Auditor-General of Queensland

Report to Parliament No. 2 for 2009

Health service planning for the future

A Performance Management Systems Audit

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QUEENSLAND

Prepared under Part 6 Division 3 of the
Financial Administration and Audit Act 1977

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Auditor-General of Queensland

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The Honourable R J Mickel MP
Speaker of the Legislative Assembly
Parliament House
BRISBANE QLD 4000

Dear Mr Speaker

This report is prepared under Part 6 Division 3 of the *Financial Administration and Audit Act 1977*, and is on service planning for the future in the Department of Health. It is the second in the series of Auditor-General's Reports to Parliament for 2009.

In accordance with s.105 of the Act, would you please arrange for the report to be tabled in the Legislative Assembly.

Yours sincerely

Glenn Poole
Auditor-General

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1 Executive summary

1.1 Audit overview

Queensland will continue to face multiple health service delivery challenges due to changing and increasing health service needs. To ensure a sustainable health service, the Department of Health (Health) requires an effective, long-term planning framework which is integrated into the department's operating environment. Under Section 7 of the *Health Services Act 1991* the chief executive is responsible for *'ensuring the development of a State-wide health services plan'*.

The objective of this audit was to determine whether there are adequate planning systems in place to ensure Queensland public health services are sustainable and will support future community needs. The audit focused primarily on current statewide and district health service planning systems.

1.2 Audit opinion

Although the department is still undergoing substantial organisational change, I expected that with a focus on service planning since 2005, the department would have more advanced service planning systems in place.

The audit found that there has been some progress towards implementing a service planning system, however the audit identified fundamental weaknesses in current practices. These weaknesses include:

- A lack of transparent linkages between statewide and district service plans and varying levels of quality in plans and planning processes as a result of limited central oversight and coordination, inconsistent use of frameworks and guidance material, and inconsistent prediction methodologies.
- A lack of clear prioritisation of needs within district service plans which makes prioritisation at the statewide level difficult. Consequently, statewide prioritisation processes were unsupported and inadequate.
- No clear linkage between service plans and the funding allocation process and resourcing implications were not identified in the majority of plans reviewed.
- Implementation of the *Queensland Statewide Health Services Plan 2007-2012* (SHSP) and district plans is not supported by timeframes or performance indicators and there is no monitoring, evaluation or reporting framework in place.

I acknowledge the department's advice that a number of initiatives are commencing which are intended to improve coordination and guidance over health service planning. However, momentum needs to be maintained to ensure that these new efforts produce sustainable results in a timely manner.

1.3 Key findings

1.3.1 Integration and governance

The Planning and Coordination Branch (PCB) was established in 2005 to improve Health's service planning processes and implement commitments made in response to the Forster report.[1] Until their abolition in 2008, area health services were responsible for developing their own service plans and facilitating district service planning.

Since 2005 there has been a high level of planning activity. However, limited central oversight and coordination has created a complex web of planning processes and contributed to a lack of transparent linkages between statewide and district service plans.

The SHSP was developed to guide health system reform and provide a framework for the efficient and effective delivery of all health services to Queenslanders. However the plan was not adequately informed by comprehensive district or area health service needs analysis and prioritisation. The SHSP is due for review in 2009 and it remains unclear how district data analysis, interpretation and prioritisation processes on local health service needs will inform future statewide service plans.

1.3.2 Develop service plans

A health service planning framework and template was developed in 2007. This material provides guidance to planners and outlines the information that should be included in all departmental service plans. However the framework and template are not being used by all districts and compliance has not been monitored by corporate office. Consequently, there are varying levels of quality in plans and planning processes throughout Health, including a lack of clear prioritisation of needs within all district service plans reviewed.

Districts were able to effectively identify current and future service needs for inpatients within hospitals. However a barrier to identifying needs for community based services is the limited data available and lack of prediction methodologies.

There is also a lack of skills in a number of districts to undertake sophisticated data analysis, including the ability to use alternative scenarios to help determine the most appropriate health service strategies. This includes alternative models of care to address the identified needs. It is acknowledged that a data skills enhancement project has commenced to provide data skills training to service planners in the future.

There are also no Health endorsed prediction methodologies or benchmarks for translating inpatient demand data into bed numbers and the amount of space required. This may lead to inconsistency across districts, affecting the ability to compare district needs. It is noted that a benchmarking project has recently commenced to address this issue.

With regard to identifying current service provision, there is limited reference to inter-district service dependencies and the capacity of hospitals in surrounding districts.

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[1] P. Forster, *Queensland Health Systems Review Final Report,* September 2005, The Consultancy Bureau.

In developing strategies to address service issues and priorities, there has been limited coordination across clinical streams within districts. This silo approach may not fully consider how clinical streams can work together to increase efficiencies and introduce more effective models of care.

In three of the four districts audited, the ability to develop effective health service strategies for the future was restricted by recent infrastructure decisions to increase capacity, which had not been based on a thorough assessment of service needs. Infrastructure decisions yet to be implemented may limit the ability to consider alternative approaches to meeting service needs.

1.3.3 Resource service plans

There was no clear linkage between service plans and the funding allocation process, and funding and resourcing implications were not identified in most plans reviewed. The lack of linkages between service planning and funding allocation can, in part, be attributed to a lack of prioritisation of needs and strategies within service plans.

The SHSP commits to developing four enabling plans to support implementation: Funding Plan; Asset Strategic Plan; Information Management Strategic Plan and People Plan. However only three of these enabling plans have been developed, and the linkages between the SHSP and two of these plans are not transparent. At a district level, there are limited and inconsistent linkages between service plans and enabling plans.

In the past, infrastructure decisions have not been adequately informed by service planning. For example, The Townsville Hospital expansion was announced in the absence of an endorsed service plan and capital infrastructure plan, as outlined in the case study in Section 7.3.1 of this report. It is acknowledged that an improved process with clear linkages and a methodology to prioritise new works nominations has been proposed by Health.

At the time of the audit, there was no corporate guidance material or templates to provide a consistent framework for workforce planning. It is understood that the Workforce Planning Oversight Committee is progressing a departmental approach, including guidance and tools.

1.3.4 Implement, monitor, evaluate and report

Implementation of the SHSP was intended to be undertaken by areas and districts. However no timeframes or performance indicators were established and most district plans reviewed did not include clear actions to implement the SHSP.

To date, limited guidance has been provided to districts to assist them to develop implementation strategies for service plans. Currently there are no templates to ensure a consistent approach across the department.

A draft evaluation framework has been developed specifically for the *Queensland Plan for Mental Health 2007-2017*. At the time of the audit, there was no clear monitoring and reporting system in place to measure progress against actions within the SHSP or district service plans. There was also no evidence of an evaluation framework to assist review of the SHSP or district service plans.

1.4 Summary of recommendations

It is recommended that the Department of Health:

1. **implement an integrated service planning process throughout the department, with appropriate governance arrangements and clear linkages between all service plans**
2. **provide adequate support to districts to build service planning capacity and ensure effective plans are produced of a consistent quality**
3. **ensure all endorsed service plans are adequately supported by resources and funding**
4. **develop and implement a framework and guidance material for implementing, measuring progress and evaluating the success of strategies within service plans.**

Detailed guidance to support implementation of these recommendations is contained in Chapters 5-8 of this report.

1.5 Department of Health response

The Director-General, in his response dated 22 May 2009, stated:

'In June 2008, an internal audit conducted by Queensland Health identified a number of areas for improvement. In addition to the actions taken in response to these, a number of other fundamental organisational changes were made that have a direct bearing on the Queensland Audit Office audit findings. These changes were as follows:

1. In September 2008, a further consolidation of Health Service Districts was undertaken reducing the number from 20 to 15. From a planning perspective, this led to a more appropriate configuration for planning purposes. In addition, support for the five small primarily rural and remote Districts was consolidated into the Office of Rural and Remote Health.

2. At the same time, the three Area Health Services were abolished removing one level of complexity in the planning processes, and planning resources were moved to either Planning and Coordination Branch in the Department or the new Districts.

3. In December 2008, as a result of a review of all 55 health service plans in progress at that time, District Chief Executive Officers (DCEOs) were advised by the Senior Director of Planning and Coordination Branch of plans that should continue (because of urgent service needs, infrastructure commitments and government directions), slow down until better oversight and support was in place, or stop.

The following fundamental reforms were then adopted:

1. Integrated Policy and Planning Executive Committee to provide formal direction, oversight endorsement and monitoring to service planning activity. Integrated Policy and Planning Executive Committee to endorse decisions made on the basis of plans being implementable (i.e. within available resources) and on evidence of rigorous data and service options analysis.

2. It became mandatory for Districts and Divisions undertaking service planning to complete a series of checklists and templates that align with the formal endorsement process through Integrated Policy and Planning Executive Committee.

3. All health service plans must appropriately consider enabling services (i.e. capital works, funding, workforce and information technology) and support services (such as pathology, pharmacy, catering).

4. All master planning is to be preceded and informed by endorsed service plans.

5. Planning and Coordination Branch is leading a Department-wide strategy to increase the level of service planning expertise. These initiatives include specialised service planning data and analysis skills particularly in projection methodologies and use of statistical programs to enable more sophisticated data extraction and analysis, and the introduction of in-house training packages and the implementation of a university level course on service planning.

6. Planning and Coordination Branch is developing mandatory service planning processes, methodologies and benchmarks to be completed by August 2009. Consistent application of these methodologies to all service planning will be required.

7. Planning and Coordination Branch is leading the revision of the Clinical Services Capability Framework for Public and Licensed Private Health Facilities (2005) (CSCF) which will promote a coordinated approach to health services planning and policy development within Queensland by providing a more specific outline of minimum requirements in terms of workforce, service characteristics, and mandatory requirements such as standards and benchmarks to be met by clinical services. The Clinical Services Capability Framework promotes clinician confidence in health service planning and delivery by focussing on minimum requirements for patient safety.

