



Government of **Western Australia**
WA Country Health Service

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Our Ref: ED-CO-23-138128
Enquiries to: Jane Caldwell, 9223 8750

The Hon Amber-Jade Sanderson MLA
Minister for Health; Mental Health
Level 5, Dumas House
2 Havelock Street
WEST PERTH WA 6005

Dear Minister

**MINISTERIAL STATEMENT OF EXPECTATIONS FOR THE WA COUNTRY
HEALTH SERVICE – STATEMENT OF INTENT**

Thank you for your correspondence dated 2 March 2023, outlining your expectations of the WA Country Health Service (WACHS) Board.

This Statement of Intent confirms our commitment to meeting the expectations outlined in your letter, noting the continuing challenges being experienced by WACHS and the entire WA Health system. The Board has worked diligently to support service delivery, service development, risk management and innovation, in an environment of financial and workforce pressures in more than 100 different sites across 2.5 million square kilometres. The Board actively works with management to address these risks, anticipate and respond to arising issues associated with this environment, and to devise long-term solutions to address these ongoing challenges.

Many of the challenges faced by WACHS have system-wide elements and therefore also require a system-wide response. The Board, in conjunction with the System Manager, has been instrumental in establishing the Country Health Sustainability Taskforce. The purpose of the Taskforce is to investigate and address a range of the systemic issues affecting WACHS staff and country communities including workforce, staff housing, infrastructure, work health and safety and financial risks. The Taskforce has been established as a result of the Board raising these substantial risks to the System Manager through ongoing briefings and meetings. The Board is thoroughly committed to the success of this process to ensure the ongoing sustainability of country health and to enable WACHS to continue to fulfil its mission of delivering and advancing high quality care for Western Australia's (WA) country patients and communities.

I confirm this Statement of Intent is provided in the context of the functions and responsibilities of a Health Service Provider (HSP) as detailed in the *Health Services Act 2016*.

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With respect to the specific expectations outlined in your Statement, we provide the following:

COVID is the new normal

The Board has continued to receive updates on the COVID-19 pandemic, its impact in country WA and on WACHS' services. The Board is confident that WACHS' COVID-19 responses are now integrated into normal business, and key service delivery programs have recommenced.

Plans to recover lost time are in place, but recovery in some programs is constrained by limitations to workforce availability and capacity. For example, elective surgical waitlists are improving, but will take time to recover to pre-pandemic levels.

The Board also notes that there is some additional activity related to COVID-19 which is ongoing and has been integrated into normal activities but has yet to be funded. Our WACHS vaccination program, for example, now includes COVID vaccination as additional unfunded work for our public health teams.

The virtual systems we grew and strengthened during the pandemic continue as innovative responses to the challenge of maintaining high quality services in country WA, will be calibrated to ongoing need and demand, and will also need long term sustainable funding solutions to ensure that they are enduring.

The Board will continue to support and encourage expansion and embedding of innovations made during the response to the COVID-19 pandemic, together with collaboration with the other HSPs to share lessons learned.

Sustainable Health Review – revised priorities

The Board remains committed to the Sustainable Health Review (SHR) implementation, including the six Focus Recommendations, and continues to be fully engaged with the System Manager and partners on the statewide approach to this program.

WACHS has led and/or partnered in the development and implementation of specific strategies to address the recommendations of the SHR including the Strategy for Older People 2022-2027; the Mental health and Wellbeing Strategy 2019-2024; the Cancer Strategy 2017-2022; the Country Ambulance Strategy; Palliative Care; Voluntary Assisted Dying; and the Infants, Children and Adolescents Taskforce.

The establishment of the WACHS Command Centre has enabled hospitals and nursing posts with previously limited or no access to medical support, to assist patients in receiving high quality, acute care and enabling 71% of referred emergency patients to stay within their region rather than require transport to Perth. The capability and growth in delivery of tertiary outpatient appointments to country patients via Telehealth enables specialist outpatient care provided closer to home with significant benefits to the patients and efficiencies for the health system.

The Board is fully supportive of outpatient service reform at both an organisational and system level to improve timeliness of access and quality of service delivery. Priorities are inclusive of facilitating an organisational approach to commission and/or contract clinical service to better meet regional need, and working collaboratively to recommence WA Health Modelling and Clinical Service Framework program of works to drive system level planning that will improve equity of service access for country residents.

