialing and Clinical Privileging occurs prior to commencement of clinicians.	• Internal District process for monitoring of compliance with Credentialing and Clinical Privileging.
• Safety and Security	• Training of staff in key areas in aggressive behaviour management.	• Internal District process for staff training.
• Proactive workplace injury claims management	• Ensure compliance with the 'Workcover Claims Management Guideline'.	• Implementation & ongoing management of the 'Safer Workplace Agency Tool Kit Series 3 Reporting Requirements'.
• Improved Management of Absenteeism	• Ensure compliance with the 'Policy for the Management of Un-rostered Absence from Duty' IRM 8.1	• Internal District processes.

APPENDIX I

QUEENSLAND HEALTH BUSINESS RULES 2004/2005

Purpose: These rules are designed to support the budget management framework within Queensland Health by promoting consistent standards for all Health Service Districts, Statewide Services and Corporate Office in relation to funding arrangements, utilisation of funding, budget performance reporting and monitoring processes in conjunction with the corporate information systems and associated practices.

These rules apply to all Health Service Districts, Statewide Services (such as Capital Works Program, Information Services, Public Health, Central Pharmacy, Group Linen Services and Pathology & Scientific Services) and Corporate Office with Shared Services yet to be operationalized.

KEY BUDGET PERFORMANCE PRINCIPLES:

1. The Office of the Director-General may allocate or re-distribute any funding as necessary to meet corporate priorities.
2. **Service Agreement obligations** including operating result, financial position, funding and activity, must be met **within the resources available** to the Health Service District, Statewide Service and Corporate Office. Funds allocated should only be utilised for their specific purpose. Where funding adjustments occur, activity targets may be adjusted accordingly, similarly where activity targets are not being achieved, funding may also be adjusted. **There should not be an expectation to receive funding supplementation to meet a balanced budget or additional funding for exceeding targets without prior agreement with General Manager Health Services.**
3. **Health Service Districts, Statewide Services and Corporate Office are responsible for their financial performance** (which includes State and Commonwealth Programs, general trust and capital), **financial position and budget performance as appropriately recorded in the corporate financial systems.** This performance is closely monitored by Zonal Management, the Office of the Director-General and Government under the corporate governance framework, for accountability, service delivery and resource allocation / utilisation purposes. It is essential that an appropriate 'self-assessment' of budget and financial performance be disclosed including the underlying assumptions by each Health Service District and Statewide Service in the monthly snapshot performance reporting to Zonal Management and the Office of the Director-General. This 'self-assessment' must represent a **managed (ie. not worst/best case) position.** Where material **savings strategies** are required to balance budget, and as agreed by Zonal Management, these strategies **shall be costed** with cash flow so realisation of savings can be monitored by Zonal and Health Service Management. The corporate financial and reporting systems must also be updated appropriately to accurately reflect the current and full year projected positions to allow Zonal management review as part of the ongoing monthly performance reporting cycle.
4. **Patient activity targets** for Health Service Districts and Statewide Services will be established in consultation with Zonal and Health Service District Management as part of the service agreement process. Patient activity information must be routinely reported by Health Service Districts and Statewide Services to Zonal Management and Corporate data collections. The corporate information systems must also be updated appropriately to accurately reflect the current activity position. Health Service Districts and Statewide Services are responsible for the integrity of their patient data and for appropriate monitoring processes.

5. Health Service Districts, Zonal Management, Statewide Services and Corporate Office are responsible for managing and maintaining the appropriate **full time equivalent (FTE) / staff profile**. The corporate information systems must be updated to accurately reflect the current position for internal and external FTE.
6. Health Service Districts, Statewide Services and Corporate Office must ensure their cost centre output **distributions accurately record the costs of Departmental outputs in the corporate systems** under the *Managing for Outcomes* (MFO) framework and reviewed annually.
7. **Asset Management** – Capital allocations within the Health Service District budget should be expended **in accordance with the Health Service District's Asset Strategic Plan**. Additionally, it is Queensland Health policy that expenditure on **maintenance and repairs to be between 2.5% and 4%** of the total budget for each Health Service District. Refer to QHEPS for further details.

FUNDING ARRANGEMENTS:

1. Queensland Health is funded under the Queensland Treasury **Managing for Outcomes (MFO)** framework where the Department receives **output revenue** from Treasury and 'own source' revenue directly from user charges, grants and other contributions to deliver Departmental outputs that directly contribute towards Government outcomes/priorities.

These funding arrangements also apply across Queensland Health where revenue components and targets are devolved directly to the Zones with the corresponding reduction to base appropriation budgets in 2001-02. Any revenue raised above these targets is retained by the Zone in a revenue retention agreement with each Health Service District to fund priorities. Responsibility for bad debt expense and provisions associated with these revenue components are also devolved to the Districts as incurred from 1 July 2002.

An annual review of target and actual revenue as at 30 June each year is undertaken by Zonal Management and taken into consideration for the forward year agreements with Health Service Districts. Zonal targets may be adjusted as approved by the Office of the Director-General.

2. Budget surpluses at year-end in **State operating funding**, taking into consideration valid commitments, will be re-provided to the Health Service Districts and Statewide Services at the discretion of the **Office of the Director-General and the Zonal Managers**. Retention of surpluses in excess of 4% of the total Health Service District and Statewide Services operating budget will require justification by the Health Service District. In the event of a deficit, the over run shall be carried forward by the entity and will be absorbed in the allocation for the new financial year.
3. Budget surpluses at year-end in **State funded special allocations** (ie. all quarantined allocations including new funding initiatives) may be re-provided on a case by case basis as determined by the Office of the Director-General.
4. Budget surpluses at year-end in **Commonwealth program funds** are subject to the terms and conditions of the relevant Commonwealth Program. Refer to *Guidelines for Commonwealth Agreements* on QHEPS.
5. General trust funds are to be administered in accordance with **Queensland Health General Trust Fund Policy**. Health Service Districts should ensure effective investment of surplus funds with QTC.