8. In future, only health service planning consultants who are appointed to a Queensland Health panel of approved service planning providers will be engaged. They will be required to comply with Queensland Health mandatory service planning standards.'

Auditor-General's additional comment

It is encouraging to note that the department is putting in place a number of initiatives to improve service planning. At the time of the audit the majority of these initiatives were still under development. It is anticipated that, if fully implemented and sustained, these initiatives should address most elements of the key recommendations made in this report. However, the initiatives planned by the department and outlined by the Director-General, do not directly address integration between plans, or frameworks and guidance material for implementing, measuring progress and evaluating service plans. I support the commitments made in the Director-General's response, which will be reviewed in a future follow-up audit.

2 Audit focus

2.1 Reasons for the audit

Health is tasked with protecting and promoting health, helping prevent and control illness and injury, and providing for the treatment of the sick.[2] In undertaking this role the department is currently facing challenges including an ageing population, increasing interstate migration, changes to the population distribution throughout the state and changing health service needs.

As a consequence of these changing demographics, the Queensland health system is experiencing significant increases and changes in demand. For example, over the next 15 years the number of hospitalisations is predicted to double as a result of the increasing population and increasing burden of chronic disease.[3]

Such complex changes in demand place increased importance on the need to effectively plan for the future, while incorporating appropriate recognition of local issues, workforce needs, infrastructure requirements and technological advancements.

Health is responsible for ensuring there is an effective, sustainable and long-term planning framework to prepare for and manage the changes in demand.

2.2 Audit objective

The audit objective was to determine whether there are adequate planning systems in place to ensure Queensland public health services are sustainable and will support future demand.

2.3 Audit scope

The audit focused primarily on current statewide and district health service planning systems. However, workforce and capital infrastructure planning processes and funding allocation processes were also reviewed in relation to how they are informed by service plans.

[2] Office of the Queensland Parliamentary Counsel, *Health Services Act 1991,* s.4.

[3] Department of Health, *Queensland Statewide Health Services Plan 2007-12.*

2.3.1 Criteria

The audit assessed the following criteria:

- Is there a coordinated strategic approach to statewide and district planning?
- Is planning informed by the latest research covering: changes in demand (for example increases in instances of chronic diseases and changes in demographics); technological advances; and alternative models of care?
- Are there effective linkages between health service, workforce and infrastructure planning?
- Are there adequate monitoring and reporting mechanisms in place to measure progress against plans?

2.3.2 Fieldwork

Audit fieldwork was conducted from November 2008 to March 2009, at Health's corporate office in Brisbane and the following health service districts:

- Darling Downs-West Moreton district office
- Gold Coast district office
- Mt Isa district office
- Townsville district office.

A map of health service districts is provided at Figure 9B in Section 9.2 of this report.

The audit did not examine any hospital specific planning processes.

2.4 Audit procedures

The audit examined:

- the history of service planning within the department
- planning frameworks and guidance material
- the roles of corporate branches and districts
- linkages between existing service plans
- information used to inform service plans
- enabling plans, including workforce and capital infrastructure plans
- funding allocation processes
- monitoring and reporting systems.

2.5 PMSA approach

The legislative basis for this audit is Section 80 of the *Financial Administration and Audit Act 1977* (FA&A Act). A performance management systems audit (PMSA) is an independent examination which includes determining whether an entity or part of an entity's activities have performance management systems in place to enable management to assess whether its objectives are being achieved economically, efficiently and effectively. While a PMSA will not review or comment on government policy, it may extend to include a focus on the entity's performance measures and whether in the Auditor-General's opinion, the performance measures are relevant, purposeful and fairly represent the entity's performance.

The intent of a PMSA is to provide independent assurance to the parliament, and to act as a catalyst for adding value to the quality of public administration by assisting entities in the discharge of their governance obligations. A PMSA has a focus on ascertaining whether the systems and controls used by management to monitor and measure performance, assist the entity in meeting its stewardship responsibilities.

The statutory office of the Auditor-General, as the external auditor for the parliament, is established pursuant to the FA&A Act. While the Auditor-General takes note of the entity's perspective, the scope of a public sector audit is at the sole discretion of the Auditor-General as the FA&A Act prescribes that the Auditor-General may conduct an audit in the way the Auditor-General considers appropriate.

2.6 Related PMSAs

A number of PMSAs relating to planning within Health have been tabled in Parliament and a concurrent audit within Health is underway. These audits include:

- Report to Parliament No. 5 for 2006 on Results of Performance Management Systems Audits of Capital Works at Departments of Corrective Services, Education, Health and Housing
- Report to Parliament No. 6 for 2006 on Results of Performance Management Systems Audit of Workforce Planning at the Departments of Education and Health
- Report to Parliament No. 6 for 2008 on Follow-up audit of Workforce Planning at Departments of Education, Training and the Arts and Health, incorporating their responses to an ageing workforce
- Report to Parliament No. 8 for 2008 on Follow-up of selected audits tabled in 2006
- Management of patient throughput in Queensland hospitals (audit in progress).

Details of these audits is outlined in Section 9.1 of this report.

3 Better practice service planning

Summary

Background

This chapter explains the importance of planning, defines health service planning and sets the expectations and evaluation criteria which were applied during the audit.

Key findings

- Effective planning is critical to ensuring a sustainable health care system.
- Service planning should:
  - lead all other planning activity
  - be based on a rigorous assessment of population needs
  - evaluate a range of options for meeting needs and improving efficiencies
  - prioritise service needs and strategies (both at the district and statewide level)
  - recognise the inter-relationships between different services and districts
  - have regard to endorsed statewide priorities and policies.
- Planning processes need to be embedded within the operating systems of the organisation to ensure successful implementation.
- Monitoring, reporting and evaluation against service plans is required to measure the success of plans and inform future planning.

3.1 The importance of planning

The importance of planning is based on the recognition that resources are limited. No health care system can meet all the health care needs of its population, and therefore, decisions have to be made on how to allocate available resources. Planning provides a process to clearly identify and prioritise needs and determine the most effective strategies to address those priorities so that funding can be allocated appropriately. Prioritising needs is the most challenging aspect of planning, but can also be the most satisfying when resources are successfully channelled away from low-priority areas to high-priority ones.[4]

Queensland is currently facing multiple health service delivery challenges including an ageing population, increasing interstate migration, changes to the population distribution throughout the state and changing health service needs.

To effectively prepare for and manage these changes in demand, Health requires an effective, sustainable and long-term planning framework, which is integrated into the department's operating environment.

3.2 What is health service planning

Health service planning is the process of ensuring community needs are managed using a deliberate and well thought out strategy, making the most effective use of resources. The outcome should be an actionable link between needs and resources. Effective health service planning provides clear direction for service development and investment and therefore underpins the effective functioning of the health system.[5]

Generally, service planning covers a three to four year period. However, planners are expected to understand longer-term changes in service needs and to anticipate the likely impacts of population growth up to 15 years out.[6]

Unlike operational or business plans, service plans are high-level strategic documents. Operational planning should follow service planning and focus on the specific activities to be undertaken within the short-term to implement the service plan, including establishing timeframes and responsibilities.

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[4] A. Green, *An Introduction to Health Planning for Developing Systems 3rd edition*, 2007, Oxford University Press, United States.

[5] Department of Health, Health Service Planning Framework, May 2007.

[6] Department of Health, Health Service Planning Framework, May 2007.

3.3 Key principles

Service planning should:

- lead all other planning activity within the department, including workforce, capital infrastructure and information management planning
- be based on a rigorous assessment of population needs
- evaluate a range of options for meeting needs and improving efficiencies, including new service models
- recognise the inter-relationships between different services, districts and government departments
- engage a range of stakeholders including clinicians and the community
- be comprehensive and timely to ensure Health can effectively respond to key issues
- have regard to government priorities and endorsed statewide objectives, strategies, policies and models of care.

