

OUTPUT AGREEMENT

between

**HER MAJESTY THE QUEEN IN RIGHT OF HER
GOVERNMENT IN NEW ZEALAND**

acting by and through the Minister of Health

and the

NEW ZEALAND BLOOD SERVICE

**a Crown entity established under section 54 of the
New Zealand Public Health and Disability Act 2000**

for the Period: 1 July 2012 to 30 June 2013

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1. INTRODUCTION

Parties and term

- 1.1 This Output Agreement (“the Agreement”) is an agreement between Her Majesty The Queen in Right of Her Government in New Zealand (“the Crown”), acting by and through the Minister of Health (“the Minister”), Crown and the New Zealand Blood Service (“NZBS”).
- 1.2 This Agreement commences on 1 July 2012 and will expire on 30 June 2013.

Purpose of the Agreement

- 1.3 This Agreement is required pursuant to section 170 of the Crown Entities Act 2004, and assists the Minister of Health and the NZBS to clarify, align, and manage their respective expectations and responsibilities.
- 1.4 This Agreement sets out:
- 1.4.1 the Services that the NZBS will provide and the standards for the provision of those Services; and
 - 1.4.2 various matters relating to the roles of the Parties, financial management, formalising variations to this Agreement and reporting obligations.

Background

- 1.5 The NZBS is a Crown entity established under section 54 of the New Zealand Public Health and Disability Act 2000 (“the NZPHD Act”), and is a Crown agent for the purposes of the Crown Entities Act 2004.
- 1.6 Pursuant to section 7 of the Crown Entities Act 2004, the NZBS must give effect to Government policy when directed by the Responsible Minister.
- 1.7 The NZBS’s enabling legislation, the NZPHD Act, sets out its functions. The NZBS is funded by fees for service from District Health Boards (DHBs) that are negotiated between NZBS and DHBs on an annual basis, with the intent that the fees charged will cover the costs of NZBS such that NZBS endeavours to cover all its annual costs from its net annual income and behaves in a financially responsible manner, in accordance with section 66 of the NZPHD Act and section 51 of the Crown Entities Act 2004.
- 1.8 The Minister is the Responsible Minister for the NZBS.
- 1.9 The Minister has authorised the Ministry of Health (“the Ministry”) to act as the agent of the Minister in general matters relating to governance and accountability.
- 1.10 The definitions for this Agreement are set out in Schedule A of this Agreement.
- 1.11 The Services specified in Schedule B to this Agreement are all Services that the NZBS provides.
- 1.12 The Crown and the NZBS have agreed to enter into this Agreement to set out the terms and conditions on which the NZBS will provide its Services.

Respective roles of the Parties

Minister of Health on behalf of the Crown

- 1.13 The Minister is accountable to Parliament for the performance of the NZBS. The role of the Minister in relation to this Agreement includes:
- 1.13.1 determining the New Zealand Health Strategy and the New Zealand Disability Strategy;
 - 1.13.2 setting expectations to inform and guide the NZBS's preparation of its Agreement and Statement of Intent;
 - 1.13.3 monitoring and reviewing the performance of the NZBS, including against this Agreement;
 - 1.13.4 holding the NZBS accountable for its performance under this Agreement; and
 - 1.13.5 undertaking other roles as set out in the NZPHD Act, the Crown Entities Act 2004, the Public Finance Act 1989 and other relevant statutes and regulations.

Ministry of Health on behalf of the Minister of Health

- 1.14 The Ministry acts as the Minister's agent in the Minister's relationship with the NZBS. The Ministry's role includes:
- 1.14.1 reviewing the NZBS's Statement of Intent and financial statements;
 - 1.14.2 negotiating an annual Agreement and any protocols, as required by the Minister;
 - 1.14.3 assessing and advising the Minister on performance and performance reporting, including any risks or potential risks that may arise from time to time;
 - 1.14.4 advising the Minister on the compliance of the NZBS with its legislation;
 - 1.14.5 advising the Minister on the NZBS's capability to achieve its results;
 - 1.14.6 transmitting information to the NZBS about relevant decisions and/or changes in policy by the Government, relevant government processes, especially the Budget and the Government's Expectations of the NZBS; and
 - 1.14.7 providing regular briefings to the Minister on the NZBS's performance and attend meetings between the Minister and the NZBS, as required; and
 - 1.14.8 advising and assisting the Minister to develop/set the Annual Letter of Expectations.

New Zealand Blood Service

- 1.15 The NZBS shall perform the Services.

