

Ambulance Services policy and funding guidelines
2003–2006

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Foreword

Each Division in the Department of Human Services is producing policy and funding guidelines for 2003-2006. The guidelines support the department's objective of being transparent, accountable and more openly communicative with its funded agencies and the community.

The department is pleased to present the Ambulance Services policy and funding guidelines for the years 2003-2006. The Ambulance Services policy and funding guidelines describe the policy, environment and budget/funding context in which the Ambulance Services program delivers services and programs to the community.

The Ambulance Services policy and funding guidelines present, as a single resource, comprehensive information covering six main topics:

Policy context	Overview of the Government's vision for Victoria, and strategic policy commitments
Department's policy context	Overview of the department's strategic objectives and directions.
Divisional policy context	Outline of Ambulance Services policy and program objectives, and details of Ambulance Services.
Ambulance service environmental context	Summary of Ambulance Services providers and products.
Budget and funding context	The Ambulance Services program approach to funding and accountability, including specification of the funding mechanisms proposed for new and growth funding.
Service Agreement information	Supplementary Service Agreement information detailing activities funded, service standards and guidelines and accountability requirements for the department's funded agencies.

The guidelines aim to describe the links between policy goals, environmental influences and funding.

It is expected that the Ambulance Services policy and funding guidelines will be of interest to funded agencies, service providers, clients, staff, policy makers and researchers as well as the wider community. It is hoped that the guidelines will promote greater understanding of the Ambulance Services activities and, importantly, partnership between the department and the ambulance services.

The Ambulance Services policy and funding guidelines are a continually evolving document and, your feedback on the 2003-2006 guidelines would be greatly appreciated.

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1. Policy context

1.1 The Government's vision for Victoria

In November 2001, the Government released *Growing Victoria together*, a statement about its priorities for the next ten years. This statement expresses the Government's broad vision for the future and balances economic, social and environmental goals.

Victoria 2010: A vision for Victoria

The Government's vision for Victoria is that by 2010 we will be a state where:

- innovation leads to thriving industries generating high quality jobs
- protecting the environment for future generations is built into everything we do
- we have caring, safe communities in which opportunities are fairly shared
- all Victorians have access to the highest quality health and education services all through their lives.

To make this vision a reality, the Government has identified the following strategic issues that are important to Victorians:

- valuing and investing in lifelong education
- high quality, accessible health and community services
- sound financial management
- safe streets, homes and workplaces
- growing and linking all of Victoria
- promoting sustainable development
- more jobs and thriving, innovative industries across Victoria
- building cohesive communities and reducing inequalities
- protecting the environment for future generations
- promoting rights and respecting diversity
- a government that listens and leads.

As part of its commitment to addressing these issues, the Government has also developed a set of priority actions to guide work in these areas. From these, the Department of Human Services has identified the issues and actions that are the primary responsibility of the department, along with those that are related to its functions.

Primary issues and priorities for the department

1. High quality, accessible health and community services

- Build, improve and integrate hospitals and community health services.
- Link and invest in services for mothers and children through pregnancy to age eight.
- Support older people to live active lives in the community
- Reduce drug abuse and harm.
- Tackle issues linked to inequality, including mental and dental health.

2. Building cohesive communities and reducing inequalities

- Support new community building initiatives and develop partnerships with local government around local communities' needs.
- Enhance community participation and engagement in cultural activities.
- Encourage employers, workers and families to better balance their work and family responsibilities and their ability to participate in community life.
- Reduce unemployment and rejuvenate those areas worst affected by social and economic disadvantage.
- Expand the supply of secure affordable and appropriate public housing.

Related issues and priorities

1. Valuing and investing in lifelong education

- Expand opportunities for training and learning all through life.

2. Sound financial management

- Maintain responsible financial management.
- Invest in long-term social and physical infrastructure such as schools, hospitals, roads, public transport and waste management.

3. Promoting safe streets, homes and workplaces

- Reduce family violence.
- Improve road and workplace safety.

4. Growing and linking all of Victoria

- Connect more Victorians to the Internet and other new technologies.

5. More jobs and thriving, innovative industries across Victoria

- A greater share of innovative research and development activity will occur in Victoria.

6. Protecting the environment for future generations

- Ensure water authorities continue to supply affordable, good quality drinking water.

7. Promoting rights and respecting diversity

- Improve awareness of rights and promote equal opportunity.
- Promote reconciliation between indigenous and non-indigenous Victorians and move to redress the dispossession of Aboriginal land and culture.
- Improve access to services for culturally and linguistically diverse Victorians.
- Increase the diversity of representation on decision making boards and in local government.

8. A Government that listens and leads

- Make the Government more democratic, open and inclusive through better access to decision making processes, including regular Community Cabinets each year.
- Strengthen the capacity of the public sector to deliver high quality, responsive and efficient services.

The strategic issues and priority actions identified in *Growing Victoria together* form the basis of the framework used by the department to manage the planning and delivery of human services.

For more information about *Growing Victoria together* go to www.growingvictoria.vic.gov.au.

1.2 Government policy commitments

During the 2002 state election campaign, the Government announced a range of policy initiatives that would be implemented over the next four years. These initiatives reflect the strategic issues set out in *Growing Victoria together* and include recurrent and capital funding commitments.

For a summary of initiatives relating to the health, housing and community services sectors go to www.dhs.vic.gov.au/budget.

More information about the implementation of funding commitments is included in the annual update to this policy and funding plan.

2. The department's policy context

2.1 The department's responsibilities and service partners

Responsibilities

The Department of Human Services is responsible for supporting and servicing the portfolio areas of the Ministers for Health, Housing, Aged Care and Community Services.

The department is the state's largest government agency and employs more than 10,000 people directly and approximately 80,000 indirectly through organisations such as hospitals, aged care facilities, ambulance services and community service agencies. The department has an output budget in excess of \$8.5 billion, which is over one-third of the Government's total annual expenditure on services.

The principal responsibilities of the Department of Human Services include funding or delivering:

- high quality and efficient health care services through the public hospital system, community health services and ambulance services
- residential and rehabilitation care for older persons along with support and assistance to enable them to continue to live at home as long as possible
- promotion of positive community perceptions of ageing and positive attitudes to older people through the Office of Senior Victorians
- a range of accommodation and support services aimed at enhancing the quality of life of people with disabilities
- accommodation and assistance support for homeless people
- a wide range of health and community services for Victorian families, such as preschool, early intervention and family support services
- health promotion and protection through emergency management, public health, preventive services, education and regulation
- a range of alcohol and drug prevention and treatment services
- the state's statutory responsibilities for vulnerable children and young people in relation to child protection and juvenile justice
- secure, affordable and appropriate housing to low income Victorians
- government concessions to low income groups to improve the affordability of key essential services.