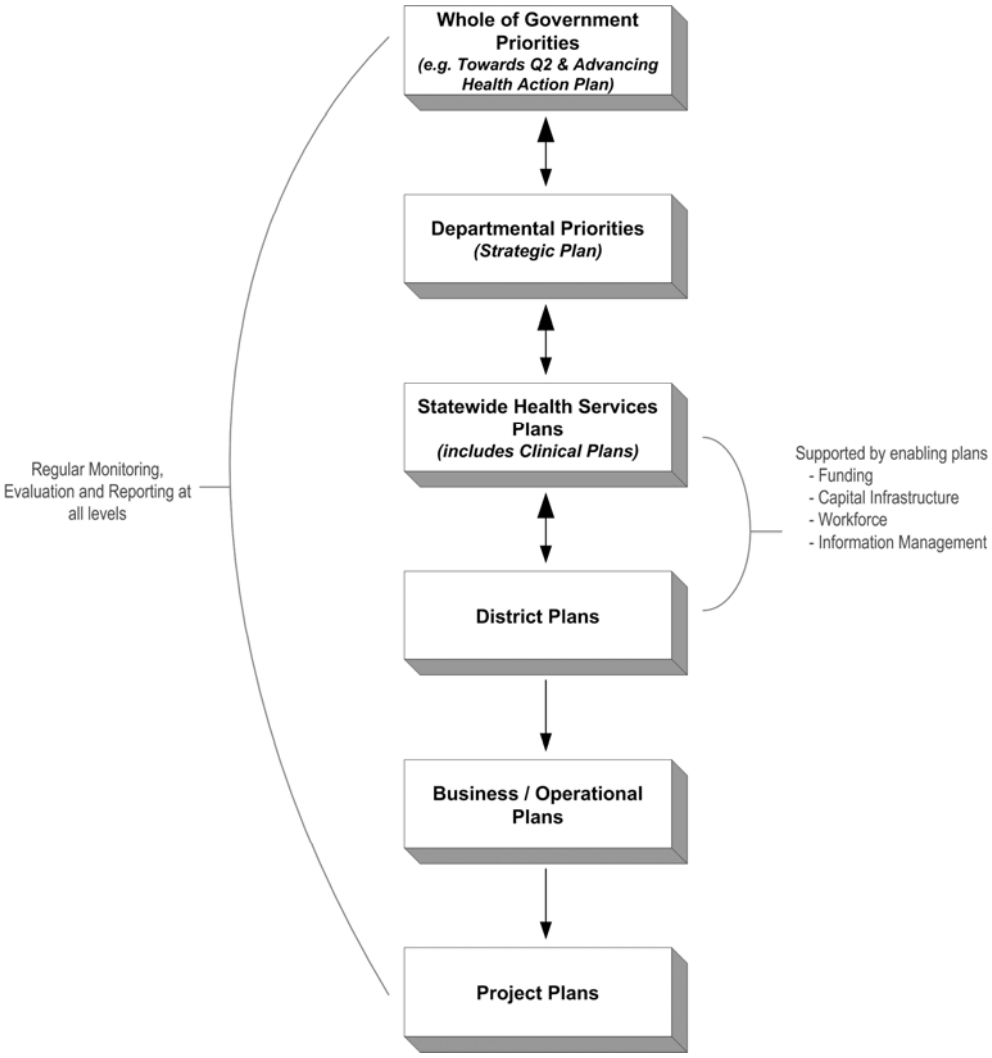
The majority of these principles were recognised and endorsed by Health in their documented planning principles for the function of services planning in November 2008.

3.4 Integration and governance

Effective health service planning provides clear direction and priorities for service development and resource investment, based on sound review and analysis. Therefore, all departmental plans need to be integrated to provide a consistent message. The statewide health service planning process should include a statewide examination and prioritisation of those issues raised in district plans. The resultant statewide health service plan will then form a definitive and prioritised list of service needs that will be resourced over the relevant period. District priorities should reflect the needs of the local population. All health service plans should reflect the department's objectives, priorities and policies. These linkages are illustrated in Figure 3A.

To achieve effective integration, central oversight and coordination of planning processes needs to be established. Governance arrangements may include policies, guidelines, templates, an endorsement process, and review and evaluation processes.

Figure 3A : Linkages between Queensland health plans



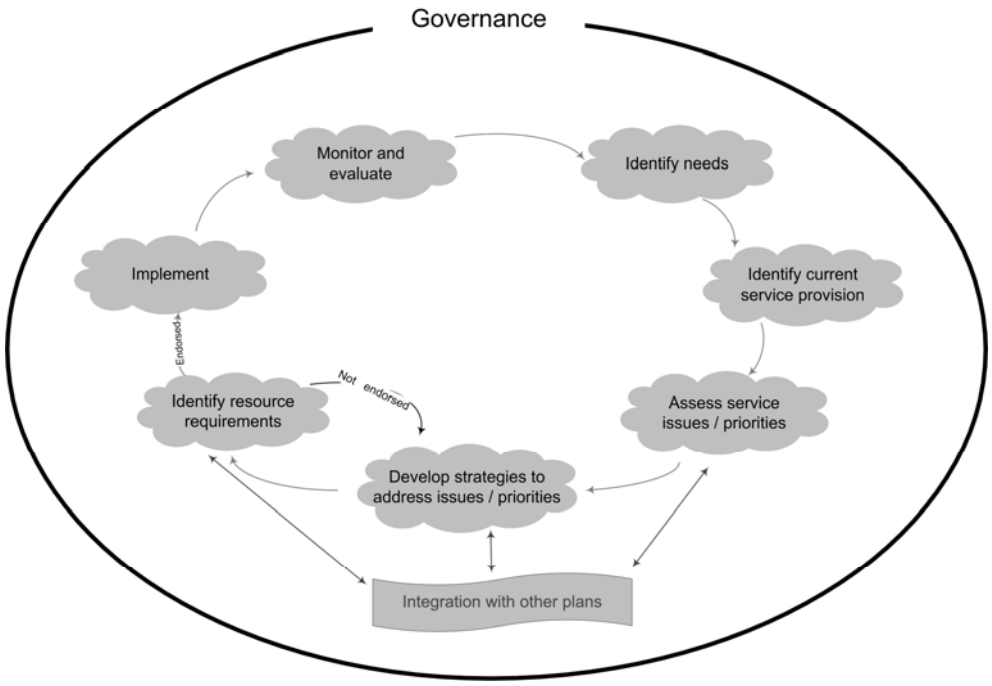
3.5 The process

Health service planning occurs in a complex environment, with changing public expectations and emerging new models of care and technological advances. However, a well designed health service planning process will be resilient enough to accommodate these pressures and use them as levers to improve service provision[7] For example, planning should provide strong, clear justification for action and therefore minimise the effects of outside influences, which may cause deviation from the optimal path.

Planning is a process of information gathering, analysis, consideration of alternatives and decision making. Figure 3B and the following sections explain the basic steps in a service planning process.

[7] S. Ardal, J. Butler, R. Edwards, L. Lawrie, *The Planning Process The Health Planner's Toolkit*, 2006, Ontario.

Figure 3B : Health service planning process



3.5.1 Identify needs

A key element of health service planning is to first assess the current needs and predict the future needs of the population. This involves analysing demographic characteristics, health profile and service utilisation patterns of the population, taking account of the geographic location, which will influence the provision of health services. For example, a long distance to a major tertiary hospital may mean a greater need for effective transportation.

3.5.2 Identify current service provision

The range of services currently available to the population needs to be identified, including health services provided by:

- hospitals and integrated health services
- primary and community health services
- public health services
- private and non-government services.

Under the department's 'hub and spoke' service delivery model (outlined in Section 4.1 of this report), patients may be transferred between facilities if their needs can not be met by the local facility. Therefore adequate reference to cross-district patient flows and the capacity of surrounding districts to meet demand should also be considered.

Analysis of service arrangements should extend across the health continuum including:

- health promotion, disease prevention and health protection
- primary health care
- ambulatory care
- acute care
- rehabilitation and extended care.

3.5.3 Assess service issues and priorities

The next step is to identify the gap between service needs and services currently available. This process is likely to highlight a large number of service issues, which may vary in scope and cost. It is unrealistic to assume that all identified service issues can be addressed within any one planning cycle. To provide the basis for developing service strategies, the relative significance or priority of the issues identified should be established. Issues should be prioritised using clear consistent criteria[8] such as consistency with departmental priorities, goals and strategic directions and seriousness, i.e. failure to address the issue will have serious repercussions.

Too many priorities may make the plan unworkable and unrealistic. The challenge is to identify what is most important and less important and why. A lack of clear prioritisation based on consistent criteria will impact on the ability of the organisation to appropriately allocate resources.

The department should base its priorities on those identified by districts through their service planning process.

3.5.4 Develop strategies to address issues and priorities

The service issues and priorities should provide a practical and clear basis for identifying changes that are required to improve service delivery and ensure future needs are met. The reader of a plan should have a clear understanding of what changes are expected to occur as a result of the planning process.

Developing strategies should include consideration of statewide priorities, plans and policies, and an analysis of:

- evidence-based and new models of care
- experience of other jurisdictions
- local experience of what is working, what isn't and why
- cost versus benefit analysis
- implications for the workforce, capital infrastructure, information management and budget.

Due to the wide-ranging impacts of the changes, health service planning should involve consultation with clinicians, providers and service managers who will be responsible for implementing the plans and the communities/consumers for whom the services are being planned.

3.5.5 Identify resource requirements

The nature of planning is such that there will always be tension between what ought to be done and what can be done. Service planning must consider existing and projected health system capacity in respect of workforce, capital infrastructure, information management and funding.

[8] A. Green, *An Introduction to Health Planning for Developing Systems 3rd edition*, 2007, Oxford University Press, United States.

Some strategies can be implemented within existing resources. Other strategies will require changes or expansion of system capacity, in which case, implications for workforce, capital infrastructure and information management will need to be identified. More detailed enabling plans (workforce, capital infrastructure and information management plans) may need to be developed to support the service plan.

If the additional resources required to implement the preferred strategy are not available, the strategy will need to be revised to fit within existing resources.

3.5.6 Implement

Planners must also understand and help shape implementation processes. The planning process needs to be embedded within the operating systems of the organisation. Therefore, implementation strategies need to be developed and included in operational plans. Implementation strategies should include specific actions, performance indicators, assigned responsibilities and timeframes. Operational planning should focus on the specific activities to be undertaken within the short-term to implement a service plan, including timeframes and responsibilities.

3.5.7 Monitor and evaluate

Planning is a dynamic and iterative process with new plans ideally taking into account changed circumstances and the effects and learnings of implementing previous plans. Monitoring and reporting progress against the plan completes the governance cycle and allows management to assess ongoing support for particular strategies. This provides flexible implementation and the ability to react to changing circumstances. Evaluation of the outcomes of service plan initiatives measures the overall success of implementation and provides a feedback loop to inform future planning.

Monitoring, evaluation and reporting should ideally be based on an implementation strategy with progress reported at least annually.

4 Service planning in the Health context

Summary

Background

This chapter outlines Health's mandate and service delivery model, relevant reviews and history of health service planning.