- 1.16 The NZBS is accountable to the Minister for its performance under this Agreement, including the delivery and performance of the Services, reporting, and achieving the financial performance set out in its Statement of Intent (including any part of its operations that it has contracted a third party to deliver).
- 1.17 The NZBS is responsible for maintaining the capability needed to meet its responsibilities under this Agreement at all times. The NZBS must inform the Ministry of any significant capability issues that are likely to interfere with the delivery of the Services.
- 1.18 In providing the Services specified in this Agreement the NZBS will comply with all of its legal obligations.
- 1.19 In providing the Services the NZBS will give effect to the Government's Expectations, as defined in Schedule A. Further, in developing and implementing its Employment Relations Strategy, the NZBS will take into account the Government's Expectations for Pay and Employment Conditions in the State Sector.

2. SERVICE DELIVERY PERFORMANCE

Services to be provided

- 2.1 The NZBS will deliver the Services in accordance with the quantitative and qualitative performance measures set out in Schedule B.
- 2.2 In the event that the NZBS may be unable to meet any of its performance measures, the NZBS will provide the Ministry with the details of the risk as soon as practicable. Depending on the significance of the matter, the NZBS may advise the Ministry prior to the next scheduled report.
- 2.3 The NZBS will, as part of that advice, propose the responses or actions it will take to achieve the provision of the Services as specified.

Intellectual property

- 2.4 Without limiting any other rights that the Crown may already have, the Ministry may use (which includes copying, modifying, developing or distributing) any intellectual property in anything provided to it by, or on behalf of, the NZBS free of charge under this Agreement as it thinks fit.
- 2.5 Clause 2.4 above shall survive expiry or termination of this Agreement.

3. FINANCIAL MANAGEMENT

Projected financial performance

- 3.1 The projected financial performance of the NZBS for the term of this Agreement is set out in its Statement of Intent.

Financial operating environment

- 3.2 The financial operating environment for the NZBS is based on the Public Finance Act 1989 and the Crown Entities Act 2004.

Crown accounting policies

- 3.3 The NZBS will follow generally accepted accounting practices within the accounting profession and, in particular, will follow Crown accounting policies.

Restrictions on acquisitions of securities, borrowing, guarantees, indemnities and derivative transactions

- 3.4 Section 161 of the Crown Entities Act 2004 applies, except in the circumstances set out in clauses 3.5 to 3.7 below.

Derivative transactions

- 3.5 NZBS is permitted, as specified in the *New Zealand Gazette*, 21/7/2005, No. 4665, to enter into foreign exchange and interest rate derivative transactions, on the following conditions:
- 3.5.1 Permitted derivative instruments, transactions and limits should be covered in the Board-approved Treasury Policy;
 - 3.5.2 The NZBS should enter into prudent foreign exchange transactions, recognising that the Crown will not provide additional funding to cover foreign exchange rate losses; and
 - 3.5.3 Use of such derivative transactions should only be to hedge NZBS's actual underlying obligation structure and not for speculative purposes. NZBS will need to ensure that:
 - 3.5.3.1 it has personnel who are suitably skilled in using financial instruments; and
 - 3.5.3.2 its use of financial instruments is undertaken and assessed against 'best practice' for the exposure being managed and the instruments being used.

Borrowing

- 3.6 The Ministers of Health and Finance have consented under section 160(1)(b) of the Crown Entities Act 2004 to the NZBS entering into a credit arrangement with Westpac New Zealand Limited, with a maximum credit facility of \$8.3M, subject to the following conditions:
- 3.6.1 within the \$8.3M maximum credit facility, the NZBS can enter into short term borrowing up to \$5.0M to cover short-term fluctuations in working capital and the remaining \$3.3M is used to cover the balance of existing term debt;
 - 3.6.2 the existing overdraft facility of \$1.0M is included in the \$5.0M working capital limit;
 - 3.6.3 the maximum credit facility of \$8.3M will be, by the end of the 2014/15 financial year, reduced to \$5.0M and will only be used to cover short-term working capital fluctuations; and

- 3.6.4 funds borrowed under the \$5.0M short-term working capital facility:
 - 3.6.4.1 are to be repaid as a first priority on the receipt of the outstanding payments that led to the short-term cash shortfall; and
 - 3.6.4.2 will not be used for long-term debt financing or capital expenditure above the level of planned depreciation (per the NZBS Statement of Intent 2010/11 – 2012/13).
- 3.7 The Ministers of Health and Finance have consented under section 160(1)(b) of the Crown Entities Act 2004 to NZBS borrowing in the form of finance leases as specified in the New Zealand Gazette, 25/01/2007, No. 379.
- 3.8 The use of finance leases will be monitored by the Ministry through disclosures in NZBS's Statement of Intent and quarterly reporting.

