

Appointments to boards of rural public hospitals

Information for applicants - 2009

Background

The Minister for Health, the Hon Daniel Andrews MP, is seeking applications from suitably qualified and experienced persons for appointment to the boards of rural public hospitals, including multi purpose services. Those interested must have a commitment to excellence in public health care and the skills and expertise to contribute to the governance of a complex health care organisation.

Boards are responsible to the Minister for setting the strategic directions of rural public hospitals within the framework of Government policy. They are accountable for ensuring that rural public hospitals:

- are effectively and efficiently managed
- provide high quality care and service delivery
- meet the needs of the community, and
- meet financial and non-financial performance targets.

Health and aged care system in rural Victoria

The rural health care system is complex and diverse with services ranging from large hospitals through to small local health care services, and a variety of health care professionals providing a wide range of health, community and aged care services.

The State Government provides approximately \$1.5 billion per annum for inpatient and a range of community services in rural Victoria. The Commonwealth Government funds non-inpatient medical care through Medicare and for pharmaceuticals, diagnostic imaging services, community care and support and aged care, including residential care. The State and Commonwealth Governments jointly fund home and community care (HACC) services.

There are seventy-one rural public health services, including comprehensive health services in the major regional centres. In smaller communities, the health services are smaller and often integrate acute health, aged care and primary care.

Together with regional health services and rural public hospitals, community health centres, Bush Nursing Centres and Ambulance Victoria all play a vital role in providing health care coverage across rural Victoria.

A distinctive feature of the Victorian health care system is the significant role it plays in delivering residential aged care services which complement health care for older people, including community care and home care.

There are also private hospitals in rural Victoria, providing inpatients and day procedure services, with most located in major regional centres.

Rural Victoria also has approximately 1,300 General Practitioners and other independent clinical providers, who are critical to the provision of comprehensive health care.

All Victorian rural public hospitals are listed at Attachment 1.

Further information about the Victorian health and aged care system and the Department of Human Services can be found at <http://www.health.vic.gov.au> and <http://www.dhs.vic.gov.au>

Boards of rural public hospitals and multi purpose services

The board of a rural public hospital (or multi purpose service) is accountable to the Minister for Health for the governance of the organisation. The board is responsible for setting the strategic directions of the organisation as well as general oversight of operations and financial control.

Each rural public hospital has a Chief Executive Officer who is responsible to the board for implementing the board's policy decisions, providing advice where sought by the board, proper day-to-day management of the resources of the agency, and reporting on the agency's performance.

The functions of boards of are prescribed by the following sections of the Victorian *Health Services Act 1988* (the Act), which are provided at Attachment 2:

- Section 33 (Public Hospitals), and
- Section 115E (Multi Purpose Services).

Rural public hospitals obtain the major share of their income from the State in exchange for an undertaking to provide health services. Funding arrangements for rural public hospitals (and multi purpose services) are specified in Health Service Agreements. Increasingly the focus is on outcomes rather than to prescribe inputs. Rural public hospitals agencies are encouraged to use best business practice in their operations, foster innovation in clinical care and service delivery, and respond to the output funding environment by introducing responsible management systems, which devolve budget responsibility and foster initiatives to improve performance.

Terms and conditions for appointment of board directors and members

Public hospitals and multi purpose services are established under the Act and are governed by a board of management comprising not less than six and not more than twelve persons appointed by the Governor in Council on the recommendation of the Minister for Health.

The Act provides for board members to hold office for not more than three years from the date of appointment.

Members whose terms of appointment are expiring are eligible for reappointment and must reapply using the formal application process. They should be aware that reappointment is not automatic and that they cannot expect to be reappointed as a right.

The positions currently being advertised will be appointed from 1 July 2009.

Assessing applicants

The government is committed to ensuring that there is strong governance and accountability of the board for the performance of the organisation and delivery of health services. Each rural public hospital needs a balanced board, which has the right mix of relevant skills, knowledge, attributes

and expertise to be effective and achieve its objectives. This includes skills and expertise relating to the governance of health services, and ability to represent the views of the community.

It is government policy that government boards and committees reflect the composition of the Victorian community, including the representation of women, Indigenous Victorians, Victoria's culturally diverse community and young Victorians.

The capacity of the applicant to effectively contribute time to the workload and demands of board and committee membership will also be a factor in the final selection process.

It is important that applicants clearly identify any conflicts of interest that may arise if appointed to a board, and specify how these conflicts will be managed.

Staff will not be appointed to the board of an organisation. As a general rule, individuals with other pecuniary interests in the organisation will not be appointed. For example, contractors providing goods or services, or where the individual's personal/professional interests are directly affected by strategic decisions of the board.

