

## **NCOSS News – April 2011**

### **NSW Health System 2.0 – Making it work or just another restructure?**

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In what may be the shortest restructure in the history of the NSW Health System, the new Local Health Networks established in January as part of the National Health Reforms are set to be replaced. In the Action Plan for the first 100 days of the new NSW Government, Barry O'Farrell has said he will introduce legislation to establish Local Health Districts governed by Boards. The changes are part of the Coalition's policy *Making it work* to reform the NSW Health System.

While it appears that the current LHN boundaries are unlikely to be substantially altered, the role and composition of the Governing Councils is up for review. Part of the Coalition's proposal to devolve local decision-making is to give District Health Boards the power to manage their own budgets. Board membership is being revised to ensure that representatives have the necessary skills in relation to financial management, and to give clinicians greater input.

It is also likely that the three Clinical Support Divisions will be disbanded and their functions reallocated across the health system. The Health Minister Jillian Skinner has indicated on several occasions that she considers the Divisions an unnecessary additional layer of bureaucracy.

A Transition Taskforce led by the new Director-General, Mary Foley, has been established to implement the new changes by the end of this financial year.

While NCOSS generally supports greater local-decision making to facilitate more appropriate and responsive services, establishing Boards dominated by clinicians and bean counters will not lead to a more person-centred health system. Public health Professor Sir Michael Marmot argues that the key to ensuring a more responsive health system is to empower consumers and local communities to participate in all aspects of health service planning, management and delivery. This requires community capacity building and robust local participation processes, supported by a strategic engagement framework.

For several years NSW Health has been working on a draft consumer and community engagement policy. Despite several consultations and various iterations the policy has yet to be finalised. NCOSS believes that a comprehensive state-wide policy with adequate resourcing must be implemented to support effective consumer and community engagement across the health system. This must be underpinned by transparent, open and accountable local participation processes.

NCOSS also believes that it is important that Health NGOs are also appropriately represented and engaged in the health system. Health NGOs contribute both as providers of integral health services and as representatives of marginalised and disadvantaged health consumers who may not access mainstream services.

NCOSS has written to the Health Minister requesting a meeting to discuss the new governance structures, participation mechanisms, and the Health NGO Program.