Use of surplus funding

- 3.9 Annual net surpluses, arising from the efficient delivery of Services, may be retained by the NZBS for use in subsequent years, subject to section 165 of the Crown Entities Act 2004 and clauses 3.10 to 3.14 of this Agreement.
- 3.10 Expenditure of any surplus must be made in accordance with the NZBS's Statement of Intent and reflected in the projected financial performance.
- 3.11 Approved spending of any surpluses must be consistent with Government health objectives and not be contrary to Government policy.
- 3.12 NZBS will follow its established process as set out in the NZBS Financial Guidelines Policy to determine whether to credit any unallocated surpluses to DHBs (as primary customers) following the completion of the audited financial statements.
- 3.13 NZBS will advise the Ministry's Manager, Governance & Crown Entities, prior to final distribution of surpluses to the DHBs.
- 3.14 Under section 165 of the Crown Entities Act 2004, the Minister of Finance may direct the NZBS to pay to the Crown any surpluses.

4. REPORTING REQUIREMENTS

- 4.1 The NZBS will provide the Minister and the Ministry with information that enables monitoring of its performance against this Agreement. The Minister and the Ministry will likewise provide the NZBS with the information it requires to fulfil its obligations under this Agreement.
- 4.2 Ongoing dialogue and meetings between the Minister, the Ministry and the NZBS will support formal reporting.

Formal reports

- 4.3 The NZBS will comply with the reporting requirements of the Crown Entities Act 2004.
- 4.4 The NZBS will provide quarterly performance reports to the Minister, copied to the Ministry, as follows:

Report	Period	Report due date
Quarter 1	1 July 2012 to 30 September 2012	31 October 2012
Quarter 2	1 October 2012 to 31 December 2012	31 January 2013
Quarter 3	1 January 2013 to 31 March 2013	30 April 2013
Quarter 4	1 April 2013 to 30 June 2013	31 July 2013

- 4.5 Each report will, if relevant and material to performance in the quarter, include the following performance information:
- 4.5.1 a brief comparative analysis of performance measure results. This analysis should draw together the results to ensure a clear picture of performance by including, where applicable, the following information:
- 4.5.1.1 an overview of highlights and overall performance (major activities), including any unusual events in the reporting period;
 - 4.5.1.2 how the NZBS has responded to the Government's Expectations, and the longer term economic and fiscal impacts of its activities, linking to particular events or issues if possible;
 - 4.5.1.3 trends over time, benchmarking with comparable New Zealand or international organisations, and sector-wide perspectives;
 - 4.5.1.4 any new risks, their probability and consequences, and how they are or will be managed;
 - 4.5.1.5 stakeholder satisfaction and involvement;
 - 4.5.1.6 any capability issues; and
 - 4.5.1.7 any initiatives to ensure value for money.
- 4.5.2 list the measures from Schedule B with the status of each measure, for example, the measures that have been achieved or have not been achieved in relation to the deliverables that fell due in that period;
- 4.5.3 for those measures that have not been achieved, why they were not met, the corrective actions taken or planned, and any consequences;
- 4.5.4 a description of any work that is underway for deliverables due in subsequent periods, noting the key actions commenced towards their completion; and
- 4.5.5 a description of any other ongoing or 'as required' work that was performed during the period for deliverables with specific timeframes for the completion of those deliverables.
- 4.6 The NZBS will provide monthly financial reports on its financial performance in the template provided by the Ministry for this purpose and at agreed dates.
- 4.7 The NZBS will provide as part of the quarterly reports summarised financial performance information, including key operational financial performance information that includes value for money indicators and explanations of variances as agreed with the Ministry.

4.8 The Quarter 4 report will also include aggregated information on remuneration movement over the year and future remuneration plans, the details of which will be advised by the Ministry or the State Services Commission from time to time. A copy of this section of the Quarter 4 report should be provided to the State Services Commission.

Informal reports and communication

4.9 In addition to the formal reports specified above, the NZBS will operate on a 'no surprises' basis, and at any time may:

- 4.9.1 alert the Minister and the Ministry in advance to any non-delivery or material factors that could preclude the achievement of any obligation or expectation set out in this Agreement or in any statement of the Government's Expectations. This advice should include any proposed remedial action;
- 4.9.2 inform the Minister and the Ministry sufficiently in advance of any issue, risk or public comment likely to be of significance to the Minister or the Government, relating to the NZBS and/or its performance, and the proposed plan of action;
- 4.9.3 use its best endeavours to accommodate specific requests from the Ministry, including for attendance at meetings with officials;
- 4.9.4 promptly provide the Ministry with all information within the NZBS's control in relation to the Agreement that the Ministry requests from time to time, during and after the term of the Agreement; and
- 4.9.5 keep the Ministry informed of upcoming key meetings with, or information requests from, Ministers, Members of Parliament, Select Committees and so forth.

Ministerial servicing

4.10 From time to time the Ministry or the Minister will require the NZBS to provide information in relation to the NZBS that includes, but is not limited to, the following:

- 4.10.1 the preparation of Ministerial briefings and draft speech notes;
- 4.10.2 Ministerial correspondence and Select Committee inquiries; and
- 4.10.3 Parliamentary questions.

