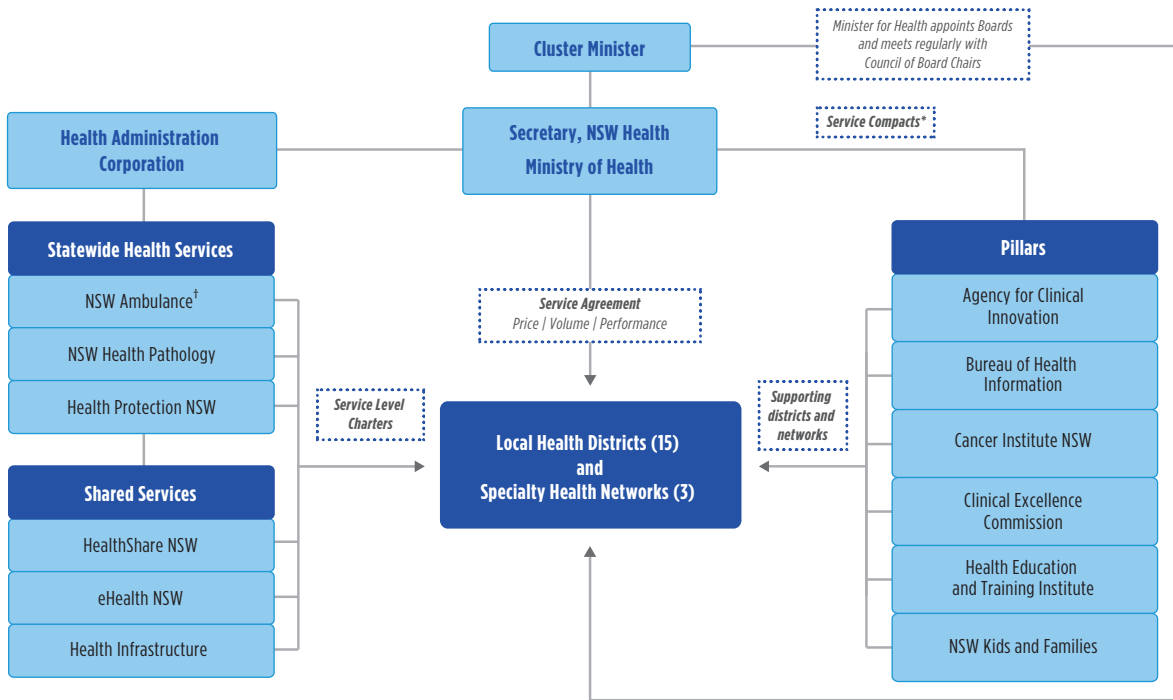


# GOVERNANCE

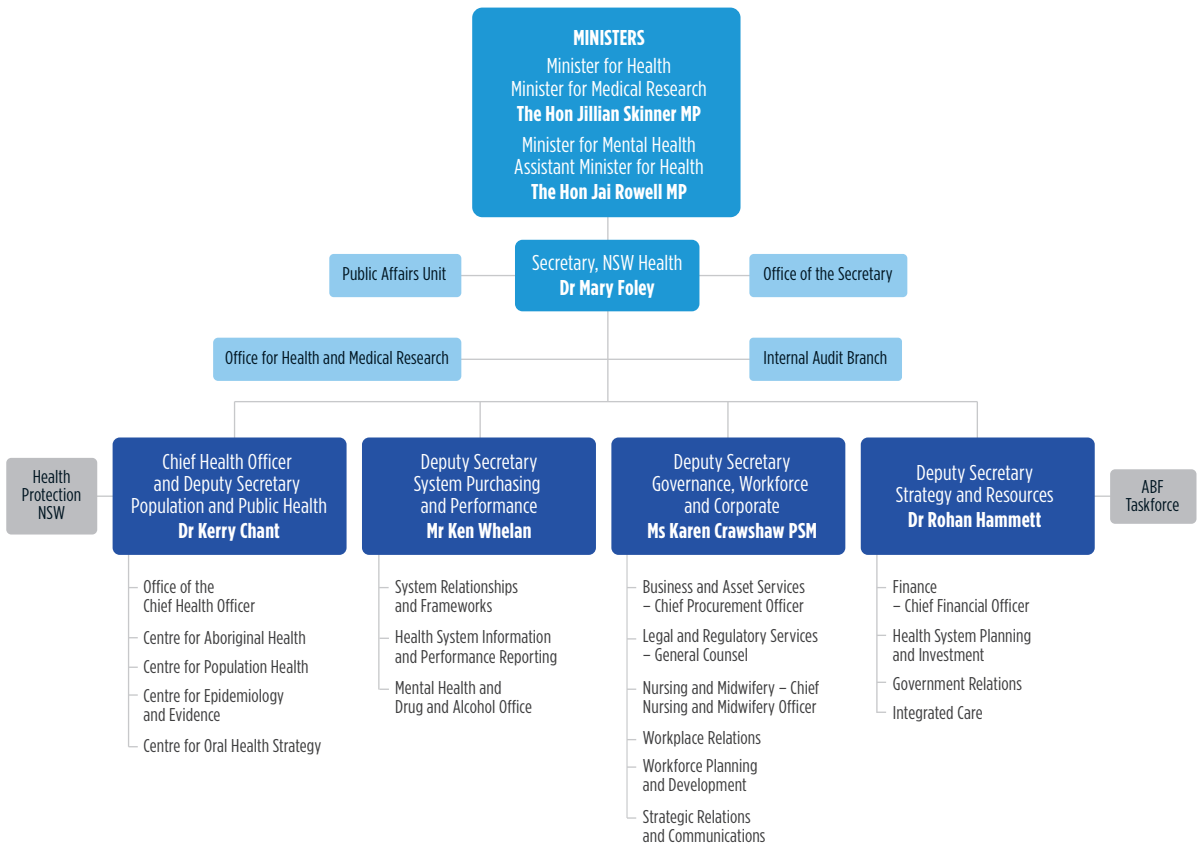
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# NSW Health and affiliated organisations



\*Service Compact – Instrument of engagement detailing service responsibilities and accountabilities  
<sup>†</sup>No Service Compact between Ministry of Health and NSW Ambulance

## Organisation chart – NSW Ministry of Health



# NSW Ministry of Health

## Secretary, Dr Mary Foley

The Secretary has overall responsibility for the management and oversight of NSW Health with primary powers and responsibilities articulated in the *Health Administration Act 1982* and the *Health Services Act 1997*. In support of these system responsibilities the Secretary convenes the NSW Health Senior Executive Forum which brings together Chief Executives from across the health system for the purposes of strategy and performance management.

## Internal Audit

Internal Audit provides an independent review and advisory service to the Secretary and the NSW Ministry of Health Risk Management and Audit Committee. It provides assurance that the Ministry of Health's financial and operational controls, designed to manage organisational risks and achieve agreed objectives, are operating in an efficient, effective and ethical manner.

Internal Audit assists management in improving the business performance of the Ministry, advises on fraud and corruption risks, and on internal controls over business functions and processes.

## Governance, Workforce and Corporate

The Governance, Workforce and Corporate Division undertakes a range of functions for the effective administration of NSW Health. This covers comprehensive corporate governance frameworks and policy for the health system, and a comprehensive range of legal and legislative services.

The Division also undertakes regulatory activities including the licensing and inspection of private health facilities, regulation of the supply and administration of therapeutic goods, and prosecution of offences under health legislation.

The Division's portfolio also includes NSW Health property services; statewide asset, procurement and business policy; services to support Ministerial, Parliamentary and Cabinet processes, issues management and communications advice and assistance for the NSW Ministry of Health.

The Division supports and manages the Secretary's accountabilities as employer of the NSW Health Service, including statewide industrial matters, public health sector employment policy, and workplace health and safety policy. It is responsible for statewide, workforce planning, recruitment and reform strategies and the strategic development of the NSW Health workforce including nursing and midwifery.

