## Governance

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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 well-being of the people of NSW, while considering the needs of the State and the finances and resources available.

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

The Department’s Statewide Responsibilities

Advice to government
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
Undertakes system-wide policy and planning in areas such as inter-government relations, funding, corporate and clinical governance, clinical redesign, health services and resources.

Improvements to public health
Enhances community health through health promotion, preventative health, management of emerging health risks and protective regulation.

Patient safety and clinical quality
Ensures a systematic approach to high quality and safe patient care within the health system.

Performance management
Monitors health services’ performance against key performance indicators and improvement strategies, such as performance agreements and Statewide reporting as well as managing property, infrastructure and other assets.

Strategic financial and asset management
Manages financial resources and assets, co-ordinates business and contracting opportunities and provides financial accounting policy for NSW Health.

Community participation
Liaises and fosters partnerships with communities, health professionals and other bodies.

Workplace relations
Negotiates and determines wages and employment conditions and develops human resource policies for the NSW health system.

Workforce development
Works in collaboration with other agencies and stakeholders to improve health workforce supply and distribution.

Regulatory functions
Manages licensing, regulatory and enforcement functions to ensure compliance with the Acts administered by the Health portfolio.

Legislative program
Provides advice and support for the legislative program and subordinate legislative program for the Health portfolio.

Corporate Governance
Provides advice, support and co-ordination for sound corporate governance across the health system.

Corporate support
Provides resources and support to enable Department staff to fulfil their roles effectively.
Department of Health Priorities

NSW Health continues to be the lead agency for five priorities under the revised State Plan:

- Improve and maintain access to quality health care in the face of increasing demand
- Improve survival rates and quality of life for people with potentially fatal or chronic illness
- Promote healthy lifestyles through reduced overweight and obesity rates, smoking, illicit drug use and risk drinking
- Improve outcomes in mental health
- Reduce preventable hospital admissions.

The State Plan is the NSW Government’s long-term plan to deliver the best possible services to the people of NSW. It sets strong targets for better service delivery across the NSW public sector. NSW Government Agencies must comply with the priorities included in the State Plan.

During 2009, the NSW Government undertook a review of the State Plan. Consultations were held with the Government, non-Government and community sectors and a revised document was developed. The State Plan 2010 was released by the Premier on 26 March. The Plan can be downloaded from the State Plan website at www.nsw.gov.au/stateplan.

The NSW Health led priorities and targets are included in the revised document under the ‘Healthy Communities’ chapter.

NSW Health also partners with a number of other Government Agencies to support a range of State Plan priorities.

The NSW State Health Plan A New Direction for NSW Health: Towards 2010 and 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 services.
7. Be ready for new risks and opportunities.

The NSW Department of Health Annual Report 2009–10 reports on our activities and achievements according to our vision, values, goals and priorities under the seven strategic directions.
**STRATEGIC DIRECTION 1**

**STRATEGIC DIRECTION 2**

**STRATEGIC DIRECTION 3**

**STRATEGIC DIRECTION 4**

**STRATEGIC DIRECTION 5**

**STRATEGIC DIRECTION 6**

**STRATEGIC DIRECTION 7**

**WHY WE ARE HERE**
- Make prevention everybody's business

**WHAT WE DO**
- Improve access to quality health care
- Integrated primary health care
- Community engagement
- Health investment and re-investment
- Recruitment and retention
- Health reform

**MEASURING SUCCESS**
- Improved health through reduced obesity, smoking, illicit drug use and risk drinking
- Improved survival rates and quality of life for people with potentially fatal or chronic illness
- Improved dental health
- Reduced avoidable hospital admissions through early intervention, prevention and better access to community-based services
- Make the most effective use of resources for health
- Build a sustainable workforce
- Ensure the NSW health system is ready for new risks and opportunities

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**Healthy People**
Now and in the future

**STRATEGIC DIRECTION 1**

- Improved health through reduced obesity, smoking, illicit drug use and risk drinking
- Improved survival rates and quality of life for people with potentially fatal or chronic illness
- Improved dental health
- Reduced avoidable hospital admissions through early intervention, prevention and better access to community-based services
- Make the most effective use of resources for health
- Build a sustainable workforce
- Ensure the NSW health system is ready for new risks and opportunities

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**STRATEGIC DIRECTION 2**

- Health improvement
- Re-investment
- Immunisation
- Child health and wellbeing
- Mental health
- Obesity
- Chronic disease
- Tobacco
- Drugs and alcohol
- Sexual health
- Oral health
- Healthy ageing
- Urban planning