4.11 The NZBS has agreed to provide the Ministry with this information within the following timeframes when requested, subject to any legal restrictions:

Request type	Response time
Ministerial briefings	As agreed with the Ministry of Health at the time of the request
Speeches	As agreed with the Ministry of Health at the time of the request
Parliamentary questions (PQs)	Written: within 2 working days Oral: by 12 noon same day

Routine Ministerial correspondence	Within 4 working days
Select Committee inquiries	As agreed with the Ministry of Health at the time of the request

Minister's advice to NZBS

- 4.12 The Ministry, on behalf of the Minister, will, in a timely manner:
- 4.12.1 inform the NZBS of any issue likely to be of significance to it and provide the information that the NZBS requires to fulfil its obligations under this Agreement; and
 - 4.12.2 use its best endeavours to accommodate specific requests from the NZBS, including for attendance at relevant meetings.

Management of policy change

- 4.13 The Minister and the Ministry will, to the extent that this is appropriate and not related to the exercise of statutory powers, functions, or duties:
- 4.13.1 ensure the NZBS is consulted prior to introducing any new policy that will or may impact significantly on the NZBS; and
 - 4.13.2 negotiate with the NZBS, in the context of the development of the NZBS's Statement of Intent and/or this Agreement, changes to the range or scope of Services to be provided and/or any changes to current funding strategies or methodologies.
- 4.14 The NZBS will use its best endeavours to consult with the appropriate Ministry personnel during the development of any significant initiative or policy related to the Services in this Agreement.

5. VARIATIONS TO THE AGREEMENT AND NEXT AGREEMENT

Variations to the Agreement

- 5.1 This Agreement may be varied at any time during its term by the mutual consent of both parties. All amendments shall be recorded in writing and signed by the Chair of the NZBS and the Minister of Health.
- 5.2 In the event that the NZBS considers the specification of Services to no longer be appropriate or that a significant shift in the Services is required, the NZBS will propose a variation to this Agreement.
- 5.3 In seeking a variation the NZBS will include a description of the situation and the nature of the variation sought, as well as justification for the variation and a statement of the financial implications.
- 5.4 Any agreed and signed variation will be read as part of this Agreement. Copies of the original Agreement and variations to this Agreement will be held by both the NZBS and the Ministry.

Next Agreement

- 5.5 The NZBS and the Minister of Health agree that they will negotiate with each other in good faith with a view to entering into an Agreement for the next financial year, 2013/14, prior to its commencement.

6. DISPUTES RESOLUTION PROCESS

- 6.1 If any dispute arises between the NZBS and the Ministry concerning this Agreement, the NZBS and the Ministry will actively, openly, and in good faith discuss that difference or dispute with a view to resolving it by mutual agreement.
- 6.2 In the event that resolution is not reached, the dispute or difference will be resolved by a decision of the Minister. The Minister's decision shall be final and binding.

7. REVIEW

- 7.1 The Minister may review the operations and performance of the NZBS at any time, as per section 132 of the Crown Entities Act 2004. The Ministry may undertake this review, if requested to do so by the Minister.
- 7.2 The NZBS must take all reasonable steps to enable such a review to be conducted, including providing to the Ministry all applicable information within the control of the NZBS.

8. ADDRESSES FOR CORRESPONDENCE

- 8.1 For the purposes of this Output Agreement, the addresses for correspondence between the parties are:

Mr David Pannett
Manager, Governance & Crown Entities
Ministry of Health
PO Box 5013
WELLINGTON 6011

Ms Fiona Ritsma
Chief Executive
New Zealand Blood Service
PO Box 92 071
Victoria Street West
AUCKLAND 1142

9. AGREEMENT AND SIGNATURES

EXECUTED by HER MAJESTY THE QUEEN IN RIGHT OF HER GOVERNMENT IN NEW ZEALAND acting by and through

Hon Tony Ryall
Minister of Health

Signature: Ryall

Date: 11/12/2012

in the presence of:

Signature: [Signature]

Name: Nicole Hine

Address: 223 Oharo Road, Wellington

Occupation: Private Secretary - Health

And for the NEW ZEALAND BLOOD SERVICE by

Mr David Chamberlain
Chairperson

Signature: [Signature]

Date: 3/1/2013

in the presence of:

Signature: [Signature]

Name: Fiona Ritama

Address: 139 Laxon Tce Newmarket, Auckland

Occupation: CEO NZBS

SCHEDULE A: DEFINITIONS AND INTERPRETATION

Definitions

The words used in this Agreement have the meanings given to them in the New Zealand Public Health and Disability Act 2000, unless the context requires otherwise or they are defined below:

- **“Agreement”** means this Output Agreement
- **“Crown”** means Her Majesty The Queen in Right of Her Government in New Zealand
- **“Crown entity”** has the same meaning as in section 7 of the Crown Entities Act 2004
- **“day”** means any period of up to 24 consecutive hours ending at midnight
- **“DHB”** means District Health Board
- **“Government Expectations”** means the expectations of Government as set out in documents which include, but are not limited to, the Annual Letter of Expectations and the Enduring Letter of Expectations
- **“Minister”** means the Minister of Health
- **“Ministry”** means the Ministry of Health
- **“NZBS”** means the New Zealand Blood Service, established under the New Zealand Public Health and Disability Act 2000
- **“the NZPHD Act”** means the New Zealand Public Health and Disability Act 2000, as amended
- **“Parties”** means the Crown and the New Zealand Blood Service
- **“Services”** means the services described in Schedule B to this Agreement
- **“Statement of Intent”** means a statement of intent for the New Zealand Blood Service, prepared in accordance with the requirements of the HRC Act, the Public Finance Act 1989, and the Crown Entities Act 2004.

Interpretation

Unless the context requires otherwise:

- (a) headings shall be ignored and shall not affect the construction of this document
- (b) the singular shall include the plural and vice versa
- (c) a reference to one gender shall include the other
- (d) “person” shall include any individual, company, corporation, firm, partnership, joint venture, association, organisation, trust, in each case whether or not having a separate legal personality
- (e) expressions referring to “writing” shall be construed as including references to words printed, typewritten or otherwise visibly represented, copied or reproduced (including by facsimile)
- (f) the expressions “papers” and “records” shall be construed as including writings or material, whether in their original or any copied form or at any time stored or recorded in any data retrieval system
- (g) a reference to any legislation (or any provision of legislation) shall be read as if the words “including any legislative modification or re-enactment of it or any legislation substituted for it” were added to the reference.

SCHEDULE B: SERVICES TO BE PROVIDED

Outputs

The Services are as per the Statement of Intent 2012-2015, Statement of Forecast Service Performance below.

In providing the Services, the NZBS will meet the service description and performance measures in the Statement of Forecast Service Performance.

The Services include reporting requirements, as per this Agreement and compliance with all Acts, Regulations, Orders in Council, *Gazette* notices, and Ministerial directions.

For responsibilities under this Agreement with unspecified deliverables, it is the responsibility of NZBS to agree with the Ministry the timing and quality requirements for the discharge of those responsibilities.

STATEMENT OF FORECAST SERVICE PERFORMANCE (FROM STATEMENT OF INTENT 2012-2015)

NZBS has one overall Output Class, comprising three interrelated outputs related to:

- Donors (and patients)
- Products and Services
- Demand Management

each of which collectively contributes to the achievement of the outcome below:

New Zealand Blood Service Outcome

Health needs of people in New Zealand are supported by the availability of safe and appropriate blood and tissue products and related services

OUTPUT	Value 2012/13 \$ (excl GST)
Provision of a safe and effective blood service for all New Zealanders through supply and delivery of: <ul style="list-style-type: none">• Fresh Blood Components• Fractionated Blood Products• Other products and related services	Revenue of \$109.5 M Expenses of \$111.7 M

IMPACT STATEMENT

District Health Boards receive a safe and secure supply of blood, blood products and related services at the right place, at the right time to meet demand at ALL times.

Performance Measures	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
<p>NOTE: Changing clinical demand may result in the need to adjust output activity, causing variations from forecast levels. Should this occur, an explanation will be provided in the Annual Report.</p>								
<p>1. External output measures related to Key Products and Services which contribute to achievement of NZBS Enduring Outcome and Strategic Goal 1.</p>	Actual	Actual	Actual	Actual	Forecast	Target	Target	Target
<p>KEY OUTPUT MEASURE 1 Product and Service availability 1.1 Key products and services are available at all times (24 x 7). Measure is instances when this is not achieved.</p>	0	0	0	0	0	0	0	0
<p>1.2. Key Fresh Blood Component Outputs</p>	Actual Demand	Actual Demand	Actual Demand	Actual Demand	Forecast Demand¹	Forecast Demand	Forecast Demand	Forecast Demand
<p>1.2.1 Total Red Cells (units) issued - used to treat people with cancer, kidney failure & acute blood loss due to trauma or surgery.</p>	140,874	141,519	141,347	138,093	137,500	137,100	137,800	138,200
<p>1.2.2 Total Platelets (units) issued - used to support treatment for cancer, some blood diseases & to control bleeding following cardiac surgery or trauma.</p>	16,804	19,061	19,392	20,981	22,400	22,100	22,550	22,900
<p>1.2.3 Total plasma (units) issued - used in patients following trauma or transplantation.</p>	20,271	20,211	20,889	19,890	20,215	20,650	20,850	21,150
<p>1.2.4 Total Cryoprecipitate (units) issued - contains clotting factors used to treat trauma and during cardiac/transplant surgery.</p>	2,118	2,725	3,120	3,358	4,000	4,000	4,100	4,200
<p>1.2.5 Total plasma for fractionation (kgs) - sent to CSL in Australia to be manufactured into products and returned for use in NZ.</p>	50,908	49,942	44,612	49,546	55,000	56,800	61,250	65,050
<p>Comment: These measures relate to the provision of the main "fresh" blood products (manufactured from either whole blood or apheresis blood donations) to the New Zealand health and disability sector AND fresh frozen plasma to CSL for manufacture into fractionated products.</p>								

¹ Forecast Demand in this context refers to NZBSs best estimate of DHB demand each year; noting this this will be adjusted up OR down throughout the year to best match actual demand and minimise expiry.