Key findings

- Health is responsible for delivering health services to over four million people. It achieves this through a 'hub and spoke' model across 15 districts.
- In 2005 the Forster report[9] made a number of recommendations relating to health service planning, including recommending the development of a statewide health service plan, informed by area health service plans with active input from clinical networks. Health responded through the Action Plan by committing to the development of a statewide health service plan, establishment of clinical networks and devolved decision-making with strong central support.
- More recently, an internal operational audit made recommendations to improve service planning processes, data quality and availability, and funding prioritisation.
- Since 2005, many service plans have been developed, including statewide, area and district plans as well as clinical plans.
- Clinical networks have been established with varied involvement in service planning.

[9] P. Forster, *Queensland Health Systems Review Final Report,* September 2005, The Consultancy Bureau.

4.1 Health legislative requirements and service delivery model

Health is responsible for delivering health services to over four million people under the *Health Services Act 1991* and the *Health Services Regulation 2002*. These services include health promotion, disease prevention, acute hospital and non-admitted patient services, rehabilitation, mental health services, and community-based care and aged care. Under the *Health Services Act 1991* the chief executive is responsible for *'ensuring the development of a State-wide health services plan'*.[10]

Health is funded by state parliamentary appropriations and by grants from the Australian Government. The department also provides health services on a fee-for-service basis, mainly for inpatient care. Own-sourced revenue is generated from user charges, donations, grants from non-Commonwealth sources and other revenue. The 2007-08 budget for Health was $7.2 billion.[11]

Service delivery is undertaken using a 'hub and spoke' model, which links larger facilities (hub) to smaller facilities (spoke). 'Hub and spoke' integrated service networks are formed according to the geographic placement and the service capacity and capability of each facility.

The model works by establishing linkages between services, in order to develop an economy of scale sufficient to maintain the technologies, skill and staffing levels necessary to deliver a range of health care services.

A number of health service specialties are heavily technology-dependent and require substantial expertise and resources to remain sustainable. A substantial number of patients are required to maintain a skilled workforce to ensure that services are delivered in an efficient, safe and sustainable manner.

Population bases that can support a high demand for these services are therefore the only areas that can provide an economy of scale sufficient to maintain these specialties.

To support the service facilities, 15 health service districts have been established to provide coordination and governance. The current organisational structure and a map of districts are illustrated in Figure 9A and Figure 9B in Section 9.2 of this report.

[10] Office of the Queensland Parliamentary Counsel, *Health Services Act 1991*, s.7.

[11] Queensland Government, *2008-09 Queensland State Budget Service Delivery Statements*, Minister for Health.

4.2 Reviews relevant to service planning

Health has been the subject of a number of reviews in recent years. The following reviews have made recommendations relating to how Health should undertake service planning.

4.2.1 *Queensland Health Systems Review Final Report* 2005

An independent review of Health's administrative, workforce and performance management systems was undertaken in 2005. The review was announced in the context of public concern about the quality and safety of public hospital services. The resultant report, *Queensland Health Systems Review Final Report* (Forster report) in September 2005 identified a number of service planning system issues and made the following key recommendations regarding service planning:

'6.1 …a comprehensive Health Services Plan for Queensland be developed to inform clinical service planning, workforce planning, capital planning and information technology planning by the end of 2006.

6.2 Area Health Services to develop an Area Health Services Plan to inform State health services planning, local clinical service planning, workforce planning, and information technology planning.

6.4. Clinical networks to play an active role in service planning and in the distribution of available funding to support improving clinical practice.'[12]

Recommendations were also made in relation to improving the consultation process during planning and the content of service plans.

4.2.2 *Action Plan: Building a better health service for Queensland* 2005

Not all of the recommendations made in the Forster report were agreed to by Health. The *Action Plan: Building a better health service for Queensland,* October 2005 (Action Plan), outlines the commitments Health made in relation to implementing the recommendations. This document committed to the development of:

'…a Statewide Health Services Plan to be developed in 2006

…devolved decision making...with strong central support for activities such as service and workforce planning and performance monitoring

… Clinical Networks that will... improve clinical service planning'. [13]

Progress reports on the implementation of the Action Plan were released in 2006 and 2007 outlining the development of the Statewide Health Services Plan.

4.2.3 Internal audit report

An internal operational audit of health service planning was conducted in June 2008. The objective of the audit was to determine whether there was appropriate alignment between all the relevant planning layers of the department.

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[12] P. Forster, *Queensland Health Systems Review Final Report,* September 2005, The Consultancy Bureau.

[13] Department of Health, *Action Plan: Building a better health service for Queensland,* October 2005.

The key recommendations focused on building a defined process for planning that integrates both vertically through the organisation and horizontally across functions such as workforce, capital infrastructure and information management.

Recommendations were also made to improve the quality and availability of data used in the health service planning process and the consistency in the way it is used to ensure statewide comparability of data.

The report also identified that clarification of some of the related issues, such as funding prioritisation within the department, will eventually need to be defined better and put into policy to ensure that the planning is not just an exercise but it is actually backed by funding prioritisations.

All recommendations were agreed to by management in June 2008, and will be progressively implemented over the 2009-10 financial year. There has been no formal progress report to date.

4.3 Progress since *Queensland Health Systems Review Final Report 2005*

4.3.1 Service planning undertaken

The Planning and Coordination Branch (PCB) was established in 2005 to improve Health's service planning processes and implement commitments made in the Action Plan. PCB's role included developing the SHSP and providing service planning guidance to corporate office, area health services and districts.

The SHSP sets a five year reform agenda and provides a framework for the efficient and effective delivery of all health services to Queenslanders. This was the first plan of its kind to be developed in Australia. Previously, health planning focused on individual clinical areas. Health advised that the SHSP development process was made difficult by the lack of internal policy in some clinical areas, poor governance structures, difficulties engaging with stakeholders due to a lack of formal clinical networks and various state and Australian Government funding frameworks. Despite these limitations, the SHSP was endorsed in 2007 and area health services were given primary responsibility for implementing actions within the plan.

In addition to the SHSP, the three area health services developed their own five year service plans and played a role in facilitating and assisting with district service planning activities. However, in September 2008, Health underwent a substantial restructure, which removed area health services and reallocated area planning responsibilities to districts and corporate office.

As at December 2008, 27 district service and capital infrastructure plans had been completed, with another 17 in progress and 11 additional planning proposals. There are also a range of statewide clinical service plans including the *Queensland Statewide Cancer Treatment Services Plan 2008-17* and *Statewide Renal Services plan 2008-17*. The development of additional clinical plans is currently being coordinated by PCB.

4.3.2 Clinical networks

A number of statewide clinical networks have been established (previously area networks), however their roles, responsibilities and resources vary and some are more advanced than others. As a result, their level of involvement in planning processes varies. As the networks mature, Health considers that they will play a greater role in informing policy development and statewide plans.

5 Integration and governance

Summary

Background

Effective health service planning provides clear direction and priorities for service development and resource investment, based on sound review and analysis. Therefore all departmental plans need to be integrated to provide a consistent message. To achieve effective integration, central oversight and coordination of planning processes needs to be established.

Key findings

- Health has adopted a top-down approach to service planning in which the department sets statewide actions to be incorporated in district plans.
- A high level of planning activity and limited governance has created a complex web of planning processes and contributed to a lack of transparent linkages between the SHSP and district and clinical service plans.
- The role of the Planning and Coordination Branch has expanded since the abolition of the area health services and a number of initiatives are commencing which are intended to improve coordination and strengthen governance.

5.1 Introduction

Effective health service planning provides clear direction and priorities for service development and resource investment, based on sound review and analysis. Therefore, all departmental plans need to be integrated to provide a consistent message. Statewide health service plans should prioritise the department's strategies based on district priorities as outlined in district service plans. District priorities should reflect the needs of the local population. All health service plans should reflect the department's objectives, priorities and policies.

To achieve effective integration, central oversight and coordination of planning processes needs to be established. Governance arrangements may include policies, guidelines, templates, an endorsement process and review and evaluation processes.

5.2 Integration between service plans

The SHSP was finalised in 2007 to guide health system reform and provide a framework for the efficient and effective delivery of all health services to Queenslanders. However the plan does not appear to have been adequately informed by comprehensive district or area health service planning processes, as recommended in the 2005 Forster report and better practice (refer Section 4.1 and Section 3.4 of this report).

At the time the SHSP was being developed, area health services were also in the process of developing their own service plans and most districts did not have their own service plan or robust planning process. The SHSP is due for review in 2009 and it remains unclear how district data analysis, interpretation and prioritisation processes on local health service needs will be used to inform future statewide service plans.

Health's intention was to establish a top down planning approach in which the SHSP would provide strategic direction to all other planning activity. Audit is concerned that without a comprehensive assessment of the current capacity and practices of health facilities, and the future service demand across the state, it is unclear how Health will determine the most appropriate state-wide priorities for the next five years.

A Health service planning framework and template was developed by PCB in May 2007 to provide a common set of principles and guidelines to ensure a consistent and integrated approach to service planning. However, the template was only used in part by two of the four districts audited and linkages between the SHSP and the district health services plan for three of the four districts audited were limited or difficult for audit to identify.

The audit identified that there are varying levels of quality in plans and planning processes across districts and a lack of clear prioritisation of needs within all district service plans reviewed. There are also various types of planning activity and levels of planning within districts, including capital infrastructure, workforce and operational planning, which are not always clearly linked to each other, despite the interdependencies between the plans.

Inconsistent planning approaches across districts and the lack of clear linkages between plans has resulted in difficulties in implementing specific actions within the SHSP. The lack of consistency will also impact on future attempts to prioritise, monitor and fund initiatives at the statewide level.