## Population and Public Health

The Population and Public Health Division coordinates 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 and disasters in NSW, monitors health, identifies trends and evaluates the impact of health services. The Division is responsible for improving health and reducing health inequity 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.

The Chief Health Officer works closely with the Office for Health and Medical Research which supports the State's leading health and medical research efforts.

The Office for Health and Medical Research collaborates with the health and medical research communities, the higher education sector and business to promote growth and innovation in research to achieve better health, environmental and economic outcomes for the people of NSW.

## Strategy and Resources

The Strategy and Resources Division is responsible to the Secretary for strategic health policy development, inter-jurisdictional negotiations, funding strategies and budget allocation including Activity Based Funding, system-wide planning of health services, capital planning and investment, integrated care, palliative care and management of the non-government grants program.

In line with managing government relations, the Division also supports the Australian Health Ministers' Advisory Council, the NSW Health Ministers' Advisory Committee and the NSW response to matters before the COAG Health Council.

## System Purchasing and Performance

The System Purchasing and Performance Division provides the front end of 'system management', and acts as an important interface with local health districts, specialty health networks, the pillars and other health organisations to support and monitor overall system performance. It also coordinates purchasing arrangements with the districts and networks.

## Health Administration Corporation

Under the *Health Administration Act 1982*, the Secretary is given corporate status as the Health Administration Corporation for the purpose of exercising certain statutory functions. The Health Administration Corporation is used as the statutory vehicle to provide ambulance services and support services to the health system.

A number of entities have been established under the Health Administration Corporation to provide these functions including:

### NSW Ambulance

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

### Health Infrastructure

Health Infrastructure is responsible for the delivery of the NSW Government's major works hospital building program, under the auspices of a Board appointed by the Secretary.

### HealthShare NSW

HealthShare NSW provides corporate services and information technology services to public health organisations across NSW under the auspices of a Board appointed by the Secretary.

### NSW Health Pathology

NSW Health Pathology is responsible for providing high quality pathology services to the NSW Health system through four pathology networks.

### eHealth NSW

The launch of the Blueprint for eHealth in NSW in December 2013 paved the way for new governance arrangements for eHealth delivery across the public health sector and the establishment of a distinct entity, eHealth NSW on 1 July 2014. eHealth NSW will provide statewide leadership on the shape, delivery and management of ICT-led healthcare.

## Health Protection NSW

Reporting to the Chief Health Officer, Health Protection NSW is responsible for surveillance and public health response in NSW including monitoring the incidence of notifiable infectious diseases and taking appropriate action to control the spread of diseases. It also provides public health advice and response to environmental issues affecting human health.

## Local health districts

Local health districts were established as distinct corporate entities under the *Health Services Act 1997* from 1 July 2011. They provide health services in a wide range of settings, from primary care posts in the remote outback to metropolitan tertiary health centres. Eight districts cover the greater Sydney metropolitan region, and seven cover rural and regional NSW.

## Statutory health corporations

Under the *Health Services Act 1997*, there are three types of statutory health corporations subject to control and direction of the Secretary and Minister:

1. specialty network
2. board-governed organisation
3. Chief Executive-governed organisation

During the reporting period, the following statutory health corporations provided statewide or specialist health and health support services.

### Specialty health networks

There are two specialist networks: The Sydney Children's Hospitals Network (Randwick and Westmead) and the Justice Health & Forensic Mental Health Network.

## Pillar organisations

### Agency for Clinical Innovation

The Agency for Clinical Innovation is a board-governed statutory health corporation. Unexplained or unjustified clinical variation can result in adverse patient events. The Agency is responsible for reviewing clinical variation and supporting clinical networks in clinical guideline/pathway development with encouragement toward standardised clinical approaches based on best evidence.

### Bureau of Health Information

The Bureau of Health Information is a board-governed statutory health corporation. The Bureau's role is to provide independent reports to government, the community and healthcare professionals on the performance of the NSW public health system, including safety and quality, effectiveness, efficiency, cost and responsiveness of the system to the health needs of the people of NSW.

