

File: 08/35

The Hon Mark Butler MP
Parliamentary Secretary for Health and Ageing
Parliament House
CANBERRA ACT 2600

Dear Parliamentary Secretary

NATIONAL BLOOD AUTHORITY STATEMENT OF INTENT

Thank you for the letter of 10 August 2009 which sets out your expectations for the National Blood Authority (NBA) for the period to June 2010. I am pleased to provide you with the NBA's Statement of Intent (attached) outlining measures the NBA will put into place to achieve the priorities you have set. I have sought input from the NBA Board on the Statement and have incorporated their suggestions.

2009-10 is proving to be a very significant and busy period for the Authority. While we continue to provide a high level of information support to the Review of the National Blood Arrangements, the negotiation of our two key supply contracts will be very influential in our business going forward. The negotiations with CSL are progressing well and should deliver to governments a very defensible value for money outcome. At the same time, negotiations with the Australian Red Cross Blood Service (ARCBS) on the development of the output-based funding model (OBFM) and the move to a three year funding model will provide the sector with the stability perhaps envisaged in the establishment of the arrangements back in 2003.

Importantly, initiatives to provide enhanced data on product use, inventory holdings and evidence-based use of products will start to drive a significantly different perspective on true demand.

In delivering these benefits for the sector I acknowledge the need at all times to work collaboratively across the blood sector and to seek engagement with the wider health sector to ensure alignment with, and the development of, synergies with wider reforms.

I am appreciative of the guidance provided by the Secretary of the Department of Health and Ageing (DoHA) and her staff on general portfolio issues and concerns. As such, I will continue to participate actively in the Portfolio CEOs' meetings and ensure appropriate advising of major issues. I acknowledge the very effective working relationships we have developed with the Regulatory Policy and Governance Division of the Department and will continue to work with them in the development of consolidated policy advice for Governments.

I look forward to reporting on our achievements against this Statement of Intent on a regular basis

Yours sincerely

Original signed

Alison Turner
Chief Executive Officer and General Manager
17 November 2009

Saving & improving Australian lives through a world-class blood supply

NATIONAL BLOOD AUTHORITY STATEMENT OF INTENT 2009 - 10

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SHORT TERM PRIORITIES	
Finalise negotiations for the new plasma products agreement with CSL Limited.	The NBA will finalise the agreement by 1 January 2010.
Implement the output based funding model recommended by the ARCBS Business Study.	The NBA will design, negotiate and finalise the output based funding model with the ARCBS during 2009-2010.
Support the process for the Administrative Review of the National Blood Arrangements and work to implement the review recommendations approved by the Australian Health Ministers' Conference (AHMC)	<p>The NBA will actively provide information on achievements to date and opportunities to improve the effectiveness of the implementation arrangements based on the experience of the NBA over the first six (6) years.</p> <p>The NBA will ensure timeliness and responsiveness in responding to priorities for reform agreed by AHMC and track their progress in future operational plans.</p>
<p>Work collaboratively with jurisdictions, suppliers and national bodies to:</p> <ul style="list-style-type: none"> • Understand factors that influence the demand for blood and blood products, • Identify and implement data collection to inform supply and demand forecasting, 	<p>The NBA will develop strategies to improve the processes for developing demand forecasts through:</p> <ul style="list-style-type: none"> • Redesigning the supply planning process to identify demand drivers better • Undertaking detailed analysis of data in the Australian Bleeding Disorders Registry (ABDR) <p>NBA will pursue initiatives to provide data on performance, including through:</p> <ul style="list-style-type: none"> • The development of a detailed data strategy that maximises use of data and drive enhanced connectivity across systems • Continued development of the ABDR with enhanced reporting • Undertaking a 'Proof of Concept' to examine the potential for the national implementation of ORBS (Ordering and Receipting Blood System) • Improving the quality of analysis provided to jurisdictions on demand trends

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<ul style="list-style-type: none"> • Enhance performance reporting • Improve the appropriateness of product use 	<p>The NBA will work to improve broader sector performance through:</p> <ul style="list-style-type: none"> • The continued commitment to a blood sector intelligence base including horizon scanning and analysis • The redevelopment of the NHMRC Guidelines which are gathering best practice and evidence-based material for blood use • Development and implementation of the Review of the IVIg Criteria. • Seeking comments on and finalise the Blood Measures Project <p>The NBA will drive enhanced appropriateness of product use through:</p> <ul style="list-style-type: none"> • Commencing implementation of the Patient Blood Management (PBM) program as approved by the Jurisdictional Blood committee (JBC) and in particular engage DoHA in analysing and addressing national policy positions that influence practice • Supporting jurisdictionally based programs to develop programs to improve appropriateness of use • Developing and driving the implementation of a project to understand red cell utilisation • Publishing the second Australian Haemovigilance Report in 2010.
LONG TERM PRIORITIES FOR 2009-10	
<p>Manage Australia's blood sector through national planning and purchasing of blood and blood products on behalf of governments , in accordance with the <i>National Blood Agreement (2003)</i>;</p>	<p>The NBA acknowledges that a core deliverable for governments must be the continued delivery of value for money outcomes through our procurement of blood products. In 2009-10 the NBA will implement a number of initiatives including the design of a framework to allow a three year supply and budget as part of the negotiations with ARCBS on their three year funding arrangements</p>
<p>Improve the effectiveness and value for money in negotiations with suppliers, within the parameters of relevant government policies</p>	<p>The NBA follows the requirements of the Commonwealth Procurement Guidelines in relation to value for money. Both effectiveness of contracting and value for money have been proven in the NBA's contracting to date and the NBA will continue to aim for incremental improvements with each new contract. During 2009-10 the NBA will:</p> <ul style="list-style-type: none"> • Continue to pursue both intelligence gathering and information exchange with global blood product suppliers in order to assure continued effectiveness and value for money • Undertake a comprehensive evaluation of the best value for money procurement options for

