

## DRAFT SECOND READING SPEECH

HON. MICHAEL FERGUSON MP

*Tasmanian Health Service Bill 2018*

*\*check Hansard for delivery\**

Mr Speaker

The Government is continuing to deliver better health outcomes for all Tasmanians by strengthening our hospital system.

This Government's *One State, One Health System, Better Outcomes* White Paper reforms delivered a single public health system for Tasmania and, for the first time, clearly defined the role of each of the four major hospitals in this State.

These reforms have allowed each of our hospitals to focus on delivering high quality services within a realistic scope having regard to their size, case load and availability of specialist clinical support.

Health policy and planning is not a 'set and forget' process. We must constantly refine our strategy to ensure that we are building on those things that are going well and addressing any issues that arise.

That is why we are now moving to strike the right balance between the ability to set strategy and direction in health for the whole State, as well as giving local facilities better capacity for local decision making to deliver high quality services to patients and solve local problems as they arise. This Bill lays these foundations.

The Bill delivers on the re-elected majority Government's 'Strengthening Local Hospital Leadership' election policy, and the commitment under the 100-Day Plan to introduce legislation in the first week of Parliament.

The Government's commitment was to introduce legislation under which the Tasmanian Health Service reports directly to the Secretary of the Department of Health. Further, the role of the Chief Executive Officer and the Governing Council will not continue. In their place, the governance framework is to provide clear roles for the Secretary, a lean Executive to maintain a focus on state-wide planning, and support for local decision-making. Importantly, the estimated \$4 million of savings over four years that result from these initiatives are reinvested into front-line health services.

It should be noted that the roles of CEO and the Governing Council have been mandatory obligations under the legislation which was already in place, being the *Tasmanian Health Organisations Act 2011*, which is being repealed and replaced by this

legislation. That legislation is better suited to a large state with multiple bureaucracies. Whereas this legislation is more fit-for-purpose for our small state with distributed metropolitan and rural hospitals.

The policy also provided that the THS continues as a separate legal entity. This is a key feature of the Commonwealth funding for what are known as local hospital networks.

In overview, the Bill repeals the *Tasmanian Health Organisations Act 2011* and introduces what will be the *Tasmanian Health Service Act*.

The new Act strengthens the ongoing objectives of a single state-wide health service while promoting effective local decision-making and service delivery. The framework continues key policy and transparency elements from the *Tasmanian Health Organisations Act 2011* including:

- A Ministerial Charter for broad policy expectations for the THS and the Secretary.
- A Service Plan (renamed from Service Agreement) to be tabled in Parliament.
- Powers and functions of the THS based on the current Act.
- Annual reports to be tabled in Parliament.

The Bill retains the THS as a statutory authority but it is no longer a standalone State Service Agency. The Bill provides for the THS to report to, and be subject to direction of, the Secretary of the Department of Health.

The Secretary's power of direction simplifies most of the multiple different powers of the Minister and Treasurer under the current Act. The intention is that the Secretary could make directions of the kind that can be made under the current Act. Further, the Secretary can make directions to fulfil the Secretary's role as the single point of accountability to the Minister in relation to public hospital performance, performance management and planning.

To this end, the Bill provides clearly for the Secretary's role and functions. The current Act's failure to provide the Secretary with this clear role has been one of the key limitations in managing the performance of the THS and the three former THOs.

As I have already said, the THS Governing Council and Chief Executive Officer position are not continued under the Bill. The THS will be managed by an Executive of State Service officers appointed by the Secretary. The Executive will be responsible to the Secretary for the administration and management of the THS and the performance of the THS, with specific functions including ensuring management structures support local operational decision-making.

The THS will retain the same broad functions and powers as under the current Act. As is currently the case, certain key powers may only be exercised with the approval of the Minister and Treasurer. For example, a new power is provided, subject to that approval,

to clarify the THS can provide services outside Tasmania, which will support an Antarctic services contract with the Commonwealth.

The Bill explicitly provides for the role of the Secretary. The Secretary is responsible to the Minister for the performance of the THS, and has specific functions such as planning for the future provision of health and related services including the planning of health infrastructure. The functions reflect the Secretary's role as the primary point of accountability for public hospital performance. The Secretary also has the power to establish advisory panels to provide advice to the Secretary or Executive.

The Bill requires the Secretary, in consultation with the THS to develop an annual service plan for the THS. This is provided to the Minister for approval and tabling before the Parliament. As in the current Act, the service plan will outline the services to be delivered by the THS, the budget for those services and the expected standards of care, performance targets and performance measures and reporting requirements to be applied to the THS.

The Secretary will have a formal power of direction in relation to the THS, simplifying the multiple directive powers in the current Act.

The administrative and management arrangements put in place under the new statutory structure will support local decision making.

The Secretary is currently consulting across the Tasmanian Health Service on changes that need to be made to support local decision-making. To date, the Secretary has consulted key clinical representatives, including the Medical Staff Association, the Australian Medical Association and the Australian Nursing and Midwifery Association; THS Statewide Executive; Senior Executives from the Royal Hobart Hospital, Launceston General Hospital and the North West Regional Hospital; Consumer representatives from the South, North and North-West; Health and Community Services Union, the Community and Public Sector Union and the Mental Health Council of Tasmania.

There is broad agreement to preserve and continue to build the core elements of the *One State, One Health System, Better Outcomes* reforms, including a single state-wide health service and clear role delineation across our four major hospitals.

However, it is acknowledged that within our state-wide health system, the large majority of services are delivered locally and the system must support local operation decision-making. The system must support local decision making and help our health facilities to respond to the health needs of their local communities. To do this, we need to empower decision makers in hospitals by giving them the authority and the tools they need to do their jobs. This includes a clear organisational structure, budgets and staffing establishments that enable decisions at the local service level where they can be managed within these parameters, and improved business reporting.

The Government is getting on with managing the Tasmanian health system.

In the past month, the Government has established a clinical planning task force, a health recruitment, retention and workforce planning unit, started work on new mental health beds in the south and commenced planning for new infrastructure at the Launceston General Hospital.

This Bill introduces a leaner executive to focus on strategic issues and state-wide service planning while making sure our hospital leaders have the best possible tools to deliver frontline services.

This Bill represents our commitment to continuing to invest in and support our dedicated staff, to continuing to strengthen the One Health System and to deliver our future plan for health which was endorsed by the Tasmanian people at the election.

In closing, I acknowledge with gratitude the many individuals, employees and groups who have contributed to this process and who have endorsed the Government's approach.

I commend the Bill to the House.