### Cancer Institute NSW

The Cancer Institute NSW is Australia's first statewide government cancer agency, focused on reducing the incidence of cancer, increasing survival from cancer and improving the quality of life for people with cancer and their carers. The Institute also provides a source of expertise on cancer control for the Government, health service providers and medical researchers.

## Clinical Excellence Commission

The Clinical Excellence Commission is a board-governed statutory health corporation. The Commission was established to reduce adverse events in public hospitals and support improvements in transparency and review of these events in the health system. A key role of the Commission is building capacity for quality and safety improvement in health services.

## Health Education and Training Institute

The Health Education and Training Institute is a Chief Executive-governed statutory health corporation which coordinates education and training for NSW Health staff. The Institute works to ensure that world-class education and training resources are available to support the full range of roles across the public health system including patient care, administration and support services.

## NSW Kids and Families

NSW Kids and Families provides leadership on health strategy and policy across the life course of a child from pre-conception to 24 years. This also includes reducing the health impact of domestic and family violence, child abuse and neglect.

## Affiliated health organisations

At 30 June 2014, there were 16 affiliated health organisations in NSW managed by religious and/or charitable groups operating 28 recognised establishments or services as part of the NSW public health system. These organisations are an important part of the public health system, providing a wide range of hospital and other health services.

## St Vincent's Health Network

Section 62B of the *Health Services Act 1997* enables an affiliated health organisation to be declared a Network for the purposes of national health funding. St Vincent's Hospital, the Sacred Heart Health Service at Darlinghurst and St Joseph's Hospital at Auburn have been declared a NSW Health Network.

## Governance

The Secretary is committed to best practice clinical and corporate governance and has processes in place to ensure the primary governing responsibilities of NSW Health organisations are fulfilled with 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 health-related areas of the NSW State Plan.

## 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.

## Risk management

Corporate governance and risk management responsibilities have been integrated resulting in efficiencies and a better approach to risk management and assessment and implementation of recommendations and findings.

## 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 integrity, openness and honesty.

## Monitoring state plan performance

A set of high-level performance indicators measure NSW Health's performance against priorities contained in the *NSW State Health Plan: Towards 2021* and the Government's *NSW 2021: A Plan To Make NSW Number One*. 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 translating to hospital level for local management. They provide a basis for a tiered set of key performance indicators at the local health district, specialty health network, 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.

## NSW Health performance framework

The *NSW Health Performance Framework* for public sector health services provides an integrated process for performance review and management, with the overarching objectives of improving patient safety, service delivery and quality across NSW Health. The Framework includes the performance expected of local health districts and speciality health networks to achieve the required levels of health improvement, service delivery and financial performance. The Framework forms an integral part of the annual business planning cycle that establishes the annual Service Agreements between the NSW Ministry of Health and individual health services, including standards for financial performance. The Framework and associated key performance indicators and service measures promote and support a high performance culture.

This Framework recognises the interdependence of the elements of the health system and recognises capacity to improve performance may need to occur in collaboration with other elements of the system. Careful monitoring, intervention and transparency regarding implications of sustained poor performance are also important elements of the Framework, which provides health services with a clear understanding of the response to unsatisfactory performance. It sets out the triggers for intervention in response to performance issues and, where necessary, the process of escalation and de-escalation to restore and maintain an effective performance across health service facilities and services. Performance against quality and productivity improvement targets forms part of the overall performance assessment under this Framework.

The Framework operates within a number of important contexts:

- Integration of governance and strategic frameworks, business planning, budget setting and performance assessment is undertaken within the context of the *NSW State Health Plan: Towards 2021* and *NSW 2021: A Plan to make NSW Number One*.
- The National Health Reform Agreement requires NSW to establish Service Agreements with each health service and implement a performance management and accountability system, including processes for remediation of poor performance.
- Service Agreements, Service Compacts and Performance Reviews are central elements of the Performance Framework in practice. The Performance Framework operates alongside NSW Health Funding Reform, Activity Based Funding Guidelines and the Purchasing and Commissioning Frameworks issued during the year.