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**STRATEGIC DIRECTION 3**

- Clinical services
- Patient safety within a quality framework
- Children and young people
- Clinician and community engagement
- Decision making
- Information management and technology
- Cares
- Aged care/chronic care/community acute care
- Mental health
- Rural and remote health
- Drugs and alcohol
- People with a disability
- Culturally and linguistically diverse communities, including refugees
- Transport

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**STRATEGIC DIRECTION 4**

- Integrated primary health care
- Rural and remote areas
- General practice access
- Early intervention
- Early screening, triage and assessment
- Chronic care
- Mental health
- Aboriginal health
- Cares
- Disability support programs

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**STRATEGIC DIRECTION 5**

- Community engagement
- Regional health planning
- General practitioners
- Information sharing
- Aboriginal health
- Mental health
- Non-government organisations
- Private health sector
- Older people

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**STRATEGIC DIRECTION 6**

- Health investment and re-investment
- Prevention and early intervention funding
- Equity - resource distribution formula
- Asset management
- Information management and technology
- Health technology
- Electronic medical and health information systems
- Corporate services

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**STRATEGIC DIRECTION 7**

- Recruitment and retention
- Improving workforce flexibility and strengthening career pathways
- Mental health workforce
- Staff satisfaction
- Education and training
- Aboriginal workforce
- Rural and remote workforce
- Workforce planning
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 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 our work. Our values statement applies to the department, its staff and contractors. It 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 them 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 in health is the manner by which authority and accountability are distributed through the health system.

This Annual Report is a key corporate governance report for NSW Health. It outlines the Department’s achievements in leading and facilitating health outcomes across the State’s public health system.

The NSW health system:

- NSW Minister for Health
- Minister Assisting the NSW Minister for Health (Cancer)
- Minister Assisting the NSW Minister for Health (Mental Health)
- The Director-General, NSW Department of Health
- NSW Department of Health
- Health Administration Corporation
- Area Health Services
- Ambulance Service of NSW
- Children’s Hospital at Westmead
- Clinical Excellence Commission
- Justice Health
- The Agency for Clinical Innovation
- Bureau of Health Information

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. Carmel Tebbutt MP was appointed the Minister for Health on 14 September 2009 and reappointed on 8 December 2009.

The Hon. John Hatzistergos MLC held the office of the Minister for Health between 1 September 2009 and 14 September 2009.

The Hon. John Della Bosca MLC was appointed the Minister for Health on 8 September 2008 and held this position until 1 September 2009.

Minister Assisting the Minister for Health (Cancer)

The Minister Assisting the Minister for Health (Cancer) is responsible for the Cancer Institute (NSW), which oversees the State’s cancer control effort.

The Hon. Frank Sartor MP was appointed the Minister Assisting the Minister for Health (Cancer) on 8 December 2009.

The Hon. Barbara Perry MP was the Minister Assisting the Minister for Health (Mental Health and Cancer) between 14 September 2009 and 4 December 2009.

The Hon. Jodi McKay was appointed the Minister Assisting the NSW Minister for Health (Cancer) on 11 November 2008 and held the position until 14 September 2009.

Minister Assisting the Minister for Health (Mental Health)

The Hon. Barbara Perry MP was appointed Minister Assisting the Minister for Health (Mental Health) on 8 December 2009.

Health Administration Corporation

Under the Health Administration Act 1982, the Director-General is given corporate status as the Health Administration Corporation for the purpose of exercising certain statutory functions, including acquiring and disposing of land and entering into contracts to support the functions of the Director-General and the NSW Minister for Health.
NSW Department of Health

The Department 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.

Area Health Services

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.

There are eight Area Health Services:

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

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.

Statutory Health Corporations

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
• The Agency for Clinical Innovation
• Bureau of Health Information.

Pursuant to a proclamation in the Government Gazette dated 17 June 2009, HealthQuest was dissolved as a Statutory Health Corporation on 1 July 2009. The Department of Health is the repository for the HealthQuest files and all residual business.

Two new Board-governed Statutory Health Corporations were established during the year. The Bureau of Health Information commenced on 1 September 2009 and the Agency for Clinical Innovation commenced on 11 January 2010.

As at 30 June 2010 there were 18 affiliated health organisations in NSW managed by religious and/or charitable groups operating 27 recognised establishments or services as part of the NSW public health system. They are an important part of the public health system, providing a wide range of hospital and other health services.

Health Support Structures

Health Support Services provides health support services and information technology services to public health organisations across NSW. A management committee oversees the operation of Health Support Services within the Health Administration Corporation.