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	<p>purchasing IVIg after the end of 2010 and strategies implemented to ensure an effective outcome.</p> <ul style="list-style-type: none"> • Finalise arrangements for a three year output based funding regime with the ARCBS in a new Deed to be implemented from 1 July 2010. • Ensure appropriate monitoring and contract management arrangements will be implemented for all supply contracts to ensure compliance and continued high performance • Finalise funding agreements and associated indemnities for ARCBS Principal Site developments • Finalise procurement arrangements for the continuation of the Standing Offer for Diagnostic Blood Products
Engage the clinical community to develop initiatives in patient blood management that lead to tangible benefits for governments and better outcomes for patients;	<p>To advance the principles of patient blood management, the NBA will:</p> <ul style="list-style-type: none"> • Establish the national PBM Steering Committee • Continue to maintain a high level of clinical involvement in NBA projects and programs, including through membership of working groups and committees
Coordinate and manage national demand and supply planning in conjunction with states and territories and the commonwealth through the JBC	<p>The NBA will continue to develop the annual supply plan and budget in cooperation with the jurisdictions to allow informed decisions making by Governments.</p>
Providing timely advice to myself and the Department to inform policy decision-making in the blood sector; and	<p>The NBA will ensure that:</p> <ul style="list-style-type: none"> • Policy advice to JBC will be provided as requested, on the development, revision, and implementation of initiatives within the blood sector • The methodology for an evidence based evaluation framework and advice to Governments on proposals to change products or services funded under the national blood arrangements is finalised and published • Stage 2 of the Review of Distribution Arrangements is finalised to allow clear policy options to be presented
Submitting annual reports and corporate plans to myself and AHMC.	<p>The NBA will:</p> <ul style="list-style-type: none"> • Provide regular performance reports to the Board and JBC on the activities of the NBA • Table the 2008-09 Annual Report led no later than 31 October 2010 • Provide regular reporting on the work of JBC to AHMC through Clinical, Ethical and Technical principal Committee (CTEPC) processes.

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LEGISLATIVE FRAMEWORK	
Seek and have regard to the advice of the Board on strategic matters relevant to the performance of the Authority.	The General Manager will continue to seek the views of the Board on strategic matters, as required under the Act.
Comply with all Australian Public service accountability requirements.	The NBA will comply with all relevant accountability requirements
ROLE	
<p>Work to fulfil roles and responsibilities, and meet key objectives , which are centred on national planning and purchasing of blood and blood products on behalf of governments including:</p> <ul style="list-style-type: none"> • Coordinating national demand and supply planning on blood and blood products; • Negotiating and managing contracts around an agreed national pricing schedule, which delivers value for money; • Implementing a responsive and efficient demand-driven system; • Collaborating with stakeholders to ensure Australia's blood supply is adequate, safe, secure and affordable; • Maintaining a national contingency plan for blood supplies; • Working with JBC to promote adherence to national safety and quality standards; and • Developing and implementing national strategies to promote the appropriate use of blood and blood products. 	<p>Priorities against these roles for 2009-10 are largely covered above. Other relevant intents include:</p> <ul style="list-style-type: none"> • Ensure timely assessment of the implications for Australia of changes in international safety measures, and the epidemiology of Transfusion Transmitted Infections (TTI). • Refresh the security risk assessment of all plasma and recombinant products and provide recommendations on risk mitigation and inventory levels • Refine the National Blood Supply Contingency Plan (NBSCP) and appropriate annexes based on changes to agreed inventory holding requirements • Develop an intensive product management protocol for fresh blood products based on a security risk assessment • Support advancement of state based strategies to improve haemovigilance capability

