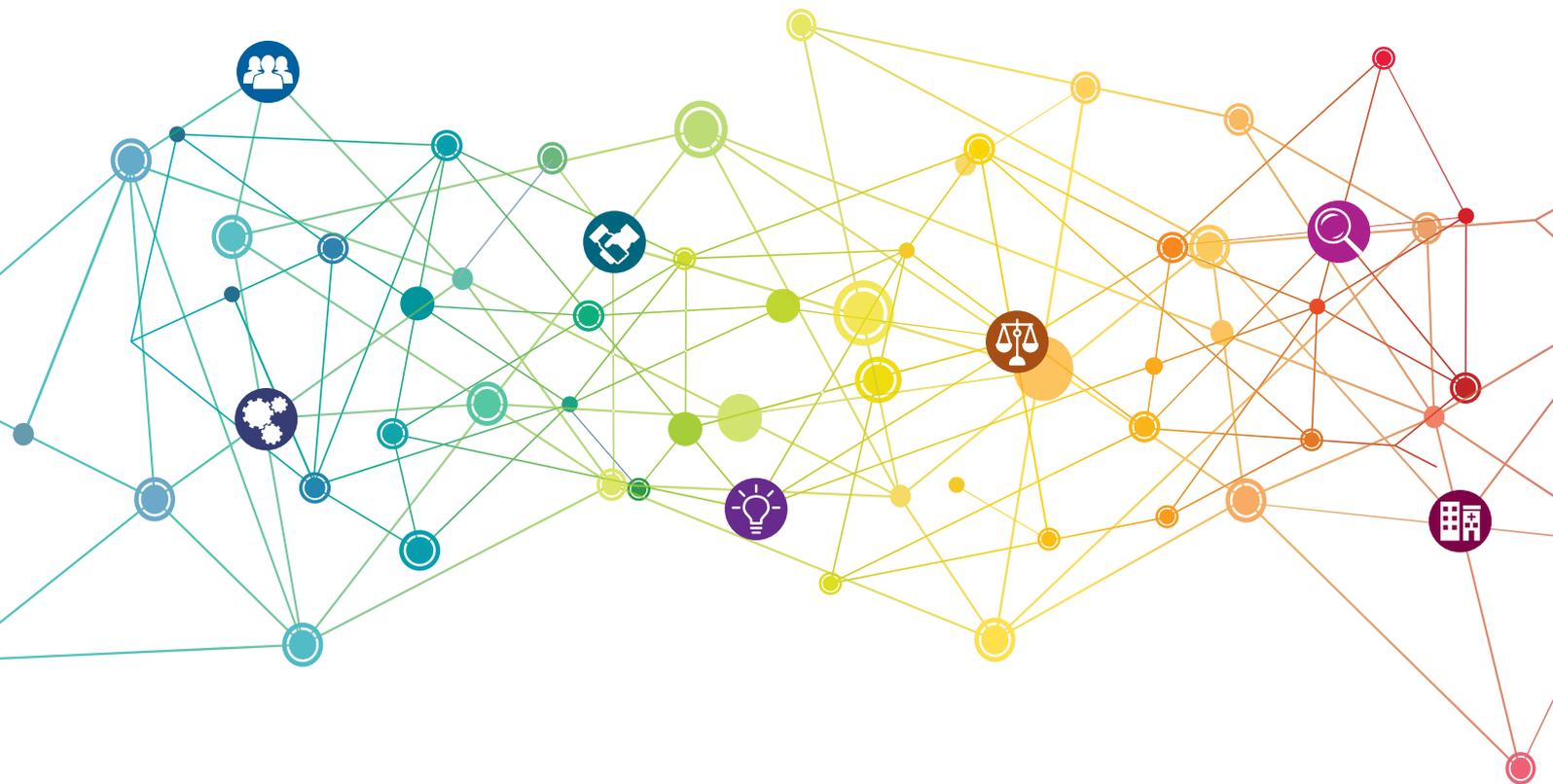




Government of **Western Australia**
Department of **Health**

Better health, better care, better value

WA Health Reform Program 2015–2020



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Foreword



Our public health system provides front line care right across the State, employing more than 44,000 people, and accounting for more than a quarter of State spending.

Western Australia has a health system of which we can all be justifiably proud. The men and women who provide care are among the best educated and trained in the world, and demonstrate everyday their professionalism, skill and dedication in their service to the community.

The State Government has invested in a massive program to renew the infrastructure for health care delivery in Western Australia. The scale of this renewal has been unprecedented.

We have spent considerable effort and resources in ensuring we have world class infrastructure to support our health system. It is now time that we turn our minds and attention to the important building blocks that underpin the running of our system, and the delivery of safe, effective, timely, and high quality health care to the people of Western Australia.

The *WA Health Reform Program 2015-2020* is focused on key enablers for our health system – workforce, accountability, financial management, partnerships, infrastructure, Information and Communications Technology (ICT) and support services, and research and innovation.

This work will support achievement of WA Health's Strategic Intent 2015-2020 through an integrated series of initiatives to promote health and prevent disease across the continuum of care; improve how we support our workforce and build capability; structure and govern our business; plan, resource and drive performance; partner to deliver health care closer to the patient; embed infrastructure; and innovate new ways of working.

As part of these changes, the State Government has announced new legislation outlining a contemporary governance framework for WA Health replacing the current Hospitals and Health Services Act 1927. It will ensure that roles and responsibilities are clear at every level of the system and that we continue to improve health outcomes through decision making that is closer to the patient, by those working in the system who can deliver better patient care and better value.

I am confident that these changes, implemented in concert with other important improvements across WA Health, will build on what's worked well and better position our system to respond to future challenges, while continuing to provide safe, effective, timely, and high quality health care.


Professor Bryant Stokes, AM
A/DIRECTOR GENERAL

Executive summary

WA Health's vision is clear – to deliver a safe, high-quality, sustainable health system. Our strategic priorities are focused on a continuum of care, detailed in [WA Health's Strategic Intent 2015-2020](#). These include prevention and community care services, more effective and efficient hospital services, chronic disease services, and Aboriginal health services.

To realise our vision we must create the conditions for each person working in the system to perform at their best by harnessing new levels of ownership, productivity and innovation. With the right enablers in place, our staff will be better able to make decisions, improve processes and redesign care to deliver better health, better care and better value to the Western Australian community.

The *WA Health Reform Program 2015-2020* is an integrated program of work aligned to the critical enablers identified in WA Health's Strategic Intent. This work is focused on the building blocks that underpin the essential services we deliver to the community.

-  **Supporting our workforce** – through development and implementation of the WA Health Strategic Workforce Plan 2015-2025; and research, planning and projects to ensure an optimal workforce mix.
-  **Greater accountability** – through new legislation to replace the *Hospitals and Health Services Act 1927* including establishment of Boards of Governance for each Health Service as separate statutory authorities; and establishment of the Department of Health as the 'System Manager'. This will be supported by a Functional Review and Readiness Assessment to transition the health system to new governance arrangements; a holistic performance management system that aligns with the revised governance and accountability structures; and improving clinical outcomes through continued implementation of Activity Based Management (ABM).
-  **Improved financial management** – through how we budget and allocate resources, how we procure goods and services, how we raise revenue and record financial transactions.
-  **Stronger partnerships** – across our system with other government agencies, non-government organisations, consumers, community groups, private providers and others; and continued protection of public health and safety through a mix of legislation, community education and targeted programs.
-  **On-going commissioning of infrastructure** – through delivery of key metropolitan projects and transformation of health services in regional Western Australia, with sound governance for transition activities.
-  **More effective delivery of Information and Communications Technology (ICT) and Support Services** – through implementation of the WA Health ICT Strategy 2015-2018 and the establishment of the Health Support Services (HSS) division.
-  **Supporting research and innovation** – by embedding a vibrant, relevant and effective research culture into the core activities of WA Health, and stimulating innovation.

The Reform Program will produce a range of benefits to our patients, workforce and community. Clear roles and responsibilities across all areas of WA Health will lead to improved performance and reduced duplication of resources. It will also lead to a health system more balanced between short-term imperatives and medium to longer-term objectives through better system wide policy planning.



Health Services will have greater authority to be more responsive to the needs of local communities, informed by evidence of best practice care and consumer and carer experience. New Health Service Boards will bring a broader skills set to the governance of Health Services and build stronger links with clinicians and their local communities.

A greater focus on all aspects of performance will provide the public with more relevant information to hold WA Health to account for the services it delivers. This means better information for front line staff on their clinical performance, including costs to deliver their services, the impact of their decisions on patient outcomes, and comparisons across sites to minimise unwarranted clinical variation.

WA Health will have more certainty and greater capacity to effectively plan resource allocations and focus on patient care and improved health outcomes for the Western Australian community. Similarly, WA Health will be better able to drive value for money through more effective and efficient procurement of goods and services.

More effective and timely delivery of technology, supply, workforce and finance services across WA Health will support improvements to patient care. Better access to treatments and technologies will also be supported by research and innovation.

Senior leaders of WA Health at both the Department of Health and Health Services are working together to deliver the Reform Program through a collective leadership approach and application of project management rigour. For more information on the Reform Program, email Health.Reform@health.wa.gov.au.



Introduction

A safe, high quality, sustainable health system

[WA Health's Strategic Intent 2015-2020](#) clearly defines WA Health's vision – **to deliver a safe, high quality, sustainable health system for all Western Australians.**

Our strategic priorities are focused on a continuum of care. Our aim is to support and guide health care through integrated service delivery from prevention and health promotion, early intervention, and primary care through to diagnosis, treatment, rehabilitation and palliation.