Performance Measures		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
1.3 Key Fractionation Product Outputs		Actual Demand	Actual Demand	Actual Demand	Actual Demand	Forecast Demand	Forecast Demand	Forecast Demand	Forecast Demand
1.3.1 IntragamP (200ml 12gm equivalent vials) issued – Immunoglobulin product used to treat people with immune deficiencies or diseases which compromise patients' immune system.		19,566	19,328	20,199	21,648	23,000	24,525	26,125	27,825
1.3.2 Biostate (250IU equivalent) issued – used to manage the inherited bleeding disorder haemophilia A.		26,777	20,652	13,358	14,186	15,000	14,500	14,500	14,500
Comment: These measures relate to the provision of the main "fractionated" products to the New Zealand health and disability sector. Fractionated products are manufactured by CSL Biotherapies in Australia from plasma collected in New Zealand.									
1.4 Other Key Products /Services Outputs									
1.4.1 Tissue Typings associated with transplant patients/donors and disease studies.		5,570	6,309	6,949	7,230	6,600	7,050	7,450	7,850
1.4.2 Antibody screens for patients awaiting transplant.		6,538	6,843	6,655	7,260	7,450	7,750	8,100	8,450
1.4.3 Femoral head issues.		508	533	613	604	730	765	780	800
1.4.4 Blood groupings.		137,749	144,284	146,611	146,644	148,000	149,500	151,000	152,500
1.4.5 Antibody Screens.		134,033	140,249	142,770	142,399	144,000	145,800	147,600	149,450
Comment: These measures relate to the provision of the key tissue product (femoral heads) and key services that NZBS provides to the New Zealand health and disability sector.									
1.5 Key Therapeutic Service Outputs									
1.5.1 Plasma Exchanges - used to remove antibodies & toxins in patients with a range of haematological and neurological diseases.		425	359	404	446	450	485	520	555
1.5.2 Stem Cell Harvests – used for cancer patients undergoing chemotherapy and bone marrow transplantation.		250	265	312	290	310	345	380	420
1.5.3 Therapeutic venesections – predominantly used to treat haemochromatosis or polycythaemia.		4,379	4,939	5,003	5,460	5,250	5,380	5,530	5,685
Comment: These measures relate to the key therapeutic services (in addition to collecting voluntary blood donations) conducted by NZBS donor services. NZBS provides									

Performance Measures	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
these services as they require the same equipment and similar nursing skills as our core activity collecting blood donations from voluntary blood donors.								
2. External output measures related to Demand Management and the relationship with DHBs which contribute to achievement of Strategic Goal 4.								
2.1 Planning and Communication with District Health Boards (DHBs) NZBS will demonstrate a productive and supportive relationship with the DHBs, including proactively engaging with them through the Lead DHB CEO to agree pricing for the next financial year, ensuring that this information is provided in sufficient time to inform preparation of DHB Annual Plans. NOTE: Exact measure has changed over recent years.	NZBS worked successfully with MOH and Lead DHB CEO to ensure price engagement process was effective and provision of information to DHBs met requirements. As agreed with DHBs formal confirmation of FFT price increase for 2008/09 was delayed until May 2008.	DHBs through Lead DHB CEO agreed to a price increase in 2009/10 equivalent to FFT and returned amendments to the Supply Agreements signed by 21 DHB CEOs prior to the end of the financial year.	The price increase for the 2010/11 year was held to the level of the MOH announced CCP increase. The DHBs signed off the NZBS FY11 price list in time to inform their annual budget and planning documents.	Proactive engagement with Lead DHB CEO resulted in a price increase for 2010/11 of 0.65% (i.e. less than the 1.72% CCP level). Sector communication has commenced regarding implementation of NZBS rebalanced prices in FY12, following a comprehensive costing review.	Favourable feedback on the timely and relevant provision of information, including issue resolution provided by the Lead DHB CEO.	Favourable feedback on the timely and relevant provision of information, including issue resolution provided by the Lead DHB CEO.	Favourable feedback on the timely and relevant provision of information, including issue resolution provided by the Lead DHB CEO.	Favourable feedback on the timely and relevant provision of information, including issue resolution provided by the Lead DHB CEO.
2.2 NZBS Reports for DHBs Monthly demand management reports outlining purchase volumes by key product line are provided to DHBs to	Monthly reports detailing	Monthly reports detailing	Monthly reports detailing	Monthly reports detailing	Reports are provided to each DHB by			