Health Infrastructure manages the delivery of NSW Health’s major building program. A Board oversees the operation of Health Infrastructure within the Health Administration Corporation.
Corporate Governance Responsibilities

The Director-General

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 best practice corporate governance and has processes in place to ensure the primary governing responsibilities of NSW Health and its entities are fulfilled in respect to:

- Setting the strategic direction for NSW Health
- Ensuring compliance with statutory requirements
- Monitoring the 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.

Department of Health Management Board

The Department of Health Management Board determines corporate priorities, considers major issues and sets strategic directions. It provides high-level oversight on implementation of the NSW State Plan and State Health Plan, and receives regular reports on State Plan priorities. The Management Board comprises the Department’s senior management team, including the Director-General and Deputy Directors-General.

Senior Executive Advisory Board

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 and the Children’s Hospital Westmead, the Ambulance Service and Justice Health with the Chief Executives of the Clinical Excellence Commission, the Bureau of Health Information, the Agency for Clinical Innovation and the Cancer Institute NSW in attendance.

Finance, Risk and Performance Management Committee

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 an appropriate senior 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.
Risk Management and Audit Committee

The Risk Management and Audit Committee comprises the Deputy Director-General Health System Support and two independent members. Mr Jon Isaacs, is the independent chairperson and Mr Alex Smith is the other independent.

The Committee assists the Director-General to 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.

• 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.

Corporate Governance Principles and Practices

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 key primary governing responsibilities.

The Corporate Governance and Risk Management Branch of the Department is responsible for promoting corporate governance practice across the health system. The branch brings together risk management, regulatory affairs, corporate governance, external relations and employment screening and review.

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

• Providing governance support and advice to new statutory health corporations established as part of Caring Together.

• Commencement and successful operation of new distribution process across NSW Health for new policy directives, guidelines and information bulletins including the issue of the Policy Matters newsletter each quarter.

• New employment screening and review policies and procedures implemented and update to the State Employment Screening and Review Information Technology System (ESR) incorporating the Commission for Children and Young People, Working with Children Checks Employer Guidelines and compliance with the National Police Checking Service – CrimTrac information requirements for the conducting of National Police checks and Working with Children Checks for employment screening. New business and IT changes has resulted in a more efficient service, with a stronger focus on compliance.

• Continuance of a training program for allegations management and employment screening risk assessment.

• Revisions to the process of preparing and issuing policy directives, guidelines and information bulletins for NSW Health including standardised presentation formats.

• Reporting to the Attorney-General’s Department on the progress and completion of the implementation of recommendations arising from Coronial Inquests where recommendations are made to the Minister for Health, as required by Department of Premier and Cabinet Memorandum Responding to Coronial Recommendations M2009-12.

Internal Audit

During 2009–10 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. Of note was the ongoing work to monitor and assess fraud risk within the Department, audits of contractor management, follow up action to previous audits and continuous auditing activities covering key corporate functions.
Risk Management

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

- Promotion of the risk management enterprise-wide policy and framework for NSW Health
- A more co-ordinated approach to investigating and dealing with complaints on NSW Health matters
- Improved system for monitoring and acting on reportable incident briefs
- Strengthened relationships with the Ombudsman’s Office, Health Care Complaints Commission, Coroner’s Office, 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.

Ethical Behaviour

Maintaining ethical behaviour is the cornerstone of effective corporate governance. Providing ethical leadership is an important ongoing task for NSW Health. This requires leading by example and providing a culture built on commitment to the core values of integrity, openness and honesty.

NSW Health has a comprehensive Code of Conduct and support material that outlines standards of required conduct. The Code applies to staff working in any permanent, temporary, casual, termed appointment or honorary capacity within any NSW Health facility. It assists staff by providing a framework for day-to-day decisions and actions while working in health services.

Monitoring Health System Performance

The Department has produced a set of high-level performance indicators. They 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 State Health Plan Towards 2010* and against priorities contained in the NSW State Plan, *A New Direction for NSW State Plan*.

Outcomes against these indicators are reported in the Performance Section of this Annual Report.

The indicators inform performance at the State level as well as drilling down to hospital level for local management. They 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.

The NSW State Health Plan was published in 2007 to drive corporate priorities and set performance measures and targets to 2010 and beyond.

Area Health Service plans and performance agreements were developed with standard formats and reporting requirements for consistent performance measurement and accountability.

