

The reporting year 2010–11 has been a year of major health reform in the New South Wales public health care system.

The year involved further implementation of the recommendations of the Special Commission of Inquiry into Acute Care Services in New South Wales Public Hospitals; major innovations in quality, safety and clinical engagement in service design and improvement; negotiation and implementation of the Council of Australian Government's agreements on national health reforms and the implementation of the health policies of the new State Government which are based on a model of devolved, local decision making and integrated patient care to ensure that the patient is at the centre of everything we do.

National Health Reform

National Health Reform was a major focus for NSW Health in 2010–11. The initial Council of Australian Governments National Health Reform Agreement signed by all jurisdictions (except Western Australia) on 21 April 2010 resulted in the restructure of NSW Health's eight Area Health Services to 15 Local Health Networks (now Districts) under the auspices of Governing Councils on 1 January 2011. In February 2011, COAG revisited the 2010 'Agreement' and agreed on a revised Heads of Agreement which was negotiated through the second half of 2010–11 with all jurisdictions reaching agreement in July 2011. NSW Health, working with central agencies of Government, took a leadership role in shaping the final agreement which provides that State health authorities act as system managers and purchasers of services from public hospitals, the Commonwealth will contribute to funding the growth pressures on the State health system, the introduction of Activity Based Funding for public hospitals on a national basis and from 2014–15, the Commonwealth's funding guarantee will be available to States to help meet growth demand on public hospitals including investment in hospital avoidance programs which provide an important basis for planning future development of health services.

New South Wales Health Reform

In May 2011, legislation was passed to establish Local Health Districts and Boards in lieu of Local Health Networks and Governing Councils. The establishment of Boards and Districts reflects the New South Wales Governments' priorities of devolution and local decision making, greater transparency and accountability and strengthened clinician engagement. Also in the last quarter of the reporting year, I led a process to review the governance arrangements for NSW Health to support these priorities and to ensure alignment at the State level with the policy position New South Wales took to the national health reform negotiations. We embarked on a transparent and consultative process, talking with staff, stakeholders across the various entities, as well as consulting with industrial organisations. Almost universally, staff supported the commitment to devolve responsibility and accountability. However, the need for local decision makers to be empowered, with adequate delegation and resources was also identified. Clearly defined and articulated roles and responsibilities for all entities across the health system were seen as critically important.

On 24 August 2011, the Hon. Jillian Skinner, the Minister for Health and Medical Research released the report titled *Future Governance Arrangements for NSW Health – Report of the Director-General*. This Report outlined the new governance arrangements aimed at ensuring NSW Health is a strong and resilient health system able to deliver the excellent health outcomes we expect for our patients and the broader community. Key recommendations included greater responsibility and accountability for health services by the Local Health Districts under a service agreement between the Department of Health as purchaser and system manager and the Local Health District Boards as providers of health services. The Department has become the Ministry of Health with a more streamlined role focusing on strategic planning, regulatory and public health functions, Westminster government functions and purchasing and performance monitoring of health services. The Clinical Excellence Commission and the Agency for Clinical Innovation, Bureau of Health Information and the Clinical Education and Training Institute, which were established in response to the recommendations of the Special Commission of Inquiry, have been strengthened to have a key role in their respective areas of healthcare design standards and reporting, education and associated policy. A dedicated entity to focus on eHealth will also be established. Implementation of the findings of the review commenced immediately upon its release and we are working toward finalising the new arrangements.

I thank all those staff who took the time to provide such considered responses, which have informed the work of the Governance Review in developing a framework for the future governance arrangements for NSW Health.

Organisational Culture

Underpinning the New South Wales Government's health policies is a commitment to a positive workplace culture for the more than 100,000 staff who work in the public health care system.

The culture of any workplace is important. And none more so than an organisation as large and diverse as NSW Health, which is comprised of dedicated individuals striving to provide the best possible care to patients, often in difficult or challenging circumstances.

The recently released NSW Health Workplace Culture Framework outlines the characteristics of a better and more compassionate workplace culture. The Framework is a key statewide initiative designed to assist all staff in contributing to a positive workplace culture across NSW Health and to support a workplace that embodies our CORE values of Collaboration, Openness, Respect and Empowerment. I have also appointed a Taskforce to examine cultural change strategies, including the development of new Code of Conduct to reflect the CORE values.