Performance Measures	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
assist them to manage local usage and costs.	product use and expiry information provided to all 21 DHBs throughout 2007/08.	product use and expiry information provided to all 21 DHBs throughout 2008/09.	product use and expiry information provided to all DHBs throughout 2009/10.	product use and expiry information provided to all DHBs throughout 2010/11.	the working day of following month.	the working day of following month.	the working day of following month.	the 12 th working day of the following month.
2.3 Clinical Oversight Programme	Actual	Actual	Actual	Actual	Forecast	Target	Target	Target
All Blood Banks located in main DHB hospitals (other than the 6 DHBs where NZBS is responsible for Blood Bank provision) will receive at least 1 NZBS Clinical Oversight visit (and audit report) per year in order to enable them to meet the requirements of ISO15189 for IANZ Accreditation.	100%	100%	100%	100%	100%	100%	100%	100%
2.4 Haemovigilance Reporting	Annual Haemovigilance Report distributed to DHBs in December 2007 and available on NZBS web-site.	Annual Haemovigilance Report distributed to DHBs in September 2008 and available on NZBS web-site.	Annual Haemovigilance Report distributed to DHBs in November 2009 and available on NZBS web-site.	Annual Haemovigilance Report distributed to DHBs in November 2010 and available on NZBS web-site.	Haemovigilance Report for the previous calendar year provided to all DHBs by Quarter 2.	Haemovigilance Report for the previous calendar year provided to all DHBs by Quarter 2.	Haemovigilance Report for the previous calendar year provided to all DHBs by Quarter 2.	Haemovigilance Report for the previous calendar year provided to all DHBs by Quarter 2.
2.4.1 To promote risk awareness and best practice in transfusion, NZBS will publish an annual Haemovigilance Report for each calendar year and will share this information with all DHBs to assist them to reduce the incidence of adverse transfusion related events.	Severity grading's were not yet implemented	40	42					
2.4.2.1 Number of transfusion related incidents reported to the National Haemovigilance Programme, with a severity score greater than 1 and imputability score classified as likely/probable or certain. ²	The National Haemovigilance Programme is a surveillance and early warning system that aims to identify emerging problems and trends in areas known to be associated with adverse reactions in recipients. It is therefore not appropriate to set targets for this measure							

² As part of the National Haemovigilance programme DHBs report adverse or unexpected transfusion related events or reactions in blood product recipients to NZBS. Internationally recognised Haemovigilance classification systems are used to determine severity and imputability (definitions included in glossary). More information on the NZBS Haemovigilance Programme can be found on the NZBS website at: <http://www.nzblood.co.nz/Clinical-information/Haemovigilance-programme>

Performance Measures	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
KEY OUTPUT MEASURE 2 Haemovigilance - Patient safety								
2.4.2.2 Number of transfusion related incidents occurring as a result of an NZBS "system failure" reported to the National Haemovigilance Programme, with a severity score greater than 1 and imputability score classified as likely/probable or certain. ³	Severity grading's were not yet implemented	0	0	0	0	0	0	0
Comment: Haemovigilance reporting is a voluntary programme of reporting transfusion related events and is a key tool used internationally by blood services to help prescribers, treating clinicians and the blood service track trend changes and together ensure appropriate, clinically safe and efficacious product utilisation.								

³ This measure is a sub-set of 2.4.2.1 and reports incidents that have occurred as a result of "system failures" and therefore excludes incidents resulting from a physiological reaction to the transfusion of a biological product.

10. CAPABILITY AND INPUT MEASURES

The following capability and input measures relate to achievement of NZBS's five internally focused strategic goals. They could be considered "proxy output measures" in the context of NZBS activities and are key contributors to NZBS success in achieving its enduring outcome and the external output measures identified in the Forecast Statement of Service Performance.

While these capability and input measures are not part of the audited activities delivered by NZBS, the Minister is interested in them and expects to be kept up-to-date on the NZBS's performance in relation to these measures.

Performance Measures continued	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
NOTE: Changing clinical demand may result in the need to adjust collection activity, causing variations from forecast levels.								
1. Internal measures related to Products and Service Quality which contribute to achievement of Strategic Goal 2	Actual	Actual	Actual	Actual	Forecast	Target	Target	Target
1.1 Donation Testing Each donation will be tested prior to use in accordance with the NZBS Manufacturing Standards (as approved by Medsafe). <ul style="list-style-type: none"> No product is released for issue to a patient until it has passed all safety tests and associated records are maintained. 	100% tested							
1.2 Regulatory Compliance - Medsafe NZBS will ensure it is GMP (Good Manufacturing Practice) compliant 100% of the time by maintaining current Medsafe licences for its 6 hub sites.	100%	100%	100%	100%	100%	100%	100%	100%
1.3 Regulatory Compliance – IANZ (International Accreditation New Zealand) NZBS will ensure it maintains IANZ accreditation 100% of the time at all of	100%	100%	100%	100%	100%	100%	100%	100%