Priorities for Corporate Governance and Risk Management

Selected priority strategies and projects in corporate governance, risk management and internal audit for 2010–11 include:

- Ensuring effective governance arrangements are in place for NSW as part of the National Health and Hospital Network Agreement
- Introduction of standard NSW Health-wide risk management software
• Compilation, review and reporting of NSW Health-wide risks

• Enhancing internal systems to improve co-ordination across a range of internal and external stakeholders in the monitoring of the implementation of recommendations arising from complaints and systemic reviews

• 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 (pp. 188)
• Consumer Participation (pp. 189–212)
• Code of Conduct (pp. 17)
• Legislation (pp. 262–263)
• Financial Management (pp. 111–184)
• Workforce Management (pp. 189–204)
• Committees, Roles and Responsibilities (pp. 252–257)
• Senior Executive Performance Statements (pp. 206–212)
Clinical governance is an important area of governance for NSW Health and is the cornerstone of quality health care

Clinical governance is a systematic approach to ensuring the high quality and safe patient care within a health system.

Under the NSW Patient Safety and Clinical Quality Program, a comprehensive clinical governance process was established in 2005 to provide a systematic approach to improving patient safety and clinical quality across the whole of the NSW Health System. The Program is ambitious and sets the agenda for one of Australia’s most comprehensive clinical quality programs supporting patient safety and excellence in health care.

Clinical Governance Principles and Practices

The Patient Safety and Clinical Quality Program outlines key principles for Clinical Governance. They are:

• Openness about failures – errors are reported and acknowledged without fear and patients and their families are told what went wrong and why
• Emphasis on learning – the system is oriented towards learning from its mistakes
• Obligation to act – the obligation to take action to remedy problems is clearly accepted
• Accountability – limits of individual accountability are clear

• Just Culture – individuals are treated fairly and are not blamed for system failures
• Appropriate prioritisation of action – actions are prioritised according to resources and where the greatest improvements can be made
• Teamwork – teamwork is recognised as the best defence against system failures and is explicitly encouraged.

Now in its fifth year, the Program has demonstrated improved transparency through an Incident Information Management System and regular public reporting, improved action through a Statewide systematic approach to clinical risk management including Safety Alerts, and a mandatory Quality Assessment Program for all public health organisations with improved management structures through establishment of the Clinical Excellence Commission and Clinical Governance Units in each Area Health Service.

Clinical Governance Responsibilities

NSW Department of Health

The Department is responsible for policy development, regulation and performance monitoring for patient safety and clinical quality. Through the NSW Health Performance Management Framework health service-specific key performance indicators are monitored with actions taken to support improvement.

The Reportable Incident Review Committee

The NSW Health Reportable Incident Review Committee is responsible for monitoring and analysing information on serious clinical incidents to identify Statewide implications and actions. Chaired by the Deputy Director-General, Health System Quality, Performance and Innovation, the Committee includes the Chief Executives of both the Clinical Excellence Commission and the Agency for Clinical Innovation and ensures appropriate action is taken to prevent recurrence of serious clinical incidents in New South Wales. In addition to this work the Department and the Clinical Excellence Commission regularly publish data on all incidents reported as part of the Incident Information Management System to support transparency, clinical learning and patient safety improvement.
Committees for Medication Management

Reporting to the Director-General, the Statewide Medication Strategy Co-ordination Committee is responsible for the strategic co-ordination of activities being undertaken by NSW Health to deliver safe, effective and cost efficient use of medications across NSW Health. In April 2009, a revised Medication Safety Expert Advisory Committee commenced, Chaired by Professor Ric Day, a clinical pharmacologist. The Committee provides expert advice on medication safety issues in NSW and supports action to improve medication safety.

The Healthcare Associated Infections (HAI) Steering Committee

A new HAI Steering Committee commenced in May 2010 and is responsible for setting the strategic direction for HAI prevention and control in NSW. Key responsibilities include ensuring action on the five priority areas of hand hygiene, adherence to precautions to prevent the spread of infections in hospitals, effective use of cleaning programs, correct use of antibiotics, and adherence to evidence based guidelines in intensive care units.

Area Health Services, the Children’s Hospital at Westmead, Justice Health and the Ambulance Service of NSW Clinical Governance Units

Health Services have primary responsibility for providing safe high quality care for patients. As part of the NSW Health Patient Safety and Clinical Quality Program clinical governance units were established in each health service with patient safety as their priority. These units are responsible for system-wide incident reporting, management of patient complaints and concerns about clinicians, local implementation of safety and quality policies and procedures, and quality systems improvement processes. Responsible to the Chief Executive, the Clinical Governance Unit Director provides advice and reports to health service governance structures on:

- Serious incidents or complaints including investigation, analysis and implementation of recommendations
- Performance against safety and quality indicators and recommendations on actions necessary to improve patient safety
- The effectiveness of performance management, appointment and credentialing policies and procedures for clinicians
- Complaints or concerns about individual clinicians, in accordance with Departmental policies and standards.