The primary interaction between the Ministry and health services under the Performance Framework is with the Chief Executive of the health service. A Council of Board Chairs has been established and meets quarterly with the Minister for Health and Minister for Medical Research and Secretary.

### **Service agreements**

The 2013-14 NSW Health Service Agreements were developed in the context of the National Health Reform Agreement, the NSW Government's 2021 Plan, the goals of the NSW public health system and the parameters of the NSW Health Performance Framework, which includes a transparent system of responding to each health service's level of performance throughout the year.

The Agreements are an integral component of the NSW Government's commitment to devolve governance and accountability as far as possible to the local level and continue as a key driver in the devolution of NSW Health's service purchasing approach, with Activity Based Funding a key component. Each local health district and network Service Agreement has been made publicly available on their respective websites.

## **Feedback**

NSW Health is committed to improving the overall quality of healthcare. One of the challenges in this objective is to identify and promote strategies and practices that enhance services provided to the community and engender community trust in those who administer and provide those services. General feedback, complaints and compliments provide unique information about the quality of healthcare from the perspective of consumers and their carers. The challenge for healthcare services is to collect better information about consumers' views to ensure the safe delivery of care. To provide feedback, complaints or compliments about healthcare services please visit the NSW Health website.

Complaint Management Guidelines provide health workers with an operational framework for dealing with complaints. The guidelines aim to ensure that identified risks arising from complaints are managed appropriately, that complainants' issues are addressed satisfactorily, that effective action is taken to improve care for all patients, and that health service staff are supported.

To gather feedback from patients, the Bureau of Health Information manages the *NSW Patient Survey Program* on behalf of the NSW Ministry of Health and local health districts. This survey gathers information from patients across NSW about their experience with services in hospitals and other healthcare facilities. During 2013 and 2014, the Bureau of Health Information surveyed patient groups to report on their experiences of care with new reports published by the Bureau in early 2014.

## **Clinical governance principles and practices**

The provision of safe and high quality healthcare in NSW requires effective clinical governance structures and processes. Following the implementation of the *NSW Patient Safety and Clinical Quality Program* in 2005, NSW Health has had a comprehensive clinical governance process in place to provide a systematic approach to improving patient safety and clinical quality across the whole of the NSW health system. The key principles of clinical governance encompassed in the NSW Program are:

- openness about errors – these 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
- a just culture – individuals are treated fairly and not blamed for system failures
- appropriate prioritisation of action – according to resources and where the greatest improvements can be made, actions are prioritised
- teamwork – recognised as the best defence against system failures and is explicitly encouraged.

The Clinical Excellence Commission has responsibility for the quality and safety of the NSW public health system and for providing leadership in clinical governance. This encompasses a lead role in system-wide improvement of clinical quality and safety, including clinical incident reviews and responses, system clinical governance, representing NSW Health in appropriate state and national forums and providing advice, briefings and associated support to the Secretary and Minister.

Local health districts and speciality health networks have primary responsibility for providing safe, high quality care for patients and have established clinical governance units. Responsible to the Chief Executive, local health district Directors of Clinical Governance provide 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.

System-wide sharing of information and initiatives to reduce risk and improve quality and safety are facilitated through a number of programs, projects and initiatives undertaken by the Clinical Excellence Commission. Close links and collaboration are in place with the NSW Ministry of Health, the Agency for Clinical Innovation, Bureau of Health Information, Health Education and Training Institute, Cancer Institute NSW and local health district/speciality health network clinical governance units.

The Agency for Clinical Innovation is the lead agency in NSW for engaging clinicians and designing and implementing best practice models of care by working with doctors, nurses, allied health, managers and consumers. The Agency plays a key role in supporting clinical governance through its clinical taskforces. The Reducing Unwarranted Clinical Variations Taskforce was established in 2012-13 and has a focus on identifying, addressing and reducing variation in care for patients with stroke, heart attack, rare cancer surgery and hip fractures.