6. **New Initiative funding is to be allocated in accordance with approved priorities.** This funding must be utilised for the purposes specified and will only be provided to the appropriate level commensurate with the progress of the initiative. The **labour component** of new funding **assumes the current award rates** and includes all on-costs including superannuation.
7. Prior to committing to any **Capital Work's Program**, related recurrent funding is also to be negotiated through the planning process.
8. In accordance with the targets set in the Department's **Capital Acquisition Statement** the budget for **'Minor Capital Acquisitions and Projects'** is **quarantined** within the overall budget for Health Service Districts, State-wide Services and Corporate Office for agreed capital purposes in the current financial year. **The capital target must be achieved at Zonal level** with underspends / overspends to be carried forward and managed at Zonal level for capital purposes. Underspends are not available to improve the operating position.
9. Where **borrowing** is required to fund capital initiatives, internal sources are to be accessed in the first instance. Where internal sources are not available, borrowing is to be sourced through the Queensland Treasury Corporation (QTC). **All borrowing is to be endorsed by the Strategy, Performance & Finance Group (SPFG) and be approved by the Director-General.**
10. In the event a natural disaster with damage to public property, the Department of Emergency Services will invite agencies to claim grant funding for the restoration of essential constructed public assets to the equivalent of their pre-disaster standard under the **Natural Disaster Financial Assistance Arrangements** within Queensland. Please refer to *NDFA Arrangements* on QHEPS.
11. Any **variations to Queensland Health funding** by Treasury (such as award adjustments / savings / levies / charges / interest) or internal to Queensland Health **will be distributed as attributable to Health Service Districts, Statewide Services and Corporate Office.**
12. Only **valid budget claims** (ie. supported by funding approvals or claims initiated corporately) should be taken into consideration for determining the budget position for Health Service Districts and Statewide Services. Zonal Units to review monthly claims for reasonableness and appropriateness.
13. **State funded superannuation expense (employer contribution)** is part of Queensland Health's base funding, consequently funding adjustments to Health Service Districts, Statewide Services and Corporate Office (state special line item for superannuation) is aligned with the State Budget process where adjustments only occur through approved award variations and the labour component of new initiative funding.
14. A centrally managed government wide assessed scheme is established to manage **Long Service Leave Liability** for budget sector agencies. Presently the scheme is funded through a 1.5% Levy on Health Service Districts, Statewide Services and Corporate Office remitted and administered by the Government's Superannuation Office.
15. Health Service Districts, Statewide Services and Corporate Office are responsible for the effective management of **recreation leave entitlements** including workplace health and safety obligations.
16. The Queensland Government Insurance Fund has been established to **manage insurance and legal claims** for budget sector agencies (excludes entities outside the Government sector such as Mater Public Hospital) and covers, property loss, general liability and health litigation. **The annual premium as incurred shall be distributed across Queensland Health.** Separate arrangements apply for Mater Public Hospital Complex providing health services to public patients.

17. WorkCover premium and claims management are the responsibility of each Health Service District, Statewide Service and Corporate Office as outlined in the Queensland **Health WorkCover Claims Management Guidelines**.
18. Health Service Districts, Statewide Services and Corporate Office shall incur an annual **levy** (as approved by GMHS) for corporate Human Resource Management Information System (HRMIS) **LATTICE** support.
19. The **equity charge** applied to Queensland Health assets from Treasury may flow on to the relevant Health Service Districts, Statewide Services and Corporate Office as incurred.
20. **Voluntary Early Retirement (VER)** packages for Health Service District employees **will not be funded corporately** unless otherwise agreed, and as such becomes the financial responsibility of the Health Service District, Zonal Management, State-wide Services and Corporate Office.
21. The processing of Health Service District, Statewide Services and Corporate Office valid **expenditure recoveries (through JMAN)** must be settled within 10 days of entering the system. Raising prior year transactions are not valid (ie. June transactions to be processed in June).

REPORTING ARRANGEMENTS:

1. **Integrating Strategy and Performance (ISAP)** – in 2002 Queensland Health released Smart State: Health 2020 Directions Statement, as part of the Governments wide-ranging strategy of health system renewal. It is intended this vision be achieved through the ISAP process. The framework for strategy development and performance management in Queensland Health is being based on the Balanced Scorecard approach which includes financial and non financial strategies and measures. It is expected that reporting requirements will be aligned to this approach as the ISAP process develops.
2. **For internal reporting purposes**, Health Service Districts, Statewide Services (Capital Works Program, Information Services, Public Health, Central Pharmacy, Linen Services and Pathology & Scientific Services), grant funded hospitals (Mater Public Hospital Complex and Noosa Hospital) and Corporate Office (administration and statewide programs) are **entities to be accounted for separately within Queensland Health**.
3. **Queensland Health reporting requirements** and timeframes for Health Service Districts, Statewide Services, and Corporate Office are obligatory in order to meet **corporate governance obligations**. The **minimum reporting requirements** include month and year-to-date positions, and **full-year projections**. Full year projections shall be determined by the responsibility area and loaded to FAMMIS/DSS budget versions (ie. full year budget and forecast) as informed by the **corporate costing tool**, across the accounting periods at facility level, by specified account codes within all applicable account groups (by cost centre and account code for Corporate Office) and be kept **current at all times**.

//ENDS//