

# Governance

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# About us

## NSW Department of Health

We work to provide the people of NSW with the best possible health care

The NSW Department of Health supports the NSW Minister for Health and two Assistant Ministers to perform their executive and statutory functions.

This includes promoting, protecting, developing, maintaining and improving the health and wellbeing of the people of NSW, while considering the needs of the State and the finances and resources available.

The Department was established in 1982 under section 6 of the Health Administration Act 1982.

The Department has statewide responsibility for providing:

#### Advice to government

The Department provides advice and other support to the Minister for Health and the Ministers Assisting the Minister for Health (Cancer and Mental Health Services) in the performance of their role and functions.

#### Strategic planning and statewide policy development

The Department undertakes system-wide policy and planning in areas such as inter-government relations, funding, corporate and clinical governance, health service resources and workforce development.

#### Improvements to public health

The Department enhances the health of the community through health promotion, management of emerging health risks and protective regulation.

#### Performance management

The Department monitors health services performance against key performance indicators and improvement strategies such as performance agreements, statewide reporting and monitoring property, infrastructure and other asset management.

#### Strategic financial and asset management

The Department manages the NSW health system's financial resources and assets, coordinates business and contracting opportunities for the NSW health system and provides financial accounting policy for NSW Health.

#### Community participation

The Department liaises with and fosters partnerships with communities, health professionals and other bodies.

#### Employee relations

The Department negotiates and determines wages and employment conditions and develops human resource policies for the NSW health system.

#### Workforce development

The Department works in collaboration with national and state agencies and other stakeholders to improve health workforce supply and distribution.

#### Regulatory functions

The Department manages licensing, regulatory and enforcement functions to ensure compliance with the Acts administered by the health portfolio.

#### Legislative program

The Department provides advice and support for the Legislative Program and Subordinate Legislative Program for the Health portfolio.

#### Corporate governance

The Department provides advice, support and coordination for sound corporate governance across the health system.

#### Corporate support

The Department provides the resources and support needed to enable Department staff to effectively fulfil their roles.

## NSW Department of Health priorities

NSW Health is a lead agency for achieving five of the Government's priorities in the NSW State Plan. They are:

- ▶ Improved access to quality health care.
- ▶ Improved survival rates and quality of life for people with potentially fatal or chronic illness through improvements in health care.
- ▶ Improved health through reduced obesity, smoking, illicit drug use and risk drinking.
- ▶ Improved outcomes in mental health.
- ▶ Reduced avoidable hospital admissions.

It is also a contributing agency for the following State Plan priorities:

- ▶ Reduced rates of crime, particularly violent crime.
- ▶ Reducing re-offending.
- ▶ Reducing levels of antisocial behaviour.
- ▶ Increased participation and integration in community activities.
- ▶ Increased customer satisfaction with Government services.
- ▶ Improved health and education for Aboriginal people.
- ▶ Increased employment and community participation for people with disabilities.
- ▶ Embedding the principle of prevention and early intervention into Government service delivery in NSW.
- ▶ Increased proportion of children with skills for life and learning at school entry.
- ▶ Reduced rates of child abuse and neglect.
- ▶ Better access to training in rural and regional NSW to support local economies.
- ▶ More people using parks, sporting and recreational facilities and participating in the arts and cultural activity.



The NSW State Health Plan A New Direction for NSW Health: Towards 2010 and the long range vision, Future Directions for Health in NSW – Towards 2025 identify seven strategic directions to achieve these priorities.

### Seven strategic directions

- 1 Make prevention everybody's business.
- 2 Create better experiences for people using the health system.
- 3 Strengthen primary health and continuing care in the community.
- 4 Build regional partnerships for health.
- 5 Make smart choices about the costs and benefits of health and health support services.
- 6 Build a sustainable health workforce.
- 7 Be ready for new risks and opportunities.

The NSW Department of Health Annual Report 2006/07 reports on our activities and achievements according to the seven strategic directions.