WA Health's Strategic Priorities 2015-2020

Prevention and Community Care Services

- Support the WA community to become healthier. Focus on promoting healthy habits and behaviours. Support people to make healthy lifestyle choices for mind and body.
- Work with primary health providers and carers to provide integrated and more accessible services to reduce the occurrence of acute illness and improve patient outcomes.

Health Services

- Provide more effective and efficient hospital services through improving clinical and non-clinical processes across health services; and implementing and reporting on common efficiency and benchmarking standards.
- Reduce demand on traditional hospital services through increasing non-hospital ambulatory care services; and preventing patient readmissions to hospital through improved care coordination.

Chronic Disease Services

- Increase awareness of chronic disease and long-term conditions of mind and body.
- Improve early detection and intervention of chronic diseases.
- Reduce the number of people living with chronic disease by supporting healthier lifestyles.

Aboriginal Health Services

- Strengthen and embed the approach to improving the health and wellbeing of Aboriginal people living in Western Australia.
- Increase Aboriginal consumer, carer and community involvement to enhance access to and delivery of culturally appropriate health services.
- Create and develop strategic partnerships to improve the development and management of health services for Aboriginal people.

Delivering better health, better care, better value

We have strong policy frameworks in place to guide our service delivery including:

- [Clinical Services Framework 2014-2024](#)
- [WA Aboriginal Health and Wellbeing Framework 2015-2030](#)
- [Western Australian Mental Health, Alcohol and Other Drug Services Plan 2015-2025](#)
- [Western Australian Strategic Plan for Safety and Quality in Health Care 2013-2017](#)
- [WA Health Promotion Strategic Framework 2012-2016](#)
- [WA Patient Transport Strategy 2015-2018](#).

However, to build better health, better care and better value, it is also crucial we continue to improve our service delivery, address challenges and take opportunities to provide the best value and outcomes to our patients and consumers.

Important outcomes for patients and consumers may involve how long it will take to return to normal activities, reduced discomfort, and care that is timely and sustainable.

An accurate knowledge of the actual costs of delivering care is also part of determining the value of care. A shared understanding of outcomes and costs of health care delivery will enable learning and improvement, whether in health promotion or providing emergency care to a patient involved in an accident. It can also stimulate innovation and lead to increasing value and better outcomes for patients and consumers.

With the right enablers in place, our staff will be better able to make decisions, improve processes and redesign care to deliver better health, better care and better value.

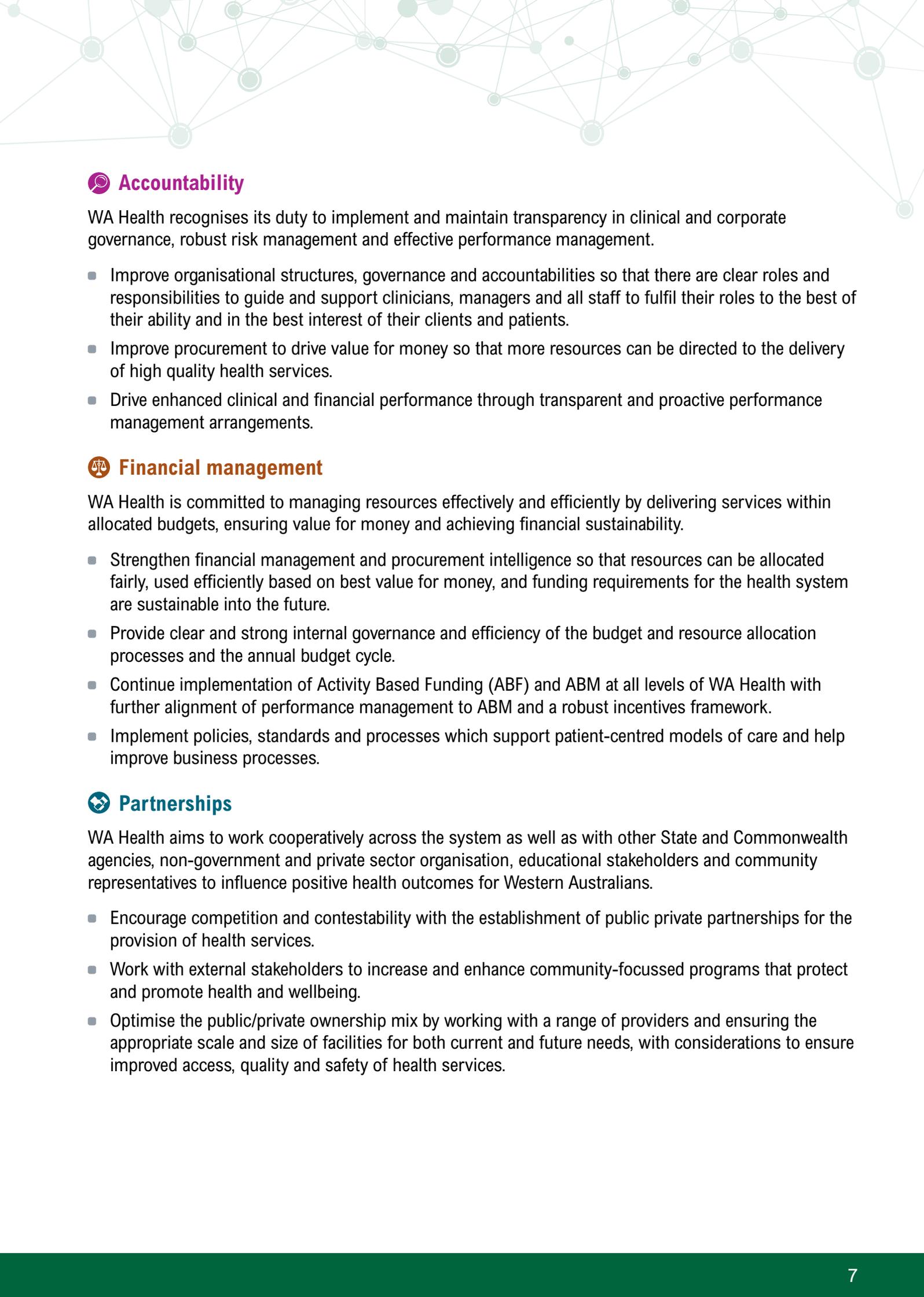
Critical enablers: the Health Reform Program 2015–2020

The *WA Health Reform Program 2015-2020* is a coordinated and integrated program of work focusing on the building blocks that underpin the essential services we deliver to the community. The program is aligned to the critical enablers identified in [WA Health's Strategic Intent 2015-2020](#) listed below.

Workforce

WA Health values and acknowledges the importance of its workforce. We aim to establish a vibrant and positive workplace, a respectful and rewarding culture, and invest in opportunities for professional development and leadership.

- Strive to be employer of choice with greater attraction, induction and retention strategies.
- Improve workforce plans and strategies to appropriately manage our workforce across the system and into the future.
- Provide more opportunities for professional development through teaching and training to achieve a more engaged, skilled and satisfied workforce.



Accountability

WA Health recognises its duty to implement and maintain transparency in clinical and corporate governance, robust risk management and effective performance management.

- Improve organisational structures, governance and accountabilities so that there are clear roles and responsibilities to guide and support clinicians, managers and all staff to fulfil their roles to the best of their ability and in the best interest of their clients and patients.
- Improve procurement to drive value for money so that more resources can be directed to the delivery of high quality health services.
- Drive enhanced clinical and financial performance through transparent and proactive performance management arrangements.

Financial management

WA Health is committed to managing resources effectively and efficiently by delivering services within allocated budgets, ensuring value for money and achieving financial sustainability.

- Strengthen financial management and procurement intelligence so that resources can be allocated fairly, used efficiently based on best value for money, and funding requirements for the health system are sustainable into the future.
- Provide clear and strong internal governance and efficiency of the budget and resource allocation processes and the annual budget cycle.
- Continue implementation of Activity Based Funding (ABF) and ABM at all levels of WA Health with further alignment of performance management to ABM and a robust incentives framework.
- Implement policies, standards and processes which support patient-centred models of care and help improve business processes.

Partnerships

WA Health aims to work cooperatively across the system as well as with other State and Commonwealth agencies, non-government and private sector organisation, educational stakeholders and community representatives to influence positive health outcomes for Western Australians.

- Encourage competition and contestability with the establishment of public private partnerships for the provision of health services.
- Work with external stakeholders to increase and enhance community-focussed programs that protect and promote health and wellbeing.
- Optimise the public/private ownership mix by working with a range of providers and ensuring the appropriate scale and size of facilities for both current and future needs, with considerations to ensure improved access, quality and safety of health services.

Infrastructure

WA Health is managing an unprecedented health infrastructure and investment program to upgrade and redevelop Western Australia's hospitals and health services to ensure better access to safe and quality healthcare delivered in world-class health facilities well into the future.

- Embed existing infrastructure through delivery of key metropolitan projects and continued transformation of health services in regional WA.
- Continue to provide governance over hospital commissioning, service reconfiguration and planning and transition activities to ensure the delivery of safe, high quality care.

Information and Communications Technology

The [WA Health ICT Strategy 2015-2018 \(ICT Strategy 2015-2018\)](#) "Building a Strong Foundation" outlines a decision-making framework for ICT across WA Health and sets out the key ICT priorities for the next three years.

The *ICT Strategy 2015-2018* aims to continuously improve patient safety and quality of care through effective delivery of ICT and prioritises effort across five areas.

- Stabilise our existing infrastructure and systems and complete the implementation of systems at new hospitals.
- Improve information management and sharing to better support patient safety, quality of care and care coordination.
- Embed effective and transparent governance and clinical leadership.
- Build organisational capacity and capability.
- Implement policies, standards and processes which support patient-centred models of care and help improve business practices.