Service partners

Over 70 per cent of the department's annual budget is spent on services provided by agencies under agreements with the department. These include a range of non-government and government-related agencies such as:

- public hospitals
- metropolitan health services
- community service organisations
- local government
- community health services
- ambulance services.

2.2 The department's mission

The mission of the Department of Human Services is to enhance and protect the health and wellbeing of all Victorians, emphasising vulnerable groups and those most in need.

2.3 Key challenges for the department

In implementing the Government's policies and undertaking its ongoing operations, the department faces a number of challenges. These challenges are based around three key issues:

Issue 1: Managing demand for services

Specific challenges include:

- meeting increased demand for services
- meeting the increased complexity of client need.

Issue 2: Acting sooner and more effectively

Specific challenges include:

- shifting the service focus toward prevention and early intervention
- addressing changing patterns and inequalities in health and wellbeing
- delivering services around person and place
- improving social cohesion and participation in family life
- alleviating increased pressure on families and young people.

Issue 3: Improving service viability and productivity

Specific challenges include:

- developing a flexible and skilled workforce across Victoria
- ensuring economic sustainability
- modernising ageing infrastructure
- building on progress in technology and knowledge.

2.4 Objectives

To co-ordinate its activities and monitor progress in meeting its challenges, the department has developed the following six organisation-wide objectives:

1. building sustainable, well managed and efficient human services
2. providing timely and accessible human services
3. improving human service safety and quality
4. promoting least intrusive human service options
5. strengthening the capacity of individuals, families and communities
6. reducing inequalities in health and wellbeing.

The department's objectives guide the development of its annual priority actions and their related initiatives, key performance targets and milestones. These are detailed in the department's annual plan and will be reproduced in the annual policy and funding plan updates.

Figure 1.1 illustrates the strategic environment within which the department operates. It shows the relationship between the policy context and the department's mission and objectives, as well as its key priorities and challenges.

Strategic Environment

Policy Context Growing Victoria Together

Valuing and investing in lifelong education	High quality, accessible health and community services	Sound financial management	Safe streets, homes and workplaces	Growing and linking all of Victoria	Promoting sustainable development	More jobs, thriving, innovative industries across Victoria	Building cohesive communities and reducing inequalities	Protecting the environment for future generations	Promoting rights and respecting diversity	Government that listens and leads
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Key Challenges

Acting sooner and more effectively

Managing demand for services

Improving service viability and productivity

Shifting the service focus toward prevention and early intervention	Improving social cohesion and participation in family life	Alleviating increased pressure on families and young people	Addressing changing patterns and inequalities in health and wellbeing	Delivering services around person and place	Meeting increased demand for services	Meeting the increasing complexity of client need	Using progress in technology and knowledge	Ensuring economic sustainability	Developing a flexible and skilled workforce across Victoria	Modernising ageing infrastructure
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Our Mission

To enhance and protect the health and wellbeing of all Victorians, emphasising vulnerable groups and those most in need

Our Objectives

Objective Focus	Our Objectives	Objective Purpose
Building sustainable, well managed and efficient services	Building sustainable, well managed and efficient services	Establishing the capacity to pursue Government outcomes
Delivering services Victorians expect	Providing timely and accessible services Improving service safety and quality	Improving service standards
Shifting our focus	Promoting least intrusive service options Strengthening the capacity of individuals, families and communities	Moving toward a service system focused on community based responses, early intervention and health promotion
Making a long term difference	Reducing inequalities in health and wellbeing	Ensuring our services contribute to reducing inequalities in health and wellbeing

Acute Health Services Outputs	Dental Health Outputs
Ambulance Services Outputs	Mental Health Outputs
Primary Health Outputs	Public Health Outputs
Drug Services Outputs	

Aged and Home Care Outputs

Housing Assistance Outputs

Disability Services Outputs	Child Protection and Placement Outputs
Early Childhood Outputs	Juvenile Justice Outputs
Family and Community Services Outputs	Concessions to Pensioners and Beneficiaries Outputs

Our Values

Client Focus We work toward improving the health and wellbeing of our clients and community	Professional Integrity We treat all people with dignity and respect	Quality We always strive to do our best and improve the things we do	Collaborative Relationships We work together to achieve better results	Responsibility We commit to the actions we take to achieve the best possible outcomes for our clients and community
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Health

Aged Care

Housing

Community Services

2.5 Partnership framework

Working in partnership with service organisations is essential to the achievement of the department's objectives and government policy. A Partnership Agreement between the department and the health, housing and community sectors was formally signed on 23 October 2002 and a partnership protocol with the Municipal Association of Victoria was signed on 2 October 2002. Full copies of these agreements are available at <http://www.dhs.vic.gov.au/pdpd/partnership/>.

These agreements will be supported by key partnership initiatives, including:

- **Partnership forums**

Biannual Partnership Forums with funded sector representatives and senior departmental staff are convened and chaired by the Secretary of the department.

- **Annual Partnership survey**

The first annual survey of all organisations funded by the department was conducted in April 2003. The purpose of the annual survey is to provide quantitative and qualitative information on the partnership relationship and provide guidance on initiatives for its improvement.

- **Three Year Service Agreements**

The introduction of Three Year Service Agreements from 2003–04 will change the service agreement process and make a clear distinction between:

- base funding
- funding for new services and growth funding
- adjustments to funding for wages, CPI and productivity.

Three Year Service Agreements will:

- provide greater certainty of the budget and service delivery environment
- emphasise value added work and reduce administrative burden
- enable improved collaborative local planning and problem solving.

For further information about three year agreements, refer to the document *Principles and associated business practice for Three Year Agreements* available at:

<http://www.dhs.vic.gov.au/pdpd/partnership/threeyr.htm>.

The repositioning of policy and funding plans as three yearly rather than annual documents is a key part of the change to a three-year service agreement cycle. Information that changes on an annual basis, such as advice of new funding initiatives, will be provided in annual updates, which will be published to support the three-year plans.