In part, these issues reflect the fact that not all districts have the capacity and capability to develop robust plans. Previously, area health services provided significant planning support to districts, and in some cases led the development of district plans. With the abolition of the area health services, planning expertise must be developed within district staff and through guidance and support from the corporate level.

5.3 Governance over planning activity

There has been little oversight and coordination of department planning processes. With the exception of the Health service planning framework and template, PCB have provided limited guidance, particularly in terms of training and support to districts. There is also no system in place to ensure districts use the framework and template and that plans are appropriately linked to the department's priorities as documented in the SHSP.

The Integrated Policy and Planning Executive Committee (IPPEC) was established in February 2008 to guide and support the development of formal mechanisms and initiatives which enable integration, coordination and endorsement of statewide policy development and implementation and health services planning. The committee also aims to effectively integrate service planning and policy development with other activities which support service planning such as capital works, workforce planning, funding and information management. Audit found that these important governance goals have not been fully achieved by the IPPEC to date.

The role of PCB has expanded since the abolishment of the area health services, and it is anticipated this will improve coordination, guidance and governance over health service planning across the department.

PCB is in the process of implementing a new governance structure and is reviewing the 2007 Health service planning framework and template. The team also aims to develop additional mandatory guidance material for districts. PCB has indicated the focus is on developing systems and processes that enhance the quality and consistency of service planning, while building service planning skills in the department to manage future planning activities. The project is to be completed by June 2009.

In November 2008, a new process was introduced by PCB which requires districts to obtain endorsement from IPPEC prior to commencing service planning, if the plans require additional funding or inter-district or statewide coordination.

The purpose of service planning is to identify and prioritise current and future service needs and develop the most appropriate method/s of meeting those needs (refer to Chapter 3). Without such data capture, analysis and planning, it is difficult to determine if inter-district or statewide coordination or additional funds will be required.

If a district planning proposal is not endorsed, it is unclear what will be expected from districts and how changes in local service needs will be identified and communicated for consideration at the corporate level. Significantly, it is unclear how districts will provide for identified service needs that have not been funded.

Additionally, planning for service delivery which can be resourced within district budgets will be the responsibility of the district and it is unclear how consistency and linkages with the SHSP will be ensured for those plans which do not require prior approval or endorsement by IPPEC.

Therefore, this requirement may:

- prevent all important health service needs from being brought to the attention of Health's executive management and prioritised at the statewide level
- encourage project based planning rather than long-term integrated planning for all future service requirements and result in service planning only being undertaken where additional funding has been approved
- lead to limited review of existing practices and models of care and limit research into alternative or inter-district service models.

The audit identified that the draft 2007-12 service plan for one district audited was completed in August 2008 and some progress is being made toward implementing strategies included in the plan. Audit was advised that a decision was made in early 2009 not to submit the plan for endorsement by IPPEC as it contained resourcing implications that were not able to be funded. It is understood that the document will remain in draft but that it will be used as a district resource and may be used to support future funding bids. This decision was not documented. Audit is concerned that there appears to be no intention of revising the plan taking into consideration existing resources. This example highlights the current gaps in the service planning process.

Recommendation 1

It is recommended that the Department of Health:

- **implement an integrated service planning process throughout the department, with appropriate governance arrangements and clear linkages between all service plans**

Specifically, Health should ensure:

- **statewide plans are informed by priorities identified in district service plans.**

See the Director-General's response to the recommendations in Section 1.5 of this report.

6 Develop service plans

Summary

Background

Effective health service planning provides clear direction for service development and resource investment, based on sound review and analysis.

Key findings

- Currently there are varying levels of quality in plans and planning processes throughout Health.
- A major barrier to analysing service demand is the limited data available and lack of prediction methodologies for community based services.
- There are no Health endorsed prediction methodologies or benchmarks for translating demand into bed numbers and the amount of space required. This may lead to inconsistency across districts, affecting the ability to compare district needs.
- There is a lack of skills in a number of districts to undertake sophisticated data analysis, scenario planning and service modelling.
- There is limited reference to inter-district service dependencies and the capacity of health facilities in surrounding districts.
- There is a lack of clear prioritisation of needs within all district service plans reviewed.
- There has been limited coordination of service planning across disciplines within districts. This silo approach may not fully consider how disciplines can work together to increase efficiencies and introduce new more effective models of care.
- In three of the four districts audited, service planning was restricted by recent infrastructure decisions to increase capacity which had not been based on a thorough analysis of service needs. This practice may limit the ability to consider alternative approaches to meeting service needs.
- The Health service planning framework and template provides guidance to planners and outlines the information that should be included in all department service plans. However, the framework and guidance material are not being used by all districts and compliance has not been monitored.

6.1 Introduction

As outlined in Section 3 of this report, the planning process should include the following key steps:

- identify needs
- identify current service provision
- assess service issues and priorities
- develop strategies to address issues and priorities.

The first step is to assess the current needs and predict the future needs of the population. This involves analysing the demographic characteristics, health profile and service utilisation patterns, taking account of the geographic location, which will influence the provision of health services. For example, long distance to a major tertiary hospital may mean a greater need for effective transportation.

The range of services currently available to the population also needs to be identified, including public and private health services.

Under the department's 'hub and spoke' service delivery model (outlined in Section 4.1 of this report), patients may be transferred between health facilities if their needs can not be met by the local facility. Therefore adequate reference to cross-district patient flows and the capacity of surrounding districts to meet demand, should also be considered.

The next step is to identify the gap between service needs and services currently available. This process is likely to highlight a large number of service issues, which may vary in scope and cost. It is unrealistic to assume that all identified service issues can be addressed within any one planning cycle. To provide the basis for developing service strategies, the relative significance or priority of the issues identified should be established. Issues should be prioritised using clear consistent criteria[14] such as consistency with departmental priorities, goals and strategic directions and seriousness, i.e. failure to address the issue will have serious repercussions.

Too many priorities may make the plan unworkable and unrealistic. The challenge is to identify what is most important and less important and why. A lack of clear prioritisation based on consistent criteria will impact on the ability of the organisation to appropriately allocate resources.

The service issues and priorities should provide a practical and clear basis for identifying the changes that are required to improve service delivery and ensure future needs are met. The reader of a plan should have a clear understanding of what changes are expected to occur as a result of the planning process.

Due to the wide-ranging impacts of the changes, health service planning should involve consultation with clinicians, providers and service managers who will be responsible for implementing the plan and the communities/consumers for whom the services are being planned.

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[14] A. Green, *An Introduction to Health Planning for Developing Systems 3rd edition*, 2007, Oxford University Press, United States.

6.2 Identify needs

A major barrier to analysing service demand is the limited data available and lack of prediction methodologies for community based services. Data systems, data accuracy, and research relating to community based services is not as advanced as the acute care sector. Health's primary focus has been on acute care and limited attention has been given to collecting and analysing community health data. The exception to this is the Mental Health Branch who use community based outcome measures to monitor the implementation of actions within the Queensland Plan for Mental Health 2007-17.

Health use a service planning program called acute Inpatient Modelling (the output of which is sometimes referred to as Hardes data) to predict future acute inpatient needs, based on the past seven years of hospital inpatient data.

The projection tool reflects the current state of practice in terms of models of care, and does not anticipate changes to these models of care unless alternative scenarios are used. The ability to model and predict resident demand and hospital supply is achieved by constructing scenarios which take into account:

- population projections
- service related benchmarking
- anticipated local changes in health service delivery
- changes in average length of stay
- supply modelling of referral patterns to hospitals and utilisation rates.

If alternative scenarios are not used effectively, it may encourage a focus on the need for additional beds, rather than exploring alternative models of care.

Both corporate office and districts use Hardes data to assist with planning. However, there are no Health endorsed prediction methodologies or benchmarks for translating demand into bed numbers and the amount of space required. The lack of corporate guidance may lead to the modelling tool being used inconsistently across districts, affecting the ability to compare district needs. The ability to compare district needs is particularly important in prioritising state infrastructure requirements. However, audit notes that a benchmarking project is currently underway in PCB to address this issue.

There is also a lack of skills in a number of districts to undertake sophisticated data analysis, scenario planning and service modelling. This has been acknowledged by PCB and a data skills enhancement project has commenced to provide data skills training to service planners in the future. The Data Analysis and Resource Team (DART) within PCB are also available to provide support to corporate and district planners in relation to data predictions and analysis on request. However, their capacity to assist districts has been very limited, and at the time of the audit, districts had not been provided with adequate corporate guidance. It is noted that the DART has expanded and this may enhance the level of corporate assistance provided to districts.

6.3 Identify current service provision

All districts audited had undertaken a comprehensive review of the current service capacity of health facilities within their district. However, there was limited reference to inter-district service dependencies and the capacity of health facilities in surrounding districts.

Under the department's 'hub and spoke' service delivery model (outlined in Section 4.1 of this report), patients may be transferred between health facilities if their needs can not be met by the local facility. Therefore adequate reference to cross-district patient flows and the capacity of surrounding districts to meet demand is an important element for all districts to consider, especially for hub facilities.

Up until recently, the planning framework has not adequately incorporated the need for inter-district planning processes, despite the department's 'hub and spoke' service delivery model. Although it is acknowledged the new flowchart and checklist developed by PCB provides avenues for inter-district planning, no plans have been produced to date using this approach.

6.4 Assess service issues and priorities

There was a lack of clear prioritisation of needs within all district service plans reviewed. To help provide the basis for developing service strategies, the relative significance or priority of the issues identified should be established. As recommended in the Health service planning template, needs and strategies can be prioritised using a scoring technique, whereby each issue is rated against established criteria. A list of suggested criteria such as consistency with Health corporate priorities, goals and strategic directions and seriousness, i.e. failure to address the issue will have serious repercussions, has been included in the template.

