



GOVERNMENT RESPONSE – INDEPENDENT REVIEW OF THE WA HEALTH SYSTEM GOVERNANCE REPORT

Background

In January 2022, the Western Australian Government commissioned an Independent Review of WA Health System Governance (Review) led by an expert panel. The purpose of the Review was to examine the operational and practical effectiveness of governance structures set out in the *Health Services Act 2016* (the Act) and their impact on patient experience and outcomes.

The Act came into effect on 1 July 2016, providing a legal framework for roles, responsibilities and accountabilities of the health system in Western Australia (WA). The Act established the Department of Health (DOH), as *system manager*, with responsibility for providing strategic leadership and direction for the provision of public health services in WA. Seven Health Service Providers (HSPs) were established under the Act, and include three metropolitan health services, WA Country Health Service, Child and Adolescent Health Service, PathWest Laboratory Medicine WA and Health Support Services. Each HSP is legally responsible and accountable for delivering health care to their communities. Importantly, the Act introduced a devolved model of governance that enables decision-making to occur closer to service delivery and patient care.

The Panel

The Panel comprised of:

- Ms Kym Peake Review Chair, former Secretary of the DOH and Human Services (Victoria) and previous Deputy Secretary of the Department of Premier and Cabinet (Victoria).
- Dr David Rosengren, Panel Member, Executive Director, Royal Brisbane and Women's Hospital and acting Chief Operating Officer for Queensland Health.
- Ms Jo Gaines, Panel Member, Chair of GESB and former Deputy Chief of Staff to the Hon Mark McGowan MLA in his capacity as Premier and Leader of the Opposition.
- Mr Gary Smith, Panel Member, Chancellor of Murdoch University and Co-Chair of Reconciliation WA.

Review consultation and findings

The Panel's findings and recommendations were shaped by extensive engagement with relevant internal and external stakeholders, government agencies, peak bodies and education and training institutions.

The Panel conducted approximately 85 stakeholder consultations including two virtual sessions with consumer groups and three virtual sessions with WA health system staff. The Panel received 36 written submissions and 58 public consultation survey responses.

Overall, the Panel's findings and recommendations demonstrate the WA devolved governance model is maturing and should be retained. Health spending is also more sustainable, with clearer accountability for HSP boards and executive teams, since the introduction of the Act in 2016. The Panel also noted positive signs of maturing clinical governance and improved delivery of shared services.

The Panel acknowledged that decision-rights across the system should be further clarified to reduce duplication of effort and improve the consistency of experience for patients and the workforce. The Panel noted many participants in the review called for better alignment between different parts of the current WA health system and improved mechanisms for consumer and clinician engagement, rather than major structural change.

The Panel recommended the next stage of governance should provide stronger systemwide direction and formalise collective leadership focussing on improving consumer experiences and population health outcomes.

Review Recommendations

The Panel made 55 recommendations aimed at strengthening accountability for outcomes, improving strategic alignment and driving delivery of strategic initiatives.

The recommendations include but are not limited to:

- clearer mandates within the system for the delivery of major projects, ICT and procurement;
- formalising collective accountability for health system performance;
- strengthening of systemwide leadership;
- better use and sharing of data, information and innovation;
- improving board decision rights and capability;
- streamlining accountability for mental health commissioning and service development;
- improving performance management;
- increased consistency in staff employment and training;
- structured mechanisms for clinical, workforce and consumer engagement; and
- improved interagency collaboration and partnerships to achieve shared goals.

The Panel has recommended the DOH as system manager focusses on strategic workforce initiatives which will ensure a fit for purpose health workforce for the future and will further enhance the current workforce experience.

The Panel also recommended reassigning several mental health responsibilities from the Mental Health Commission (MHC) to the DOH to provide a central point of accountability. Accordingly, the DOH would be responsible for policy, planning, funding, workforce development and clinical assurance and improvement of public mental health services and alcohol and other drug services. The MHC would retain responsibility for leading mental health promotion (primary prevention), supporting people with lived experience to be active partners in the improvement of the system, and be tasked with monitoring and reporting on the performance of the WA public mental health system and undertaking inquiries on request of the Minister.