Application process

Applicants are required to submit their completed application pack enclosing completed application and curriculum vitae forms and a statement addressing each of the selection criteria by **5.00 pm Friday 6 February 2009** to the Chair, Selection Panel, [Rural public hospital name and address]. Late applications cannot be accepted. Postal details for the relevant agency can be obtained from: <http://www.healthcollect.vic.gov.au/> or by contacting the nearest Department of Human Services (DHS) regional office:

DHS Region	Contact	Phone no.
Barwon South-Western	Debra Davies	(03) 5226 4739
Gippsland	Wendy Coghlan	(03) 5177 2590
Grampians	Michael Coleman	(03) 5333 6029
Hume	Michael Hedderman	(03) 5722 0960
Loddon Mallee	Colin Wellard	(03) 5434 5527

Documentation to be included with initial application

- *Application form for appointment to public entity boards* – Attachment 3
Applicants are required to complete and sign this form. Applicants should read the declaration on the Application form carefully before signing. By signing the Application form, applicants should be aware that they are acknowledging they will be required to provide a completed Declaration of Private Interests, and grant permission for the conduct of probity checks as detailed below.
- *Curriculum Vitae form* – Attachment 4
Applicants are required to present the form as a typed, signed document without changing the basic structure or headings of the form. Each page must be signed and dated.

Documentation to be provided by short-listed applicants

Short-listed applicants will be interviewed and assessed to ensure they have the necessary qualifications, skills and experience for the position and are able to commit adequate time to the appointment. Applicants will also be required to provide information on whether they are current members of any other government bodies.

Short-listed applicants will need to complete the forms listed below.

- *Declaration of Private Interests form* – Attachment 5

This form is provided for information. It is to be completed only by short-listed applicants when contacted by the relevant agency or the department (see *Checklist for applicants* at the end of this document for details).

- *Safety screening: Police check and proof of identity – Attachment 6*

This form is provided for information. It is to be completed only by short-listed applicants when contacted by the relevant agency or the department (see *Checklist for applicants* at the end of this document for details).

- *Information for public sector employee applicants – Attachment 7*

This document provides information for public sector employee applicants (and potential public sector employee applicants) and information on required content in the letter from a public sector employee's employer. The letter is to be completed and provided only by short-listed public sector- employed applicants when contacted by the relevant agency or the department (see *Checklist for applicants* at the end of this document for details).

The definition of a public sector employee is broad therefore applicants need to carefully check their employee status. Public sector employees include people employed full or part-time in the service of the State of Victoria, i.e. employees of state government departments, universities and local government.

These documents will need to be provided to the selection panel at interview in a securely sealed envelope addressed to the DHS Regional Director. These documents will then be provided to the DHS Regional Director by the chair of the selection panel of the relevant agency.

Selection criteria

Applicants must address the following selection criteria as part of their application:

1. Possession of significant expertise or qualifications that would be advantageous to the governance of health services, within the following disciplines:
 - corporate management
 - finance/audit
 - law
 - human resources
 - capital management
 - strategic information technology
 - risk management
 - clinical governance.
2. Capacity to reflect the views of the community and users of health services, including demonstrated community participation and representation.
3. Continuing high levels of performance in their fields of endeavour.
4. Integrity and a high standing in the community.
5. Appreciation or understanding of the broader policy context and issues surrounding the delivery and planning of public health services.
6. Good working knowledge and understanding of accountability relationships and corporate governance, including the separation of governance and management, and the roles, duties and obligations of non-executive directors.
7. Demonstrated strategic thinking, planning and leadership skills, and experience at high-level

decision-making.

8. Experience in effective consultation and collaboration with stakeholders.

In assessing against the criteria, consideration will be given to board composition and ensuring appropriate balance.

Capacity to commit adequate time

The Government is committed to supporting the balance between work and family, and establishing 'family-friendly' work environments. It is important that applicants are aware of the time commitment involved in discharging the duties of being a board member. Applicants should be aware that, if appointed to a board, they are expected to attend, as a minimum, 75 per cent of meetings of the board held during the year.

Board members are formally designated as part-time 'non-executive directors'. Generally, board meetings occur monthly and there may be additional extraordinary meetings or board functions which members are expected to attend. Each board has several subcommittees that meet monthly and members would be expected to participate on some of these, including potentially chairing a subcommittee.

As well as time for direct attendance, time should be allowed for reading and preparatory work to ensure that members are fully informed and able to add value to the board's decision-making processes.

Declaration of private interests

In accordance with government policy, all short-listed applicants must complete a *Declaration of Private Interests (DPI)* to the satisfaction of the Minister. This form must be provided at interview.