WACHS continues to invest in virtual service and digital delivery capability with a focus on improving equity of access and health outcomes for vulnerable populations, including developing technologies that provide real-time situational awareness of Aboriginal Health performance data and trends.

The Board actively promotes and supports delivery of the recommendations of the SHR, coupled with the identification of funding approaches and sources to support models of care that focus on quality and overcome current constraints to delivering sustainable care services to people in rural and remote WA.

Safety and Quality

Safety and Quality will remain the highest priority and core focus of the Board and it will ensure that work continues to improve patient outcomes. The Board remains focused on the continuous improvement of the safety and quality of our services in rural and remote WA communities as the health system adjusts to a new normal following the COVID-19 pandemic, whilst managing sustained workforce pressures and patient demand.

The continuous evaluation of the progress towards improved patient outcomes across WACHS services has been well embedded at both a Board and Executive level, with recent revision of safety and quality reporting outputs to support proactive and focused discussion on key patient safety and quality matters impacting on our services. Further work is being undertaken to mature performance data visualisation at an operational level in real time, using contemporary informatics tools to support the workforce to have easy access to relevant data to inform timely and evidence-based decision making; and promote a culture of openness and transparency aligned with a maturing patient safety culture, in partnership with other health providers.

One such example of this is the Acute Patient Transfer Coordination (APTC) service, whereby WACHS, together with St John Ambulance WA and Royal Flying Doctors Service (RFDS), established a fully comprehensive 24/7 service to support the coordination of interhospital patient transfers for residents of country WA. In just over a year of operation, the APTC has received more than 17,000 patient referrals across regional WA. Initiatives such as the APTC represents the future of how WACHS can support country clinicians to deliver safe, high-quality care, no matter what the location.

The Board continues to demonstrate its commitment to continuous improvement to service delivery with the implementation of a contemporary quality improvement

system and associated governance processes. This includes implementation of drug error reduction system to support improved medication safety across our regions, implementation of a cultural governance framework focusing on embedding improvements for culturally safe practices, and embedding of the Kimberley Sick Kids Protocol alongside the adult sepsis pathways to support timely identification and treatment of sepsis.

The Board also remains committed to the ongoing external review of our health services against the National Safety and Quality Health Service Standards (second edition), National Standards for Mental Health Services, and Aged Care Quality Standards. The Board is pleased to advise the Minister that assessment against the NSQHS Standards across six of the seven regions has resulted in accreditation being awarded for three regions, and reassessment pending for three regions, with accreditation anticipated. The final region will undergo assessment shortly.

Deferred care and plan for elective surgery

The Board will maintain oversight of the continued focus on elective surgery and outpatient performance and is supportive of the strategy implemented by the WACHS Surgical Services Program Team. The strategy takes a region by region, risk-based approach in an exerted effort to reduce over boundary elective surgery cases. The risk of adverse outcomes from delayed access is foremost in all regions' planning and delivery.

Risk mitigation strategies are in place and consist of analysis of all Category 1 over boundary cases including clinical reviews by referring clinicians to ensure they are safe to wait, prioritisation of booking dates for over boundary cases, and weekly review of Category 1 over boundary by the Surgical Services Program, including a Consultant Medical Executive.

Formulation of management strategies include both short and long term planning. For example, extending lists into the late evenings/night, ad-hoc extra lists offered to specialists, maximising agreements with private providers where applicable, reallocation of theatre lists to specialties with greatest over boundary cases and improvement in theatre efficiency to reduce underruns/overruns.

The Board will continue to monitor progress made against elective surgery and outpatient performance.

Mental Health

The Board places priority on implementing whole-of-system reforms. The WACHS Mental Health and Wellbeing Strategy 2019-24 continues to deliver a strengthened approach to the integration of mental health care within all of our regional health services and is aligned with the Young People's Mental Health and Alcohol and Other Drug Use Priorities for Action and the WA State Priorities Mental Health, Alcohol and other Drugs 2020-2024.

WACHS has been an integral and key member of the Infant Child and Adolescent Ministerial Taskforce processes from the initial Review, to finalising the Models of Care and Service Guarantee components that address many of the recommendations. WACHS has directly participated in the Business Case development relevant to the Models of Care and necessary service reform required to achieve the recommendations of the Taskforce. WACHS is already progressing a number of initiatives aligned with the recommendations and priorities for reform along with being in readiness for new initiatives pending outcome of the Estimates Review Committee and budgetary process.