This year, we have also undertaken our first organisation-wide Health Workplace Culture Survey - YourSay. The results of this survey have been released and while valuable in highlighting our strengths, the survey also identifies areas for improvement. The results are being used by local management to develop action plans to respond to those issues that were of concern to local staff.

Preventative Health

We are also focusing on keeping people healthy and out of hospital. A Ministerial Taskforce on Preventative Health has been established to develop strategies to enhance personal and community health and an Office of Preventative Health will be established in South Western Sydney.

Throughout the year, we have continued to implement a number of programs and initiatives to support our local communities to live healthier, longer and more active lifestyles, with a particular focus on early childhood and primary school settings. One important initiative was the new-look Healthy Kids website, www.healthykids.nsw.gov.au, launched in February, providing easy access for

parents, teachers and health professionals to a range of resources to encourage our kids to eat more healthy foods and be more active. The Healthy Kids website (www.healthykids.nsw.gov.au) is a collaborative effort across NSW agencies, bringing together information about a range of State government programs and campaigns.

Mental Health

The NSW Government has strongly supported the establishment of a Mental Health Commission to champion mental health; ensure better accountability of mental health services and the use of mental health funds, and to nurture innovation in our approach to mental health including the development of the most appropriate models of care.

As the first step towards the formation of the NSW Mental Health Commission, on 2 June 2011 a Mental Health Taskforce, chaired by the Minister for Mental Health was established to make recommendations on the establishment of the Commission in NSW. The Taskforce examined existing models and undertook wide ranging consultation across the State. Feedback was gathered from the community, health professionals, government agencies and non-government organisations to inform the work of the Taskforce. A Bill to establish the Commission was introduced into the Parliament in November 2011 and the Commission is planned to be operational from 1 July 2012 and will assist us in delivering improved services for mental health patients and carers.

Medical Research

We have established the Office of Medical Research reporting to the Minister for Health and Medical Research, with \$129 million of funding over four years to support innovative research, treatments and technologies aimed at improving patient care. The NSW Office for Medical Research (OMR) plays a crucial role in supporting the State's leading health and medical research efforts. OMR helps support the broad range of outstanding health and medical research effort being carried out in NSW. Mr Peter Wills AC has been appointed to lead a review of health and medical research in NSW and recommend a strategic plan covering the next 10 years. This review will identify how New South Wales can position itself as an important contributor to the international health and medical research sector.

Special Commission of Inquiry

The recommendations of the Special Commission of Inquiry continue to be embedded in health service delivery across New South Wales. *Essentials of Care*, a program designed to enhance teamwork and collaboration in hospital wards to enhance the patient experience has been implemented across 440 wards and units. *Between the Flags*, a Statewide program to improve identification of the deteriorating patient, has continued to be rolled-out; in fact the awareness training package has been completed by 45,176 staff (79%), and the DETECT e-learning package by 21,757 (46%), a further 14,694 staff have completed face to face one day training sessions for DETECT.

Finally, I wanted to highlight the recognition that our health service is achieving both in NSW and nationally. At the 2010 Premier's Public Sector Awards, NSW Health won the Delivering Services category, with a vocational service model to improve employment and education outcomes for mental health consumers in the northern Sydney and Central Coast. We also were runners up in a number of categories and received six commendations for outstanding projects across the state. Two of our health professionals, Professor Peter Fletcher and Marianna Wong were also recognised at these awards. Similarly in 2011, NSW Health shone with over sixty nominations submitted to the ten categories from customer service to excellence in delivery.

Of the ten group categories NSW Health won five awards. This year also saw the NSW Aboriginal Maternal Infant Health Service (AMIHS) recognised with the Silver Prime Minister's Award for Excellence in Public Sector Management at the prestigious Prime Minister's Awards. The AMIHS has been providing accessible and culturally appropriate antenatal and postnatal services since its implementation in 2000.

While these awards are cause for celebration, they simply reflect the innovation and skill demonstrated in our health system every day. The health system is constantly changing and in order to respond we need to be responsive and flexible. The new governance arrangements for NSW Health I believe will hold us in good stead to deal with the challenges of public health care delivery and in the future planning of health services for the community of New South Wales.

Thank you all for your continued dedication and hard work over the past year. I am confident that by working together in the interests of our patients and the broader community, we will continue to deliver a public health care system we can all be proud of.