- **Putting partnership into practice**

This initiative will support departmental and funded sector staff to put partnership principles into everyday practice through the development of practice tools and learning and development programs that aim to strengthen partnership arrangements.

- **Agency performance monitoring and improvement project**

Under the auspices of this project, a broad consultative process is being undertaken to determine an appropriate approach to agency monitoring, which will aim to :

- provide support to funded agencies with a focus on continuous improvement
- ensure the monitoring process provides value to agencies and assists in identifying developmental and improvement opportunities

- meet the department's obligations in relation to agency monitoring, with particular reference to :
 - accountability for expenditure and use of public funds
 - effectiveness of service delivery
 - ensuring the sustainable delivery of services into the future
 - the department's non-delegable duty of care to vulnerable clients.

The project is focussing on the monitoring process as well as content, and has an emphasis on continuous improvement.

The project will be undertaken through the 2003 calendar year, and revised processes will be implemented prior to the 2004–05 financial year.

- **Data collection and performance reporting reform strategy**

The Public Accounts and Estimates Committee has recommended that the department develop and implement a strategy to rationalise and improve agency data collection and performance reporting. The Victorian Government has accepted this recommendation.

Under the Partnership Flagship Project, the Data Collection and Performance Reporting Reform Strategy will describe the implementation of reform projects over the next three years in the following areas:

- rationalised information and performance measure models
- physical systems support
- improved information asset governance.

2.6 Funding principles

The department's funding policy¹ is based on the principles of best value, partnerships and financial responsibility. The policy broadens the rationale for allocating funds from value for money criteria, assessed through commercial, competitive processes, to a client and outcome focus. This acknowledges that the environment in which human services are provided is rarely of a commercial nature. The three core principles will guide the selection of funding mechanisms in the following ways:

Best value

Ensuring the most valuable outcome for citizens and clients will be the primary concern when determining a funding mechanism. On the one hand, this may mean obtaining the greatest possible benefit in terms of effectiveness, quality, access, responsiveness, equity, or timeliness for a given purchase price. On the other, it may mean securing cost savings by minimising the purchase price for a given provision of value.

Partnerships

Wherever possible, funding mechanisms will help foster partnership between the Government and funded agencies, as well as among funded agencies. This is not only because partnering can assist in achieving best value outcomes, but also because collaborative relationships between the Government and funded agencies can strengthen the social fabric and infrastructure of our community.

Partnerships are based on the desire to achieve a common goal through mutual understanding, co-operation and flexibility. A partnership approach acknowledges that both sides have different things to contribute towards mutual goals.

¹ Social Development Committee of Cabinet, *Policy on funding relationships between the Department of Human Services and funded agencies*, Department of Human Services, Melbourne, October 2000

Financial responsibility

Funding mechanisms will be fair, transparent and efficient. Service providers will be accountable for performance, but not to the extent that these selection and accountability mechanisms hamper the achievement of best value outcomes for clients.

2.7 Values

The department has articulated a set of five core values to guide its day-to-day activities and promote the behaviours required to achieve the department's objectives. These values and underpinning behaviours were formally adopted in August 2001.

The five core values have been identified as essential to enhancing people management in the organisation as they guide how staff carry out business in the organisation.

The values are:

Client focus

We work towards improving the health and wellbeing of our clients and community.

Professional integrity

We treat all people with dignity and respect.

Quality

We always strive to do our best and improve the things we do.

Collaborative relationships

We work together to achieve better results.

Responsibility

We commit to the action we take to achieve the best possible outcomes for our clients and community.

The department's values are supported in a number of ways including through the inclusion of values-related criteria in annual executive officer performance plans, and through the integration of the values in human resources programs such as training and development, orientation and induction and the development of recruitment materials. The department has also initiated an annual Valuing Achievement Awards program, which gives special recognition to staff that have exemplified the departmental values.



3. Ambulance Services Policy Context

3.1 Ambulance Service Program Objectives

The department's key objectives for the Ambulance Services during 2003-2006 period are:

- Implement strategies from the demand analysis of metropolitan non-emergency ambulance service delivery.
- Meet growth in demand for emergency ambulance services in a cost effective way, increasing the understanding of growth drivers and responding to these drivers.
- Meet quality objectives through development and implementation of standards in the pre-hospital settings including the development of a state-wide ambulance response time policy.
- Improve deployment and coverage of emergency and ambulances resources and strengthen co-ordination of planning with other elements of the health service system
- Continue to ensure financial sustainability of the ambulance services through development of non-government revenue streams.

3.2 Role of the Ambulance Services

The Ambulance Services Act 1986 sets out the objectives for Ambulance Service Victoria.

These are:

- To respond rapidly to requests for help in a medical emergency.
- To provide specialised medical skills to maintain life and to reduce injuries in emergency situations and while moving people requiring those skills.
- To provide specialised transport facilities to move people requiring emergency medical treatment.
- To provide services for which specialised medical or transport skills are necessary.
- To foster public education in first aid.

3.3 Ambulance providers

There are three Ambulance Services in Victoria. The two largest Services are the Metropolitan Ambulance Service (MAS) and Rural Ambulance Victoria (RAV), both of which are statutory corporations established under the Ambulance Services Act 1986. The third Ambulance Service, the Alexandra and District Ambulance Service (ADAS), is a volunteer service with a Committee of Management, elected from among its members. MAS, RAV and ADAS are referred to collectively as Ambulance Service Victoria (ASV).

MAS, RAV and ADAS report to the Minister for Health through the Department of Human Services.

MAS is responsible for pre-hospital emergency medical care and patient transport for the 3.5 million people living and working in Greater Melbourne — an area of more than 9,000 square kilometres extending from the Central Business District to the Mornington Peninsula and the peripheral rural communities of Bacchus Marsh, Whittlesea, Warburton and Kooweerup. These services are provided through 96 ambulance branches utilising more than 1,062 full-time operational staff.

RAV is responsible for provision of services in the rest of the State, except for a small area that is covered by ADAS. RAV services a population of 1.4 million covering an area of approximately 215,000 square kilometres. These services are provided through 119 dispersed ambulance branches (includes 2 CERT teams) utilising more than 835 full-time staff and 295 volunteer operational staff (Ambulance Community Officers).

Alexandra and District Ambulance Service is a self funded Service formed in 1948 providing a volunteer service to a small area, incorporating the towns of Alexandra, Eildon and Marysville, and operates pursuant to the Act. It covers an area of approximately 3,400 square kilometres with a permanent population of about 7,000.