WACHS is pleased to have commenced the implementation of the WA Rural Psychiatry Training Program which aligns with the Mental Health Clinical Workforce Action Plan and is the first such program in Australia. Our Chief Executive is a member of the Mental Health Executive Committee, and additional initiatives will be considered and monitored at this forum.

As the Minister is aware, access to secure beds remains a key challenge for the state noting additional secure bed and acute / sub-acute bed capacity is being increased over the next few years. Mental health demands in our emergency departments remain a key challenge across WACHS and also the broader hospital system. Challenges around access to timely transfer and repatriation transport options for our patients continues to further exacerbate the challenges to provide equitable access to care.

The Board is assured that our Executive and specialist mental health services staff will continue to work with a broad range of partners and consumers to achieve safer, co-located and integrated mental health services, enabling equitable access to care for people in country communities similar to that available in the metropolitan area.

However, the limitations of the current resource allocation model to account for the limitations of Activity Based Funding represents an ongoing risk to the sustainability of services such as the Mental Health Emergency Telehealth Service.

Work Health and Safety

The Board will continue to work collaboratively with the System Manager and the WACHS Executive to ensure HSP legislative requirements are met, that workplace health and safety is a focus and that overall health and safety culture improves.

Work Health and Safety (WHS) within Western Australia (WA) has undergone significant changes since the new *Work Health and Safety Act 2020 (WHS Act)* was enacted.

WHS and staff safety is a high priority for the Board, with key deliverables being to improve staff safety, deliver on committed programs and improve processes for the management and oversight of staff accommodation. The Board receives regular briefings on staff safety, security incidents and strategies to improve WACHS WHS management systems. Additionally, the WACHS Board Audit and Risk Committee

continue to meet and monitor workforce key performance indicators, with a particular focus on staff exposure to violence and aggression; working in isolation; staff accommodation security and safety. The Committee, in conjunction with the Executive, have progressed improvements to the organisation's risk reporting. These improvements are well advanced and will enable greater oversight of risks and trends across all of WACHS.

In mid-2022, WACHS established the Director of Work Health Safety position. This position is responsible for providing strategic direction and leadership for the development and implementation of prevention and education strategies to reduce safety and health risks and improve staff wellbeing.

The Executive, with the support of the Executive Director People Capability and Culture and Director Work Health and Safety, are the leaders responsible for developing a culture of continuous improvement and leading safety within WACHS across regional WA.

Managing the risk of violence and aggression is an important and complex undertaking in a healthcare environment. WACHS has a documented system in place to minimise, so far as is reasonably practicable, the risk of violence and aggression towards workers, performing various roles, arising from WACHS' business, or undertaking. WACHS is undertaking a risk-based gap analysis which will inform WACHS' future strategy in relation to the ongoing management and improvement of the WHS Management System.

The Board can advise that Rapid Action Plans (RAPs) have been implemented in response to staff accommodation and security issues. These RAPs have been consolidated centrally and include physical security upgrades, operational management and ongoing upkeep, staff awareness, and culture and community engagement and emergency response.

Additionally, WACHS engaged a specialist law firm to provide advice in relation to due diligence obligations of the Board and Management arising under *the Work Health and Safety Act 2020 (WA)* resulting in the development of a WHS Governance Framework which provides guidance for officers in relation to their personal "due diligence" duty under the *Act*. As part of this the Board and Executive continue to receive regular and ongoing briefs from Worksafe and the WACHS WHS and Legal teams.

The Board places significant importance on the morale, culture and performance of WACHS staff in providing high quality patient centred health care, and the strategies in place to safeguard staff wellbeing. However continuously increasing risk, coupled with a substantially broader duty of care, will require further investment in virtual and physical capability to protect WACHS staff in line with the work health and safety legislative intent.

Increased Job Security

The Board has maintained oversight of the implementation and finalisation of the Commissioner's Instruction No 2 (CI2) within WACHS. We remain committed to implementation of Government policy and compliance with the conversion to permanent employment arrangements contained within our industrial agreements.