Government acknowledgement of the Review report

On 24 October 2022, the WA Government noted the Final Report of the Independent Review of WA Health System Governance Report and approved further consultation to inform a formal response.

Following the release of the report, the Panel chair, Ms Kym Peake, conducted briefings to government departments, non-government organisations, mental health consumer groups and persons with lived experience, to provide context and further information on the findings and recommendations. Stakeholders were also invited to submit feedback on the report and its recommendations.

There is broad consensus amongst stakeholders for the majority of Review recommendations. This includes strong support for recommendations aimed at strengthening accountability for outcomes, improving strategic alignment and driving delivery of strategic initiatives.

Government response

The WA Government would like to acknowledge and thank the Panel for their insights into the WA health system and their efforts in producing a comprehensive report to improve and mature the WA health governance processes and practices for the future.

The WA Government welcomes the report on the Independent Review of WA Health System Governance. Stakeholder feedback on the Review's recommendations indicates broad consensus for the majority of the recommendations. The WA Government accepts in principle 47 of the 55 recommendations. Recommendation 9 regarding a changed approach to the appointment of Health Service Provider chief executives is not supported. Recommendations 14 – 17 on mental health governance and recommendations 29 - 31 on local commissioning will be further considered.

Recommendation 9 provides that an amendment to the *Health Services Act 2016* should be made so that Health Service Provider (HSP) Chief Executives are employed by their HSP board, rather than the DOH's Director General. The Government is of the view that current Chief Executive recruitment process is robust and fit for purpose.

Recommendations 14 - 17 are aimed at addressing what the Panel saw as the need for stronger integration, collaboration, leadership, accountability; and ensuring joined up strategy and planning in mental health.

These recommendations propose significant changes to the governance of the WA public mental health system, including shifting several key responsibilities from the MHC to the DOH.

Due to the significance of recommendations 14 – 17, and the consistency of feedback that more thorough consideration is required, the Minister for Health and Mental Health will establish a time-limited Advisory Committee to provide further advice on mental health system governance. The Advisory Committee, in consultation with key stakeholders in the mental health and alcohol and other drug sectors, including persons with lived experience, will consider what governance arrangements will achieve the best outcomes for the WA community. A further response will be prepared no later than June 2023.

Recommendations 29 - 31 provide that local commissioning authorities should be established, whereby the System Manager retains responsibility for setting the policy and funding parameters for collaborative commissioning and overseeing the performance of local commissioning authorities.

Further consideration of these recommendations will be undertaken as part of the statutory review of the *Health Services Act 2016*.

Implementation

The WA Government will now commence comprehensive implementation planning in respect of the accepted recommendations, noting that through this process the Minister, System Manager and HSPs may refine specific recommendations to best achieve their strategic intent.

It is anticipated the implementation of recommendations will be phased over several years. Preliminary implementation scoping has indicated that an initial focus should be placed on recommendations related to WA health system present and future workforce initiatives. The DOH will lead the implementation of these recommendations.

The Government considers the following recommendations as implementation priorities:

- Strengthening the System Manager stewardship regarding major projects, risk management and statewide services.
- Formalising collective leadership.
- Improving systemwide collaboration and consumer experiences.
- Developing an alliance agreement for shared responsibility and systemwide cooperation.
- Enhancing the use and sharing of data to strengthen system planning, improvement and assurance.
- Centralising workforce support functions.
- Clarifying the roles and responsibilities regarding ICT and procurement.

The Department of the Premier and Cabinet has already commenced a review of the COVID-19 pandemic management which aligns with recommendation 55 of the Review.

Implementation of the Review recommendations will occur in close alignment to the implementation of the SHR recommendations to prevent duplication of efforts.