These three Services provide pre-hospital emergency treatment and transport services and the majority of non-emergency patient transport services.

In addition, there are also private non-emergency transport providers. The non-emergency patient transport sector has undergone significant change since the early 1990s i.e. from a government provided service to the current situation where some segments of that market are now contestable. As a result a number of private companies now operate in those contestable market segments, and compete directly with the government Ambulance Services for non-emergency work.

MAS in the early 1990s made a decision to contract out service delivery for most of its non-emergency workload, including those markets that are not currently contestable. This has resulted in private providers providing the majority of service delivery for the entire metropolitan non-emergency stretcher market, through either a direct arrangement with purchasers such as public hospitals, or through a contractual arrangement with MAS. RAV provides most of the non-emergency transport in rural Victoria, with some hospitals having contracts with private providers.

3.4 Services receiving recurrent funding

The Ambulance Services Output Group budget is structured into four key outputs:

- Emergency transport
- Non-emergency transport
- Training and Development
- Basic Life Support

The Metropolitan Ambulance Service (MAS), and Rural Ambulance Victoria (RAV) receive recurrent funding from the department in addition to the direct revenue they collect from the Ambulance Membership Scheme, fees from patient transport and treatment, first aid activities and donations. The Department of Human Services funding is used to meet a proportion of their costs including:

- Community Service Obligations (non-fee paying) treatment and transport
- Approved Enterprise Bargaining agreements
- Air Ambulance Victoria contracts
- Extension of two officer crewing (RAV)
- Community Emergency Response Teams (CERTs)
- Group Entitlement Scheme for DVA veterans

The department also provides an annual allocation for capital projects including:

- Minor works
- Vehicle replacement program
- Vehicle renewal and Development program
- IT infrastructure

ADAS receives a grant from the department, which represents the proportional value of the Group Entitlement Scheme with the department of Veteran Affairs (DVA).

3.5 Review of services

Non-emergency services

The Department of Human Services contributes to the cost of providing non-emergency services through a recurrent grant. Non-emergency services are currently being reviewed to ensure services are used efficiently and appropriately to meet the increased demand on non-emergency resources. The review will be completed in late 2003 and is being managed by the Department with MAS and RAV representation on the steering committee.

Training and development

The Department of Human Services provides funding to meet the post-employment cost of training paramedics at the Monash University Centre for Ambulance Paramedic Studies. The output budget over the next three years reflects the outcomes of a review of Paramedic training which recommended funding to support the introduction of pre-employment training in parallel with the present post employment program. The department has funded MAS and RAV to meet the introduction costs of pre-employment education of universities delivering industry approved courses.

The review was a joint project between MAS, RAV and the department. A newly formed industry group, the Victorian Paramedic Education Committee is now overseeing the implementation of the pre-employment course in parallel with the existing post-employment course.

Pre-ambulance Basic Life Support

The Department of Human Services, MAS and RAV jointly conducted a review of the Pre-ambulance Basic Life Support program in 2002/03. The strategies developed as a result of that review will be implemented during 2003/04, through funding allocation by the department.

4. Ambulance service environmental context

4.1 Emergency road and air services

Emergency ambulance services are available to all people who are seriously ill or severely injured. There is no need for authorisations by a doctor for calling an ambulance under these circumstances. To obtain help in an emergency, a person dials 000, which activates a series of events, leading to the dispatch of an ambulance.

Exclusively MAS, RAV and ADAS provide emergency road treatment and transport ambulance services.

The MAS also operate Air Ambulance Victoria (AAV), which provides state-wide:

- Rotary air wing patient treatment and transport services.
- Fixed air wing patient treatment and transport services.

Quantity—resources

MAS resources, including 147 emergency stretcher road vehicles, 66 operational support vehicles, 96 professional ambulance stations, 202 Mobile Intensive Care Ambulance (MICA) paramedics and 717 ambulance paramedics will enable MAS to respond to a predicted 253,000 emergency road cases in 2002–2003.

RAV's 282 emergency stretcher road vehicles, 81 operational support vehicles, 119 ambulance stations (includes 2 CERT teams), 152 MICA paramedics, 478 ambulance paramedics and 295 Ambulance Community Officers will enable RAV to respond to a predicted 80,000 emergency road cases in 2002–2003.

AAV, managed by MAS, operates a state-wide fleet of fixed wing and helicopter air ambulances. AAV has a minimum of three fixed wing air ambulance aircraft available for use at any one time.

AAV Fixed-wing craft provide approximately 700 transports for time critical, medical, surgical and trauma patients to emergency departments but are more often used for long-distance transfers of non-emergency patients. The aircraft service country Victoria and adjoining States and generally operate to locations greater than 150 kilometres from Melbourne.

Three air ambulance helicopters, one based in Melbourne, one in Morwell (Latrobe Valley) and one in Bendigo transport time critical patients to hospital emergency departments. Helicopters generally operate in a radius from 50 to 150 kilometres from their base and transport over 2000 patients per annum.

Both fixed and rotary wing craft also transport medical equipment, personnel and/or retrieval teams. AAV is a critical component of Victoria's specialist medical retrieval systems, providing medical teams with quick access to critically ill newborn babies and critically ill or injured children and adults.

Quantity

Demand for emergency ambulance services in the MAS catchment has increased at a trend growth rate of approximately 7.9 per cent per annum since 1996–1997. Following implementation of a range of demand management initiatives, it is projected that MAS emergency cases will increase at approximately 6% per annum over the 2003 – 2006 period.

Demand for rural emergency ambulance services is also increasing but at a lower rate. It is projected that over the 2003-06 period, RAV cases will increase by approximately 1.2% annually.

Quality

The quality of intervention by emergency ambulance crews is monitored through audit for compliance to clinical protocols. ASV is committed to ensuring Victorians have access to ambulance services that provide high quality emergency ambulance treatment and transport services. The auditing of cases aims to ensure high standards are maintained in the practical delivery of advanced clinical procedures. It is expected that the implementation of the Victorian Ambulance Clinical Information System, a portable data collection system, will enable a more formal structure of compliance and review of standards and enable reporting of ambulance interventions over the 3-year period.

Timeliness

From 2003-04, state-wide Code 1 response time targets will be reported against a target of 9 minutes at the 50th percentile and 15 minutes at the 90th percentile.