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STAKEHOLDER RELATIONSHIPS	
<p>I expect the Authority and the Department to foster a close working relationship based on the principles of open communication, no surprises and information sharing, as per the ministerially endorsed Relationship and Appointment Protocols.</p>	<p>The NBA will:</p> <ul style="list-style-type: none"> • Hold regular meetings with the Regulatory and Governance Policy Division of DoHA to ensure key issues are managed in a coordinated manner, and; • Work with the parliamentary and media areas of DoHA to ensure that agreed processes are followed. • Seek to share information both formally and informally on all occasions where ambiguity exists or where collaborative working arrangements are likely to optimise outcomes.
<p>In regard to specific stakeholder relationships, it is vital that you continue to collaboratively engage with the Australian Red Cross Blood Service (ARCBS), CSL Limited and other suppliers to develop contracts to provide blood and blood products of an appropriate quality that meet Australia's needs.</p>	<p>In addition to those matters mentioned above, the NBA will:</p> <ul style="list-style-type: none"> • Monitor the response by ARCBS to the recommendations of the ARCBS Business Study, as agreed by governments, and take action as appropriate. • Provide input from Government to ARCBS research program to assist alignment with government priorities • Ensure ARCBS strategic and operational plans reflect the value for money principles and incorporate the expectations for governments. • Continue an intelligence gathering and information sharing relationship with both current and future product suppliers to maintain continued value for money in future years
<p>In carrying out the national blood arrangements ensure the endorsement of the State and Territory governments, in accordance with established protocols and processes governing the business of AHMC and AHMAC including working closely with the Department where Minister Roxon, as the Commonwealth member on AHMC, sponsors papers to AHMC and the Secretary of the Department sponsors Commonwealth papers to AHMAC.</p>	<p>The NBA will:</p> <ul style="list-style-type: none"> • Provide timely and high quality secretariat support to the JBC and drive strategy in accordance with outcomes of JBC strategic workshops. • Provide policy advice to JBC, as requested, on the development, revision, and implementation of initiatives within the blood sector. • Coordinate all reporting from JBC to Ministers through working closely with DoHA re the scheduling of these reports.
COMPLIANCE ACTIVITIES	
<p>Exercise prudence in financial management of the Authority in context of the legislative framework, Minister's expectations in regards to the NBA's financial</p>	<p>The NBA is proud of our compliance record to date and to meet this expectation will continue to:</p> <ul style="list-style-type: none"> • Ensure the NBA meets all Commonwealth financial and budgetary requirements of an

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management requirements as set out in the SoE, and the requirements of the FMA Act.	<p>independent statutory authority.</p> <ul style="list-style-type: none"> • Develop a forward plan for 2010-11 onwards that aligns NBA resourcing with the requirements of governments • Ensure all policies and procedures are maintained and revised adequate training is provided for relevant functions • Maintain the currency of all compliance and control processes including risk management, internal audit, fraud control and business continuity planning (BCP)
<p>Manage the affairs of the agency in a way that promotes the efficient, effective and ethical use of resources.</p> <p>To do this in manner that is consistent with the policies of the Commonwealth (e.g. CPGs).</p>	<p>The NBA will:</p> <ul style="list-style-type: none"> • Operate within a continuous improvement framework which includes formal management processes to identify and address options for improvement in our performance; • Conduct internal audits in accordance with the outcomes of a risk assessment. • Implement a FMIS - Upgrade to improve NBA financial accounting • Manage property services (including contract management) for property lease; property maintenance, waste management (including recycling and secure waste destruction), and cleaning for all NBA offices in a manner that drives enhanced performance against the governments ESD expectations • Manage all internal NBA ICT systems, telecommunications services and external websites/portals to drive improved efficiency of NBA business. • Manage external data and telecommunications services (PSTN, ISDN, mobile voice services and teleconferencing; FedLink network connection, Melbourne and other remote office networks, wireless and wired internet connections in a manner consistent with the Protective Security Manual
Any breaches of the FMA Act, FMA Regulations, FMA Delegations, FMA Orders or financial management and other policies must be reported in the Authority's annual certificate of compliance.	The NBA has had no significant breaches since its establishment and effort will remain focused to ensure this status is maintained. Any breaches will be referred to the Audit Committee for consideration on options to improve the control framework.
Keep the Secretary informed of these issues in light of her broader monitoring and advisory role on compliance activities across all agencies within the portfolio.	The NBA will continue to keep the Secretary informed of relevant developments.
THE NBA AS AN EMPLOYER	
The Authority is a responsible employer, develops a positive	The NBA will continue to implement its human resource strategies with their high focus on

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work culture, and manages workforce planning including oversight of turnover and retention.	developing the expertise and knowledge of NBA staff The NBA will continue to monitor and report of workforce trends and take action as appropriate
Lead the Agency in a way that is seen as a good place to work, family friendly and an employer that is inclusive of our diverse community.	The NBA will maintain its current initiatives that support staff members and implement priorities for improvement as identified in the Dec 2008 staff survey

Set high human resource standards and ensure that it is well placed to effectively implement policy equivalent to public sector workplaces.	The NBA will ensure that all staff have in place a professional development program linked to the NBA operation plan and in line with the requirements from the Skills and Capability Survey
Authority Employees shall be aware of, and adhere to, the Public service Code of Conduct, and the <i>Public Service Act 1999</i> .	The NBA will continue to provide mandated training on the code of conduct each year
Comply with the Government's Employment Bargaining Framework including the requirement that Minister Roxon is responsible for approving Collective Agreements prior to finalisation of negotiations and considerations by staff.	The NBA will plan, negotiate and coordinate arrangements for the next Collective Agreement ensuring full compliance with government requirements and processes.