Research and innovation

WA Health aims to create a culture of continuous improvement and clinical excellence through research and innovation.

- Work towards world-class research to translate new knowledge into innovative technologies and programs for health service delivery.
- Establish or enhance relationships with institutions of research and learning.
- Invest in health and medical research, particularly through collaborative ventures.

The case for change

Continuing to provide excellent care

The 2004 report [*A Healthy Future for Western Australians – Report of the Health Reform Committee*](#) (known as the 'Reid Report') proposed a vision for a WA health system that emphasised care in the most appropriate setting through a better relationship between primary care and the hospital system, and reconfigured and integrated hospital services to enhance a person's journey through the system.

More than a decade later, we have taken big strides in establishing a sustainable health system. The *WA Health Reform Program 2015-2020* will build on these improvements across WA Health to navigate the opportunities and challenges our health system faces.

Strong foundations

High quality care

WA has a very good public health care system with skilled and committed health professionals delivering a high quality of care by both national and international standards. This is evidenced by significant and sustained improvements in Western Australia's health outcomes over the past decade. For example:

- Western Australia's infant mortality rate decreased from 4.1 per 1,000 live births in 2003 to 2.4 per 1,000 live births in 2013, the lowest rate across all jurisdictions.
- Western Australia's median life expectancy for both males and females increased by 1.7 years over the decade between 2003 and 2013.
- In 2013/14, Western Australia ranked first above all states and territories with the highest proportion (79.5%) of presentations to emergency departments completed in four hours or less compared to the national average of 72.7%.
- Compared to other jurisdictions in 2013/14, Western Australia was ranked second highest in the number of elective surgery wait list admissions per 1,000.
- Immunisation rates against vaccine-preventable diseases for Western Australian children at one, two and five years of age have risen to greater than 90%, for the first time.

World class facilities

There has been investment of over \$7 billion in new hospitals and health campuses, improving existing facilities, and upgrading technology. The investment program to create world-class facilities and increase access has seen major upgrades to 30 sites, including five key metropolitan hospitals and 25 regional facilities, as well as the establishment of three new institutions for medical research. Fiona Stanley Hospital (FSH) has opened, and the next 12 months will see the completion of Midland Health Campus and the new Perth Children's Hospital (PCH).

Transforming regional health

There has been over \$1.5 billion invested to transform regional health infrastructure and services. The State Government's Southern Inland Health Initiative, funded through Royalties for Regions, represents the most significant investment in regional health in Western Australia's history. Communities in the southern inland catchment will see an investment of \$500 million over five years to improve healthcare, including General Practitioner services and 24-hour emergency response, redevelopment of health campuses, upgrades to small hospitals and nursing posts, and investment in residential aged care and Telehealth technology.

In the north of our State, the North West Health Initiative's \$147.3 million investment through Royalties for Regions will provide the basis for major upgrades to hospital and health service infrastructure across the region, providing better access to care and a stronger response to community needs.

Emergency department access

The introduction of the Four Hour Rule Program in 2009 has seen WA Health work to improve access to care for patients, with a focus on the efficient flow of people through our hospital system and back to the community. The Program reflects a whole of system approach to reform focused on improving service delivery.

The Emergency Telehealth Service provides a seven-day virtual emergency service delivered by Perth-based emergency specialists to over 65 country hospitals and nursing posts that do not have emergency department specialists on site. This has increased access, service quality and safety, and upskilled staff in regional and remote locations.

Opportunities for improving care

Health needs are changing

Western Australians are living longer but are living with more lifestyle-related illnesses or chronic diseases such as diabetes and chronic airway disease, and their associated health conditions, risks and disability. Many people have more than one chronic disease, and these increase with age. With an ageing population we can expect a higher number of people with chronic diseases needing a range of costly health care services. At the same time, as medicine and technology advance, community expectations for health care are growing.

There are also inequities in health status and access to health services across the community. Aboriginal Western Australians still have poorer health, with lower life expectancy and experience disability more than non-Aboriginal Western Australians. The need to improve access to a range of appropriate mental health services and appropriate services for people with a disability continues to grow.

Like many health systems across Australia, health promotion, early intervention, and primary and community-based services need greater emphasis in system planning, development and management to keep people out of hospital and promote care as close to home as possible. Renewed emphasis on partnerships with others in the primary, community and aged care sectors is essential, as is supporting the system to focus on improving population health.

Managing system transition

WA Health is managing a major reconfiguration of the health system resulting from the commissioning of new hospital developments. Key elements of this reconfiguration involve:

- the reconfiguration of the South Metropolitan Health Service, including the first full year of operations of Fiona Stanley Hospital
- the opening of Midland Public Hospital in late 2015 and associated reconfiguration within the North Metropolitan Health Service
- the opening of Perth Children's Hospital, scheduled for 2016, transitioning from Princess Margaret Hospital
- increased bed capacity at Joondalup Health Campus.

Considerable work will be required in 2015-16 and beyond, to mitigate and manage financial risk associated with system reconfiguration and to harness greater efficiencies in service delivery enabled through the newer, more efficient infrastructure.

Meeting national quality and safety standards and improving care

In 2011, Western Australia entered into the National Health Reform Agreement (NHRA), which aims to deliver improvements in the governance and funding of health services including national pricing, national clinical standards, and public reporting to drive greater accountability and performance. This has included public reporting of performance, [National Safety and Quality Health Service Standards \(NSQHS\)](#) and a national accreditation scheme for health service organisations.

This has provided WA Health with opportunities to focus on performance, and to link patient outcomes and the resources used to achieve them, comparing performance over time in WA and across Australia to improve care and patient outcomes. WA Health has used the national reforms as a platform to better understand its service delivery through implementation of Activity Based Funding (ABF) and Activity Based Management (ABM) and there is further work to be done to realise the benefits in front line service delivery.

More effective governance and system enablers

Across jurisdictions, the NHRA has acted as a catalyst for fundamental system reform, including implementation of a devolved governance model under a framework that focuses on all aspects of performance – financial, activity, quality and safety. Recent governance reforms in New South Wales and Queensland re-introduced health service Boards of Governance after a period of administrative centralisation similar to the current Western Australian system. These reforms have driven improvements in system, clinical and financial performance in a short period of time, evidenced by improvements in hospital access and reduction in expenditure growth.

Governing Councils established in Western Australia in 2012 have been an important first step in supporting greater community and clinician engagement and performance monitoring and assessment at a more local level.

A number of reviews have found that the governance of WA Health can be improved. The roles, responsibilities, powers and functions set in the legislation are too centralised, do not fully support decision making closer to the patient and do not reflect the size and complexity of our modern health system. WA Health's governance should be open and accountable to support clinicians, managers and all staff to fulfil their roles to the best of their ability.

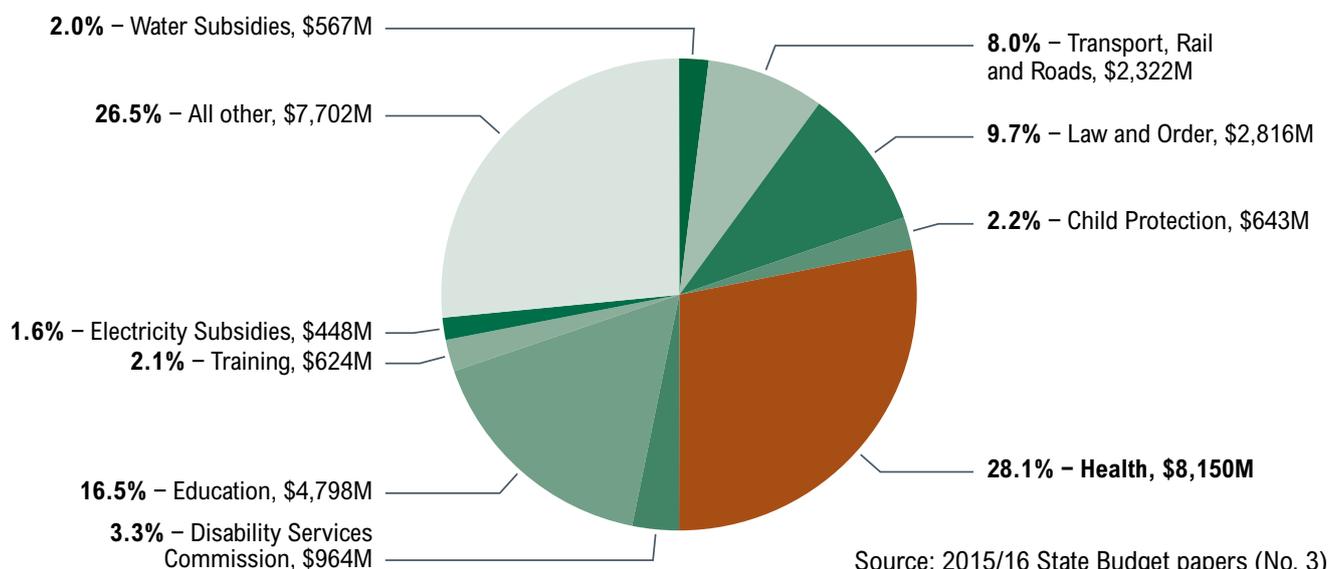
Reviews have also found that our system and business enablers such as Information and Communication Technology (ICT), corporate services, procurement and business intelligence systems are not as effective as they could be in supporting clinicians to continually improve care and patient outcomes. There is also opportunity to further inform planning and purchasing based on collective clinical and health system knowledge, evidence and policy.

Fiscal outlook

Health expenditure has grown faster than inflation and the economy as a whole for many years. Over the course of the past 10 years, expenditure on health services in Western Australia has grown strongly, averaging 10 per cent per year. WA Health is the largest single expenditure in the WA State Budget. In 2015/16, WA Health's \$8.15 billion share will represent 28 per cent of total general government expenses, compared to 24.7 per cent in 2008-09.

