



**National Health  
Funding Body**

**STRATEGIC PLAN  
2013-16**

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# MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

This Strategic Plan is the cornerstone for the National Health Funding Body as we move into the next phase of our development assisting the Administrator of the National Health Funding Pool to enable transparent and efficient public hospital funding and reporting.

The plan reflects our organisation's ongoing commitment and provides a clear direction to achieving the Council of Australian Governments' National Health Reform objectives, and the key strategies that will help us to achieve those objectives. This document shapes our future.

I am proud to be working closely with the Administrator to successfully achieve these important National Health Reform goals, a bold new vision for Australia's future health system.

Since the establishment of the organisation, we have made extensive progress in becoming fully functional and have made excellent progress in delivering key outcomes of the *National Health Reform Agreement*.

We have an outstanding service capability to grow from and build on. This provides us with the foundations we need to strengthen our legislative functions, along with the expertise, information and knowledge we need to successfully achieve our strategic objectives.

We now find ourselves at a pivotal and exciting time for the Australian hospital funding environment. We have the opportunity over the coming years to shape the next generation of hospital funding. Everyone in the organisation has the opportunity to contribute to this goal.

While we may have a clear vision for what we want to achieve together, how we will get there will evolve over the coming years as we work together in collaboration with the Commonwealth, states, territories, local hospital networks and all stakeholders to ensure sustainability of our health system.

I look forward to leading this organisation as we deliver on our Strategic Plan and goals for 2013-16.



A handwritten signature in black ink, consisting of a stylized 'L' followed by a series of loops and a long horizontal stroke.

**Lynton Norris**

*Chief Executive Officer*

*National Health Funding Body*

# MESSAGE FROM THE ADMINISTRATOR OF THE NATIONAL HEALTH FUNDING POOL

The assistance provided by the National Health Funding Body enables me to fully and effectively discharge my responsibilities for the National Health Funding Pool. Together we have been able to commence implementing a robust set of foundations to support the transition of the Commonwealth, states and territories to the new funding arrangements envisaged by the *National Health Reform Agreement*.



*Bob Sendt*

**Bob Sendt**  
Administrator  
*National Health Funding Pool*

Together we will build on this foundation to inform the Australian community about government funding of our hospital systems into the future. Through efficient and effective methods we will deliver on our commitment to enable a sustainable and transparent Australian health system.

This Strategic Plan articulates and assists the National Health Funding Body in reaching our collective National Health Reform funding goals. This Plan is a vital contributor to our future goals, and has my full support.

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■ ■ **WE PROVIDE INDEPENDENT, TRANSPARENT AND EFFICIENT ADMINISTRATION OF COMMONWEALTH, STATE AND TERRITORY PUBLIC HOSPITAL FUNDING TO LOCAL HOSPITAL NETWORKS.** ■ ■

# INTRODUCTION

In August 2011, the Council of Australian Governments agreed to major reforms to the organisation, funding and delivery of health care. The result, the *National Health Reform Agreement* (the Agreement) sets out the architecture and shared intention of the Commonwealth, state and territory governments to work in partnership to deliver National Health Reform and establish the foundations of Australia's future health system.

The Administrator of the National Health Funding Pool (the Administrator) and the National Health Funding Body (NHFB) were created through the Agreement and the *National Health Reform Act 2011* (the Act). Both the Administrator and the NHFB were primarily created to ensure transparent funding and reporting of local hospital networks based on services delivered and to enable a stronger financial basis for the health system into the future. The Act, Agreement and relevant legislation of each state and territory govern the roles, functions and responsibilities of the Administrator and the NHFB.