Healthy people – now and in the future

Why we are here	1 Make prevention everybody's business	2 Create better experiences for people using health services	3 Strengthen primary health and continuing care in the community	4 Build regional and other partnerships for health	5 Make smart choices about the costs and benefits of health services	6 Build a sustainable health workforce	7 Be ready for new risks and opportunities
What we do	<ul style="list-style-type: none"> <li>Health improvement</li> <li>Re-investment</li> <li>Immunisation</li> <li>Child health and wellbeing</li> <li>Mental health</li> <li>Obesity</li> <li>Chronic disease</li> <li>Tobacco</li> <li>Drugs and alcohol</li> <li>Sexual health</li> <li>Oral health</li> <li>Healthy ageing</li> <li>Urban planning</li> </ul>	<ul style="list-style-type: none"> <li>Clinical services</li> <li>Patient safety within a quality framework</li> <li>Children and young people</li> <li>Clinician and community engagement</li> <li>Patient satisfaction</li> <li>Public responsibility</li> <li>Decision making</li> <li>Information management and technology</li> <li>Carers</li> <li>Aged care/chronic care/community acute care</li> <li>Mental health</li> <li>Rural and remote health</li> <li>Drugs and alcohol</li> <li>People with a disability</li> <li>Culturally and linguistically diverse communities including refugees</li> <li>Transport</li> </ul>	<ul style="list-style-type: none"> <li>Integrated primary health care</li> <li>Rural and remote areas</li> <li>General practice access</li> <li>Early intervention</li> <li>Early screening, triage and assessment</li> <li>Chronic care</li> <li>Mental health</li> <li>Aboriginal health</li> <li>Carers</li> <li>Disability support programs</li> </ul>	<ul style="list-style-type: none"> <li>Community engagement</li> <li>Regional health planning</li> <li>General practitioners</li> <li>Information sharing</li> <li>Aboriginal health</li> <li>Mental health</li> <li>Non-government organisations</li> <li>Private health sector</li> <li>Older people</li> </ul>	<ul style="list-style-type: none"> <li>Health investment and reinvestment</li> <li>Prevention and early intervention funding</li> <li>Equity – resource distribution formula</li> <li>Asset management</li> <li>Information management and technology</li> <li>Health technology</li> <li>Electronic medical and health information systems</li> <li>Corporate services</li> </ul>	<ul style="list-style-type: none"> <li>Recruitment and retention</li> <li>Improving workforce flexibility and strengthening career pathways</li> <li>Mental health workforce</li> <li>Staff satisfaction</li> <li>Education and training</li> <li>Aboriginal workforce</li> <li>Rural and remote workforce</li> <li>Workforce planning</li> </ul>	<ul style="list-style-type: none"> <li>Health reform</li> <li>Health choices</li> <li>Smart choices</li> <li>Integration across government</li> <li>Teaching and research</li> <li>Risk management</li> <li>Disaster preparedness</li> <li>Environmental factors</li> </ul>
Measuring success	<ul style="list-style-type: none"> <li>Improved health through reduced obesity, smoking, illicit drug use and risk drinking</li> <li>Improved survival rates and quality of life for people with potentially fatal or chronic illness</li> <li>Improved dental health</li> <li>Reduced vaccine preventable conditions</li> <li>Reduced fall injuries among older people</li> <li>Increased participation in community, recreation, sporting, artistic and cultural activity</li> <li>Reduced levels of anti-social behaviour</li> </ul>	<ul style="list-style-type: none"> <li>Improved access to quality health care</li> <li>Emergency departments</li> <li>Elective surgery</li> <li>Increased customer satisfaction with health services</li> <li>Ensuring high quality care</li> </ul>	<ul style="list-style-type: none"> <li>Reduced avoidable hospital admissions through early intervention, prevention and better access to community based services</li> <li>Improved health for Aboriginal communities</li> <li>Improved outcomes in mental health</li> <li>Increased focus on early intervention</li> <li>Reduced rates of crime, particularly violent crime</li> </ul>	<ul style="list-style-type: none"> <li>Improved outcomes in mental health</li> <li>Implement key plans and frameworks</li> <li>Improved health outcomes for Aboriginal communities</li> </ul>	<ul style="list-style-type: none"> <li>Make the most effective use of resources for health</li> </ul>	<ul style="list-style-type: none"> <li>Build a sustainable workforce</li> </ul>	<ul style="list-style-type: none"> <li>Ensure the NSW health system is ready for new risks and opportunities</li> </ul>

# What we stand for

## Our corporate charter

Our vision, values, goals and priorities are a set of guiding principles for how we go about our work. Being clear about our role enables us to move forward together with common purpose and to work effectively with our partners.

### Our Vision

The NSW Department of Health provides system-wide leadership to ensure high quality health services which are responsive to consumers, the community and the challenges of the future. Our vision 'Healthy People – Now and in the Future' and our goals reflect these aspirations.

### Our Values

The Department is guided by the public sector principles of responsibility to the Government, responsiveness to the public interest, and promoting and maintaining public confidence and trust in the work of the Department.

Our Values Statement applies to the Department, its staff and contractors, and forms the basis for decisions and actions on which performance ultimately depends.

The NSW Department of Health's Statement of Values is:

#### Integrity

Honesty, consistency and accountability in decisions, words and actions.

#### Respect

Recognising the inherent worth of people.

#### Fairness and Equity

Providing good health care based on need and striving for an equitable health system.

#### Excellence

Highest level of achievement in all aspects of our work.

#### Leadership

Looking to the future of health and building on past excellence.

### Our Goals

Our focus is on meeting the health needs of the people of NSW within the resources available to us.

Our goals are:

Keep people healthy

- ▶ More people adopt healthy lifestyles
- ▶ Prevention and early detection of health problems
- ▶ A healthy start to life.

Provide the health care that people need

- ▶ Emergency care without delay
- ▶ Shorter waiting times for non-emergency care
- ▶ Fair access to health services across NSW.

Deliver high quality services

- ▶ Consumers satisfied with all aspects of services provided
- ▶ High quality clinical treatment
- ▶ Care in the right setting.

Manage health services well

- ▶ Sound resource and financial management
- ▶ Skilled, motivated staff working in innovative environments
- ▶ Strong corporate and clinical governance.

### Our Principles

The following principles underpin the Department's accountabilities to deliver quality health services.

We will:

- ▶ Focus on our fundamental accountability to promote and protect the health of the people of NSW and to ensure they have access to basic health services
- ▶ Perform effectively and efficiently in clearly defined functions and roles
- ▶ Promote our values for NSW Health and demonstrate these values through leadership and behaviour
- ▶ Take informed, transparent decisions and manage the risks we encounter on a daily basis
- ▶ Develop our capacity and capability to ensure we provide effective and safe health services
- ▶ Engage stakeholders and make accountability real for us all.

# Corporate Governance

## The NSW health system

Corporate Governance in health is the manner by which authority and accountability is distributed through the health system.

NSW Health's corporate governance focus is a direct result of the system-wide reforms of the past few years, and the recognised need to ensure consistent management practices and accountability across the health system.

The annual report is our key corporate governance progress report, detailing all areas of corporate governance achievements within the NSW Department of Health and within the context of NSW Health.

The NSW health system comprises the:

- ▶ NSW Minister for Health
- ▶ Minister Assisting the NSW Minister for Health (Cancer)
- ▶ Minister Assisting the NSW Minister for Health (Mental Health)
- ▶ Health Administration Corporation
- ▶ NSW Department of Health
- ▶ Area Health Services
- ▶ Ambulance Service of NSW
- ▶ Cancer Institute NSW
- ▶ Children's Hospital at Westmead
- ▶ Clinical Excellence Commission
- ▶ Other public health organisations.