The Department of Human Services is working with MAS and RAV to develop state-wide response time standards for emergency ambulance services consistent with interstate and overseas best practice. While state-wide reporting is a step forward, further work will be completed to develop a consistent response time policy that is meaningful and achievable for Victoria's diverse geography and population density. Government's commitment to Basic Life Support initiatives such as public access defibrillation and Community Emergency Response Teams provides opportunities to ensure community safety even in rural and remote areas where ambulance response times are outside optimum targets due to travel distance.

4.2 Non-emergency road and air services

In addition to their primary role as providers of emergency ambulance services, MAS, RAV and ADAS provide non-emergency patient transport services, which include:

- non-emergency road – both metropolitan and rural;
and
- fixed air wing patient treatment and transport services.

While these services are available to all people, their use is restricted to those whose medical need for them has been certified by a doctor.

Quantity

MAS provides non-emergency stretcher transport services for semi-urgent and stable patients. These services are provided by a number of private companies sub-contracted to MAS. Clinic car transport services are provided directly by MAS staff for stable patients who are confined to a wheelchair or able to walk.

RAV primarily undertakes non-emergency transports from within its existing resources. However, RAV has strategic relationships with private providers for the provision of non-emergency transport services in several locations.

AAV also provides non-emergency services. Seventy percent of the workload for the combined Rotary and fixed wing aircraft for the 2003-2006 period is expected to be for the non-emergency transport of rural Victorians. Fixed wing ambulance aircraft transport patients to specialty or outpatient's clinics at regional or metropolitan hospitals. AAV undertakes 4,000 non-emergency transports per annum.

Quality

The auditing of cases aims to ensure high standards are maintained in the provision of pre hospital care and transport services.

4.3 Ambulance Paramedic Education

Under contract to the Department of Human Services, Monash University Centre for Ambulance and Paramedics Studies (MUCAPS) provides post employment education and

training of ambulance paramedics. The MUCAPS also offers post basic training courses in specialist skills such as Mobile Intensive Care Ambulance (MICA), Clinical Instructor and Flight Attendant.

Over 2003/06 the department is offering some financial support for introduction of pre-employment education programs at Monash University and Victoria University.

4.4 Basic Life Support

This output acknowledges the contribution that other agencies and the community can make in assisting ambulance to improve patient outcomes. The chain of survival concept aims to improve the survival rate of out of hospital cardiac arrest, by teaching people how to respond calmly and efficiently when witnessing such an episode.

Four initiatives have been funded:

- **Emergency Medical Response:** Metropolitan Fire Brigade (MFB) crews are simultaneously dispatched to Priority 0 cases (unconscious/non breathing patients who have a high probability of a cardiac arrest), leading to more rapid response times and therefore more rapid application of defibrillation for patients in ventricular fibrillation.
- **Public Access Defibrillation:** appropriately trained people can access defibrillators that are located in major public venue sites to assist patients in ventricular fibrillation.
- **CERTs:** Extension of the Community Emergency Response Team model, and engaging relevant local communities to gauge viability and interest in team establishment.
- **CPR education:** The Ambulance Services will assume responsibility for state-wide CPR promotion, CPR materials dissemination and Indigenous/CALD training. MAS and RAV collaborate in delivering first aid education in the community.

5. Budget and Funding context

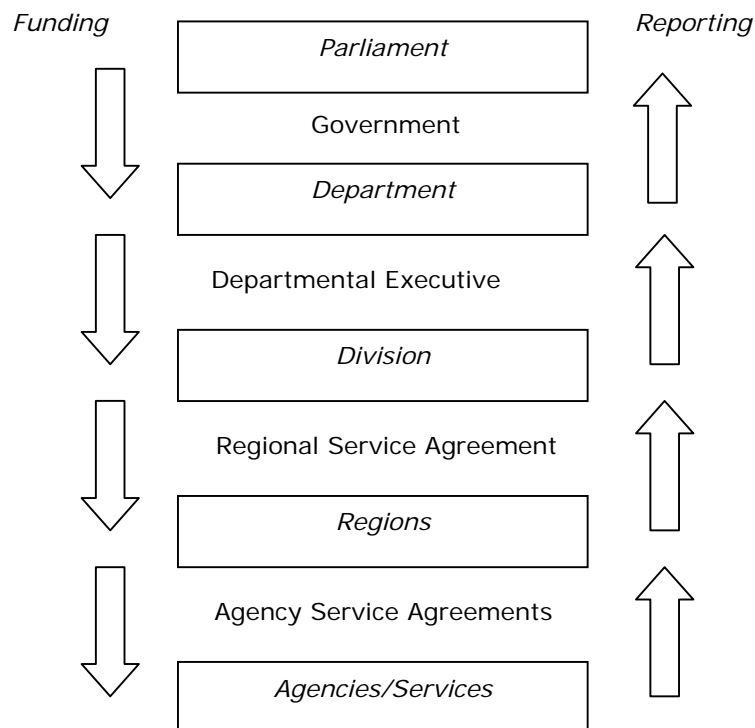
5.1 Overview of funding and accountability framework

Financial responsibility is a core commitment of the Victorian government. Figure 1 provides an overview of the decision making process used in the allocation of public funds and the accountability framework associated with such funding. It shows the overarching bureaucratic hierarchy, which oversees and allocates public resources.

Funding decisions are made at each level within this framework - from decisions about broad policy direction at the parliamentary and departmental level, to decisions about allocating funds to service providers at the regional or divisional level to the procurement of the end goods and services required to deliver the service at the agency level.