The NHFB was established under the *Financial Management and Accountability Act 1997* in July 2012 as an independent statutory authority. The primary function of the NHFB is to assist the Administrator in the performance of his functions under the relevant legislation. Some of the obligations being to:

- + Calculate the Commonwealth funding contribution to states, territories, and local hospital networks.
- + Determine efficient growth and funding guarantees, supporting the transition to the Commonwealth providing 50 per cent growth funding of the efficient price of hospital services.
- + Administer the National Health Funding Pool, which receives all Commonwealth and activity-based state and territory hospital funding. The National Health Funding Pool is comprised of a pool account for each state and territory (state pool account) and has been established with the aim to optimise the transparency and efficiency of public hospital funding.
- + Oversee payments into and out of the state pool account for each state and territory.
- + Ensure that state and territory deposits into state pool accounts and payments from the state pool accounts to local hospital networks and other provider organisations are made in accordance with directions from the responsible State or Territory Minister, and are in line with the Agreement.
- + Ensure that Commonwealth funds are deposited into state pool accounts accordingly and in line with the Agreement.
- + Report publicly on all activities of the National Health Funding Pool and other relevant matters.
- + Reconcile estimated and actual service delivery volumes for Commonwealth payment purposes.

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**THE NHFB PROVIDES THE EFFECTIVE AND EFFICIENT ADMINISTRATIVE MECHANISM AND PRIMARY POLICY ADVICE IN THE DEVELOPMENT AND OPERATION OF THE ABOVE FUNCTIONS.**

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## VISION

Improved health outcomes for all Australians, sustainability of a nationally unified and locally controlled Australian health system, and increased transparency in public hospital funding.



## MISSION

To support the obligations and responsibilities of the Administrator of the National Health Funding Pool by providing transparent and efficient administration of Commonwealth, state and territory funding of the Australian public hospital system.

# KEY VALUES

The NHFB is committed to observing the following core values which represent our approach and practice when interacting and collaborating with colleagues, stakeholders and the wider community.

**Accountability** - to comply with National Health Reform legislative requirements and the *National Health Reform Agreement* according to the parameters set.

**Collaboration** - maintain effective working relationships with all stakeholders to instil continued confidence.

**Integrity** - to conduct business and make decisions in a manner which demonstrates the principles of honesty, consistency, accuracy and ethics.

**Leadership** - to ensure leadership, effective policy advice and best practice in the management of major national health funding reform.

**Privacy** - the privacy of information is paramount in complying with secrecy and disclosure requirements of National Health Reform arrangements.

**Transparency** - to be transparent in the reporting and transactions of funding activities within the National Health Funding Pool.

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## WE ALSO OBSERVE THE AUSTRALIAN PUBLIC SERVICE VALUES OF BEING

**I - IMPARTIAL**

**C - COMMITED TO SERVICE**

**A - ACCOUNTABLE**

**R - RESPECTFUL AND**

**E - ETHICAL**

**IN ALL OUR PRACTICES.**

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# STRATEGIC OBJECTIVES

The NHFB has adopted five high level strategic objectives which capture the scope of our responsibilities and which serve the vision and mission of the organisation to:

- + Achieve best practice and accountability
- + Provide increased transparency and effective reporting
- + Enable accurate Commonwealth contribution calculations
- + Develop productive and effective partnerships
- + Operate as a fully functional and compliant agency

OUR STRATEGIC PLAN HIGHLIGHTS THE PRIORITIES AND COMMITMENTS NECESSARY TO OUR GOALS AS WE STRIVE TO ACHIEVE OUR VISION OF A SUSTAINABLE HEALTH SYSTEM.



## ACHIEVE BEST PRACTICE AND ACCOUNTABILITY

To achieve best practice and accountability through assisting the Administrator in implementing and overseeing a nationally consistent public hospital funding arrangement through the National Health Funding Pool.

STRATEGIC GOALS	DELIVERABLES
Provide leadership and expert policy advice to the Administrator and information to the Australian community (including governments) on National Health Reform funding aspects.	<p>Innovative and effective National Health Reform policy development is enabled and implemented.</p> <p>The national, state and territory health reform funding environment is monitored and expert advice is provided to stakeholders.</p>
Process and oversee National Health Reform funding and payments through the National Health Funding Pool.	Efficient and robust processes are in place, with continuous improvement and governance practices employed.
Manage the integrity of the National Health Funding Administrator's Payments System (Payments System).	<p>A fully functional National Payments System is in operation.</p> <p>Policies and procedures are in place to ensure payments are made in accordance with appropriately approved directions, actioned by authorised persons and accurately documented and communicated.</p> <p>Frameworks are developed and implemented to ensure compliance, including the National Health Funding Body Procedures Manual and the States and Territories Procedures Manual.</p>

## PROVIDE INCREASED TRANSPARENCY AND EFFECTIVE REPORTING

To provide increased transparency and effective reporting on what local hospital networks are funded for services they deliver to the community.