### NSW Minister for Health

The NSW Minister for Health is responsible for the administration of health legislation within NSW under the Health Administration Act 1982. The Minister formulates policies to promote, protect, maintain, develop and improve the health and wellbeing of the people of NSW, given the resources available to the State. The Minister is also responsible for providing public health services to the NSW community.

The Hon John Hatzistergos MLC served as Minister for Health until March 2007. The Hon Reba Meagher MP was appointed the NSW Minister for Health on 2 April 2007.

### Minister Assisting the Minister for Health (Cancer)

The Hon Frank Sartor MP served as the Minister Assisting the NSW Minister for Health (Cancer) until March 2007. The Hon Verity Firth MP was appointed the Minister Assisting the NSW Minister for Health (Cancer) on 2 April 2007. Ms Firth is responsible for the Cancer Institute (NSW), which oversees the State's cancer control effort.

### Minister Assisting the Minister for Health (Mental Health)

The Hon Cherie Anne Burton MP served as the Minister Assisting the NSW Minister for Health (Mental Health) until March 2007. The Hon Paul Lynch MP was appointed the Minister Assisting the NSW Minister for Health (Mental Health) on 2 April 2007. Mr Lynch is responsible for implementing the Government's five-year plan for mental health in NSW.

### NSW Department of Health

The NSW Department of Health supports the NSW Minister for Health, and the Ministers Assisting the Minister for Health, in performing their executive and statutory functions, which include promoting, protecting, developing, maintaining and improving the health and wellbeing of the people of NSW, while considering the needs of the State and the finances and resources available.

### Health Administration Corporation

The Director General is given corporate status as the Health Administration Corporation (HAC) for the purpose of exercising certain statutory functions, including acquiring and disposing of land, entering into contracts to support the functions of the Director General and the NSW Minister for Health and providing health support services for the health system.



### Ambulance Service of NSW

The Ambulance Service of NSW is responsible for providing responsive, high quality clinical care in emergency situations including pre-hospital care, rescue, retrieval and patient transport services.

### Area Health Services

Area Health Services, statutory health corporations and affiliated health organisations are known in NSW as Public Health Organisations. Area Health Services are established as distinct corporate entities under the Health Services Act 1997.

Area Health Services are responsible for providing health services in a wide range of settings, from primary care posts in the remote outback to metropolitan tertiary health centres.

### Governance

There are eight Area Health Services:

- ▶ Greater Southern
- ▶ Greater Western
- ▶ Hunter and New England
- ▶ North Coast
- ▶ Northern Sydney and Central Coast
- ▶ South Eastern Sydney and Illawarra
- ▶ Sydney South West
- ▶ Sydney West.

### Other public health organisations

There are five statutory health corporations, which provide statewide or specialist health and health support services:

- ▶ Justice Health
- ▶ Children's Hospital at Westmead (Royal Alexandra Hospital for Children)
- ▶ Clinical Excellence Commission
- ▶ HealthQuest
- ▶ Stewart House Preventorium.

There are 21 affiliated health organisations in NSW, which are managed by religious and/or charitable groups. They are an important part of the NSW public health system, providing a wide range of hospital and other health services.

### Management

The Director General is the head of the NSW Department of Health. The Director General has a range of functions and powers under the Health Services Act 1997, the Health Administration Act 1982 and other legislation. These functions and powers include responsibility for the provision of ambulance services, provision of health support services to public health organisations and exercising, on behalf of the Government of NSW, the employer functions in relation to the staff employed in the NSW Health Service.

The Director General is committed to better practice as outlined in the Corporate Governance and Accountability Compendium for NSW Health and has processes in place to ensure the primary governing responsibilities of NSW Health are fulfilled in respect to:

- ▶ Setting the strategic direction
- ▶ Ensuring compliance with statutory requirements
- ▶ Monitoring performance of health services
- ▶ Monitoring the quality of health services
- ▶ Industrial relations/workforce development
- ▶ Monitoring clinical, consumer and community participation

- ▶ Ensuring ethical practice
- ▶ Ensuring implementation of the NSW State Plan and the NSW State Health Plan.

The Management Board comprises the Department's senior management team including the Director General and Deputy Directors General. It meets fortnightly to determine corporate priorities, consider major issues and set strategic directions. The Board provides high-level oversight of the implementation of the NSW State Plan and State Health Plan and receives regular reports on State Plan priorities.

The Senior Executive Advisory Board meets monthly to exchange information and ensure the strategic direction is understood and promulgated across the health system. It comprises the Director General, Deputy Directors General, the Chief Financial Officer and Chief Executives of Area Health Services, the Ambulance Service, Clinical Excellence Commission, Cancer Institute NSW and other public health organisations.

These and other committees support the Director General to meet her corporate governance obligations and requirements in an efficient and effective manner.

Effective finance and business management practices are a key element of corporate governance responsibilities. The Finance, Risk and Performance Management Committee, chaired by the Director General, advises the Department, Minister for Health and the Budget Committee of Cabinet on the financial, risk and performance management of NSW Health.

The NSW Department of Health assists public health organisations maintain appropriate finance and business accountability by ensuring that:

- ▶ Regular review of plans and reporting/monitoring of financial information are based on the Accounts and Audit Determination for Public Health Organisations and Accounting Manuals.
- ▶ Budgets and standard finance information systems and processes are in place, are understood, and comply with centralised procedures and templates.
- ▶ Financial management is at a reasonable level, budget variance is monitored, reported and reviewed as potential risk, and the Accounts and Audit Determination is appropriate and up to date.

Area Health Service Chief Executives are accountable for efficient and effective budgetary and financial management, and must have proper arrangements in place to ensure the organisation's financial standing is soundly based. Key accountabilities include the achievement of targets; monitoring and reporting of results in an accurate, efficient and timely manner; and compliance with standards and practice.