Government General Expenses 2015/16

(Total \$29,034M)



Like all jurisdictions, Western Australia is entering a much tighter fiscal environment. The WA State Budget 2015/16 notes that the State is experiencing the most challenging economic and fiscal environment of the last two to three decades. The health system cannot rely on continued increases in funding from year to year. It is essential that WA Health uses its resources more efficiently to meet rising health care demand while maintaining and improving quality of care.

The State Government's budget strategy aims to bring the cost of delivering public hospital services in WA in line with the national average for these services by 2020/21. The difference between the cost of providing public hospital services in WA and the national average is currently funded by the State Government through a Community Service Subsidy that will be progressively removed from WA Health's budget. The national average price is also declining, a reflection of other States reducing their unit costs at a rate faster than WA.

The challenge and costs of providing health care across Western Australia's vast geography also remains a challenge. At the same time, the Commonwealth Government's 2014/15 Budget decision to reduce Commonwealth funding for public hospital services and the further loss of Commonwealth revenue in the years outside the forward estimates is putting pressure on the system.



1. Workforce

Overview

- Development and implementation of the *WA Health Strategic Workforce Plan 2015-2025*.
- Strategic research, planning and projects to ensure an optimal workforce mix.

WA Health Strategic Workforce Plan

Background

Western Australia's health workforce is the State's most valuable asset in delivering health services to the community and a critical element in the delivery of the State Government's vision for public health and achieving key improvements in patient care and health outcomes more generally.

WA Health employs over 44,000 people in medical, nursing and midwifery, allied health, health sciences, oral health, public health and administrative occupational groups. A diverse, skilled and knowledgeable workforce is essential to enable WA Health to provide a quality health service that reflects an understanding of the diverse needs of our patients and clients.

Key improvements in WA Health's clinical services and infrastructure can only be achieved when supported by a strategic workforce plan. Key factors supporting the development of the plan include changes in the demand for health services, distribution of the workforce, improvements needed in workforce data and addressing workforce shortages.

Key directions

The *WA Health Strategic Workforce Plan 2015-2025* (the Workforce Plan) is being developed to provide direction and underpin WA Health's efforts to ensure an appropriate, efficient and effective workforce to deliver and manage health care services to meet the needs of the Western Australian community.

The Workforce Plan will align to the Clinical Services Framework and be informed by other WA Health strategic planning frameworks and plans, including the Models of Care, [Workforce Retention Framework 2012-2015](#), [WA Health Aboriginal Workforce Strategy 2014-2024](#), and [WA Health Equity and Diversity Plan 2015-2020](#). In addition, clinical leads and local Health Service workforce plans are informing the Workforce Plan.

The Workforce Plan will describe:

- the context within which WA Health is operating
- current and future workforce challenges
- strategies for action at systemwide and Health Service levels.

The Workforce Plan will enable WA Health to identify, monitor and manage workforce issues that may affect service delivery. Strategies will cover all clinical and non-clinical employees and will include:

- Workforce Planning – including comprehensive WA Health workforce planning, quality workforce data and health workforce supply.
- Workforce Development – including integrated workforce development processes, developing and supporting a skilled workforce, and innovative and effective work practices and arrangements.
- Workforce Reform – including new roles and skills, optimal use of technology and cross sector workforce planning.

Benefits to our patients, workforce and the community

- Improve our ability to identify, monitor and address workforce issues now and into the future to ensure we maintain high quality patient care.
- Improve our ability to develop and support our workforce to meet the needs of the Western Australian community.

Medical workforce

Background

Key challenges that affect the demand and supply of the medical workforce and inform planning for the specialist workforce in Western Australia include:

- significant growth in graduate numbers, increased competition for prevocational and vocational training places and consultant positions.
- the impact of further increases with the establishment of the new Curtin Medical School
- an imbalance in the consultant workforce
- inequitable distribution of specialists across metropolitan and rural locations
- a growing trend towards part-time hours and improved work-life balance
- an ageing and growing population, increasing levels of chronic disease and an ageing workforce
- the transition to an Activity Based Funding environment.



Key directions

Strategic research, planning and projects are being progressed to ensure that the future specialist medical workforce in Western Australia's public health system is of the appropriate size and composition. These activities are described in the [Medical Workforce Report 2013/14](#).

The Specialist Workforce Capacity Program involves biennial mapping of the public and private specialist workforce in WA to inform medical workforce planning at a regional, state and national level. Key reform strategies include:

- The Optimal Consultant Allocation Model, which is a systemwide approach to allocating consultant positions to increase numbers in specialties with the most critical shortages, within current budgets and full-time equivalent (FTE) allocations.
- Vocational and service registrar reform through a review of the registrar workforce to support planning for accredited training positions to address workforce needs, and the development of formal service registrar training. Alternative training models, dual training programs, and potential new career pathways are being considered.

The Workplace-based Assessment Program and Area of Need Program supports recruitment of international medical graduates to areas of workforce shortage. The program supports supervised and mentored immersion into the WA health system to achieve general registration.

Benefits to our patients, workforce and the community

- An optimal medical workforce mix to meet the healthcare needs of Western Australia.
- More equitable access to health services, including improved health service delivery in outer-metropolitan and rural locations.
- Alternative career pathways and employment models.



2. Accountability

Overview

- New legislation to replace the [*Hospitals and Health Services Act 1927*](#).
- Establishment of Boards of Governance for each Health Service as separate statutory authorities.
- Establishment of the Department of Health as the 'System Manager'.
- A Functional Review and Readiness Assessment to support the transition of the health system to new governance arrangements.
- A holistic performance management system that aligns with the revised governance and accountability structures.
- Improving clinical outcomes through continued implementation of Activity Based Management (ABM).
- Improving how WA Health describes the services it delivers to the public and how it reports its effectiveness and efficiency to the public and Parliament.

Changes to the governance of WA Health

Background

Western Australia's population stands at just over 2.6 million people – five times the size the population was in 1927, when the current Hospitals and Health Services Act 1927 was established. WA Health has an annual budget in excess of \$8 billion, has over 44,000 staff and runs more than 90 hospitals. In 2014/15, there were nearly 1 million visits to our emergency departments; 100,000 breast screenings; and 150,000 school health examinations. Western Australia has grown rapidly, and the current Hospitals and Health Services Act 1927 does not support the needs of our modern health system.

In December 2013, Cabinet established the WA Health Transition and Reconfiguration Steering Committee, chaired by Professor Bryant Stokes AM, A/Director General of the Department of Health, and including the Director General of the Department of the Premier and Cabinet, Under Treasurer, and Mental Health Commissioner, to provide advice on reforms needed to better position the WA health system to deal with future challenges. The Committee is supported in its work by the former Secretary of the Victorian Department of Health, Ms Fran Thorn.

The Committee examined a number of options for governance reform, drawing on experiences in other jurisdictions, notably Victoria, New South Wales (NSW) and Queensland. While models vary between jurisdictions, the defining characteristic of other States' governance models is the clear identification and delineation of roles, responsibilities and accountabilities at all levels in the system for planning, funding, performance management and delivery of health services.

The Western Australian health system is now too large and too complex to continue to be run on the existing centralised governance structure with decision-making and accountability concentrated solely with the Director General. Changes are required to clarify roles, responsibilities and accountabilities at all levels and allow decision-making to be allocated more fairly across the WA health system and therefore, better meet the health needs of our communities.

The Committee determined that reform of the governance of WA Health is a critical enabler of the ongoing sustainability and performance of the health system and recommended it be progressed as a priority.

Key directions

On 17 June 2015 the Minister for Health, on the advice of the WA Health Transition and Reconfiguration Steering Committee, announced major governance reforms for WA Health.

Legislative Reform

The State Government will introduce new legislation that will outline a new, contemporary governance framework for WA Health to replace the current Hospitals and Health Services Act 1927. The new legislation will clearly define the roles, responsibilities and accountabilities of the Department of Health, the Health Services and systemwide support services.

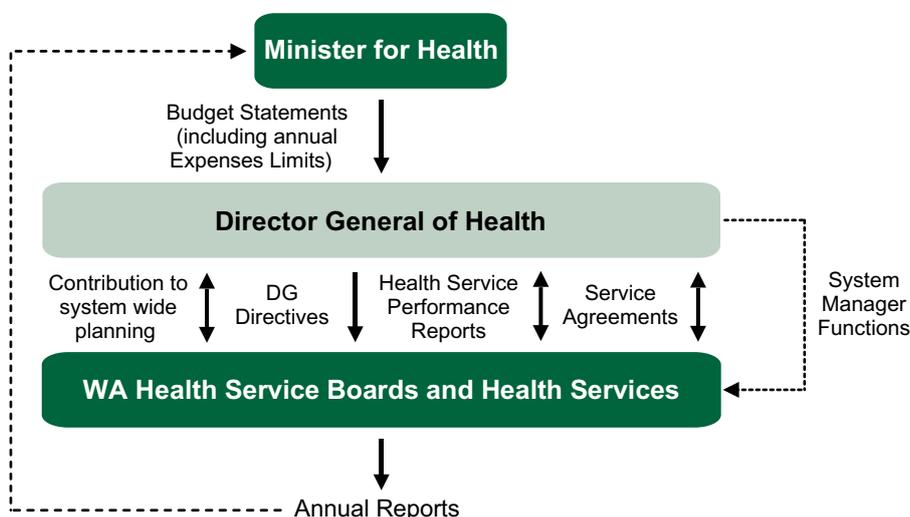
The Director General of the Department of Health will be established as the System Manager with powers and functions to set the parameters within which health services will be planned and delivered, to determine the clinical role and services of individual hospitals and to hold Health Services to account for the delivery of the State Government's objectives and priorities.