Performance Measures continued	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
its diagnostic laboratories.								
1.4 Regulatory Compliance – ASHI (American Society of Histocompatibility and Immunogenetics) NZBS will maintain ASHI accreditation 100% of the time at the national Tissue Typing laboratory.				100% First formal on-site audit	100%	100% Biennial on-site audit	100%	100% Biennial on-site audit
2. Internal measures related to Donors which contribute to achievement of Strategic Goal 3	Actual	Actual	Actual	Actual	Target	Target	Target	Target
2.1 Donor Population NZBS maintains a donor population capable of meeting the on-going demand for blood and blood products. • Active whole blood & apheresis donor panel.	125,234	130,243	128,347	128,417	127,300	125,800	126,800	127,500
	(minimum Whole Blood donor panel of 120,000 donors)							
2.2 Donor Satisfaction Measure of Overall Satisfaction with the Quality of Service using the Common Measurement Tool questionnaire. • Greater than 90% of donors surveyed state that they are either "Satisfied" or "Very Satisfied" with the overall quality of service.					>90% rating			
2.3 Targeted donor recruitment strategies								
2.3.1 Increase percentage of Māori donors on the active donor panel from the 2010/11 level of 6% of all donors.				6%	> 6%			
2.3.2 Increase the percentage of youth donors between the ages of 19 – 25 years on the active donor panel from the 2010/11 level of 18.8% of all				18.8%	>18.8%			

Performance Measures continued		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
donors. ⁴									
2.4 Raw Material (Collections) Inputs		Actual Supply	Actual Supply	Actual Supply	Actual Supply	Forecast Supply	Forecast Supply	Forecast Supply	Forecast Supply
2.4.1 Total Whole Blood donations.		149,410	150,756	149,711	149,915	148,000	144,000	144,000	144,500
2.4.2 Total Platelepheresis donations.		5,583	6,313	6,534	6,546	7,100	7,900	7,600	7,700
2.4.3 Total Plasmapheresis donations.		27,292	22,772	15,222	24,194	31,800	30,100	37,500	42,900
2.4.4 Total donations.		182,285	179,841	171,467	180,655	186,900	182,000	189,100	195,100
3. Internal measures related to People which contribute to achievement of Strategic Goal 5		Actual	Actual	Actual	Actual	Forecast	Target	Target	Target
3.1 Annual turnover.		16.6%	9.7%	10.9%	10.7%	10.0%	11.0%	11.0%	11.0%
3.2 Employee Engagement Index Score from biennial Staff Engagement Survey using the JRA and Associates Survey Tool.		No survey	72.7%	No survey	74.4%	No survey	76%	No survey	78%
4. Internal measure related to Development which contributes to achievement of Strategic Goal 6		Actual	Actual	Actual	Actual	Forecast	Target		
4.1 e-Progesa implementation									
Successful completion of the upgrade of the Progesa Blood Management System to e-Progesa.		Project not formally launched until 2010/11.			Key Project milestones to 31 June 2011 achieved as per Board approved Project Plan.	Key Project milestones to 31 June 2012 achieved as per Board approved Project Plan.	Quarter 1 – Successful e-Progesa go-live.	No measure project complete	N/A
5. Internal measures related to Financial Sustainability which contribute to achievement of Strategic Goal 7		Actual	Actual	Actual	Actual	Forecast	Target	Target	Target

⁴ Attraction of youth donors assists in future proofing the service – encouraging new donors to replace those who are retiring.
2012/13 Output Agreement – New Zealand Blood Service

Performance Measures continued		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
5.1 Revenue per Full Time Equivalent (FTEs) - \$'000's	Monitor NZBS total revenue per Full Time Equivalent employee.	\$198.54	\$205.80	\$213.31	\$212.12	\$210.38	\$218.87	\$230.87	\$241.75
5.2 Financial Management	Assure cost efficiency and value for money management through maintenance of financial sustainability in an environment which is demand driven (i.e. changes in product demand - mix and volume by the DHBs, impacts on the NZBS financial result).	Achievement of budget Actual - \$7.0m surplus	Achievement of budget Actual - \$3.3m surplus with a \$2.4M rebate paid to DHBs	Achievement of budget Actual - \$1.6M surplus with a \$2.0M rebate paid to DHBs	Achievement of budget \$9.8m surplus No Rebate paid	Achievement of budget Budget - \$920k surplus No Rebate Planned	Achievement of budget Budget – (\$2.17m) deficit No Rebate Planned	Achievement of budget Budget – (\$339k) Deficit No Rebate Planned	Achievement of budget Budget - \$455k Surplus No Rebate Planned