

SECOND READING SPEECH

Tasmanian Health Organisations Amendment Bill 2012

Mr Speaker

The purpose of this Bill is to amend the *Tasmanian Health Organisations Act 2011* to resolve technical issues identified during the ongoing implementation work for the THO transition.

As Members would be aware, we moved into the implementation phase of the THO model following the passage of the Tasmanian Health Organisations Act 2011 last year.

This has been a complex and intricate process, and has required extensive planning, including reviewing the practical issues emerging with transition, such as contract management and transmission of business issues.

The Government is committed to ensuring that the transition is handled smoothly and that all matters relating to it are handled in a way that makes sure that the THOs are, from their commencement on 1 July 2012, set up to succeed.

In undertaking this work, the Government has determined that technical amendments to the THO Act are required by 1 July 2012 to clarify the Principal Act.

These apply particularly to the management and enforceability of Crown contracts that relate directly to the business of THOs as separate statutory authorities.

It is, of course, not unexpected that a major legislative reform such as the Principal THO Act might need this sort of refinement as commencement approaches to ensure that effective transition to the new model is achieved and any legal doubt about the Government and Parliament's intent for the operation of this model is clarified and rectified in law prior to the official implementation date of 1 July.

The key issues addressed by the Bill relate to the ongoing management by the Crown of Crown contracts, such as statewide procurement contracts that cannot be divided, and the Royal Hobart Redevelopment and other building contracts. The Bill also clarifies the powers to transfer other Crown contracts as appropriate to THOs.

As THOs are separate legal entities to the Crown, the Bill clarifies that loss and damage suffered by THOs under Crown contracts is taken to be a loss or damage suffered by the Crown, and can therefore be addressed appropriately. This clarifies any doubt, for example, that a loss caused by a building incident that disrupts the Royal Hobart Hospital during the redevelopment is a loss to the Crown for the purposes of the Crown's building contract.

In clarifying this implementation matter, it was also identified that an amendment was needed to clarify the status of THOs which occupy land and buildings currently leased by the Crown.

These amendments are fundamental to the successful implementation of the Principal Act. They, of course, in no way change the Government's policy intent in relation to the independence of THOs as service providers, nor the role of the Department of Health and Human Services and me as Minister, as the system manager and purchaser of services from THOs.

To minimise any further need for legislative reform in the future if minor transition issues emerge, the amendment Bill also provides a power to make regulations of a transitional or savings nature under the Principal Act.

It should be noted however, that the Government's advice is that this power could not, in itself, be used to remedy the issues with the contract and transfer provisions, hence the separate in those areas.

In summary, the amendment Bill inserts necessary provisions to

- address the contract and occupation of land and building issues identified.
- provide a power to make regulations in relation to savings and transitional provisions. This provides the way to deal with any emerging minor transitional matters arising in future, and is consistent with the powers in other significant legislative reforms such as the education legislation reforms.
- amend the transitional provisions in the Principal Act to make necessary clarifications to the power to transfer contracts in relation to Tasmanian Health Organisations.

As I mentioned earlier, the amendments need to be in place by the start-up date for Tasmanian Health Organisations of 1 July 2012. If they are not, the Government indicates its intention that they will apply retrospectively.

Having said this, there would be some risk and uncertainty for any intervening period between the operation of the THO Act in its entirety and the passage of this amendment.

For this reason, the Government has deemed it prudent to progress this Bill now so it passes by 1 July and provides certainty on these matters.

I commend the Bill to the House.