



LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY
13th Assembly
SOCIAL POLICY SCRUTINY COMMITTEE

Public Briefing Transcript

Health Services Amendment Bill 2018

3.00 pm, Monday, 3 December 2018
Litchfield Room, Level 3, Parliament House, Darwin

Members:

Ms Ngaree Ah Kit MLA, Chair, Member for Karama
Mrs Lia Finocchiaro MLA, Member for Spillett
Mrs Robyn Lambley MLA, Deputy Chair, Member for Araluen
Ms Sandra Nelson MLA, Member for Katherine

Witnesses:

Helen Ceron: Executive Director, Office of the Chief Executive,
Department of Health
Klarin Sivyer: Director of Governance Change, Department of Health

Health Services Amendment Bill 2018

Department of Health

Madam CHAIR: Good afternoon everyone and thank you for joining us. I am Ngaree Ah Kit, the Member for Karama and the Chair of the Social Policy Scrutiny Committee. On behalf of the committee I welcome everyone to this public briefing into the Health Services Amendment Bill 2018.

I acknowledge that this public briefing is being held on the land of the Larrakia people, and I pay my respects to Larrakia elders, past, present and emerging.

I also acknowledge my fellow committee members in attendance today via teleconference Sandra Nelson, Member for Katherine and Robin Lambley, Member for Araluen.

I welcome to the table to give evidence to the committee from the Department of Health, Helen Ceron, Executive Director, Office of the Chief Executive and Klarin Sivyler, Director of Governance Change, Legal Services. Thank you for coming before the committee. We appreciate you taking the time to speak to the committee and we look forward to hearing from you today.

This is a formal proceeding of the committee and the protection of Parliamentary Privilege and the obligation not to mislead the committee applies.

This is a public briefing and is being webcast through the Assembly's website. A transcript will be made for use of the committee and may be put on the committee's website. If at any time during the hearing you are concerned that what you will say should not be made public, you may ask that the committee go into a closed session and take your evidence in private.

I will ask each witness to state their name for the record and the capacity in which they appear. I will then invite you to make a brief opening statement before proceeding to the committee's questions.

I now welcome the Member for Spillett, Lia Finocchiaro who has joined us in the Litchfield Room.

Could you please state your name and the capacity in which you are appearing?

Ms CERON: Helen Ceron, Executive Director, Department of Health.

Ms SIVYER: Klarin Sivyler, Director of Governance Change, Legal Services, Department of Health.

Madam CHAIR: Thank you very much. Ms Ceron, would you like to make an opening statement?

Ms CERON: In 2011, the Northern Territory signed the National Health Reform Agreement which committed the Commonwealth and all states and territory governments to a range of new financial and governance arrangements for Australian public hospital services.

The arrangements were aimed at delivering a nationally unified and locally controlled health system including improving local accountability and responsiveness to the needs of communities through the establishment of local hospital networks and secondly, confirming state and territories lead role as system managers for public hospital services.

In 2014, the Legislative Assembly passed the Health Services Act which established the Top End Health Service and the Central Australia Health Service as local hospital networks, a Health Service Board to govern each service and the Chief Executive Officer of the Department of Health as the System Manager.

The present bill amends the Health Services Act to give effect to the new streamlined governance structure for the Northern Territory health services. On 30 June 2017, the Top End and Central Australia Health Service Boards were dissolved. In accordance with the act, a Service administrator was then appointed for each health service to undertake the role of the board as an interim measure while these amendments to the Health Services Act were progressed.

The purpose of these changes was to strengthen and streamline accountability across the Northern Territory health system. In addition to the appointment of the Service administrators, new advisory structures were created to provide clinical expertise and regional community input into the governance of our health services.

In November 2017, the Health Advisory Committee was established for each Health Service and overarching that across the Territory, the Clinical Senate was revitalised. The Health Advisory Committees assist the Health Services by advocating and advising on issues affecting the health, wellbeing and culture values of the local community and region.

The Northern Territory Clinical Senate is a group of multidisciplinary clinical leaders from both nongovernment and government services to provide advice to NT health leadership about improving patient safety and the clinical quality of health services across the Territory.

This bill amends the Health Services Act to provide for the removal of all references to the Health Service Boards and the Service administrators. The bill makes clear that the Chief Operating Officers of each health service reports directly to the Chief Executive Officer of the Department of Health and otherwise largely retains the existing health system and governance arrangements between the Chief Executive Officer, the System Manager and the Health Services.