WACHS undertakes a coordinated, consistent, and effective assessment approach to the conversion to permanency process. The Board is supportive of management continuing to maximise opportunities of permanent employment and minimise the use of temporary arrangements such as contracts for service. The conversion to permanency process is viewed with high priority by the Board and Executive, and increased reporting has been implemented to closely monitor the progress of the assessment process to ensure the most favourable outcomes to eligible staff.

The Board is committed to 10 per cent casual and agency usage for hospital support workers, and four (4) per cent casual and agency usage for salaried officers. These targets will be challenging to meet due to the state and national nursing shortages, specifically for emergency departments, midwifery, renal and theatre, however, further awareness and education will be undertaken across WACHS to achieve these targets over the life of the industrial agreements. Quarterly reporting of WACHS' progress against these targets is being undertaken in accordance with the obligations of the industrial agreements.

Procurement

The Board will continue to ensure procurement is managed in accordance with the WA Buy Local Policy 2022 (the Policy), the WA Jobs Act 2017 and the WA Industry Participation Strategy to ensure local businesses and manufacturers have a fair and reasonable opportunity to access WA Government supply contracts.

WACHS has made commitments under an implementation Agreement with the Department of Jobs, Tourism, Science and Innovation, which support the objectives of the Policy, to ensure that businesses and workers in regional WA benefit from WACHS' expenditure on goods, services and works.

The WACHS Strategic Forward Procurement Plan has linked forward procurement planning to relevant government economic and social policies to stimulate local businesses and to create employment through the delivery of procurement services.

The Board is fully supportive of WACHS' commitment to successfully increasing the representation of Aboriginal businesses through procurement and are uniquely placed to do so. Where appropriate, WACHS will prioritise considerations for direct supply opportunities with Aboriginal businesses, to positively impact the financial and economic security of Aboriginal people to exceed mandatory targets as part of the Aboriginal Procurement Policy settings.

The Board is assured that the effectiveness of the application of social procurement policies will be measured through feedback from both public and private sector

stakeholders, along with the review of compliance reports, to ensure contractual commitments are being achieved.

Expenditure and Activity

WACHS has an established financial and governance framework that tracks and monitors and manages all activity and spending. However, the Board acknowledges that it remains a challenge for WACHS to operate within available budget settings, and there is a real cash risk that continues to be impacted not only by costs associated with the COVID-19 response and vaccination programs but particularly by a number of ongoing workforce and other pressures. These include increasing reliance on high cost agency nursing and medical staff to maintain services; junior workforce initiatives and support; virtual care service models to improve equity of access to specialised services; and staff security and safety.

WACHS continues to seek operational efficiencies where possible without compromising quality or safety of services, patients and staff. Support functions such as Finance, Human Resources and Information Management have been centralised either within regions or at the whole of Health Service level, with centralisation of Clinical Coding functions in progress.

With support from Royalties for Regions WACHS has continued to pilot alternative technologies and service models such as the Command Centre and Operations Hub to enable regional communities to access services in a financially and operationally sustainable way. Deep dive reviews of staffing levels relative to changes in activity overseen are in progress and increasing costs of agency staff are being addressed through the development and implementation of alternative procurement arrangements designed to reduce rates being charged for agency nurses.

WACHS continues to work with the System Manager, including via the Country Health Sustainability Taskforce, to address our financial risks and to review and refine funding models for both ABF and non-ABF services to better address issues unique to rural and remote services as a priority.

The Board wrote to the System Manager in October 2022 seeking reinstatement of the Expenditure Review Committee Cost Driver Review which was paused during the COVID pandemic, and we fully support its recent re-establishment. Through the Cost Driver Review, which is a critical input for the Taskforce, WACHS will identify and evidence the structural cost pressures that are unique to country health services, and exacerbated post COVID. WACHS has undertaken significant analysis of the cost drivers that are unique to WACHS and is working collaboratively with the System Manager to fully examine these critical issues to achieve budget sustainability into the future.

In addition to the ongoing operating budget deficit, WACHS has significant liabilities within minor capital works (for example, staff accommodation standards and amenities), information management and technology, and medical equipment replacement due to a sustained lack of investment within these programs. WACHS

will continue to work with the System Manager to make it aware of the risks and identify potential solutions.