The Clinical Excellence Commission

The Clinical Excellence Commission (CEC) is a key component of the NSW Patient Safety and Clinical Quality Program to improve frontline clinical care. The CEC is central to NSW Health’s continuous quality improvement effort. The NSW government established the CEC in 2004 to reduce adverse events in public hospitals and support improvements in transparency in the health system.

A key role of the CEC is building capacity for quality and safety improvement in Health Services. This is driven through training and education initiatives such as Clinical Practice Improvement and patient safety programs.

The CEC is a board-governed statutory health corporation with the Chief Executive Officer reporting directly to the Director-General.

As part of the Statewide clinical governance system the CEC conducts a Statewide mandatory Quality Systems Assessment program which tests compliance with standards, facilitates system improvement, assesses implementation of safety and quality programs in health services and assists services to target areas for improvement.

The Agency for Clinical Innovation

Unexplained or unjustified clinical variation can result in adverse patient events. The recently established Agency for Clinical Innovation is responsible for reviewing clinical variation and developing evidence-based models of care for application across the system. The Chief Executive is also a member of the NSW Health Reportable Incident Review Committee.
At June 2010, the NSW Department of Health was administered through seven main functional areas.

**Director-General**

**Professor Debora Picone, AM**

Professor Picone began in the position of Director-General for the NSW Department of Health in July 2007.

In addition to being a nurse leader and academic, Professor Picone has worked for many years at the front-line of hospital care as a nurse and senior clinician, in many and varied roles.

She has extensive experience in senior management and academic roles in the health sector. She was Chief Executive of South Eastern Sydney Illawarra Area Health Service and previously Deputy Director-General, Policy for NSW Health. She has also been Chief Executive of the former South Western Sydney and New England area health services and of the Corrections Health Service.

She has occupied academic roles at the University of Wollongong, Prince of Wales Clinical School at the University of NSW and the Department of Surgery, Faculty of Medicine, University of Sydney.

Professor Picone was appointed as a Member in the General Division of the Order of Australia (AM) in June 2006, for services to public administration in NSW.

**Director-General’s Policy and Co-ordination Unit**

The Director-General’s Policy and Co-ordination Unit provides high-level executive and co-ordinated administrative support to the Director-General across the full range of issues and functions relevant to the operation of NSW Health.

The Unit 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 an integrated, cross-agency view on critical policy and operational issues. The Unit also supports the Director-General in her provision of high quality, timely and well co-ordinated advice and information to the Minister for Health.

The Unit has a role in relation to key Government and Departmental policy and projects that require a strategic, co-ordinated, whole-of-health approach. This includes leading and reporting on NSW Health’s implementation of the State Plan and State Health Plan.

In addition, the Unit manages a number of strategic policy initiatives that cross Departmental Divisions and have whole-of-system implications. These initiatives often have a particular focus on opportunities for improved efficiency and strategic reform.

**Executive and Ministerial Services**

The Executive and Ministerial Services Branch provides a range of services to assist and support the Minister for Health, the Director-General and the department in performance of duties. Its operations are conducted through the Parliament and Cabinet Unit, the Executive and Corporate Support Unit and the Media and Communications Unit.

The Parliament and Cabinet Unit assists the Minister and the Director-General in responding to the Parliament, Cabinet and the central agencies of Government. It manages the preparation of material for the Minister and the Department 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. It also liaises between parliamentary committees, the Department and Area Health Services and assists the Director-General and Executive with special projects as required. The Executive and Corporate Support Unit provides advice and information in response to matters raised by, or of interest to, the public, Members of Parliament, central agencies and various Ministerial councils.

The Media and Communications Unit provides leadership in communications initiatives across the public health system. It issues health messages to health professionals and the general community through targeted campaigns, publications and the media.
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, AM

Dr Richard Matthews is Deputy Director-General, Strategic Development Division. He joined the Department in November 2003.

Dr Matthews commenced his career in general practice and developed a special interest in the field of drug and alcohol before becoming Chief Executive of Justice Health. In his current role Dr Matthews has responsibility for Statewide Services Development Branch, Primary Health and Community Partnerships Branch, Mental Health and Drug and Alcohol Office, Inter-Government and Funding Strategies, Chronic Disease management and, most recently, the NSW response to the National Health and Hospitals Network.