## Corporate governance reporting

The Corporate Governance and Risk Management Branch brings together risk management, regulatory affairs, corporate governance, external relations and employment screening and review and enabled a strategic perspective to policy and priority setting.

Consistent, system-wide policy and practice is facilitated, with significant results this year including:

- ▶ Employment screening and review policies and procedures published.
- ▶ Compliance system introduced for implementation of Premier's circulars and memoranda and Treasury circulars.
- ▶ Continuance of a training program for allegations management and employment screening.

During 2006/07 the Department's Internal Audit branch conducted a number of branch audits across the four divisions of the Department. These audits covered compliance, operational and management risks and the efficiency and effectiveness of internal controls. A number of other audits were conducted covering use of motor vehicles, capital budgeting, funding and performance agreements and information systems. In addition, audits were undertaken on HealthSupport and HealthTechnology covering core functions and transitional risks.

## Risk management

The integration of corporate governance and risk management responsibilities has resulted in efficiencies and enabled a better approach to risk assessment and implementation of recommendations and findings. Achievements this year include:

- ▶ More coordinated approach established to investigate and deal with complaints to the Department concerning NSW Health matters.
- ▶ An improved system for monitoring and acting on reportable incident briefs was developed for implementation.
- ▶ Positive and strengthened relationships established with Ombudsman's Office, Health Care Complaints Commission, Commission for Children and Young People, Independent Commission Against Corruption and Audit Office.
- ▶ Participation in a nationwide research project into whistleblower protection and management and facilitation within NSW Department of Health.
- ▶ In conjunction with the Independent Commission Against Corruption, development of a training kit for managing the risk of corruption in the NSW public health sector.



## Risk Management and Audit Committee

The Risk Management and Audit Committee comprises the Director General, two Deputy Directors General, Director Executive and Corporate Support, a member of the Information Management and Technology Strategic Reference Group and Mr Jon Isaacs as the independent chairperson.

The purpose of this Committee is to assist the Director General perform her duties under relevant legislation, particularly in relation to the Department's internal control, risk management and internal and external audit functions, including:

- ▶ Assess and enhance the Department's corporate governance, including its systems of internal control, ethical conduct and probity, risk management, management information and internal audit.
- ▶ Assess the Department's role in monitoring risk management and the internal control environment throughout NSW Department of Health.
- ▶ Monitor the Department's response to and implementation of any findings or recommendations of external bodies such as the Independent Commission Against Corruption and Audit Office of NSW.
- ▶ Monitor trends in significant corporate incidents.
- ▶ Ensure that appropriate procedures and controls are in place to provide reliability in the Department's compliance with its responsibilities, regulatory requirements, policies and procedures.
- ▶ Oversee and enhance the quality and effectiveness of the Department's internal audit function, providing a structured reporting line for the Internal Audit branch and facilitating the maintenance of its independence.

## Ethical behaviour

Maintaining ethical behaviour throughout the organisation is the cornerstone of effective corporate governance. Providing ethical leadership is an important ongoing task for NSW Health. Ethical leadership is about

leading by example and providing a culture for the health service that is built upon a commitment to the core values of integrity, openness and honesty.

A new comprehensive Code of Conduct and support material for the NSW public health system was released in 2005. This Code of Conduct applies to staff working in any permanent, temporary, casual, termed appointment or honorary capacity within any NSW Health facility. It was developed to assist staff by providing a framework for day-to-day decisions and actions while working in health services.

## Monitoring health system performance

The Department of Health has produced a set of high-level performance indicators. These indicators measure NSW Health performance against priorities and programs linked to the seven Strategic Directions identified in the State Health Plan, A New Direction for NSW Towards 2010 and against priorities contained in the NSW State Plan, A new direction for NSW.

Outcomes against these indicators are reported in the Performance Section of this Annual Report. They inform performance at the State level as well as drilling down to hospital level for local management.

The performance indicators provide a basis for a cascaded set of key performance indicators at the Area Health Service, facility and service levels. The indicators are a basis for an integrated performance measurement system, linked to chief executive performance contracts and associated performance agreements. They also form the basis for reporting the performance of the health system to the public.

## Corporate governance achievements

### Governance reporting

The corporate governance and accountability compendium contains the corporate governance principles and framework to be adopted by Health Services. The NSW Health governance framework requires each Health Service to complete a standard annual statement of corporate governance certifying their level of compliance against eight primary governing responsibilities.

A review of the governance statements for the 2005/06 year, submitted in October 2006 for the eight Area Health Services and the Children's Hospital at Westmead, indicated 86 per cent full compliance across the 56 dimensions assessed within the governance statements. Health Services were generally addressing those areas where partial or non-compliance was indicated.

At the time of preparation of this report, the corporate governance statements for the 2006/07 financial year were being completed by Health Services.

#### Health infrastructure

On 25 June 2007, NSW Premier Morris lemma announced the establishment of a Health Infrastructure Board to manage and oversee the delivery of the NSW Government's major hospital works by the Health Infrastructure Office within the Health Administration Corporation. The new board will commence in 2007/08.

### Corporate governance priorities

Selected priority strategies and projects in corporate governance, risk management and internal audit for 2006/07 include:

- ▶ Re-issuing the corporate governance and accountability compendium for NSW Health.
- ▶ Continuing to review the risk management framework.
- ▶ Implementing further efficiencies in employment screening and review, in particular online lodgement by private sector organisations.
- ▶ Review the corporate governance statements for Chief Executives to incorporate changes to planning structures as a result of the State Plan and the State Health Plan and to ensure the statements reflect the responsibilities of Chief Executives in a shared services environment.
- ▶ Rationalising performance agreements in place across NSW Health.
- ▶ Rolling out the corporate governance statement process to NSW Health entities not currently completing governance statements.
- ▶ Ensuring the implementation of governance structures for health infrastructure and health support services.
- ▶ Developing governance standards and procedures for NSW Health Ministerial Board and Committees.
- ▶ Enhancing internal audit management processes and reporting systems to better reflect adoption of the latest standards for risk management, internal auditing and fraud control.