Under the new governance structure the Health Services maintain their status as independent statutory bodies. The Chief Operating Officer of each Health Service remains responsible for the day to day operation of the service including implementing the Service Delivery Agreement, monitoring the financial and administrative performance of the service, the management of employees and participating in the governance of the public health system.

The Chief Operating Officers are now accountable to the Chief Executive Officer of the Department of Health for the performance of the respective Health Services in providing health services to the community and the financial management of each Health Service.

The System Manager is still responsible for the overall development, management and performance of the public health system which includes the two Health Services. The Health Services receive their funding from the System Manager and are required to provide services to their communities in accordance with their Service Delivery Agreements.

The Service Delivery Agreements set out the clinical services to be delivered and the funding allocated for these services. The content of the Service Delivery Agreements is not changed by the change in reporting and accountability arrangements of this bill. The negotiation of the Service Delivery Agreement becomes an operational matter between the Health Service Chief Operating Officer and the Chief Executive Officer.

Thank you.

Madam CHAIR: Thank you very much Ms Ceron. I will now open it up to the committee for any questions.

Mrs FINOCCHIARO: Thank you very much for coming this afternoon.

Essentially it just puts the Health Services back in line with the practice that the government has been undertaking since it removed the boards? Was that about a year ago, maybe longer?

Ms CERON: Since 30 June 2017, the Service administrators in each of the Health Services have been undertaking the role of the boards as an interim measure.

Mrs FINOCCHIARO: This bill will then remove the boards, what will happen then to the person that has been doing the interim work? That role disappears?

Ms CERON: Yes, correct.

Madam CHAIR: Could you please advise if Territorians will notice any changes in regards to this bill? It will not have an impact on their level of service through our health system, for example.

Ms CERON: No, I contend that the arrangements that have been in place since November last year, since the Health Advisory Committees and the Clinical Senate have been on foot, have been serving to strengthen the communication and the flow of information between the community as well as the public health system.

These arrangements have strengthened that and consequently should be improving health services.

Madam CHAIR: Great to hear. Are there any questions from the Member for Araluen or the Member Katherine?

Ms NELSON: I have a quick broad question and that is, what is the impact this is going to have on regional areas like Katherine? What is the benefit?

Ms CERON: As I have just identified, the governance arrangements have been strengthened. Local community members participating particularly in the Health Advisory Committees for Top End would be having a stronger input for the Top End residents and particularly Katherine.

Likewise in the Clinical Senate, we have an excellent cross-section of government and nongovernment representatives there from multidisciplinary areas and they too are providing strong leadership for all parts of the Territory including our more remote areas.

Mrs LAMBLEY: I have some questions. Bringing the COOs, the Chief Operating Officers, under the management of the Chief Executive Officer, that really takes away the independence of the different health services, the Top End and Central Australian Health Services, is that right?

Ms CERON: Kind of. One of the challenges that we did have with the act in its current form is that the COOs had dual reporting relationships to both the board and to the Chief Executive Officer. That issue will be clarified as a part of this act amendments.

Mrs LAMBLEY: So the Chief Executive Officer really assumes the old position, prior to 2014, of being completely in control of every aspect of the health department, is that correct?

Ms CERON: Not particularly. One of the key tenets or principles of the *National Health Reform Act* is that there is local governance for the service delivery. While the department, as a System Manager, will prescribe what services are to be provided and the funding allocated for those through the Service Delivery Agreements, how those services are delivered remains within the decision making control of the COOs for each Health Service.

Mrs LAMBLEY: But the COOs coming under the control of the CEO, the buck stops with the CEO. Is that correct? Or they still have their own delegations, discretions and independence?

Ms CERON: They will have their own delegations but in the simplest form, the Chief Executive Officer is the accountable officer.

Mrs LAMBLEY: So that is the most significant change in this legislation, is that correct? That the Chief Executive Officer is back in full control of the health department and the independence of the two Health Service Boards have been diminished.

Ms CERON: They will no longer be in place, that is correct. To the extent that under the new structure, the Chief Executive Officer is the accountable officer that is where, I guess, the buck stops.

Mrs LAMBLEY: The System Manager comes under the Chief Executive Officer too, is that correct?

Ms CERON: That is correct. The Chief Executive Officer of the Department of Health is defined as the System Manager for the purposes of the act.

Mrs LAMBLEY: That person is separate to the different Health Service Boards, they are sitting to the side of them?