The DPI provides for disclosure of pecuniary interests or other private interests, which could *reasonably* raise an expectation of a real or a perceived conflict of interest or could have a material interference with the proper performance of a member's public duties. You are not required to provide information that would not raise such an expectation. Pecuniary and other private interests covered in the DPI are:

- shareholdings and other business interests
- trusts
- real estate
- contracts, agreements or understandings entered into by you or a family member
- other significant financial or other interest held or accruing to you or a member of your family.

Selected candidates will need to recognise their obligations as a member of a board of management of a rural public hospital and abide by the Directors' Code of Conduct issued by the State Services Authority. In doing so, members are required to carefully examine issues scheduled for discussion by the board and identify any perceived or actual conflict of interest that may arise. Should this be the case, the member must disclose the conflict of interest, withdraw from any board deliberations and abstain from voting on the matter. The member should also discuss with the board chair any situation where they are unsure if a conflict, whether actual or perceived, may exist.

Applicants with a background in financial management should disclose in their declaration of private interests if they have had or are currently engaged in consultancy work with professional financial services organisations providing audit, tax and advisory services to health services in Victoria. In addition, any applicants who have provide other high level advice or management services should include details of that involvement which can be considered as part of their application. This

information is used to ensure that selected candidates can be appointed to boards where they have limited or no conflicts that would affect their ability to contribute to the work of the board.

The information provided in this application will be held and reviewed by the department in accordance with the *Information Privacy Act 2000*. Any DPIs provided by short-listed applicants who are not appointed to a board will be held by the Department for six months from the date board appointments are made and then destroyed.

Probity checks

It is essential that appointees to government boards have records of personal, professional and commercial integrity, and that the public sector is seen as maintaining high standards in this area. In accordance with government policy, applicants will be required to consent to the conduct of formal probity checks.

Appointment (including reappointment) to a board is subject to satisfactory completion of the formal probity checks detailed below:

- a National Criminal History Records Check
- an Australian Securities and Investments Commission disqualification register check, and
- a National Personal Insolvency Index check conducted through the Insolvency and Trustee Service Australia.

Short-listed applicants will be required to provide a completed *Safety screening: police check and proof of identity* form (which gives their consent to police checks being undertaken) and relevant documentation in order to clearly establish their identity.

A previous police check will be accepted only for a short-listed applicant employed by the Department of Human Services (DHS). The check must have been conducted by DHS within 6 months prior to the board application and the relevant DHS board contact officer must receive formal notification of the police check clearance in relation to the DHS position. Otherwise, the applicant must undergo a new DHS police check. No payment is required with the Safety screening form.

Please note that the *Safety screening: police check and proof of identity* form and relevant supporting documentation need to be witnessed by a legally specified person. Legally specified persons include a dentist, Justice of the Peace, legal practitioner, police officer, pharmacist, physiotherapist, medical practitioner, nurse, veterinary surgeon or other person as specified in the Commonwealth *Statutory Declarations Regulations 1993*. The CEO of a health service, as the holder of that position is *not* a legally specified person under the regulations. The legally specified person will need to sign the *Safety screening: police check and proof of identity* document on page 4 to indicate that they have witnessed the applicant's signature. Applicants are also required to photocopy their relevant proof of identity documents and have the legally specified person certify them as true copies of the originals. These documents will need to be provided to the selection panel as specified under 'Application process' above.

(Note: in consideration of geographical distance pertaining to rural board applications, applicants do *not* need to fulfil the requirement stated on the Safety screening form for the witness to be an authorised DHS officer).

Referee reports

Referee reports are an important part of the selection process and will be obtained for all short-listed applicants. On the Application Form, applicants are asked to nominate three referees who can discuss the application in relation to the key selection criteria and responsibilities of the position.

Remuneration

Members of boards of rural public hospitals and multi purpose services are not eligible for remuneration.

Governance education and development

The Government is committed to best practice in governance. A range of support initiatives are provided to rural public healthcare agency boards including the Victorian Health Board Governance Program (VHBGP), which assists all board members to understand the issues involved in corporate governance and accountability in the public health sector, and the priorities and expectations of Government.

Information on the VHBGP is downloadable from <http://www.health.vic.gov.au/ruralhealth>

In addition, in 2006 the State Services Authority published *Welcome to the board – your introduction to the good practice guide on governance for Victorian public sector entities and, directors’ code of conduct and guidance notes*. Both are downloadable at <http://www.ssa.vic.gov.au>

Additional support will be made available by the relevant agency based on a routine assessment of individual board members’ training needs.