Other specific corporate governance matters are reported as follows:

- ▶ Commitment to service (p 154)
- ▶ Consumer participation (pp 164–5)
- ▶ Code of conduct (pp 155–61)
- ▶ Legislation (pp 234–5)
- ▶ Financial management (pp 71–152)
- ▶ Workforce management (pp 61–66)
- ▶ Committees, roles and responsibilities (pp 227–30)
- ▶ Senior executive performance statements (pp 183–87)
- ▶ Regulatory compliance index (p 285).

# Clinical governance, consumer and community participation

Clinical governance, consumer and community participation are important elements of governance for NSW Health and is the cornerstone of quality health care.

Clinical governance places clinicians and their approach to patient care at the highest level of decision-making and accountability in the NSW health system.

It is a systematic and integrated approach to the assurance and review of clinical responsibility and accountability. Clinical governance is essential for achieving high levels of patient safety in our health services.

Clinical governance has been embedded into the NSW health system through the mandatory requirement for all Area Health Services to have consistent structures in place, including a Clinical Governance Unit directly reporting to Chief Executives. Clinical Governance Units are responsible for the rollout of the NSW patient safety and clinical quality program within each Area Health Service and are supported by the Quality and Safety Branch and the work of the Clinical Excellence Commission.

Key functions of the Clinical Governance Units include:

- ▶ Supporting implementation of the incident information management system.
- ▶ Ensuring all deaths are reviewed and referred to the Coroner and other appropriate committees.
- ▶ Supporting staff in implementing quality policies and procedures.
- ▶ Providing a senior complaints officer available 24 hours per day, seven days per week to ensure appropriate action is taken to resolve serious complaints.
- ▶ Improving communication between clinicians and patients and their families.
- ▶ Developing Area-specific policies associated with patient safety, ethical practice and management and complaints handling.

The establishment of the Clinical Governance Units has facilitated both the management of clinical risk and the promotion of clinical quality by monitoring organisational performance against better practice standards.

The NSW Health Reportable Incident Review Committee is responsible for examining and monitoring reported serious clinical adverse events and ensuring that appropriate action is taken.

The Committee is chaired by the Deputy Director General, Health System Performance and contains membership from the Clinical Excellence Commission and Directors of Branches/Services whose portfolio is directly or indirectly related to patient care.

In June 2006, the Reportable Incident Review Committee was authorised as a Committee under section 23 of the Health Administration Act. This section provides for restrictions to be imposed on the release of information obtained in connection with research and investigations of morbidity and mortality authorised by the Minister. Other section 23 committees operating in the NSW Health system include the NSW Mental Health Sentinel Events Review Committee and the NSW Maternal and Perinatal Committee.

## Clinical, consumer and community participation

Health is an important issue for the community. The NSW Department of Health is committed to providing the best care possible to the community and seeking feedback and public comment on health initiatives and patient experiences. An important strategy in the system-wide reform agenda is to increase community and clinician participation in decision-making.

The Health Care Advisory Council is the peak community and clinical advisory body providing advice to the Director General and Minister on clinical services, innovative service delivery models, health care standards, performance management and reporting within the health care system. It is chaired by the Rt Hon Ian Sinclair AC and Professor Judith Whitworth AC.



A list of priorities considered by the Health Care Advisory Council in 2006/07 is included in Appendix 1 – Consumer participation (page 164).

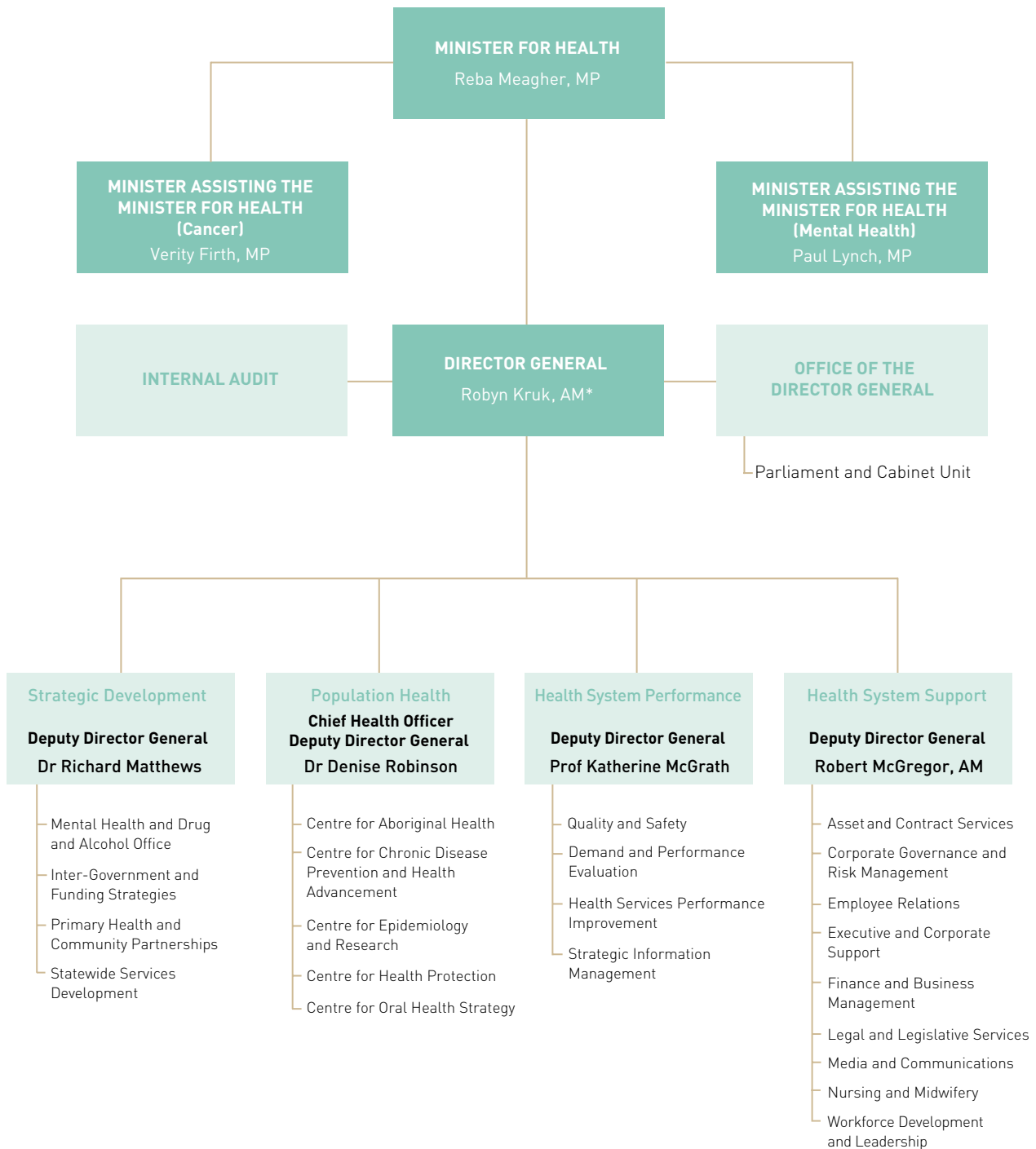
The Health Services Act enshrines permanent structures for community participation at the local area level in the form of Area Health Advisory Councils. All Area Health Services are required to establish these Councils as their peak advisory body. Under the Act the Children's Hospital at Westmead has also established an Advisory Council. They comprise clinicians and members of the community working together to provide advice to Chief Executives on planning and health service delivery. Each council is required to develop a charter and report annually to the Minister and Parliament.