The limited prioritisation impacts on the ability of both districts and corporate to effectively allocate limited funds based on service plans. For example, one of the plans reviewed includes 43 objectives and numerous strategies under each objective. While a timeframe of either 0-2 years or 3-5 years has been noted for each strategy, the actual prioritisation and rationale for this prioritisation remains unclear. This form of planning may also prevent effective monitoring.

6.5 Develop strategies to address issues and priorities

Much of the planning within districts is initiated by individual disciplines (clinical streams), with limited coordination of this planning across disciplines. This silo approach may not fully consider how disciplines can work together to increase efficiencies and introduce new more effective models of care.

In three of the four districts audited, service planning was restricted by recent infrastructure decisions to increase capacity, which had not been based on a thorough analysis of service needs. This may be a valid short-term strategy, however it limits a longer term focus and may hinder the ability to assess and improve models of care. For example, The Townsville Hospital expansion was announced prior to the development of a health service plan and capital infrastructure plan. These plans may have been able to better inform the construction of the new facilities (refer to case study in Section 7.3.1 of this report).

6.6 Corporate guidance

The Health service planning framework and template provides guidance to planners and outlines the information that should be included in all department service plans, including prioritisation criteria and data sources. However, the framework and template is not being used by all districts and compliance has not been monitored.

In November 2008 IPPEC endorsed and circulated a checklist to be completed by districts on service plans requiring additional funding, changes to existing service models or changes to service delivery networks impacting other districts. The checklist is intended to provide a tool for both districts and IPPEC to ensure plans include all elements within the Health service planning framework and template.

Recommendation 2

It is recommended that the Department of Health:

- **provide adequate support to districts to build service planning capacity and ensure effective plans are produced of a consistent quality.**

Specifically, Health should ensure:

- **all districts use the endorsed health service planning framework and guidance material**
- **systems are developed to collect and analyse relevant community health data**
- **consistent methodologies are developed and implemented to determine current and future service needs**
- **service planning processes consider and document a range of service delivery options to manage identified needs**
- **all needs and strategies identified in service plans are clearly prioritise using consistent criteria.**

See the Director-General's response to the recommendations in Section 1.5 of this report.

7 Resource service plans

Summary

Background

Developing robust service plans provides a platform for improving services. Realising these improvements requires plans to be adequately resourced. The *Health Services Act 1991*[15] requires available resources to be allocated in accordance with health service plans.

Key findings

- Funding and resourcing implications were not identified in most plans reviewed and there is no clear linkage between plans and the funding allocation process. This can in part be attributed to a lack of prioritisation of needs and strategies within the SHSP and district service plans.
- The SHSP commits to developing four enabling plans to support implementation, however one of these enabling plans has not been developed (funding) and the linkages between the SHSP and two of the enabling plans developed are not clear (workforce and information management). At a district level, there are limited and inconsistent linkages between service plans and enabling plans.
- Historically, infrastructure decisions have not been adequately informed by service planning. For example, The Townsville Hospital expansion was announced in the absence of an endorsed service plan and capital infrastructure plan. An improved process with clear linkages and a methodology to prioritise new works nominations has been proposed by Health.
- At the time of the audit, there was no corporate guidance material or templates to provide a consistent framework for workforce planning. It is understood that the Workforce Planning Oversight Committee is progressing a departmental approach, including guidance and tools.

[15] Office of the Queensland Parliamentary Counsel, *Health Services Act 1991*, s.21B.

7.1 Introduction

Developing robust service plans provides a platform for improving services. Realising these improvements requires plans to be adequately resourced and implemented. The *Health Services Act 1991*[16] requires available resources to be allocated in accordance with health service plans. This requires strong commitment to:

- identify funding implications and adequate resourcing
- provide clear linkages with enabling plans such as capital infrastructure, workforce, and information management.

The nature of planning is such that there will always be tension between what ought to be done and what can be done. Service planning must consider existing and projected health system capacity in respect of workforce, capital infrastructure, information management and funding.

Some strategies can be implemented within existing resources. Other strategies will require changes or expansion of system capacity, in which case implications for workforce, capital infrastructure and information management will need to be identified. Detailed enabling plans (workforce, capital infrastructure and information management plans) may need to be developed to support the service plan, as recommended in the Forster report.

If additional resources required to implement the preferred strategy are not available, the strategy will need to be revised or deferred to fit within existing resources. In practice, this may result in an identified need being provided for under a different model or elsewhere in the state.

7.2 Identify funding requirements

The SHSP and all but one of the district service plans reviewed did not include an assessment of funding or resourcing implications, nor did any of the plans prioritise needs or strategies to inform resourcing decisions. This, along with the absence of detailed implementation actions, would make it difficult for management to make resource allocation decisions to support the implementation of service plans.

The Funding Plan announced in the SHSP has not been developed and the relationship between service planning and the funding allocation process is not clear. Additionally, the allocation process regarding prioritisation of requests for internal funding is not transparent. The 2008-09 budget funding submissions were primarily based on the five initiatives identified in the Advancing Health Action Plan. However, the link between the Advancing Health Action Plan and SHSP is not clear. Priority was also given to publically announced government commitments and some of these commitments do not appear to be informed by or reflected in service plans.

[16] Office of the Queensland Parliamentary Counsel, *Health Services Act 1991*, s.21B.

There was also no evidence of a process to re-visit strategies that did not receive funding endorsement and develop alternative strategies to meet the underlying needs within existing or re-allocated resources.

It is understood that a longer-term funding and resource allocation model is currently being developed, however this was not available for assessment at the time of the audit.

7.3 Linkages with enabling plans

7.3.1 Capital infrastructure

The Asset Strategic Plan 2008-2013 incorporated all actions in the SHSP related to infrastructure and assets and outlines specific strategies for 2008-09.

However, in three of the four districts audited service planning was heavily overshadowed by recent infrastructure decisions that have yet to be fully implemented. In the past, infrastructure decisions have not been adequately informed by service planning. For example, The Townsville Hospital expansion was announced in the absence of an endorsed service plan and capital infrastructure plan (see case study below for more detail). It is acknowledged that an improved process with clear linkages has been drafted and a methodology to prioritise new works nominations has been proposed by the Capital Works and Asset Management Branch, however this new methodology has yet to be endorsed and adopted.

Case Study – The Townsville Hospital expansion

In 2006 the Queensland Government announced a 100 bed expansion of The Townsville Hospital by 2011. This commitment has been progressively implemented over the past two years, with 30 beds already opened in a range of service areas. A business case for the additional 70 beds was drafted in February 2009.

The planning and decision-making process over the need for additional beds and which ward they should be allocated to is unclear to audit. The decision to announce the provision of additional beds was made in the absence of an endorsed health service plan and capital infrastructure plan. Furthermore, it is unclear whether the expansion of bed numbers has been factored into the *Area Health Services Plan 2007-12* or the draft *2008 Townsville District Health Services Plan*.

Audit noted that the budget for the additional 70 beds has been established, however the budget provision does not include funding for essential services to support this expansion. For example, services such as medical records, pharmacy, hotel services and waste management are not scheduled to expand in parallel with the increased beds and do not appear to be adequate to support the new expanded clinical services. The audit also notes that the 2009 business case recognises that unless additional funds are granted, the commitment *'establishes a service that will be dysfunctional'*.

This example illustrates the importance of health service planning in ensuring that capital infrastructure planning is the result of a gap analysis between predicted service needs and an assessment of the capability of current infrastructure to meet those needs. It also highlights that the provision of infrastructure is only one element in delivering acute hospital services and it will impact on other areas of the hospital or health service. Effective service planning would also ensure that the decision making process is transparent.

7.3.2 Workforce

The *People Plan 2007-2012* has been developed as an enabling plan for the SHSP, however there is only moderate alignment between People Plan initiatives and SHSP workforce actions. The People Plan provides high level strategic directions rather than providing a robust supply/demand assessment and specific actions. It is understood a separate corporate workforce plan is still being developed.

District workforce planning was found to be significantly lagging behind service planning in three of the four districts audited. This is a significant risk given current skill shortages and forecasted increasing demand. Work is being undertaken at a corporate level to strengthen the relationship between service planning and workforce planning, however at the time of the audit this was yet to be endorsed and communicated to districts.

At the time of the audit, there was no corporate guidance material or templates to assist districts and provide a consistent framework for workforce planning. Guidance was previously provided separately by each area health service, which resulted in inconsistent workforce planning frameworks across the department. It is understood that the Workforce Planning Oversight Committee is progressing a departmental approach, including guidance and tools.

Report to Parliament No. 6 for 2008 acknowledged that Health has progressed recommendations of Report to Parliament No. 6 for 2006 relating to workforce planning. Area health services were still in operation when the audit fieldwork for Report to Parliament No. 6 for 2008 was undertaken and the restructure was announced just prior to tabling the report. Report to Parliament No. 6 for 2008 raised the issue of the potential impact on workforce planning of abolishing the areas and the outstanding corporate workforce plan.

7.3.3 Information management

An Information Management Plan 2005-2010 was developed prior to the SHSP and there does not appear to be clear linkages between these two plans. Districts indicated that information management planning was undertaken corporately and there was minimal opportunity for districts to inform this planning regarding their future service needs. Health has indicated that work is underway to improve linkages between service planning and information management planning.

Recommendation 3

It is recommended that the Department of Health:

- **ensure all endorsed service plans are adequately supported by resources and funding.**

Specifically, Health should ensure:

- **all endorsed service plans identify appropriate funding sources and resources for implementation**
- **a process is in place to revise strategies which cannot be fully resourced to ensure critical needs are still met**
- **all endorsed strategies within service plans are supported by enabling plans such as workforce, capital infrastructure and information management.**

See the Director-General's response to the recommendations in Section 1.5 of this report.