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.

The key roles of the Strategic Development Division are to develop policies, guidelines and plans for improving and maintaining health and to guide allocation of resources to Health Services. Equitable access, effectiveness, appropriateness and efficiency of health services are key themes that influence the development of policies and strategic plans.

Mental Health and Drug and Alcohol Office

The Mental Health and Drug and Alcohol Office (MHDAO) is responsible for developing, managing and co-ordinating NSW Health policy, strategy and program funding relating to mental health and the prevention and management of alcohol and drug-related harm. It also supports the maintenance of the mental health legislative framework. The work of MHDAO is delivered mainly through the mental health program and the drug and alcohol program, in partnership with area health services, Justice Health, Children’s Hospital at Westmead, non-government organisations, research institutions and other partner departments. The office has lead agency responsibility for co-ordinating whole-of-government policy development and implementation in mental health and drug and alcohol, particularly through actions arising from the State Plan priorities, drug and alcohol summits, the Inter-agency Action Plan on Better Mental Health and the New Directions in Mental Health policy. MHDAO is also responsible for convening or playing a lead role in inter-jurisdiction and cross-government forums, such as the Inter-Governmental Committee on Drugs and Alcohol, the State Reference Group on Diversion, the NSW Council of Australian Governments’ Mental Health Group and the Senior Officers’ Group on Drugs and Alcohol and Mental Health.

Statewide Services Development Branch

Statewide Services Development Branch develops policy, planning tools, frameworks, clinical plans and strategy for a range of acute and specialty health services with Statewide implications. The Branch leads on rural health policy and planning issues in the Department for NSW Health and collaborates with rural Health Services and the NSW Rural Health Priority Taskforce to ensure implementation of the NSW Rural Health Plan. It has lead role for strategic infrastructure planning and collaborates with Strategic Procurement and Business Development and Health Infrastructure to develop the 10 year strategic plan for capital.
Primary Health and Community Partnerships Branch

This branch is responsible for developing strategic policies, innovative service models and programs to ensure improved equity, access and health outcomes for targeted population groups, who often require special advocacy and attention, because of 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, area health advisory councils and the work of the health priority taskforces.

In addition, the branch is responsible for the NSW Health response to *Keep Them Safe: A Shared Approach to Child Wellbeing*, the NSW Government’s approach to the Special Commission of Inquiry into Child Protection Services in NSW, headed by Justice Wood. The branch is also responsible for the implementation of NSW Kids, recommendation nine under Commissioner Garling’s Special Inquiry into the NSW public health system.

Inter-Government and Funding Strategies

This branch leads and manages strategic relationships with the Australian Government, other State and Territory governments, private sector and other strategic stakeholders. It is responsible for ensuring that a comprehensive framework for the funding and organisation of the NSW health system is in place, to translate government priorities into effective strategies and to ensure that the system is able to respond to changes in its environment. It advises on distribution of resources to health services and develops tools to inform allocation of resources from health services to facilities, including the implementation of episode funding. It also provides leadership in the development and implementation of State and national health priority policies and programs.

NSW Health NHHN Transition Office

Established in May 2010, this Office leads the development and implementation of the NSW Health work plan for the COAG National Health and Hospitals Network (NHHN) Agreement. The branch has a central co-ordination role in implementing national health reform system change across the NSW health system, including engaging with other branches, Area Health Services and external agencies to consider and resolve issues related to system change.

The branch has responsibility for driving the planning and establishment of new structures and processes including Local Health Networks and collaboratively leading arrangements for transition from current structures to the new health system.

Population Health

Deputy Director-General, Population Health and Chief Health Officer

Dr Kerry Chant

Dr Kerry Chant is the Deputy Director-General, Population Health and Chief Health Officer. Dr Chant is a Public Health physician with extensive public health experience, having held a range of senior positions in NSW public health units since 1991. Dr Chant has a particular interest in communicable diseases and Aboriginal health, and led the NSW public health response to pandemic (H1N1) 09 Influenza in 2009.

Functions within the Department

The Population Health Division within the Department co-ordinates the strategic direction, planning, monitoring and performance of population health services across the State. The division responds to the public health aspects of major incidents or disasters in NSW, monitors health, identifies adverse trends and evaluates the impact of health services. The division is responsible for improving health through measures that prevent disease and injury.

