

The Ministry (the Funder)

A new governance framework has been developed for the Department of Health and Human Services. It will help the Agency better deliver high quality care and support to patients and clients within the resources available. For more information, read the [‘New Governance Framework’ fact sheet](#).

Under the new governance framework, the ‘Ministry’ is the section of the Agency currently referred to as ‘the department’ or ‘the bureaucracy’.

The future role of the Ministry

The Ministry will be a central ‘system manager’, providing overall direction and leadership. It will be responsible for funding the services that are planned and monitored by the Purchaser and delivered by the Service Provider.

The Ministry will be less involved when it comes to the actual delivery of health and social care, and more involved in:

- strategic policy analysis, advice and coordination
- government relations, negotiation and reporting
- managing overall system performance
- major project management
- Cabinet and parliamentary support
- developing legislation, regulations, standards, policies, and directives to support strategic directions
- information technology (short-term)
- statewide industrial relations, workforce planning and bargaining
- statewide clinical, technical and safety and quality policy/regulation and
- population, public and environmental health (including statutory functions).

Why are these changes being made?

Across Australia, fundamental changes are being made to the way health and hospital services are funded, delivered and structured. Tasmania has until 1 July 2012 to put some key changes in place, including establishing the Tasmanian Health Organisations (currently Area Health Services).

At the same time, we are facing significant budget challenges across the Agency and across government which mean we have to change the way we do business. We've already seen areas including Housing Tasmania, Children and Youth Services, and Disability and Community Services take steps towards meeting these challenges by adopting the purchaser/provider approach.

The Department of Health and Human Services needs more efficient and effective structures to support these changes so we can continue to deliver high quality care and support to Tasmanians with the resources we have. It makes sense to make sure new structures benefit all areas of our Agency, not just those facing major reform in the next six months.

What impact will the changes have?

The separation of the Funder, the Purchaser and the Service Provider provides the opportunity to streamline our administrative and support resources.

These changes will result in a smaller Ministry than we have in the current Department. In particular, there will no longer be a role for the Ministry to provide operational level 'assistance and guidance'.

As a result of the devolution of operational responsibility, some resources will also be devolved from the Ministry into other areas of the system. Most of these will come from streamlining clinical governance arrangements; those support services not provided through the System Support Services; and streamlining operational policy and process development.

How will the changes be implemented?

The [functional outline](#) will be used as the basis for developing a revised organisational structure and will be finalised by the end of 2011 and released early in 2012.

The leaner Ministry will be achieved through a net reduction in overall positions including a 10 per cent reduction in Senior Executive staff and will also include devolving some resources to the service provider level, to ensure our providers are resourced appropriately. Further discussion on detailed implementation arrangements will occur in the new year, once the revised DHHS organisational structure has been finalised.

The transfer of ministry and purchasing functions from Children and Youth Services and Disability, Housing and Community Services will be done in consultation with the responsible Ministers and the Deputy Secretaries of these areas supported by strong consultation with staff and their representatives. This decision will allow a further rationalisation of resources across the current Department of Health and Human Services.

Implementation will be staged. Generally, the critical health-related changes supporting the national health reforms will be put in place by 1 July 2012 (as required under the National Health Reform Agreement). A further 12 months (until 1 July 2013) will be allowed for the transition of all other providers.

A dedicated project team will facilitate the establishment of Tasmanian Health Organisations, ensuring systems, resources and processes are in place to operate in accordance with the national health reform requirements. A small number of dedicated project resources will also be identified to help with other service provider transition processes.