NSW Health's Community and Government Relations Unit has responsibility for the development and implementation of consumer and clinician participation within the NSW Department of Health.

# What we do

## Structure and responsibilities

Organisational chart as at 30 June 2007



\* Robyn Kruk resigned from the position of Director General in May 2007. Robert McGregor acted in this position until 30 June 2007. Karen Crawshaw acted as Deputy Director General Health System Support for the same period.

## What we do

As at June 2007 the NSW Department of Health was administered through six main functional areas.

Director General  
Robyn Kruk, AM

Robyn Kruk held the position of Director General for the NSW Department of Health for five years until May 2007. Robert McGregor AM acted in this position from May 2007 until the commencement of Professor Debora Picone AM in July 2007.

Ms Kruk was appointed to the position of Director General of the Department of Premier and Cabinet in May 2007. She has extensive experience in senior executive roles across the NSW public sector. Robyn is a former Deputy Director General of The Cabinet Office and Premier's Department and the former Director General of the National Parks and Wildlife Service. Earlier in her career, Robyn worked as a psychologist and child protection specialist in the former Department of Youth and Community Services.

The Director General chairs the NSW Department of Health Board of Management which is the key management meeting and forum for the NSW Department of Health. The Management Board considers and makes decisions on issues of Department and system-wide interest, including the NSW Health budget, the development of health policy and monitoring of health system performance. The Director General is also the chair of the Senior Executive Advisory Board which represents the Chief Executives of public health organisation in NSW.

### Office of the Director General

The Office of the Director General provides high-level executive and coordinated administrative support to the Director General across a broad range of issues and functions.

The Office works with the Deputy Directors General and members of the NSW Health Executive to ensure the Director General receives advice that is accurate, timely and reflects a cross agency view on critical policy and operational issues.

The Office also supports the Director General to ensure she provides high quality, coordinated advice and information to the Minister for Health on matters of significant interest to the public, NSW Parliament and the NSW Cabinet.

### Parliament and Cabinet Unit

The Parliament and Cabinet Unit provides support to the Minister for Health and the Director General to assist them to respond to the NSW Parliament, Cabinet and the central agencies of Government.

It manages the preparation of material for the Minister and the NSW Department of Health for Estimate Committee hearings and other Parliamentary Committees and Inquiries. It co-ordinates responses on behalf of the Minister on matters considered by the Cabinet, questions asked in the NSW Parliament and requests from Members of Parliament.

The Unit also liaises between Parliamentary Committees, the Department and Area Health Services and assists the Director General and Executive with special projects as required.

### Internal Audit

Provides financial and compliance audit and assurance services to Branches and key functions of the Department. Undertakes special investigations of matters within the Department as referred by the Minister, the Director General, NSW Auditor-General, Ombudsman and the Independent Commission Against Corruption. Provides specific audit, review and advisory services on information systems across the NSW Department of Health.

### Strategic Development

Deputy Director General  
Dr Richard Matthews

Dr Richard Matthews carries the dual roles of Deputy Director General, Strategic Development and Chief Executive of Justice Health. He joined the Department in November 2003.

He commenced his career in general practice and developed a special interest in drug and alcohol services. In his role, Dr Matthews has strategy planning responsibility for statewide services development, primary health and community partnerships, mental health, drug and alcohol, inter-government and funding strategies and structural reform and strategy.

### Functions within the Department

The Strategic Development Division is responsible to the Director General for overall health policy development, funding strategies and the system-wide planning of health services in NSW. The Division also supports the Health Care Advisory Council and a number of Health Priority Taskforces.

### Mental Health and Drug and Alcohol Office

The Mental Health and Drug and Alcohol Office was formed in October 2006 by the integration of the three previously separate entities: the Centre for Mental Health, the Centre for Drug and Alcohol and the Office of Drug and Alcohol Policy. The Community Drug Strategies branch amalgamated with the Office in February 2007.