Population health services aim to create social and physical environments that promote health and provide people with accessible information to encourage healthier choices. Effective population health practice implements evidence-based strategies and interventions.
Centre for Aboriginal Health
The Centre for Aboriginal Health has responsibility for developing, managing and co-ordinating Statewide strategy, policy, program funding and performance monitoring in relation to the health of Aboriginal people in NSW. The Centre leads the implementation of initiatives to deliver on the National Partnership Agreement on Closing the Gap in Indigenous Health Outcomes and the NSW State Plan targets of closing the gap in Aboriginal life expectancy within a generation and halving the gap in mortality rates for Aboriginal children under five within a decade.

The Centre for Aboriginal Health leads a number of the Department’s partnerships such as those with the NSW Aboriginal Health and Medical Research Council, Area Health Services, Justice Health, Children’s Hospital Westmead, research institutions and other State and Australian government departments.

Centre for Epidemiology and Research
The Centre for Epidemiology and Research provides high quality population health information and leads the development of population health capability and research infrastructure. The Centre co-ordinates the public health and biostatistical officers training programs.

The Centre is also responsible for developing best practice models for research governance and ethical review, ensuring expert clinical ethics advice underpins health service policy decisions, promoting translation of research evidence and information into policy and practice, and contributing to building a comprehensive, accurate and accessible evidence base for population health practice.

Centre for Health Protection
The Centre for Health Protection aims to reduce the threats to health and burden of illness from communicable diseases and the environment. It does so through planning, developing policies, funding and managing activities across a range of clinical, public health, community, government and research settings.

The Centre reduces communicable diseases risks through surveillance, investigation and control of disease outbreaks, and programs to promote healthy behaviours, including immunisation. The Centre reduces the burden of blood-borne and sexually transmissible infections through prevention activities and by funding clinical services.

The Centre works closely with other national, State and local government agencies to develop policy and to assess and respond to environmental health risks including in relation to drinking water, food safety, air quality, waste management, and Chemical, Biological, Radiological and Nuclear (CBRN) emergencies.

Co-ordination and Policy Unit of the Chief Health Officer
The Unit was established in June 2010 to lead and co-ordinate policy regarding cancer screening, organ and tissue donation, blood and blood products and forensic pathology and medicine. The unit also leads the development, implementation, co-ordination and evaluation of comprehensive strategies to prepare the NSW health system for major population health emergencies.

Centre for Health Advancement
The Centre for Health Advancement leads development and co-ordination of health promotion and disease prevention policy for NSW. The Centre is responsible for development of policy and the implementation and evaluation of major Statewide projects and programs to address the priority areas determined by the National Prevention Partnership and the NSW State Health Plan. The priorities of the Centre are tobacco control, overweight and obesity prevention, and the prevention of falls in the elderly.

Centre for Oral Health Strategy
The Centre for Oral Health Strategy leads the strategic development and co-ordination of oral health policy and programs for NSW. The Centre monitors and implements population oral health prevention initiatives and service delivery in NSW for those eligible for receipt of public oral health services. The priorities of the Centre are:

• promotion of water fluoridation
• early childhood oral health
• Aboriginal oral health
• performance monitoring and reporting.

The Centre also has a focus on oral health workforce development and planning.
Health System Quality, Performance and Innovation Division

Deputy Director-General Dr Tim Smyth

Dr Smyth has degrees in medicine, law and business administration. He has over 20 years experience across the NSW health system, having worked as a doctor, director of medical services, hospital manager and area chief executive. He was appointed CEO of the Hunter Area Health Service in August 1991 and in 1997 became Deputy Director-General, Policy Division with the Department of Health. In 2000 Dr Smyth became a partner with DLA Phillips Fox law firm, working in commercial and corporate law, with a client base concentrated in the health and government sectors. In November 2008 he was appointed Deputy Director-General Health System Quality, Performance and Innovation.

Functions within the Department

The focus of the Health System Quality, Performance and Innovation Division is the provision of safe, patient-centered, high quality and effective health services to the people of NSW. While its primary focus is on the acute hospital care system, the division plans and implements better models of care across the spectrum of health care settings. Its key interfaces are with Area Health Services, Statutory Health Corporations and the Clinical Excellence Commission. The five branches of the division are Clinical Safety, Quality and Governance, Health Services Performance Improvement, Demand and Performance Evaluation, the Nursing and Midwifery Office and Strategic Information Management. The division co-ordinates and manages the integrated Performance Management Framework for health services.

Clinical Safety, Quality and Governance

Clinical Safety, Quality and Governance plays a key role in monitoring patient safety, co-ordinating and supporting Statewide programs to address patient safety priorities and regulatory oversight of private health facilities, pharmaceutical distributors, pharmacies and prescribers. A key achievement of the branch in 2009–10 has been the development and Statewide roll-out of the Between the Flags patient safety program in conjunction with the Clinical Excellence Commission.