The legislation will establish the Health Services as statutory entities. Each Health Service will be governed by a Board and will be legally responsible and accountable for hospital and health service delivery for their local community. Boards will be established for Health Services as a network of public hospitals, rather than having individual public hospital boards as existed in the past.

Our four existing Health Services will be retained. Legislation will provide clear expectations of Board members, and powers and functions of the Health Service Boards. This will set the requirements and processes for Board appointments, suspensions, and terminations.

Service Agreements between the Department and Health Services will set performance standards to ensure services continue to be safe and of high quality, and are delivered efficiently and effectively.

Ongoing operation of governance arrangements in proposed model



Department of Health as System Manager

As System Manager, the Department of Health will become responsible for the strategic and systemwide direction and leadership of the WA health system. The role of the System Manager will involve:

- ensuring the delivery of quality care in public hospitals and health services in Western Australia
- developing, with Health Services and other partners, statewide clinical services, workforce, infrastructure and other plans as necessary to enable service delivery
- allocating resources and setting performance expectations in relation to funds provided to Health Services
- developing and issuing systemwide standards, Health Service directives, and performing system-wide regulatory functions
- promoting the efficient and effective use of resources across the system
- monitoring the performance of Health Services and working with them to determine, agree and implement improvements where required.

The structure of the Department of Health was changed in April 2015 to focus on:

- the ongoing management of public health through the Public Health Division
- the alignment of clinical leadership roles in the Clinical Services and Research Division
- strategy and system leadership through improved coordination and integration of system planning functions in the System Policy and Planning Division
- robust performance management of the system to ensure that Health Services are held to account through the Purchasing and System Performance Division
- an emphasis on governance and ensuring the right regulatory and industrial framework for the health system in the System and Corporate Governance Division
- planning and delivery of reform projects to continue to improve and support WA Health in the Health Reform Division.

Health Service Boards of Governance

The governance changes will include the establishment of Health Service Boards of Governance as separate statutory authorities accountable to the Minister for Health from 1 July 2016.

Boards will have greater authority and opportunity to build innovative relationships and partnerships with an array of local primary, community and aged healthcare providers. The roles of Health Service Boards will include:

- overseeing the delivery of hospital and health services, teaching, research and other services
- ensuring that services continue to be safe and of high quality, and are delivered efficiently and effectively
- monitoring and improving the quality of hospital and health services
- listening to clinicians, consumers and members of the community in health service planning and delivery
- working with other stakeholders, notably local primary health care services, in the planning and delivery of health care services to the communities they serve
- contributing to, and implementing statewide plans for clinical services, workforce, infrastructure and other system enablers.



Each Health Service Board will comprise six to 10 members and it will be the Minister for Health's responsibility to make recommendations for the appointment of members, including the Chair. Boards Chairs will provide transparency and governance assurance to the Minister of Health and Director General. Collectively, Board Members will have skills, expertise and experience in the following areas:

- health, business, financial, and human resource management
- legal expertise
- the provision of clinical and other health services
- primary healthcare
- education and training of health professionals
- knowledge and understanding of the community that is served by the Health Service.

An open recruitment process will be run with the emphasis on identifying and appointing to Health Service Boards people who have the requisite skills and experience to contribute to the effective governance of Western Australia's Health Services.

Functional Review and Readiness Assessment

WA Health is undertaking a Functional Review and Readiness Assessment to support the transition of the Department of Health, Health Services and Health Support Services to the new governance arrangements. This will support a better understanding of current roles, responsibilities, accountabilities and authorities across the WA health system to ensure that the system is ready to begin transitioning to new governance arrangements while maintaining excellence in clinical care, teaching, training and research.

The Project will be completed in two stages. The Functional Review will clarify the functions that are currently being performed by the Department of Health and Health Support Services, and the non-clinical functions currently being performed by Health Services. It will also identify which functions will need to be performed by these entities under the new governance arrangements.

The Readiness Assessment will examine how prepared the system is to perform these functions under new arrangements. This will enable the transition of functions to be planned and managed smoothly over the next two to three years.

Senior leaders of WA Health, including all Chief Executives of Health Services and all Senior Executives of the Department of Health, are working together to govern and deliver the Functional Review and Readiness Assessment.

Benefits to our patients, workforce and the community

- Stronger focus on meeting the health care needs of local communities through greater engagement and understanding by Health Service Boards.
- Expertise and focus of Health Service Boards in decision-making, risk assurance, compliance, and organisational development by bringing a diverse range of skills and perspectives in performing their statutory responsibilities and managing their accountabilities for service delivery.
- Greater authority and innovation of Health Services in meeting the needs of local communities through local decision-making.

- Clear roles and responsibilities across all areas of WA Health leading to improved performance and reduced duplication of resources.
- A sustainable health system more balanced between short-term imperatives and medium to long-term objectives through better systemwide policy planning.
- Robust systemwide standards for the quality and safety of health services ensuring a greater level of assurance to the Western Australian community.

System Performance Management

Background

WA Health has a well-established Performance Management Framework (PMF) which forms part of the Service Agreements between the Director General of Health and Health Services. Key performance indicators (KPIs) outlined in the PMF are monitored through the quarterly Performance Management Report (PMR) and monthly Health Service Performance Report (HSPR). WA Health's PMF continues to be aligned and reinforced by national reforms.

Transition of the Department to a System Manager role and the increased autonomy and accountability of Health Services will require an evolution of performance management of the health system. This offers an opportunity to better drive performance including through a greater focus on monitoring and analysing performance, incentivising good performance and addressing poor performance through tiered intervention and support where required.

Currently Health Services produce their own performance reports, in addition to those produced by the Department, in order to check performance and manage at a more detailed level. Multiple data sources can produce inconsistent results. This project aims to create a shift towards a consistent and integrated culture of performance management across the system.

Key directions

This work will design and implement a holistic performance management system that aligns with the new governance model to drive better performance, including:

- clear accountabilities, escalation plans, rewards and/or sanctions as appropriate, and reporting
- a revised PMF that aligns with Service Level Agreements, Performance Agreements, the Operational Plan and Strategic Intent
- tools such as business intelligence to support performance management requirements at both a system (Departmental) and Health Service level
- use of a common toolset and business rules to support consistent results in performance monitoring
- a skilled workforce in understanding data and analysis with a strong focus on performance.

Benefits to our patients, workforce and the community

- An improved focus on all aspects of performance and at all levels of WA Health to ensure we continue to contribute to improved health outcomes for the Western Australian community and deliver excellent care.
- Provide consistent, accurate and timely performance information to support scrutiny by external parties and drive comparison and improvements within WA Health.

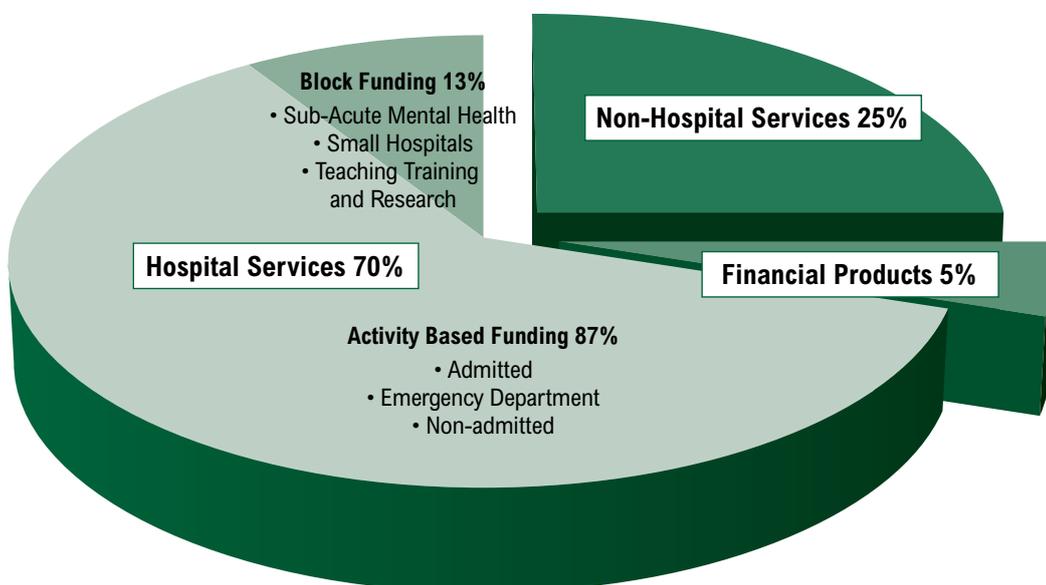
Activity Based Management

Background

Activity Based Management (ABM) enables clinicians and other managers to use accurate and timely information about the cost and quality of health services to improve services and the quality of care provided.

Over the past four years, WA Health has built the foundations for Activity Based Funding (ABF) and ABM. The proportion of health services purchased from WA public hospital services is now just over 60% of WA Health's total budget or 87% of the total of Health Service budgets.

Breakdown of total WA Health expenditure



* Percentages are approximated.

The use of ABF and ABM is consistent with national reforms which aim to deliver improvements in the governance and funding of health services including national pricing, national clinical standards, and public reporting to drive greater transparency, accountability and performance.

Key improvements proposed to achieve the full benefits from ABM include:

- building a better understanding of how ABF and ABM can be applied across WA Health
- providing tools and practical support to help clinicians and managers to operate effectively in an ABF and ABM environment
- ensuring effective and timely information that enables sound decision making at all levels.