The Mental Health and Drug and Alcohol Office is responsible for developing, managing and coordinating the NSW Health Department policy framework and strategy relating to mental health and to the prevention and management of alcohol and drug-related harm. It also supports the maintenance of the mental health legislative framework.

### Inter-Government and Funding Strategies

Leads and manages strategic relationships with the Australian Government, other state and territory governments, private sector and other strategic stakeholders.

Responsible for ensuring that a comprehensive framework for the funding and organisation of the NSW health system is in place to translate government priorities for the health system into effective strategies and to ensure that the system is able to respond to changes in its environment.

Provides advice on distribution of resources to health services, develops tools to inform allocation of resources from health services to facilities and provides leadership in the development and implementation of state and national health priority policies and programs.

**NSW Institute of Rural Clinical Services and Teaching**  
Established in 2004, the Institute aims to work with rural Area Health Services to:

- ▶ Provide information and knowledge about rural and remote health and the rural and remote health workforce.
- ▶ Develop the research capacity in rural and remote areas.
- ▶ Develop and maintain strong networks between rural and remote health service staff and services.
- ▶ Develop appropriate training, education and development opportunities for rural and remote health staff.
- ▶ Support and promote excellence in rural clinical practice by identifying, supporting and sharing good practice in rural health service delivery including models of service delivery appropriate for rural and remote areas.

### Primary Health and Community Partnerships

Responsible for developing strategic policies, innovative service models and programs to ensure improved equity, access and health outcomes for targeted population groups often requiring special advocacy and attention due to their particular health needs. A related objective is the development of policies that give direction to primary and community-based services and improve the participation of consumers and communities in health care planning.

The Branch also has a key role in implementing effective clinician and community engagement in the delivery of health services through the Health Care Advisory Council, the Area Health Advisory Councils and the work of the Health Priority Taskforces.

### Statewide Services Development

The Statewide Services Development branch is responsible for:

- ▶ Developing NSW Health Department policy, planning tools, frameworks, clinical plans and strategy development for a range of acute and specialty health services with statewide implications.
- ▶ Collaborates with asset and contract services to develop strategic planning for capital infrastructures.
- ▶ Collaborates with rural Area Health Services and the NSW Rural Health Priority Taskforce, to ensure implementation of the NSW Rural Health Plan.

### Structural Reform and Strategy

This branch is responsible for leading and coordinating an integrated strategic planning framework across the NSW public health system. This involves monitoring and reporting on the implementation of the State Health Plan, NSW Health priorities under the State Plan and strategic plans of Area Health Services. These processes are aimed to ensure the NSW health system has the capacity to meet the challenges ahead.

## Population Health

Chief Health Officer

Deputy Director General

Dr Denise Robinson

Denise Robinson has been the Chief Health Officer and Deputy Director General, Population Health since June 2005. Prior to joining the Department in 2003 as Deputy Chief Health Officer, Dr Robinson had extensive management experience in NSW, holding a range of senior positions within the health system. Since her appointment as the Chief Health Officer, Dr Robinson has worked to improve health outcomes for the Aboriginal people of NSW and to ensure that the NSW public dental system is available to provide necessary dental care to the eligible population.

## Functions within the Department

The Population Health Division works in partnership with Area Health Services, NSW communities and organisations to promote and protect health and prevent injury, ill health and disease for the population of NSW.

Population Health monitors health and implements policy and services to improve life expectancy and health outcomes. It develops, maintains and reports on population health datasets, implements disease and injury prevention measures, promotes and educates people about healthier lifestyles. It protects health through disease prevention services, environmental services and regulation. It ensures the use of quality medicines and the safe use of poison, and licences private hospitals. The Division also has primary responsibility for counter disaster liaison and for the public health response to a disaster or emergency.

### Centre for Aboriginal Health

Develops, coordinates and influences policy, strategic planning, services and program design to ensure that they are culturally inclusive and accessible to Aboriginal people living in NSW. The Centre acts as a specialist resource to support the NSW Department of Health and to ensure the Department has access to culturally sensitive and appropriate advice in relation to Aboriginal issues to support the organisation in developing services that will improve the health and wellbeing of Aboriginal people.

For the purposes of the Annual Report, when referring to Aboriginal and Torres Strait Islander health issues in NSW the word Aboriginal is used in line with NSW Department of Health policy directive 2003/55.

### Centre for Epidemiology and Research

Monitors the health of the population of NSW, supports the conduct of high quality health research by providing infrastructure funding, and promotes the use of research to inform policy and practice through the following branches:

- ▶ Health Research and Ethics
- ▶ Health Survey Program
- ▶ Population Health Indicators and Reporting
- ▶ Population Health Information
- ▶ Public Health Training and Development
- ▶ Surveillance Methods.

### Centre for Health Protection

Identifies and helps reduce communicable and environmental risks to the population's health. The Centre also provides input into food regulatory policy and co-ordinates response to food-borne illness in liaison with the NSW Food Authority.

It also regulates the supply and distribution of medicines and poisons, licences private hospitals and provides policy input into a number of areas including cancer screening, organ and tissue donation and blood and blood products. It undertakes these tasks through the following sections:

- ▶ AIDS and Infectious Diseases
- ▶ Communicable Diseases
- ▶ Clinical Policy
- ▶ Environmental Health
- ▶ Pharmaceutical Services
- ▶ Private Health Care
- ▶ Biopreparedness Unit.

### Centre for Chronic Disease Prevention and Health Advancement

Develops and coordinates the strategic prevention response to national and state health priority issues, with a particular focus on the State priority areas of tobacco, falls prevention and overweight and obesity through the following branches:

- ▶ Injury Prevention Policy
- ▶ Nutrition and Physical Activity
- ▶ Health Promotion Strategies and Settings
- ▶ Strategic Research and Development
- ▶ Tobacco and Health.