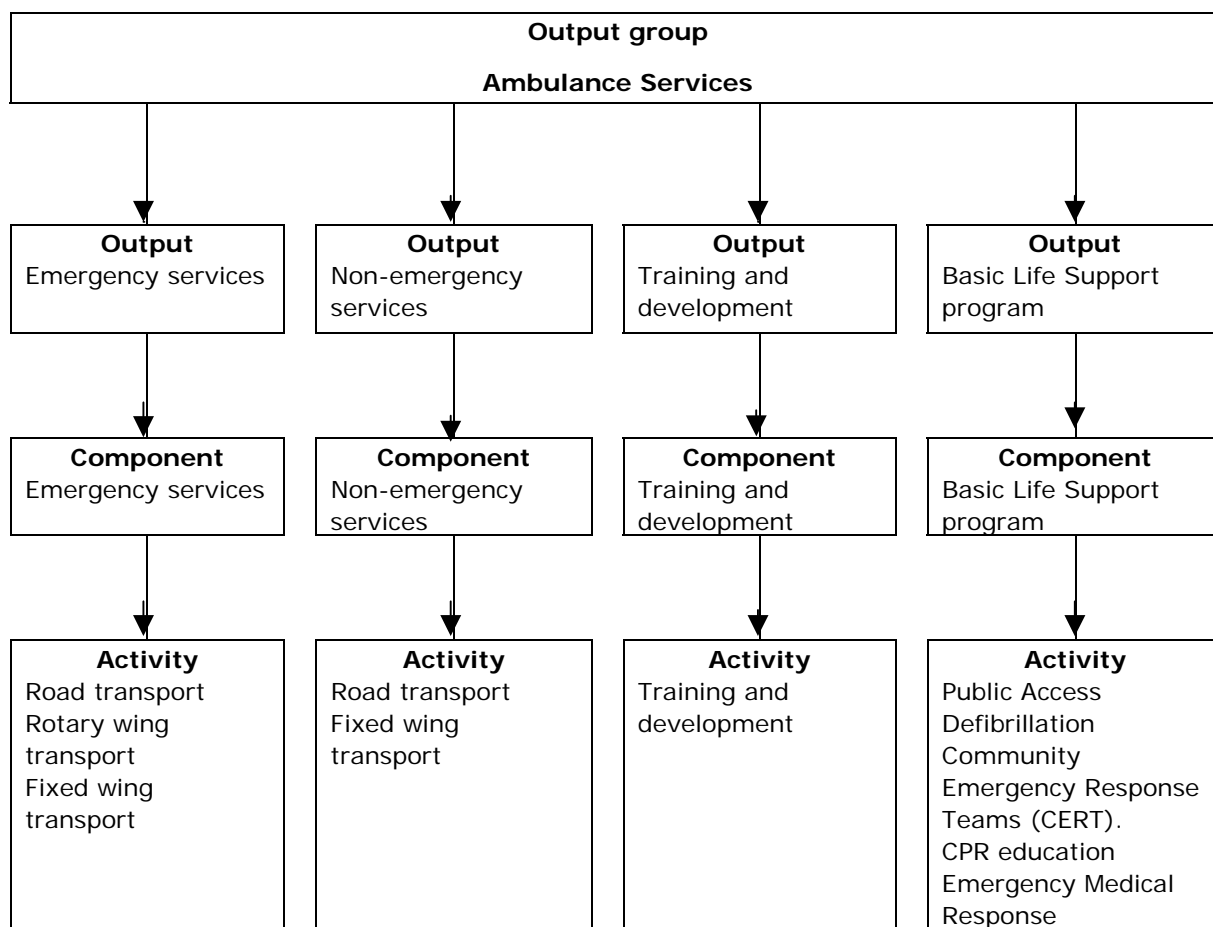
The framework also shows that, in order to monitor the use of funds and facilitate future decision making, performance reporting is required at each level. Agencies collect detailed data on their individual services, which is progressively aggregated through each level and ultimately presented to Parliament in the State Budget Papers.

Figure 1: Funding and accountability framework



The department is seeking to emphasise a closer and more collaborative relationship with the agencies and service providers it funds. Partnerships with agencies are critical to achieving departmental objectives and fulfilling Government policy commitments. Partnerships recognise the complementary roles and responsibilities of each partner. In terms of the funding and accountability framework, agencies help the department perform its monitoring and decision making roles by collecting data relating to their service activities. This information also contributes towards broader long-term planning and government policy development, underscoring its importance.

5.2 Ambulance Services output structure – chart of accounts



5.3 Ambulance financial objectives

The Ambulance Services Unit financial objectives for the Services for the period 2003-06 are:

- Maintenance of a current asset ratio of at least 0.7.
- Maintenance of an accrual break-even or surplus position, after exclusion of capital income and depreciation.
- A Trade Creditors Ratio of 2.0 is to be an appropriate minimum of liquidity. This benchmark is based on two month's trade creditors being a reasonable payment term for ambulance services, with one month's trade creditors allowing for creditor payments over the following month, with a further month's trade creditors providing protection of liquidity.

These objectives are consistent with current hospital financial monitoring practice.

5.4 Centrally administered external agency funding by output

With the revision of the Learn CPR program (its incorporation into the pre-ambulance basic life support strategy), the Ambulance Services Unit in Metropolitan Health and Aged Care Services Division distributes all service delivery ambulance funding directly to the 3 Victorian Ambulance Services. The Division also directly funds MUCAPS for post-employment paramedic and Mica paramedic training on a post-employment basis.

Output	2003/04 \$millions	2004/05 \$millions	2005/06 \$millions
Emergency services	142.24	142.52	143.19
Non-emergency services	17.87	17.93	18.02
Training and development	2.00	2.00	2.00
Basic Life Support	2.80	3.00	3.00
<i>Output Group Totals:</i>	<u>164.91</u>	<u>165.46</u>	<u>166.21</u>

The Output Group totals represent the initial government contribution adjusted for productivity, indexation and the elimination of non-recurrent items. The flow-on effects of 2002/03 Enterprise Bargaining adjustments and the Expenditure Review Committee decisions are included, however, the 2003/04 and subsequent budget baselines do not include Governmental and Departmental funding decisions effective from 2003/04.

5.5 Departmental policy on funds allocation to external agencies

The Government's policy on funded agencies acknowledges that the notion of 'purchasing' human services through compulsory competitive tendering is generally impractical and often results in adverse outcomes for clients, communities and service sector participants. To address this, the department's funding policy has removed compulsory periodic competitive tendering and replaced it with a range of funds allocation methods and quality assurance strategies to promote the key principles of best value for clients, partnerships and financial responsibility.

Within this framework, the department's funding policy identifies three alternative funding mechanisms for new and growth funding—advertised submission, invited submission and direct allocation. Competitive tendering is available as a fourth mechanism. However, it is only to be used if it is consistent with the three key principles of the policy.

The approach for new ambulance funds is direct allocation to the ambulance services according to geographic coverage and Service volume.

Productivity savings

The Government's productivity savings policy requires annual reductions in expenditure of 1.5 per cent across all State Government departments and their funded services. The policy requires that savings occur through increased productivity so that the level of service delivery to clients is not reduced.