ABM is about providing clinicians with sound clinical and financial information in a timely way to make informed decisions based on value and patient outcomes. For example recent reforms in New South Wales have included the development of an information portal through which clinicians are able to investigate process of care issues (for instance length of stay, time to theatre for surgical cases) to improve quality and efficiency.

Key directions

Implementing ABM is underpinned by the following key principles:

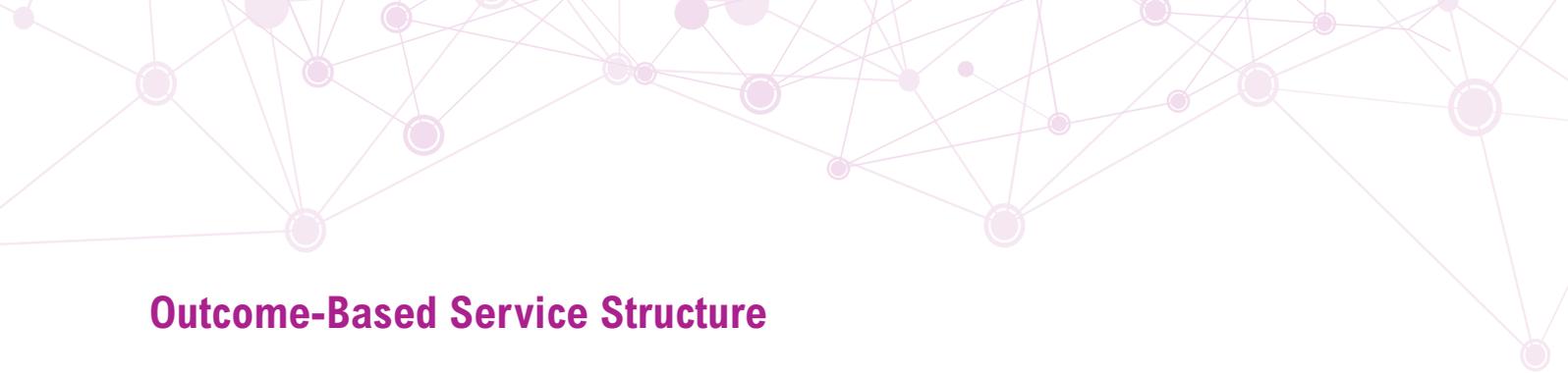
- The patient, family and carers are the central focus of the care system.
- Clinical leadership and partnership is required at all levels.
- Funding is transparently linked to health services and outcomes.
- Evidence is available to ensure that performance can be managed.
- Risks are identified, controlled and managed in a consistent manner.

Key initiatives to progress ABM include:

- defining a strategy for the implementation of ABF and ABM within WA Health which is understood and consistently supported by senior levels of WA Health
- developing an ABF and ABM training and education program tailored to clinicians' needs
- establishing an effective and efficient clinical costing process which will ensure sustainable delivery of timely and consistent clinical costing information and will support ABM at all levels of the health system
- ensuring quality counting, classification and coding of activity to inform ABF and ABM
- establishing a standard ABF and ABM data set that is accessible and provides consistent and comparable information that can be tailored and supports the needs of the full range of end users.

Benefits to our patients, workforce and the community

- Improved value and patient care across WA Health by ensuring frontline staff have better information on their clinical performance, including what their service costs to deliver, the impact of their decisions on patient outcomes, and comparisons across sites to minimise unwarranted clinical variation.
- Improvements in the quality and safety of care through better clinical records and benchmarking.



Outcome-Based Service Structure

Background

Being transparent and accountable for the services we deliver is important. The Outcome Based Service Structure (OBSS) is how WA Health categorises the services and programs it provides with the public funds it is allocated by Government. WA Health is required to report against the OBSS to show the effectiveness and efficiency of outcomes and services against key indicators. The services, public funds allocated and the indicators are publically available in the State Budget Papers and WA Health's Annual Reports.

The WA Health OBSS will be updated to ensure that the best information is provided to the public and Parliament on the delivery of WA Health services. This will also include ensuring that the WA Health budget, resource allocation, performance management and reporting processes can align to a single structure.

Key directions

WA Health is developing an improved OBSS that provides the best information to the public, Parliament and WA Health on the delivery of WA Health service and is connected to the budget, resource allocation, performance management and reporting cycle.

Benefits to our patients, workforce and the community

- More relevant information provided to the community, Parliament and WA Health employees about the services WA Health is publically funded to deliver.
- Improved reporting of our performance to enable the community and Parliament to monitor and track key changes over time.
- A more streamlined and consistent approach to our budget, resource allocation, performance management and reporting processes.
- Alignment with national structures such as Activity Based Funding and national performance indicators to improve comparisons with other States.



3. Financial Management

Overview

- Improving how we budget and allocate resources.
- More efficient and effective procurement of goods and services.
- Improving our ability to raise revenue.
- Improving how we record financial transactions.

Budget and resource allocation

Background

WA Health's budget and resource allocation process results in annual agreements between the Funder (State Government), the Purchaser (Department of Health) and Health Service Providers (Health Services). These agreements outline the quantity and mix of health service activity to be funded/purchased/delivered both statewide and at various health services and hospital sites, according to the State Government's directions, health policies and priorities.

WA Health faces significant pressures in commissioning and purchasing health services as a result of:

- rising demand for health care
- commissioning new hospitals and health campuses
- requirements to strengthen capabilities in Activity Based Funding and Activity Based Management within Health Services
- the requirement to transition the cost of health service delivery to National Efficient Price benchmarks.

Greater transparency and stronger engagement between the Department and Health Services during this process will support a more effective approach to the planning and delivery of health services to meet the healthcare needs of the Western Australian community.

Key directions

Key changes to the budget and resource allocation process are being progressed to streamline and improve the openness and transparency of WA Health's Budget and Resource Allocation process including:

- providing clear communication of decisions taken and methodologies used
- supporting a planned convergence to the National Efficient Price over time
- working with Health Service Providers and other key parties to encourage continuous improvement
- ensuring key policy directions for the State Government and health system shape the budget.



This work will inform the Budget and Resource Allocation process including:

- budget policy setting and formulation
- resource allocation
- budget finalisation
- performance monitoring.

Benefits to our patients, workforce and the community

- More certainty and greater capacity for WA Health to effectively plan resource allocation and focus on patient care and improved health outcomes for the Western Australian community.
- Ensuring a more sustainable health system over the short to medium term by ensuring that resources are allocated against systemwide planning such as the Clinical Services Framework and infrastructure planning.
- A more open and transparent process for the allocation of resources providing greater clarity and information around the roles and responsibilities of the Department and Health Service Providers.

Procurement

Background

In 2014/15, WA Health's annual spend on procurement equated to nearly 50 per cent of WA Health's \$8 billion budget. This included everything from the purchase of hospital services, community and aged care services and patient transport to the supplies used every day in our hospitals around the State.

Over the past 10 years, the Office of the Auditor General has published a number of reviews focused on the efficiency of procurement arrangements and the contracting environment within WA Health.

The Office of the Chief Procurement Officer (OCPO) was established in January 2014 to drive greater rigour in procurement arrangements, target potential savings through improvements in purchasing across the system, and oversee professional and effective procurement planning, policies and procedures across WA Health.

Key directions

The WA Health Strategic Procurement Program developed by the OCPO contains 24 recommendations for improving procurement performance across WA Health.

The program is focused on achieving better health outcomes for the Western Australian community through the efficient procurement of health-related goods and services in a manner that complies with legislation, achieves value for money and upholds the principals of transparency and accountability.

The WA Health Strategic Procurement Program addresses systemic issues in WA Health procurement by:

- establishing processes and procedures to build capability and capacity for an effective procurement function across the statewide Health portfolio including templates, procurement guides and effective practices and practitioners
- managing a governance and compliance framework that provides mechanisms, processes and procedures and clearly defined roles and responsibilities aligned with business needs to effectively manage procurement risks
- developing and delivering foundational and advanced procurement and project management education and training programs to support procurement activities tailored to the specific needs of WA Health
- developing an effective compliance and audit service to review procurement processes and provide tailored recommendations for improvement in order to underpin procurement reform and cultural change.

By mid-2015 all recommendations were implemented and transitioned into core business including:

- Release of the *WA Health Procurement Delegation Schedule and Procurement Delegation Schedule Business Rules* which provides a simple, easy-to-follow set of requirements with clear accountability and governance for funding and procurement decision-making and authorisation ensuring WA Health is compliant with the Partial Exemption issued under the [State Supply Commission Act 1991 \(WA\)](#).
- Provision of customised procurement education and training workshops rolled out across each division of WA Health.
- The implementation of an electronic, mandated Procurement Development and Management System (PDMS) which will provide visibility of all contracts and spend across WA Health. At the strategic level, the PDMS will provide oversight of procurement spend across the WA Health system, and at an individual level, will provide users with a step by step approach to contract development and management, assisting to improve these practices across the WA Health system.
- Permanently funded and supported Clinical Procurement positions to bridge the gap between procurement professionals and clinicians purchasing clinical equipment and improve the mechanism for clinical engagement in procurement across WA Health.
- A procurement policy to improve the consistency of processes associated with purchasing minor building works and maintenance, addressing long-standing historical legal issues across two government departments regarding works procurement.
- A procurement competency framework for WA Health employees which identifies the key skills and abilities required by procurement and contract management staff at all levels. This framework is an essential component of improving organisational and individual procurement capability and competency and is fundamental in delivering the objectives of the program to improve procurement knowledge, understanding and resourcing across the WA Health System.

Benefits to our patients, workforce and the community

- Better value for money through more effective and efficient procurement of health related goods and services.
- Strengthened governance, workforce capability, transparency and accountability, including compliance with legislation.