Ms CERON: Yes.

Mrs LAMBLEY: Okay.

Ms CERON: Another part I should also mention, as a part of the government's changes was a strengthening of the department's governance structure. The Northern Territory Health Oversight Committee has been established as well and that comprises of the Chief Executive Officer, the two COOs, the Deputy Chief Executives along with the Chief Health Officer, the Chief Finance Officer and the People and Organisational Capability Executive Director.

Mrs LAMBLEY: Do the two Health Service Boards have their own Chief Financial Officers still?

Ms CERON: The two Health Services will continue to have their own Chief Financial Officer, correct.

Mrs LAMBLEY: Right. With the Health Advisory Committee, are they paid positions?

Ms CERON: They are.

Mrs LAMBLEY: That is all in the legislation or regulations or something, how much they are paid?

Ms CERON: They are paid in accordance with the part time chairs, government boards and committees.

Mrs LAMBLEY: Are the members of the Clinical Senate paid too?

Ms CERON: I believe so. Those who are not public servants. I would like to confirm that if I could please.

Mrs LAMBLEY: The whole reason why the changes were made in 2014 was to strengthen the autonomy of the local health services, the Top End and the Central Australian Health Service—they had their own community boards, management structures and there were a range of things that were kept centralised mainly for convenience.

So this is back to a fairly traditional model, would you say, of running hospitals in the Northern Territory? Back to a sort of centralised model, is that a fair enough understanding of these changes?

Ms CERON: No, I probably would not agree with that completely to the extent that the Service Delivery Agreements continue to be that contract or agreement between the department and the Health Services. As indicated before, previously the very centralised model where we did have the department more or less telling health services how to deliver services down to the last bed, that has significantly changed under the National Health Reform Agreement.

How the Health Services deliver their services remains within their purview, it is not up to the department to tell the Health Services how they will deliver. What we do expect though, is that the services will be delivered in a safe, quality way that is provided in a sustainable manner.

We do not get into tin tacks of that whereas I think previously that was the case. It is very much a purchase - provider model. That characteristic continues regardless of the amendments.

Mrs LAMBLEY: The Health Advisory Committees do not preside over a budget though, do they? I remember the Health Services Boards did, they were very much involved in overseeing the budget. The Health Advisory Committees do not do that, is that correct? They advocate and advise on other matters.

Ms CERON: That is correct.

Mrs LAMBLEY: So who actually looks after the—is there any community oversight of the actual budgets of the Top End and Central Australian Health Services?

Ms CERON: Other than that which comes through the reporting of budgets and performance in things like BP3, the annual report and estimates.

Mrs LAMBLEY: Really it is up to the CEO with the COOs, the CFOs and the System Manager who have oversight and management of the finances rather than any sort of community oversight in this model.

Ms CERON: That is correct.

Mrs LAMBLEY: Have the Service Delivery Agreements changed at all? Are there any changes to those?

Ms CERON: No. They still retain the same look and feel. Having said that, we did undertake a review of them and they will be updated a little bit. Based on the few years that we have had them in place, we have looked at all other jurisdictions and found that the essential model that we have in place is sound but we would like to try and tweak some of the KPIs a bit to be a little bit more contemporaneous for the changes that are happening nationally now.

Mrs LAMBLEY: Okay. I do not have any more questions. Thank you very much.

Madam CHAIR: Member for Katherine, do you have any further questions? Member for Spillett, any further questions?

Mrs FINOCCHIARO: I just wanted to ask about costs. Has there been any saving to government as a result of the change or has the change actually cost more than if it was to have kept the existing government structures going?

Ms CERON: There are recurrent savings to the system as a result of these changes. The boards, when they were in place, were categorised as an A1 board which carries the significant fees and payments under that.

The Health Advisory Committees are also paid arrangements. They are a C2, I think. The remuneration paid to the advisory committees is much lower. We estimate that overall there is a recurrent of about \$750 000 to \$780 000 a year as a result of these changes.

Mrs LAMBLEY: Can I put a question on notice for you? The question about whether the Clinical Senate are paid? Could you get back to us on that question please?

Ms CERON: Certainly. Thank you very much.

Madam CHAIR: Thank you Robyn, we have noted that.

Does the committee have any final questions?

The committee has no final questions and as such we will conclude this public briefing on this bill and thank both Ms Sivyer and Ms Ceron for coming before us this afternoon.

Thank you very much ladies.