Indexation

The non-wage component of budgets has been indexed at a rate of 2.5 per cent based on the department of Treasury and Finance estimate of the Consumer Price Index in Victoria for 2002–2003.

Wage adjustments

The 3-year budget includes adjustments that account for changes to awards and/or enterprise agreements to the level endorsed by the State Government.

Funding for growth and budget initiatives

These funds will be included in the Annual Update and be allocated to Ambulance Services through their annual service agreements or through variations to those agreements.

5.6 Recurrent funding in 2003–2006

A major aim of Government policy is to foster long-term investment in the human services sector. The uncertainty caused by compulsory periodic competitive re-tendering of services has often proven counterproductive to this goal—agencies have been unable to retain

experienced staff and reluctant to make longer-term investments in service systems and infrastructure.

To address this, the department's funding policy promotes the rollover of recurrent funding to existing service providers. Of course, all funding rollovers are conditional upon service providers meeting minimum performance benchmarks and service quality standards.

The Ambulance Services budgets detailed in each HSA are based on the previous year recurrent funding adjusted according to general Departmental and Divisional budget policies, removal of non-recurrent items and the allocation of additional approved funding.

The funding policies that impact on the Ambulance Services budget, and ultimately have some effect on agency budget allocation is described in this section. The Ambulance Services budgets for the following 3 years take account of:

- The previous year's budget base.
- Productivity savings.
- Full impact of embedded tax savings required as a result of the Commonwealth Government's tax reform package.
- Increased funding based on indexation of the non-wage component of recurrent budgets.
- Increased funding based on wage related adjustments that resulted from various approved award changes or agreements, or the superannuation guarantee levy.
- Funding received through the State budget process for growth or new initiatives.

5.7. Overview of new and growth external agency funding

New services

The Government is committed to delivering more responsive and safer services to all Victorians. Additional funds over the next four years will support upgraded services for several metropolitan and regional areas in Victoria, and new permanent professional resourcing in remote regional areas with high needs. There will be an upgrading of a number of rural and regional ambulance stations to two officer crewing, and an increase in Community Emergency Response Teams in small rural towns.

6. Service Agreements

6.1 Specific conditions of funding

The specific conditions of funding for MAS and RAV are outlined in the Service Agreements. Please refer to these for more detail.

6.2. Overview of service monitoring and review

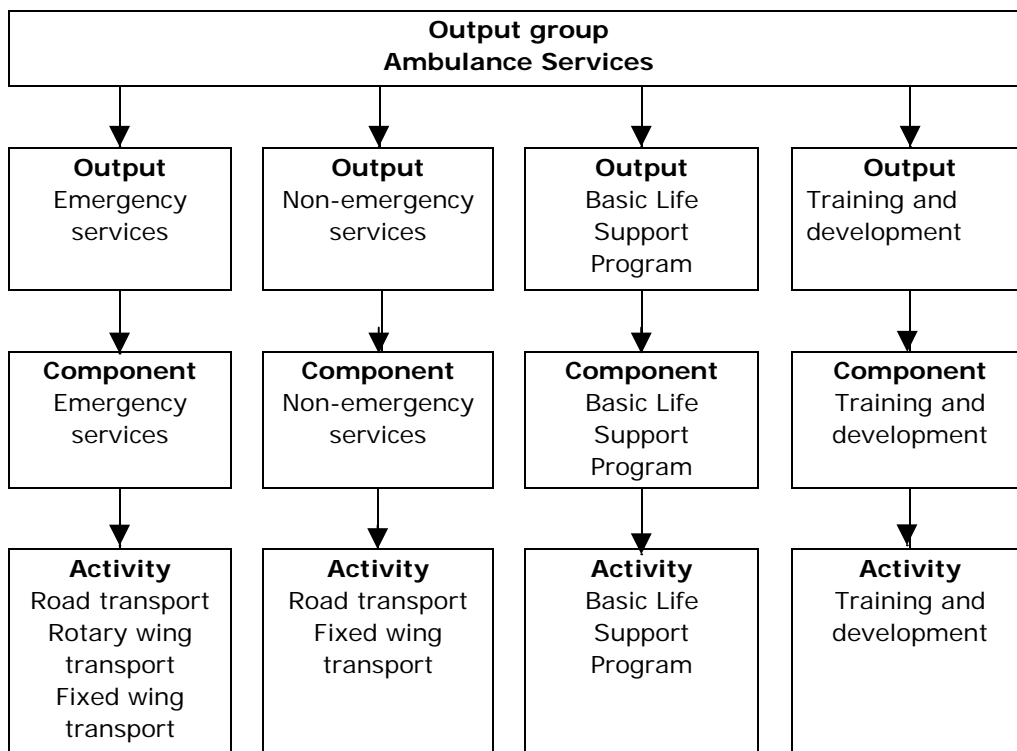
The three-year service agreement framework is underpinned by a base output/activity structure and key performance indicators that remain constant over the three years, subject to the following:

- Outputs and activities and associated key performance measures can be added to the output structure twice per year (August and February) in line with the service agreement variation process
- Activities can be deleted on an annual basis from the original output structure, provided they have not been used for recurrently funded services
- Activities can be moved on an annual basis between outputs, but the key performance measures cannot be changed. This would need to be done prior to the development of service plan templates.
- Key performance measure targets can only be increased through negotiation with agencies at any stage during the three-year service agreement cycle.

The Service Agreement sets out the arrangements for reporting on the output activities and key performance measures. The Ambulance Services will:

- provide the department with information and reports at times specified under the relevant Schedules of the agreement; and
- comply with the financial reporting and certification requirements as set out in the agreement.

6.3. Service activities



6.4 Service plans, service aims and related activities

Output group: Ambulance Services			
Output: Emergency services, Non-emergency services, Basic Life Support			
2003–06 Service plan name	Service plan aims	Activity No.	Activity name
Emergency services	To provide high quality, cost effective ambulance-based emergency medical care and transport services as a critical link in the health care chain.	12003	Fixed wing transport
		12004	Rotary wing transport
		12008	Road transport
Non-emergency services	To provide high quality, cost effective ambulance-based non- emergency medical care and transport services as a critical link in the health care chain.	12010	Road transport
		12013	Fixed wing transport
Basic Life Support Program	To implement a variety of emergency medical service initiatives with a view to improving health outcomes in the pre-hospital environment by building on a concept known as the "Chain of Survival".	12006	CPR education
		12030*	Community Emergency Response Team
		12031*	Emergency Medical Response
		12032*	Public Access Defibrillation
Training and development	To provide high quality and cost effective paramedic education and training	12005	Training and development

*Yet to be created in chart of accounts.