Revenue reform

Background

Improving WA Health's ability to raise revenue will improve our capacity to deliver health services and reduce WA Health's reliance on State Government funding.

Key directions

Improvements to WA Health's performance on private inpatient activity in public hospitals will include the setting of appropriate revenue targets, the development of guidelines and support for practitioners, legislative reform, and clear systemwide policy settings and operational requirements. This work will also focus on establishing on-going coordination, reporting and monitoring arrangements.

Key areas focused on governance and accountability, business systems and practices, private practice, policy, and learning and development, include:

- establishing statewide Governance Framework with permanent on-going coordination of Own Source Revenue initiatives
- identifying appropriate performance indicators and a structure for reporting and monitoring Own Source Revenue performance
- supporting Health Services to increase WA Health's Own Source Revenue, including patient revenue
- providing policies and procedures to support of the implementation of robust controls to fully account for medical practitioners' professional services.

Benefits to our patients, workforce and the community

- Additional revenue for the health system to deliver health services to the community.
- Reduced reliance on State resources to fund health service delivery.
- Improvements for health service staff in managing the reporting of Own Source Revenue.
- Reducing the length of time to invoice patients and improving cash flow for managers of health services.
- Ensuring that the private practice arrangements within our health services are sustainable into the future.

Cost centres

Background

Cost Centres are a mechanism used by WA Health to capture financial transactions for a project or function. They are used for managing and reporting WA Health's business, assist in decision making and reflect the responsibilities and accountabilities of the organisation.

The current WA Health cost centre framework is inadequate for the future management and information expectations of our financial reporting and requirements of Activity Based Funding.

Key directions

Key changes are being progressed to develop and implement an effective cost centre framework so that WA Health cost centres are fit for use and cater for a modern public health organisation. This will be achieved by:

- developing clear governance for defining, creating, or deleting, maintaining and monitoring cost centres
- establishing a framework for cost centres and their structures
- implementing the governance and framework improvements across WA Health.

Benefits to our patients, workforce and the community

- Improved availability and access to the financial information of all elements of WA Health, leading to improvements in timeliness and accuracy of reporting to key stakeholders.
- Improved quality and reliability of financial information, leading to improved analysis, interpretation and a more effective allocation of resources.
- Overall improvement in Health System governance and decision making, staff knowledge and links to WA Health's business model.



4. Partnerships

Overview

- Stronger links and partnerships with other government agencies, non-government organisations, consumers, community groups, private providers, health professionals and the Australian Government.
- Continue to promote health in the community, prevent disease before it occurs, manage public health risks, and support clinical care.
- Continue to protect public health and safety through a mix of legislation, community education and targeted programs.

Strong partnerships

Background

Developing strong partnerships across WA Health and the broader health and community sector are a key component of improving health delivery and outcomes for the Western Australian community.

Strong partnerships:

- ensure comprehensive representation from different organisations at all levels across WA Health to provide a sound basis for establishing policy and new initiatives
- are an essential part of effective health promotion and service delivery in key areas such as aged care, chronic disease and Aboriginal health
- ensure successful implementation of health promotion programs
- ensure health services are better coordinated, more responsive to people's needs, more sustainable and informed by evidence of best practice care
- engage consumers, carers and others outside WA Health.

There are a number of good examples of effective partnerships used by WA Health that result in better health care for the Western Australian community. This includes:

- The Clinical Health Networks which have identified opportunities to address fragmentation and duplication across the WA health system, developed 56 Models of Care and nine Frameworks using a highly collaborative approach with key individuals, organisations and services within the given condition or population area/s.
- Successful implementation of projects such as the Home and Community Care Dementia Partnership Project, which has involved the Aged Care Network working with Alzheimer's Australia WA to promote dementia awareness and capacity building within WA Health and the community sector.
- Strong partnerships with universities and other research organisations to ensure effective use of research funds.
- Recognising the value of strong partnerships with patients and their local communities and actively engaging with consumer and carers through formal and informal partnership agreements.

- Formal agreements with Carers WA and the Health Consumers' Council to ensure that health service planning incorporates input from both the community and health professionals.

The [WA Aboriginal Health and Wellbeing Framework 2015-2030](#) identifies partnerships as critical to underpin system responses and Aboriginal health policies, strategies and programs in Western Australia. Ongoing partnerships with Aboriginal people and organisations in decision-making to take back care, control and responsibility of their health and wellbeing is required to improved health and lifestyles. Building linkages between Aboriginal community controlled health services and mainstream health services will further enhance coordination.

Key directions

WA Health will continue to foster effective partnerships and new ways of working across all provider groups to improve the journey and outcome for all people accessing health services.

The establishment of the Department's system manager role has created an increased opportunity for using partnerships to provide clinical and health system leadership and advice to support continuous improvement across WA Health. The WA Health Clinical Networks strategic plan for the next five years will continue to reflect the importance of partnerships including:

- promoting a collaborative mechanism to connect partners across all systems of care together with the people who receive the care
- bringing together the partners to share their collective clinical and health system knowledge and experience
- collating this knowledge and experience, together with evidence of best practice care, policy, service mapping, epidemiology profiles and data collection to advise and inform improvements in WA Health's systemwide policy, planning and purchasing.

WA Health recognises with the introduction of Primary Health Networks by the Australian Government that working in partnership with these networks is integral to achieving a holistic approach to achieving health outcomes for the community, including joined up activity and initiatives that aligns with the [WA Health Strategic Intent 2015-2020](#).

As outlined in the WA Aboriginal Health and Wellbeing Framework 2015-2030 WA Health will engage in:

- ongoing partnerships with Aboriginal communities to share skills and ensure that Aboriginal people's cultural rights, beliefs and values are respected in the development of health policies
- identifying and addressing shared priorities by working across State and Commonwealth Governments, as well as with Aboriginal community controlled health organisations, community and non-government organisations to address the determinants of Aboriginal health
- a coordinated and collaborative approach to service delivery through knowledge exchange, information sharing and the pooling of resources, where possible.

Benefits to our patients, workforce and the community

- A more integrated health system focused on improved outcomes for the Western Australian community.
- Health services become more responsive to people's needs, better coordinated, more sustainable and informed by evidence of best practice care and consumer and carer experience.

Public Health

Background

The job of promoting health, preventing disease and managing a wide variety of risks remains critical to all Western Australians, and continues to necessitate a wide range of partnerships within and beyond government.

In WA Health, there is a mix of statewide and area-based public health and community health staff and services. To continue to drive health improvement across the our communities, and in particular for vulnerable and disadvantaged groups, the public health workforce uses a wide variety of skills to gather and analyse information about risk factors and trends in health and disease.

It delivers a range of evidence-based interventions, in partnership with the community and community-based non-government organisations, with benefits that far outweigh costs. Examples include tobacco control, alcohol education and licensing, healthy school canteens, needle and syringe programs, safe sex programs, child and road safety initiatives, and environmental programs (including dealing with asbestos in the home and workplace, and controlling mosquitoes).

With the increase in air travel, all outbreaks are now potentially global, and Australia must remain vigilant and prepared for new and emerging diseases. This challenge will require WA Health to engage even more deeply with the public, through a range of traditional, digital and social media tools, not just as experts, but as partners in providing support and advice.

Key directions

The passage of the new Public Health Act will signal a new era in public health in Western Australia, by linking a strong risk management approach to strengthened partnerships with local government. A State Public Health Plan will be produced and link to local government plans that will be tailored to local community priorities, including initiatives to improve Aboriginal health outcomes.

Our existing partnership approach with the non-government sector will be continued, such as for highly successful programs like Make Smoking History (Cancer Council) and LiveLighter (Heart Foundation). This is essential as addressing tobacco, alcohol misuse, obesity and other chronic diseases and their risk factors requires a sustained and innovative approach at multiple levels from community action through to legislation.

We will also build on the strengths of the public health system in Western Australia, including our capacity to link data from a variety of sources to inform health planning, and the introduction of the new genetic technologies that will personalise health care, and allow public health initiatives (such as cancer screening) to be more precisely targeted to vulnerable groups.

We will continue to promote continuous learning, innovation, and research through expanding our range of partnerships with academic institutions, and community and non-government organisations, and promoting WA Government's open data policies.

Benefits to our patients, workforce and the community

- Continued improvement in life expectancy for people in Western Australia.
- Effective public health responses ranging from food and medicine recalls, to management of disease outbreaks, and response to natural disasters.



5. Infrastructure

Overview

- Continued delivery of key metropolitan projects and transformation of health services in regional WA.
- Sound governance for hospital commissioning, service reconfiguration and planning of transition activities.

WA Health's Asset Investment Program

Background

Approximately \$7 billion has been committed for over 100 asset investment projects to ensure that Western Australians have access to safe and quality health care, delivered in world class health facilities. This includes the upgrade and redevelopment of Western Australian hospitals and health related facilities. A key component of this investment is a significant injection of capital funding through the Royalties for Regions program into the redevelopment and expansion of country hospitals.

In the past three years a number of infrastructure projects have been completed including Fiona Stanley Hospital, Albany Health Campus, Queen Elizabeth II Medical Centre – Central Energy Plant, Hedland Regional Resource Centre and Rockingham Kwinana Hospital. Busselton Health Campus was opened in March this year, with Midland Public Hospital scheduled to open in late 2015.

Snap shot of recent investment into the WA Health system



Source: [Bigger Picture Health](#)

Key directions

WA Health's capital works program is currently focused on the construction of key projects across the metropolitan area such as Perth Children's Hospital and further upgrades to Joondalup Health Campus, and regional projects such as Carnarvon and Esperance Health Campuses and Exmouth Multi-purpose Service Redevelopment.