8 Implement, monitor, evaluate, report

Summary

Background

Planners must also understand and help shape implementation and evaluation processes. Planning and implementation is a dynamic and iterative process with new plans ideally taking into account changed circumstances and the effects of implementing previous plans. Ideally, monitoring and evaluation should be based on an implementation strategy with progress reported annually.

Key findings

- Implementation of the SHSP was intended to be undertaken by areas and districts. However no timeframes were established and most district plans reviewed did not include clear strategies to implement the SHSP.
- To date, limited guidance has been provided to districts to assist them to develop implementation strategies for service plans and there are no templates to ensure a consistent approach across the department.
- At the time of the audit, there was no clear monitoring and reporting system in place to measure progress against actions within the SHSP or district service plans.
- There was no evidence of an evaluation framework to assist review of the SHSP or district service plans. However, a draft evaluation framework has been developed for the *Queensland Plan for Mental Health 2007-2017*.

8.1 Introduction

Planners must also understand and help shape implementation processes. The planning process needs to be embedded within the operating systems of the organisation. Therefore, implementation strategies need to be developed and included in operational plans. Implementation strategies should include specific actions, performance indicators, assigned responsibilities and timeframes. Operational planning should focus on the specific activities to be undertaken within the short-term to implement a service plan, including timeframes and responsibilities.

Planning and implementation is a dynamic and iterative process with new plans ideally taking into account changed circumstances and the effects of implementing previous plans. Monitoring and reporting progress against the plan completes the governance cycle and allows management to assess ongoing support for particular strategies. This provides flexible implementation and the ability to react to changing circumstances. Evaluation of the outcomes of service plan initiatives measures the overall success of implementation and provides a feedback loop to inform future planning. Ideally, monitoring and evaluation should be based on the implementation strategy with progress reported annually. Given most corporate plans rely on districts for implementation, consistent and coordinated monitoring, evaluation and reporting frameworks are important.

8.2 Implement

Implementation of the SHSP was intended to be undertaken through area and district service planning processes, however links with SHSP actions were only noted in one district plan. A responsibility matrix for the SHSP was developed and endorsed, however while the matrix allocates responsibilities, it does not include performance indicators or timeframes. It is understood the responsibility matrix will be updated with the review of the SHSP in 2009.

Most districts audited did not provide implementation strategies including specific actions, performance indicators, responsibilities or timeframes either as part of their service plan or as a separate document. One district included short term service plan strategies in its operational plan, however, this district's service plan has not received endorsement by the IPPEC. This makes it difficult to identify how strategies and actions in service plans are being progressed and to identify any alternative strategies that have been put in place to address service needs for which planned strategies or actions remain unfunded.

The current Health service planning template provides brief guidance on implementation and states that *'implementation of the service plan usually occurs through annual business or operational plans that have a short term, action-oriented focus'.* It also provides direction that *'operational plans... identify performance indicators, responsibility and time frame for the actions involved in implementing the service planning strategies'*.[17] However it does not provide specific guidance or a template for implementation action plans or monitoring and reporting. The recently developed Health service planning checklist includes criteria for implementation including timeframes and accountabilities. The project plan for review of the Health service planning framework identifies *'implementation and review of plans'* as a key objective, however it does not specify that a reporting template will be developed.

However an implementation framework has been set up for the *Queensland Plan for Mental Health 2007-2017*. This plan is being implemented by districts and a Mental Health Plan Implementation Steering Committee has been established to oversee implementation and governance of initiatives, develop an evaluation strategy and provide regular reports.

8.3 Monitor and report

Through the Action Plan, Health has committed to strong central support for performance monitoring, however focus on developing a comprehensive performance monitoring and reporting framework was only established in late 2008 and the framework is still under development. At the time of the audit, there was no clear monitoring and reporting system in place to measure progress against actions within the SHSP or district service plans.

The monitoring and reporting undertaken by districts is generally operational and/or project based, rather than against service plans. This makes it difficult to identify progress against all strategies and actions in service plans and to identify alternative strategies that have been put in place to address service needs for which planned strategies or actions remain unfunded.

To date, limited guidance has been provided to districts to assist them in the development of monitoring and reporting frameworks for service planning and there are no templates to provide a consistent approach across the department. While the new Health service planning flowchart and checklist allocates responsibility for monitoring of plans, there is no provision for reporting back to the IPPEC on implementation of endorsed plans. There is also no process for risk or exception reporting on difficulties in plan implementation.

The SHSP is due to be reviewed and updated in 2009, however, it is unclear whether this update will include provision for monitoring and reporting. A responsibility matrix for the implementation of the SHSP was developed and endorsed, but there was no evidence of monitoring or reporting against the matrix to date. It is understood the responsibility matrix will also be updated with the review of the SHSP.

[17] Department of Health, Health Service Planning Template, May 2007.

Departmentally, formal performance monitoring is primarily coordinated through annual district CEO performance agreements which contain 20 standard key performance indicators (KPIs) (none directly related to service planning) and the ability to add district-specific KPIs/strategies/priorities. It is understood that current district-specific KPIs/strategies/priorities were at the discretion of district CEOs and do not necessarily relate to service planning priorities. It is acknowledged that performance agreements are being reviewed for the 2009-10 year, but it is unclear whether the new agreements will link to service plan priorities.

8.4 Evaluate

There was no evidence of evaluation frameworks in place to measure the ultimate success of the SHSP or district service plans. The SHSP is due to be reviewed and updated in 2009, but it is unclear whether progress will be evaluated at this point.

While the new Health service planning flowchart and checklist requires service plans to be reviewed on a three yearly basis, no formal guidance has been provided to assist districts to review and evaluate service plans. The project plan for review of the Health service planning framework identifies *'implementation and review of plans'* as a key objective, however it does not specify that an evaluation template or guidance will be developed.

A draft evaluation framework has however been developed for the *Queensland Plan for Mental Health 2007-2017*. This draft framework identifies input, output and outcome measures for each of the priority areas in the mental health plan.

Recommendation 4

It is recommended that the Department of Health:

- **develop and implement a framework and guidance material for implementing, measuring progress and evaluating the success of strategies within service plans.**

Specifically, Health should ensure:

- **guidance and templates are developed for implementation strategies which include specific actions, performance indicators, assigned responsibilities and timeframes**
- **a monitoring, evaluation and reporting framework and templates are developed to measure progress against and success of the strategies within health service plans.**

See the Director-General's response to the recommendations in Section 1.5 of this report.

9 Appendices

9.1 Related PMSAs

9.1.1 Report to Parliament No. 5 for 2006 on Results of Performance Management Systems Audits of Capital Works at Departments of Corrective Services, Education, Health and Housing

The objective of this PMSA was to determine whether budget sector agencies had suitable frameworks and systems in place to support the effective management of their capital works buildings programs.

The audit found that Health did not comply with the requirements of the *Capital Works Management Framework* and required significant improvements to its overall capital works planning, delivery and governance systems. At the time of the audit, the department was in the process of implementing a new planning and management framework.

9.1.2 Report to Parliament No. 6 for 2006 on Results of Performance Management Systems Audit of Workforce Planning at the Departments of Education and Health

The objective of this PMSA was to determine whether the Departments of Education and Health had adequate governance frameworks, data systems and forecasting mechanisms in place to support workforce planning for quality service delivery.

Overall, the audit found that workforce planning systems and processes were only partially implemented at Health. Concerns with the systems' capacity to produce meaningful and reliable workforce planning data were identified at both departments, with data integrity issues raised at Health. The major areas for improvement were:

- enhanced reporting on workforce planning with greater monitoring by senior executives
- the ability of systems to produce meaningful and quality workforce data
- longer term workforce planning rather than short term workforce management.

9.1.3 Report to Parliament No. 6 for 2008 on Follow-up audit of Workforce Planning at Departments of Education, Training and the Arts and Health, incorporating their responses to an ageing workforce

A follow-up audit on Report to Parliament No. 6 for 2006 was conducted in 2008. Overall, this audit found that Health had made substantial progress in implementing the recommendations from 2006. There was evidence of strengthened governance arrangements, improved systems of data collection and enhanced processes for demand/supply analysis. There was also evidence of an increasing focus on attracting and retaining staff to meet shortages in the workforce such as specific groups of health care workers and staff positions in remote and rural areas.

While Report to Parliament No. 6 for 2008 acknowledged that Health had progressed recommendations relating to workforce planning, it raised the issue of the potential impact on workforce planning of a recent decision to abolish the area health services and an outstanding corporate workforce strategic plan. The report also recommended that *'Health develop a comprehensive suite of key performance indicators for inclusion in all planning documents, and promote a culture of defining and measuring performance'*.

9.1.4 Report to Parliament No. 8 for 2008 on Follow-up of selected audits tabled in 2006

A follow-up audit on Report to Parliament No. 5 for 2006 was conducted in 2008. This audit found that all departments audited had implemented the recommendations resulting in improvements to capital works management systems.

9.1.5 Management of patient throughput in Queensland hospitals

A PMSA of patient throughput in Queensland hospitals was conducted at the same time as this audit on Health's planning systems. The objective was to determine whether suitable systems are operating to ensure the efficient and effective management of patient flow including admission to and discharge from the hospital ward system.

The report on this audit is expected to be tabled in parliament in mid 2009.