The branch has lead responsibility for deployment of the NSW Patient Safety and Clinical Quality Program which manages incidents, identifies risks and takes action such as issuing advice or warnings to the health system when required. The branch works collaboratively with NSW health services, other health services, the Clinical Excellence Commission and the Australian Commission on Safety and Quality in Health Care to develop policies on safety and quality.

Health Services Performance Improvement

Health Services Performance Improvement Branch successfully managed the introduction of a revised Performance Management Framework, continued the innovative work of the Clinical Redesign Program, advanced the Patient and Carer Experience Program (including the 2009 Patient Survey), supported the Emergency Care Taskforce in initiatives to strengthen Emergency Department services and, in conjunction with the Surgical Services Taskforce, project managed a Statewide strategy to reduce wait times for planned surgery.

Demand and Performance Evaluation

Demand and Performance Evaluation maintains the key patient activity and performance data sets for NSW Health and manages the internal and public reporting of health system performance. Following the establishment of the Bureau of Health Information in late 2009, the branch has worked closely with the Bureau to transition the quarterly public performance reporting process with the Bureau’s first quarterly report due in September 2010.

Nursing and Midwifery

The Nursing and Midwifery Office plays a major role in supporting nursing and midwifery practice, recruitment, retention and professional development. The Office has played a key role in the implementation of the Caring Together Action Plan with a particular focus on support and development of Nursing and Midwifery Unit Managers through the innovative Take the Lead program and ward level Essential of Care program.
Strategic Information Management

Strategic Information Management oversees the Statewide Information and Communications Technology Strategy and plays an active role in the national eHealth agenda. The $1.5 billion strategy achieved major milestones in 2009–10 with the substantial roll-out of the hospital electronic medical record, digital radiology imaging and infrastructure upgrade programs. Significant progress has also been made on a number of key corporate IT system projects including staff rostering, replacement of the legacy management accounting system (DOHRS) and a new patient billing system.

Health System Support

Deputy Director-General Karen Crawshaw

Ms Crawshaw held various legal positions in the public sector before being appointed Director Legal NSW Health in 1991. The role was subsequently expanded to Director Employee Relations, Legal and Legislation and General Counsel. It included responsibility for NSW Health’s legal services, the legislative program for the Health portfolio, and industrial relations and human resource policy for the NSW public health system.

In October 2007, Ms Crawshaw was appointed Deputy Director-General Health System Support.

Functions within the Department

Health System Support Division is responsible for strategic leadership and management of key operations within the health system. These include strategic advice on finance and business management, asset management, strategic procurement and business development, legal services, workforce development and leadership, workplace relations and management, corporate governance and risk management. The Division is responsible for monitoring the financial performance of the health system and for the conduct of the Health Legislative Program.

Finance and Business Management

Provides financial management, monitoring, reporting and budgetary services for the NSW health system, including financial policy, financial analysis, insurance/risk management, GST advice and monitoring key performance indicators for support services. Provides internal support services to the department, including purchasing, fleet management and purchase order transactions.

Strategic Procurement and Business Development

Provides leadership in procurement policy development and asset management and directs specific procurement projects to support the efficient delivery of health services. The division manages the Asset Acquisition Program and implements the Government’s Total Asset Management policies across the health system. It is also responsible for operational services such as the computer network, email services, corporate knowledge services and building management.

Workforce Development and Innovation

Leads strategic policy development to achieve a sustainable workforce supply and distribution for NSW Health through Statewide planning, development, co-ordination, implementation and evaluation of workforce strategies. The Branch also leads NSW Health’s participation in workforce initiatives at a national level. Under Caring Together, the Branch also has a key responsibility for co-ordination and development of NSW Health’s organisational culture improvement program.

Workplace Relations and Management Branch

Manages the department’s human resources strategy and provides support and guidance to staff on all personnel and payroll issues. Leads system-wide industrial relations issues, including the conduct of arbitration, negotiating and determining wages and employment conditions. Provides administration for the Health Executive Service, and leads human resource and OHS policy development.
Corporate Governance and Risk Management

Provides a comprehensive framework for corporate governance and risk management, and guides and monitors these functions in the NSW public health system. The division manages relationships with key external agencies, undertakes employment screening and investigates allegations of abuse by health service employees.

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 NSW Health and registrar and administrative services to the nine health professionals registration boards. Manages the Health Legislative Program.