6.5 Activity descriptions

Output Group: Ambulance Services			
Output: Emergency services, non-emergency services			
Component	Activity No.	Activity name	Description
Emergency services	12003	Fixed wing transport	This activity is the funding associated with the provision of emergency fixed wing Air Ambulance Victoria services. This grant is for some of the operating and salary expenses of this service.
	12004	Rotary wing transport	This activity is the funding associated with the provision of rotary wing (helicopter) Air Ambulance Victoria services. This grant is for some of the operating and salary expenses of this service.
	12008	Road transport	This activity relates to the funding associated with the provision of emergency road services by Rural Ambulance Victoria and Metropolitan Ambulance Service. This operating grant provides for salaries, operating expenses and some motor vehicle replacement.
Non-emergency services	12010	Road transport	This activity relates to the funding associated with the provision of non-emergency road services by Rural Ambulance Victoria and Metropolitan Ambulance Service. This operating grant provides for salaries, operating expenses and some motor vehicle replacement.
	12013	Fixed wing transport	This activity is the funding associated with the provision of non-emergency fixed wing Air Ambulance Victoria services. This grant is for some of the operating and salary expenses of this service.
Basic Life Support Program	12006	CPR education	This activity funds the dissemination of CPR videos to specifically targeted groups in the 50 – 70 year old demographic and family/friends of patients undergoing cardiac rehabilitation. This grant is for the operating and salary expenses associated with the strategy element.
	12030*	Community Emergency Response Teams	This activity funds the Community Emergency Response Team program, with community volunteers being simultaneously dispatched with ambulance to respond to suspected cardiac arrests; other life threatening emergencies and provide communities with a stronger sense of 'community safety' knowing that local help is available until an ambulance arrives. This grant is for the operating and salary expenses associated with the strategy element.
	12031*	Emergency Medical Response	This activity funds the MAS First Responder program, with the Metropolitan Fire and Emergency Services Board (MFESB) being simultaneously dispatched with ambulance to respond to suspected cardiac arrests. This grant is for the operating expenses associated with the strategy element.
	12032*	Public Access Defibrillation	This activity funds the establishment of PAD sites at large public venues, with a view to reducing response times and defibrillation times for cardiac arrests. The grant is for the operating and salary expenses associated with the strategy element.
Training and development	12005	Training and development	This activity funds the education and training of ambulance paramedics in both post and pre-employment modes.

**Yet to be created in chart of accounts.*

6.6. Activity Performance Measures

Service Plan Name	Activity No.	Activity name	Measure type	Measure description	Unit of measure	Reporting frequency	Status
Emergency services	12003	Fixed wing transport	Key output	Number of cases	Cases	Monthly	Mandatory
	12004	Rotary wing transport	Key output	Number of cases	Cases	Monthly	Mandatory
			Defined	Audited cases meeting clinical practice standards	Percentage	Quarterly	Mandatory
	12008	Road transport	Key output	Number of cases	Cases	Monthly	Mandatory
Defined			Audited cases meeting clinical practice standards	Percentage	Quarterly	Mandatory	
Defined			Emergency response time (Code 1) in 50% of cases	Time	Monthly	Mandatory	
		Defined	Emergency response time (Code 1) in 90% of cases	Time	Monthly	Mandatory	
Non-emergency services	12010	Road transport	Key output	Number of cases	Cases	Monthly	Mandatory
			Defined	Audited cases meeting clinical practice	Percentage	Quarterly	Mandatory
	12013	Fixed wing transport	Key output	Number of cases	Cases	Monthly	Mandatory
			Defined	Audited cases meeting clinical practice	Percentage	Monthly	Mandatory
Basic Life Support	12032*	Public Access Defibrillation	Key output	Number of PAD sites established	Numbers	Annually	Mandatory
	12030*	Community Emergency Response Teams (CERTS)		Audited cases attended by CERT that meet clinical practice guidelines	Percentage	Annual	Mandatory
			CERT arrival prior to ambulance for Code 1 cases	Percentage	Annual	Mandatory	
Training and development	12005	Training and development	Key output	Student contact hours	Number	Quarterly	Mandatory
				Ambulance students successfully passing course	Percentage	Annually	Mandatory

*Yet to be created in chart of accounts.

6.7 Activity service standards and guidelines list

Accounts receivable – Patient Care Records Procedure (MAS)	12003 - Fixed wing transport 12013 – Fixed wing transport 12008 – Road transport 12010 – Road transport 12004 – Rotary wing transport
Clinical Education System Manual (MAS)	12003 - Fixed wing transport 12013 – Fixed wing transport 12008 – Road transport 12010 – Road transport 12004 – Rotary wing transport
Clinical Quality Assurance Plan (MAS)	12003 - Fixed wing transport 12013 – Fixed wing transport 12008 – Road transport 12010 – Road transport 12004 – Rotary wing transport
Emergency Management and Internal Emergency Procedures Plan (MAS)	12003 - Fixed wing transport 12004 – Rotary wing transport 12013 – Fixed wing transport 12008 – Road transport 12010 – Road transport
Specific Conditions of Funding (MAS)	12003 – Fixed wing transport 12013 – Fixed wing transport 12008 – Road transport 12010 – Road transport 12004 – Rotary wing transport
Operational Procedures Manual (MAS)	12003 - Fixed wing transport 12013 – Fixed wing transport 12008 – Road transport 12010 – Road transport 12004 – Rotary wing transport
Purchasing Policy and Procedures Manual (MAS)	12003 - Fixed wing transport 12013 – Fixed wing transport 12008 – Road transport 12010 – Road transport 12004 – Rotary wing transport
Quality Manual (MAS)	12003 - Fixed wing transport 12013 – Fixed wing transport 12008 – Road transport 12010 – Road transport 12004 – Rotary wing transport 12006 – CPR education 12030* – Community Emergency Response Teams 12031* – Emergency Medical Response 12032* – Public Access Defibrillation
Rural Ambulance Victoria Customer Service Guidelines	12008 – Road transport 12010 – Road transport 12030 – Community Emergency Response Team
Training and development	12005 – Training and development

**Yet to be created in chart of accounts.*