WACHS is committed to a sustainable and sound financial position and notes the Minister's expectation about developing mitigating actions to address significant activity and expenditure pressures. The Board and Executive will continue to work with the System Manager to develop service and support options to consider in relation to expenditure management, and welcomes the continued support of the System Manager to work with WACHS to address concerns and emerging issues in relation to the financial impact of the pandemic and secondary operating expenditure concerns.

Implementation of election commitments and key ICT and infrastructure projects

The Board supports WACHS' commitment to working in partnerships with the System Manager and the Department Finance and Treasury to deliver two major projects; the Bunbury Hospital Redevelopment Project (\$277.9million) and the Geraldton Health Campus Redevelopment Project (\$122.7million). Early works have been completed for both projects, with a two-stage procurement process (expression of interest and request for proposal) to appoint a Managing Contractor for the main works at both campuses underway.

In relation to specific election commitments, the Board is assured that significant progress has been made, including: the commissioning of the Collie Hospital upgrade, the functional brief completed for the Meekatharra Hospital; a grant funding for staff housing for Puntukurnu Aboriginal Medical Service Staff in Jigalong being executed with construction progressing well; the business cases for the MRI Unit for South Hedland; the new carpark for Albany Health Campus completed in December 2022; and the concept brief for the Renal Dialysis Centre in Halls Creek completed and the project definition planning now commenced.

To ensure key ICT projects align with major infrastructure development programs (such as new hospitals/clinics), WACHS has established a new ICT technology project manager to coordinate standards and contractor works. WACHS is collaborating with Health Support Services (HSS) to ensure those standards and documentation align to whole-of-health standards and architecture.

The Board continues to support the use of virtual care and real time monitoring / management, which was a key initiative during COVID and has assisted in mitigating many service issues and risks. However, the cost of developing, implementing, and maintaining the infrastructure required to deliver a comprehensive suite of Telehealth (Virtual Care) and digitised services requires a long term and sustainable solution to secure ongoing service continuity, ideally with an adjusted ABF mechanism. The Board is encouraged that the Independent Health and Aged Care Pricing Authority is also investigating the inclusion of emergency department telehealth video consultations in national minimum Data Sets for 2023–24 and has committed to further investigate innovative models of care relating to virtual care.

Independent Governance Review

The Board accepts the recommendations of the Independent Governance Review and will work with the System Manager and Government to ensure the recommendations are implemented in a strategic and timely manner.

The Board notes the [WA State Government Response](#) states preliminary implementation scoping has indicated that an initial focus should be placed on recommendations related to WA health system present and future workforce initiatives and that the System Manager will lead the implementation of these recommendations.

The Board is committed to collaborating with the System Manager and other HSPs to implement these recommendations across WACHS.

Advice to Government

The Board reaffirms WACHS' commitment to providing the Minister with timely and accurate information, through briefings, advice on critical matters, urgent priorities and responding to Ministerial and Parliamentary requests.

WACHS actively and willingly works to meet our obligations under the *Health Services Act 2016* (WA), our Service Agreements and contracts, and to deliver on the State Government's priorities, particularly through the unprecedented challenges currently being experienced in the WA Health system and the unique operating environment whereby WACHS is often a provider of safety net services.

In closing, we confirm the Board and the Executive are committed to our mission of delivering and advancing high quality care for country WA communities, and our vision to be a global leader in rural and remote healthcare. The Board reiterates its commitment to working with the Minister, System Manager and other HSPs to address the significant demand issues on all levels of service provision to the best of our ability given the context outlined here, and as articulated in earlier briefs and correspondence.

The Board and Executive remain committed to working hard on service delivery, service development, risk management and innovation for sustainability of delivering country health services, particularly through the coordinated approach to comprehensively examine and address key challenges through the County Health Sustainability Taskforce, with system-wide partnering and support from the System Manager and State Government.

The Board and Executive appreciates the Minister for Health's support in improving service access and equity for country communities, with some key initiatives now operating well, including palliative care and cancer services, the Country Ambulance Strategy and the APTC (a precursor to the State Health Operations Centre).

We look forward to continuing collaboration with yourself, the System Manager and other HSPs in achieving the Government's strategic priorities and improvements for

the WA health system and to improve the health and wellbeing of our people living in rural and remote WA.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Neale Fong', written in a cursive style.

Dr Neale Fong
BOARD CHAIR

14 April 2023