9.2 Health organisational structure and map

Figure 9A : Health organisational structure

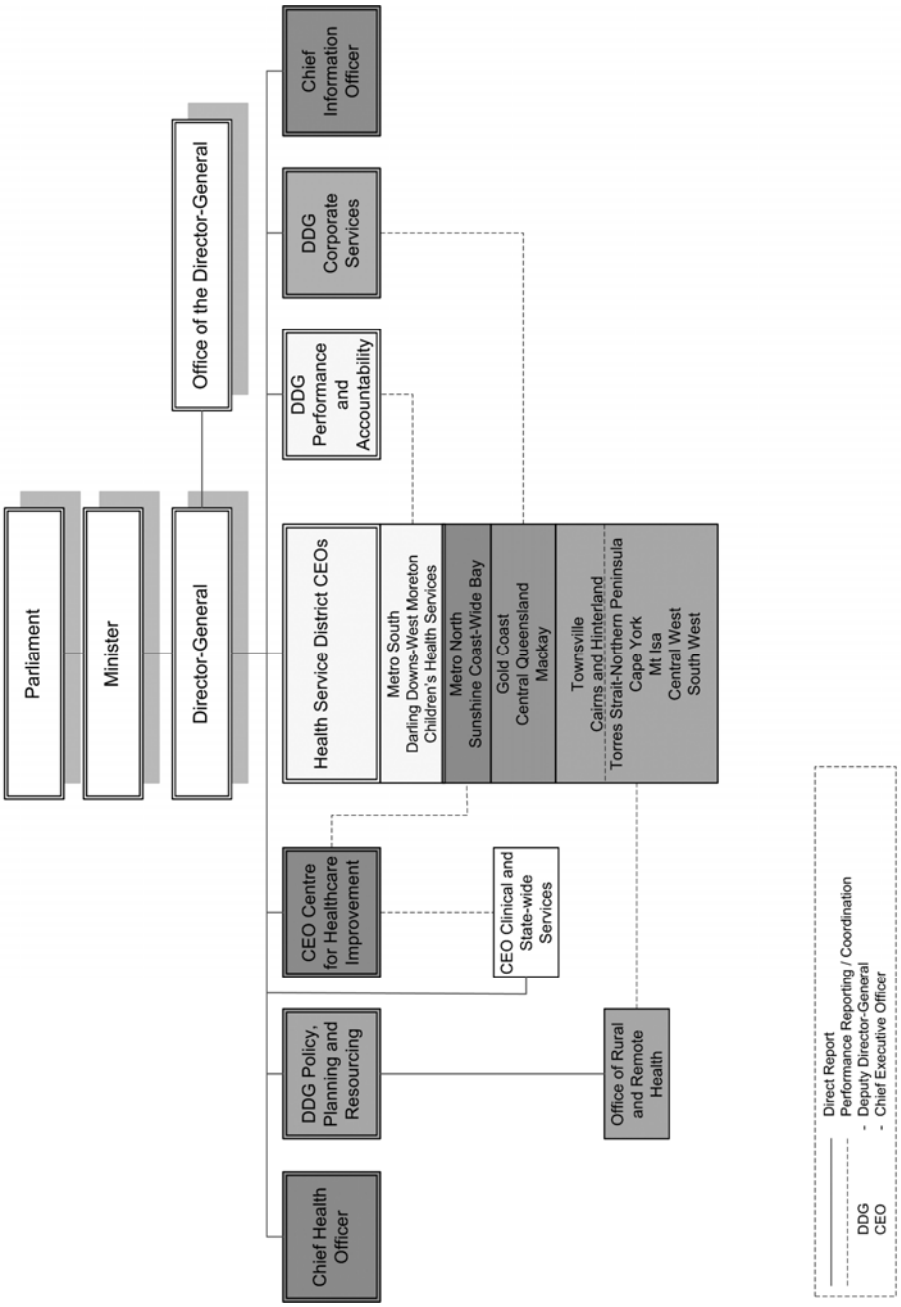
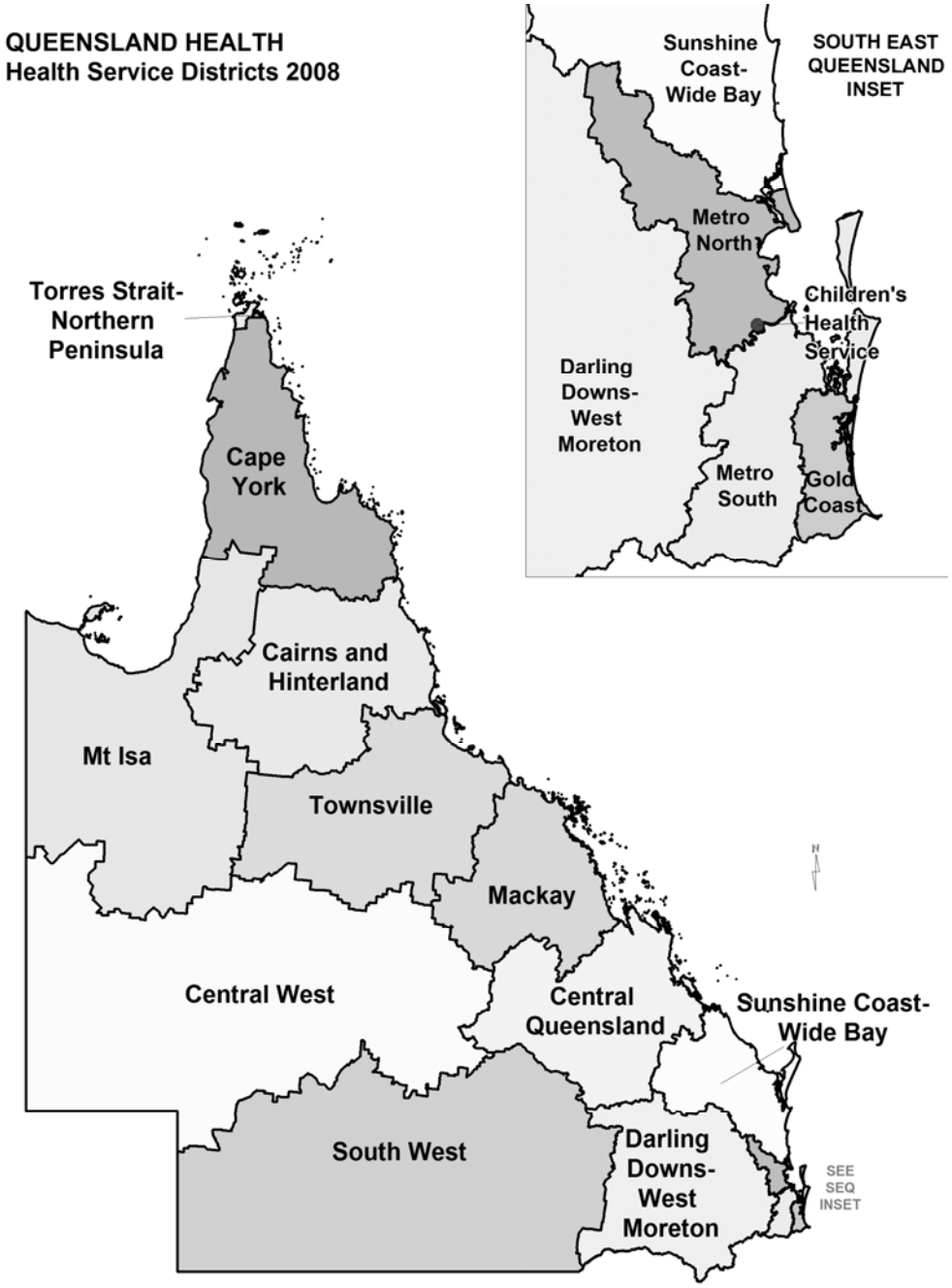


Figure 9B : Map of Health districts



Source: www.health.qld.gov.au/maps

10 Acronyms, glossary, references

10.1 Acronyms

Action Plan	*Action Plan: Building a better health service for Queensland*, October 2005
DART	Data Analysis and Resource Team
FA&A Act	*Financial Administration and Audit Act 1977*
Forster Report	*Queensland Health Systems Review Final Report 2005*
Health	Department of Health
IPPEC	Integrated Policy and Planning Executive Committee
KPIs	Key Performance Indicators
PCB	Planning and Coordination Branch
PMSA	Performance Management Systems Audit
QAO	Queensland Audit Office
SHSP	*Queensland Statewide Health Services Plan 2007-12*

10.2 Glossary

Business/operational planning

Operational planning should follow service planning and focus on the specific activities to be undertaken within the short-term to implement the service plan, including establishing timeframes and responsibilities.

Effectiveness

The achievement of the objectives or other intended effects of activities at a program or entity level.

Efficiency

The use of resources such that output is optimised for any given set of resource inputs, or input is minimised for any given quantity and quality of output.

Evaluate

Assess the outcomes and overall success of service plan initiatives, in order to inform future planning.

Governance

Regulating systems such as coordination, monitoring and reporting, to ensure accountability, consistency and compliance with policies and procedures.

Health service planning

Health service planning is the process of ensuring community needs are managed using a deliberate and well thought out strategy, making the most effective use of resources. The outcome should be an actionable link between needs and resources.

'Hub and spoke' model

This model links larger health service facilities (hub) to smaller facilities (spoke). The model works by establishing linkages between services in order to develop an economy of scale sufficient to maintain the technologies, skill and staffing levels necessary to deliver a range of health care services.

Models of care

Different ways of delivering health care services, which may change over time.

Monitor

Periodically assess the implementation progress of actions within service plans.

10.3 References

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11 Auditor-General's reports

11.1 Tabled in 2009

Report No.	Subject	Date tabled in Legislative Assembly
1	Auditor-General's Report No. 1 for 2009 Results of local government audits **Financial Compliance Audit**	20 May 2009
2	Auditor-General's Report No. 2 for 2009 Health service planning for the future **A Performance Management Systems Audit**	June 2009

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