STRATEGIC GOALS	DELIVERABLES
Ensure monthly reporting requirements are satisfied.	<p>Information requirements are determined, articulated and clearly communicated.</p> <p>Monthly reports are published and publicly available on the Administrator's website detailing the flows of funding into and out of the National Health Funding Pool and the volume of services.</p> <p>Continued quality assurance and improvement of the process and reports.</p>
Develop and publish the <i>National Health Funding Pool Annual Report</i> and Financial Statements for each financial year.	An Annual Report (including a Report of Operations and Financial Statements) is published in accordance with all necessary requirements.

## ENABLE ACCURATE COMMONWEALTH CONTRIBUTION CALCULATIONS

To enable accurate Commonwealth contribution calculations by utilising nationally consistent pricing and costing standards.

STRATEGIC GOALS	DELIVERABLES
Calculate the Commonwealth contribution accurately, including efficient growth and funding guarantee.	The Commonwealth contribution, to be paid to each state and territory, is calculated accurately based on activity and advised to the Commonwealth Treasurer in a timely manner.
Develop data requirements to conduct reconciliation activities.	Guidelines for data collection in relation to the rolling three year Data Plan is developed in adherence with data integrity and privacy provisions.
Reconcile estimated and actual volume of service delivery for calculation of Commonwealth contributions.	A robust Reconciliation Framework is developed and implemented.

## DEVELOP PRODUCTIVE AND EFFECTIVE PARTNERSHIPS

To develop productive and effective partnerships with relevant stakeholders to enable the objectives of the Agreement to be achieved.

STRATEGIC GOALS	DELIVERABLES
Maintain and continually strengthen productive partnerships and collaboration with all stakeholders, based on trust and respect.	<p>A Communication Strategy for all stakeholders is developed, informed by NHFB policy principles.</p> <p>Expertise and networks are developed through working groups, advisory committees and other mechanisms.</p> <p>The Administrator and NHFB's work plan is informed by consultation with stakeholders.</p> <p>Awareness of the National Health Reform funding agenda is built and promoted.</p>

## OPERATE AS A FULLY FUNCTIONAL AND COMPLIANT AGENCY

To operate as a fully functional and compliant agency, meeting statutory and legislative obligations.

STRATEGIC GOALS	DELIVERABLES
<p>Establish and maintain robust policies and procedures, including ensuring all NHFB values are reflected and comply with relevant statutory and legislative requirements.</p>	<p>As a <i>Financial Management and Accountability Act 1997</i> agency, the NHFB has an appropriate structure and delegations in place.</p> <p>Appropriate industrial instruments are implemented, which include an Enterprise Agreement for staff.</p> <p>Appropriate Frameworks are developed and implemented which include policies, processes, systems, procedures and guidelines that facilitate compliance.</p> <p>A work plan is developed to meet our objectives for the period 2013-16.</p> <p>An NHFB Annual Report (including a Report of Operations and Financial Statements) is published each financial year.</p>
<p>Establish and adhere to good governance principles and practices while conducting business in an ethical manner.</p>	<p>A culture exists of continuous improvement that adheres to ethical standards, good governance and embraces quality management practices.</p> <p>An effective business planning cycle is established that sets future direction, expectations, is measurable and complies with reporting requirements.</p> <p>Sound, transparent and accountable processes that conform to public sector standards are in place.</p>
<p>Promote a positive and productive working culture where staff are committed to success, adopt best practice approaches and are motivated to achieve results.</p>	<p>Tools, resources, support and opportunities for staff to perform and develop are available.</p> <p>A Human Resources Strategic Framework is employed to enable the development of workforce capability and capacity and ensure compliance with Commonwealth legislation and regulations.</p>