### Centre for Oral Health Strategy

Develops and coordinates oral health policy for the State, and monitors and implements oral population health prevention initiatives and service delivery in NSW for those eligible for receipt of public oral health



services or sources those required from the private sector through the following sections:

- ▶ Performance management and funding
- ▶ Oral health promotion and water fluoridation
- ▶ Early childhood oral health
- ▶ Aboriginal oral health
- ▶ Oral health workforce policy.

## Health System Performance

Deputy Director General

Professor Katherine McGrath

Professor McGrath worked as a clinician, academic, laboratory director and Divisional Chair in Victoria and NSW before she was appointed Chief Executive Officer of Hunter Area Health Service and honorary Professor of Pathology at the University of Newcastle in 1997. Professor McGrath was appointed to her current position in March 2004.

### Functions within the Department

The Health System Performance Division aims to improve the patient journey by driving performance improvements in the health system. It works to achieve agreed performance measures for improved services for patients and works in partnership with Area Health Services and hospitals to develop and implement new models of care and ensure all clinical services are planned and managed systematically and cost effectively.

Develops strong relationships and communications with frontline clinicians and managers to help them implement effective patient-centred improvements and provides expert advice on the performance of the NSW Department of Health to the Director General, the Minister and a range of external state and national agencies.

#### Health Service Performance Improvement

Works with Area Health Services to improve patient access to services. Allocates resources strategically to maximise performance, demand management and patient flow.

Provides strategic advice and identifies obstacles affecting implementation of service improvement strategies.

#### Clinical Services Redesign Program

Leads the development and implementation of major health service delivery reform initiatives across the NSW health system. These reforms have already brought substantial improvements in patient access to emergency departments and to elective surgery. Ensures a coordinated approach

to the redesign of clinical services, and engages local and frontline staff and consumers in the design process.

#### Strategic Information Management

Leads the development of statewide strategies and future directions for NSW Health Information and Communication Technology. The portfolio consists of four core strategies – clinical, corporate, information and infrastructure and targets a common set of applications across NSW that best support the clinical services redesign and the shared corporate services reform programs.

#### Quality and Safety

Provides strategic leadership for clinical quality and patient safety. Is responsible for consistent implementation of the NSW Patient Safety and Clinical Quality Program which sets standards for Area Health Service quality systems.

Develops policies on quality and safety for statewide implementation. Develops and reports on system-wide quality indicators. Monitors, analyses and acts on serious clinical incidents and oversees statewide clinical governance issues. A single, statewide electronic incident information management system underpins the statewide incident management program.

#### Demand and Performance Evaluation

The Demand Performance Evaluation Branch is responsible for the oversight of the NSW Health state data and reporting infrastructure to improve health performance and outcomes. It manages the major health activity data collections such as admitted patient, emergency department and elective surgery waiting lists and also manages major health activity reporting for the NSW Department of Health.

It is also responsible for analysis of demand and performance data, benchmarking and governance of new data and information systems to better meet health needs. The Branch also provides support and advice for research, data management and information policy for NSW Health and currently sponsors the business information program – an information program reform to get better and more timely information to those who need it at the front line.

## Health System Support

Deputy Director General

Robert McGregor, AM

Robert McGregor has extensive experience at senior management level in the NSW public sector, having occupied chief executive officer positions. He rejoined the NSW Department of Health as Deputy Director General, Operations in 1997 and was

appointed to his current position in November 2003. Mr McGregor retired in July 2007.

## Functions within the Department

Health System Support leads and manages strategic advice on financial, employee relations, asset and procurement, workforce, governance and risk, nursing and legal issues in the health system and provides corporate and executive support services for the Department. The Division ensures that the health system operates within available funds.

### Asset and Contract Services

Provides leadership in infrastructure, asset management and procurement policy development. Manages the Asset Acquisition Program and Shared Services Program across the health system and directs specific asset and procurement projects to support the efficient delivery of health services.

### Corporate Governance and Risk Management

Provides a comprehensive framework for corporate governance and risk management for the conduct of Departmental business and to guide and monitor these functions in the NSW public health system. Manages relationships with key external agencies. Undertakes employment screening and investigations of allegations of abuse by health service employees.

### Employee Relations

Deals with system-wide industrial relations issues for the health system, including the conduct of arbitrations, negotiating and determining wages and employment conditions for the NSW Health Services, administration for the Health Executive Service and human resource and OH&S policy development for the health system.

### Executive and Corporate Support

The Executive Support Unit provides advice and information to the Director General and Minister in response to matters raised by, or of interest to, the public, Members of Parliament, central agencies and various Ministerial Councils.

Corporate Personnel Services develops and implements the Department's human resources strategy. It provides support and guidance to staff on all personnel and payroll issues.

Shared Services Centre provides internal support services to the Department and its employees in areas including office equipment, fleet vehicles, computer network and email services, mailroom services and building management.

### Finance and Business Management

Provides financial management, reporting and budgetary services for the NSW health system, including financial policy, financial analysis, insurance/risk management, GST tax advice and monitoring key performance indicators for support services.

### Legal and Legislative Services

Provides comprehensive legal and legislative services for the Department and Minister, specialist legal services and privacy policy support for the health system, compliance support and prosecution services for the NSW Department of Health.

Provides registrar and administrative services to the nine Health Professionals Registration Boards.

### Media and Communications

Provides leadership in communications initiatives across the public health system. Issues health messages to health professionals and the general community through targeted campaigns, publications and the media.

### Nursing and Midwifery

Provides leadership and advice on professional nursing and policy issues. Monitors policy implementation, manages and evaluates statewide nursing initiatives, and allocates funding for nursing initiatives.

### Workforce Development and Leadership

Plans, develops, facilitates, communicates and evaluates health workforce strategies across the NSW health system to improve health outcomes for the people of NSW.