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# Health Reforms

Health Reforms Pass Upper House

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The *Health Services Amendment Bill 2004* was passed through the Legislative Assembly on 18 November. The Bill will bring into place many of the NSW Health reforms that have been in development for the last two years.

A major feature of the Bill is the amalgamation of the 17 area health services into eight larger health service areas, to be formed on 1 January 2005. Instead of each area providing its own corporate and business support services, some of these services will be able to be delivered on a statewide or regional basis. The reforms are expected to free up \$100 million annually.

The Bill amends the *Health Services Act 1997* with respect to the control and management of area health services and statutory health corporations in the following ways:

- It abolishes existing area health boards and provides that area health services are to be governed by their chief executives
- It establishes area health advisory councils to give advice with respect to certain matters affecting the operations of area health services
- It provides that statutory health corporations may be governed by their chief executives as an alternative to their being governed by health corporation boards, and enables the Governor, by order published in the Gazette, to change a statutory health corporation's governance from one form to another
- It establishes advisory councils to give advice with respect to matters affecting the operations of statutory health corporations that are governed by their chief executives
- It establishes a Health Executive Service, similar to the Senior Executive Service under the Public Sector Employment and Management Act 2002, in which health executives of the NSW Health Service are to be employed (ensuring direct-line accountability from senior executives to the Director General and the Minister)
- It enacts savings and transitional provisions consequent on the other amendments made by the bill, and it makes other minor, consequential and ancillary amendments to the Public Sector Employment and Management Act 2002.

The principal amendments to the *Health Services Act 1997* are:

### 1. Increased accountability through chief executives

The bill abolishes area boards, with area health services being controlled and managed by a chief executive, supported by an executive management team. It provides clear lines of accountability from the chief executive to the director-general, who in turn is accountable to the Minister.

- The legislation provides that a chief executive (an executive officer within the new Health Executive Service) can be appointed for each area health service.
- The affairs of an area health service are to be managed and controlled by the chief executive, and that anything done by the chief executive in the name of, or on behalf of, the service is taken to have been done by the service.
- The chief executive is subject to the control and direction of the Director-General of the Department of Health.

## 2. Establishment of area health advisory councils

The bill legislatively enables an area health advisory council for each area health service, whose membership will comprise up to 13 ministerially appointed clinicians and community-based consumer representatives.

- Area Health Advisory Councils will be established for each area health service, comprising between nine and 13 members, roughly equal numbers of whom are to be health professionals or community representatives, and at least one of whom is to have expertise, knowledge or experience in relation to Aboriginal health. Each member will have a term of office of up to four years, but with a prohibition on any member holding office for more than eight years.
- The area health advisory council is to facilitate the involvement of providers and consumers of health services, and of other members of the local community, in the development of the area health service's policies, plans and initiatives for the provision of health services.
- An area health advisory council is to have advisory, consultative and liaison roles, with an obligation to publish reports as to its work and activities.
- The Minister may establish a charter for area health advisory councils, with the requirements of which such a council must comply. Such a charter may include a code of conduct to be observed by members of an area health advisory council.

## 3. Establishment of Health Executive Service

With the abolition of area boards and the introduction of new accountability arrangements for chief executives, the bill makes the Director General, as the CEO of the Health Administration Corporation, their employer, including being responsible for appointment, contracts of employment, performance review and termination of appointment. The bill applies similar employment and compensation provisions to those applying to senior executive service officers under chapter 3 of the Public Sector Employment and Management Act 2002.

- The Health Executive Service is to comprise the chief executives of the Area Health Services and persons holding such offices in the NSW Health Service or the Health Administration Corporation as are designated as executive positions by the Health Administration Corporation.
- The Health Administration Corporation may make appointments (including acting appointments) to executive positions. Health executives appointments are limited to five years, but re-appointment is permitted.
- The employment of a health executive is to be governed by a contract of employment between the health executive and the Health Administration Corporation, reviewed annually by a person nominated by the Health Administration Corporation.
- A health executive is prohibited from undertaking paid work outside the duties of his or her executive position without the consent of the Health Administration Corporation.
- Health executives, who will be employed by the Health Administration Corporation, will remain part of the NSW Health Service.

The bill also makes minor consequential amendments to the Public Sector Employment and Management Act 2002 to recognise the new Health Executive Service regime.

## Hawker Britton

Hawker Britton was founded in 1997 by Bruce Hawker and David Britton, former chief of staff and senior media adviser respectively to Premier Bob Carr. From its initial office in Sydney, has grown in the ensuing six years to have five offices in Australia; Sydney, Melbourne, Adelaide, Perth, Brisbane, and three located internationally; Washington, Wellington and London.

Hawker Britton is Australia's only national and international public affairs company providing advice on managing government relations, strategic communications and campaigns.

The firm boasts a wide range of clients in a variety of industries, including banking and finance, film and entertainment, information technology and telecommunications, primary industries, property development, health care and health technology, transport and infrastructure, construction and mining, water and environment, sport, hospitality and gaming.

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