

New Governance Framework

What is a governance framework?

A governance framework basically relates to the rules, systems and practices under which an organisation is run. It helps leaders provide strategic direction, ensure objectives are achieved, manage risks and use resources responsibly and with accountability.

A governance framework is not an organisational structure. Instead, a governance framework will help inform an organisational structure. A revised DHHS organisational chart which reflects the new governance framework will be finalised by the end of 2011 and released early in 2012.

Why do we need a new governance framework?

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 establishment of the Tasmanian Health Organisations (currently the 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 a new governance framework that will help us deliver the system-wide reforms ahead of us, so we can continue to provide high quality care and support to Tasmanians with the resources we have. It makes sense for a single new framework to be put in place for the benefit of all areas of our Agency, not just those facing major reform in the next six months.

A governance review of our Agency has been undertaken and there will be significant re-ordering of our activities as a result. The review dealt with matters at a conceptual and functional level, and a great deal of work is required to deliver the model proposed.

What are the main changes for our Agency?

The new governance framework clearly separates three core functions across the Agency:

- the 'provider' function – this relates to services delivered or 'provided' through the Tasmanian Health Organisations, Ambulance Tasmania, Statewide and Mental Health Services, Housing Tasmania, Disability and Community Services, and Children and Youth Services. See the ['Service Provider' fact sheet](#) for more information

- the 'purchasing' function – a commissioning unit will assess the needs of the population, plan what services will be delivered, allocate funding to service delivery and monitor the performance of service providers. See the ['Purchasing Commissioner' fact sheet](#) for more information
- the 'ministry' function – there will be a new 'Ministry' which is smaller than the current section of the Agency which is commonly referred to as 'the Department' or 'the bureaucracy'. See the ['The Ministry' fact sheet](#) for more information.

All three roles will be supported by 'System Support Services' (similar to those services currently provided through the Business Services Network, such as payroll). System Support Services will have a strong focus on providing financially competitive support services, specified in service agreements. See the ['System Support Services' fact sheet](#) for more information.

What impact will the changes have?

In short, the new governance framework is designed to allow the Agency to better deliver high quality care and support to patients and clients within the resources available.

It will see a smaller administrative structure in place to perform a 'system manager' role, allowing us to put more resources into delivering services.

The aim is for less red tape, less duplication, more efficiency, more transparency and more local control and accountability.

A purchasing approach will allow providers to concentrate on providing services, while the purchaser concentrates on assessing needs and developing strategies and plans to best meet those needs. The Purchasing Commissioner then purchases those services in line with the available budget, in a transparent way.

The governance changes and subsequent revision of the DHHS organisational structure are not anticipated to have a direct impact on the services that are delivered to patients and clients. But the Tasmanian Health Organisations and other service-providers will be able to decide how they provide services in accordance with their service agreements.

When will this all happen?

There are three main stages to this process.

Stage one has been completed with the release of the Agency's new governance framework following a governance review.

Stage two involves translating the [functional outline](#) contained in the governance review into a detailed organisational structure for the DHHS before the end of 2011. Alice Burchill, Deputy Secretary Health and Hospitals, has been asked to lead stage two.

Stage three will be the implementation phase, when a plan is developed and arrangements put in place to guide the transition of the DHHS to its new form. This final stage of the process will involve considerable consultation, planning and discussion with staff and their representative bodies. It will commence early in 2012 and continue through to 1 July 2013.

Implementation arrangements for the Tasmanian Health Organisations and System Support Services will be largely complete by 1 July 2012 (in line with the National Health Reform Agreement) and by 1 July 2013 for all other DHHS services.

This difference in timeframe reflects the deadline for the national health reform implementation and the need to undertake significant work in other service delivery areas. This work will need to incorporate reform that has already occurred in Disability Services and will build on work underway in areas including Housing Tasmania, Community Services and Children and Youth Services.

Supporting resources

[Fact sheet – Service Providers](#)

[Fact sheet – Purchasing Commissioner](#)

[Fact sheet – The Ministry](#)

[Fact sheet – System Support Services](#)

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