Detailed planning and design will continue with Onslow and Newman Health Campuses and the Southern Inland Health Initiative across 45 sites. Detailed planning and design is scheduled to commence for Karratha, Onslow and Newman Health Campuses and Laverton Primary Health and Aged Care Facility.

There are also on-going upgrades to hospitals to ensure facilities are maintained fit for purpose. This includes the infrastructure enhancement and operations maintenance for Royal Perth Hospital.

WA Health has also commenced the development of WA Health's 10 Year Strategic Asset Plan (SAP). The SAP will enable a review of current infrastructure against future services and service demand requirements with the purpose of developing strategies to address these gaps and any future infrastructure investment. It is intended that the SAP will be a dynamic strategy which will provide the opportunity for WA Health to be proactive and either identify funding options or inform State Government of the risks associated with the current facilities.

Benefits to our patients, workforce and the community

- Higher quality facilities to provide better patient care.
- Increased access to health facilities for rural communities.



6. Information and Communications Technology and Support Services

Overview

- Implementation of the [WA Health ICT Strategy 2015-2018](#) to continuously improve patient safety and quality of care through effective delivery of Information and Communications Technology (ICT).
- Bringing together the Health Information Network (HIN) and Health Corporate Network (HCN) to establish the Health Support Services (HSS) division, focused on providing timely and effective support to WA Health.

Background

The WA Health ICT Strategy 2015-2018 focuses on incremental change to stabilise existing systems, build our infrastructure, ensure ICT investment reflects business need and improve our organisational capacity and capability. The Strategy was informed by a comprehensive consultation process across WA Health that highlighted the need to embed ICT as a business enabler which supports clinical workflows, and to address inequalities in systems across health services.

WA Health has also recognised the need to ensure that services delivered by Health Information Network (HIN), Health Corporate Network (HCN) and Health Supply Network (HSN) continue to support WA Health in delivering excellent patient care, while demonstrating value for money. Opportunities exist to leverage off effective systems and processes across these areas, and to achieve efficiencies and better value through the consolidation of internal business support.

As part of the transition to the new governance structure, HIN and HCN were rebranded Health Support Services (HSS) from 1 July 2015. This is the first step in bringing these organisations together into a single division with a common purpose of supporting WA Health in the effective delivery of health care through the provision of technology, supply, workforce and finance services.

Key Directions

The reform of ICT and Support Services is focused on four areas:

- the establishment of the new division Health Support Services division
- the development of Service Level Agreements between HSS and its clients from 1 July 2016 which will set out the services provided by HSS to each of its clients, the price and quantity of the services delivered and key performance indicators
- the identification of efficiencies through improved contract management; a realigned and streamlined approach to supply, procurement and contract management; and a whole of health contract management service to support improved value for money for WA Health
- a reporting and monitoring framework for the WA Health ICT Strategy 2015-2018 deliverables, including the first Annual Implementation Plan which sets out clear timeframes, milestones and deliverables for 2015/16.

Benefits to our patients, workforce and the community

- Support improvements in patient care through more effective and timely delivery of technology, supply, workforce and finance services across WA Health.
- Drive improved value in the delivery of support services through transparency of the services delivered, their cost and performance levels with a focus on meeting the needs of Health Services and the Department.
- Increased savings and performance through the management of whole of WA Health contracts.
- Roll out of an updated computer operating environment, removing difficulties encountered by staff in using an outdated operating system.
- Better information management and sharing, helping clinicians to access necessary clinical information to improve patient care.



7. Research and innovation

Overview

- Embedding a vibrant, relevant and effective research culture into the core activities of WA Health and stimulating innovation.

Background

Research and innovation in the WA health system are integral to improving the quality and cost effectiveness of disease prevention programs and health care delivery. It results in health, social, and economic benefits for the community. This is largely because a health system that values research and innovation attracts and retains leading clinicians.

Health and Medical Research (HMR) is a major driver of innovation and the generation of new knowledge, which underpins improved health outcomes and promotes high standards of both current and future patient care. Evidence indicates that hospitals that are actively involved in clinical research deliver a higher quality of patient care.

Health and medical research is undertaken across all disciplines in a number of contexts and settings in WA Health, and often in conjunction with universities and research institutes. It is funded by a range of public and private sources.

In recognition of the vital role of HMR, the State Government has allocated an additional \$30 million over four years from 2013/14 through its FutureHealth WA initiative.

There has also been significant State Government investment in new state-of-the-art research facilities, co-located with major teaching hospitals. These include:

- the Harry Perkins Institute of Medical Research (HPIMR)
- facilities at both the Queen Elizabeth II Medical Centre (QEII MC) and the Fiona Stanley Hospital precincts (with the HPIMR building at the QEII MC also providing new research facilities for the Lions Eye Institute and the Institute for Respiratory Health)
- the Telethon Kids Institute that is nearing completion at the QEII MC
- the Western Australian Neuroscience Research Institute under construction at the QEII MC.

Key directions

Research funding programs

A series of research funding programs that address economic and health issues of relevance to WA Health will be maintained over 2015–2020. These cover Infrastructure and Institute Support, Research Project Support and People Support. These programs support the development of innovative changes through research, which will lead to improvements to the quality and cost-effectiveness of healthcare delivery in WA Health.

Research governance reform

Implementation of a whole of WA Health policy and operational framework for the conduct of health and medical research will be continued. This will complement national initiatives on improved reporting and positioning Australia as a place to conduct clinical trials. Work is progressing to develop a comprehensive information system to support the research ethics and governance framework and associated operational processes.

Intellectual property and research commercialisation

WA Health is a public partner in the national Medical Research Commercialisation Fund through to 2022. This fund aims to support the development of innovative early stage discoveries through providing professional advice and seed funding, to realise their commercial potential. The path towards actual commercialisation is arduous, complex and expensive, and therefore having access to specialised expertise in this area is valuable. Such innovations can lead to the next generation of devices and treatments.

FutureHealth WA

The State Government's FutureHealth WA initiative will continue to be progressed and build upon the first two years of initiatives. These initiatives have emphasised funding support for outstanding early and mid-career WA researchers, mentoring support to WA universities to increase national competitiveness, and funding for significant WA HMR databases.

WA Health Translation Network

The WA Health Translation Network is a consortium of the State's major hospitals, medical research institutes and universities. It aims to foster excellence in research innovation and discovery, the translation of evidence into better patient care and achieving better health outcomes for the WA community. This initiative has been supported by WA Health from its inception and will continue to receive financial support through the State Government's FutureHealth WA initiative. It is expected that over the next five years there will be a more coordinated approach to the development of research capability in WA as well as translational research across a number of streams.

Benefits to our patients, workforce and the community

- A thriving health and medical research environment will capitalise on the State's infrastructure investments and provide tangible benefits to individuals and communities across the spectrum – from health promotion and illness prevention, to treatment and care – through high quality evidence-based health services.
- Clinical benefits for patients include access to leading specialists, as well as innovative treatments and technologies.
- Enhanced employment opportunities, attracting and retaining leading clinicians and researchers to WA Health and the State.
- Stimulating the health industry in Western Australia.



Implementation

Senior leaders of WA Health at both the Department of Health and Health Services are working together to shape and deliver the Reform Program through a collective leadership approach. Oversight is provided by the WA Health Transition and Reconfiguration Steering Committee, established by Cabinet to provide advice to the Director General on key issues and to ensure that WA Health continues to be sustainable and high performing.

Program and project management rigour is being applied to the Reform Program through a governance structure that includes a Program Board and Program Office to ensure successful achievement of milestones, and management of risk.

For more information on the Reform Program, email Health.Reform@health.wa.gov.au.

List of publications

[A Healthy Future for Western Australians – Report of the Health Reform Committee \(Reid Report\)](#)

[Clinical Services Framework 2014-2024](#)

[Medical Workforce Report 2013/14](#)

[Hospitals and Health Services Act 1927](#)

[State Supply Commission Act 1991](#)

[WA Aboriginal Health and Wellbeing Framework 2015-2030](#)

[WA Health Aboriginal Workforce Strategy 2014-2024](#)

[WA Health Promotion Strategic Framework 2012-2016](#)

[WA Health's Strategic Intent 2015-2020](#)

[WA Health ICT Strategy 2015-2018](#)

[WA Patient Transport Strategy 2015-2018](#)

[Western Australian Mental Health, Alcohol and Other Drug Services Plan 2015-2025](#)

[Western Australian Strategic Plan for Safety and Quality in Health Care 2013-2017](#)

[Workforce Retention Framework 2012-2015.](#)

Glossary

ABM	Activity Based Management
ADG	Assistant Director General
DoH	Department of Health
FSH	Fiona Stanley Hospital
GP	General Practitioner
HCN	Health Corporate Network
HIN	Health Information Network
HMR	Health and Medical Research
HPIMR	Harry Perkins Institute of Medical Research
HSN	Health Supply Network
HSPR	Health Service Performance Report
HSS	Health Support Services
ICT	Information and Communications Technology
KPI	Key Performance Indicator
NHRA	National Health Reform Agreement
NMHS	North Metropolitan Health Service
NSQHS	National Safety and Quality Health Service Standards
OBSS	Outcome Based Service Structure
OCPO	Office of the Chief Procurement Officer
PCH	Perth Children's Hospital
PDMS	Procurement Development and Management System
PMF	Performance Management Framework
PMH	Princess Margaret Hospital
PMR	Performance Management Report
QEII MC	Queen Elizabeth II Medical Centre
RMO	Resident Medical Officer
RPH	Royal Perth Hospital
SAP	WA Health's 10 Year Strategic Asset Plan
SLA	Service Level Agreement
SMHS	South Metropolitan Health Service
WA	Western Australia
WACHS	WA Country Health Service



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