



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

Your Ref : 4-200209
Our Ref : ED-CO-21-217162
Enquiries to : Brooke van Blommestein, 9223 8713

Hon. Roger Cook MLA
Deputy Premier
Minister for Health; Medical Research;
State Development, Jobs and Trade; Science
13th Floor, Dumas House
2 Havelock St
WEST PERTH WA 6005

Dear Minister

MINISTERIAL STATEMENT OF EXPECTATION FOR THE WA COUNTRY HEALTH SERVICE – STATEMENT OF INTENT

Thank you for your correspondence dated 4 June 2021, outlining your expectations of the WA Country Health Service (WACHS) Board.

This response confirms our commitment to meeting the expectations outlined in your letter, noting the incredible challenges being experienced by WACHS and indeed across the WA health system. The Board and the Executive, in partnership with the Department of Health (DoH) and other Health Service Providers (HSPs), are focused on meeting these challenges, noting that we work in an environment that was already unique and challenging (without COVID), with responsibility for services delivered from 100 different sites across an area spanning 2.5 million square kilometres.

During 2020-21, we have leveraged all of the options available to us to scale up services in order to provide COVID testing facilities, implement the vaccine rollout, and to staff the hard to fill sites without access to international and interstate workforce. The recent cyclone in the Midwest has further exacerbated these challenges for some sites. We continue to experience significant demand pressures relating to capacity, workforce supply and achievement of key performance indicators (e.g. WEAT).

We acknowledge our role in meeting these challenges, many of which are system-wide and therefore require a system-wide response.

I confirm this Statement of Intent is provided in the context of the functions and responsibilities of an 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-19

The Board and WACHS remain committed to ensuring that WACHS staff and patient safety is at the forefront of all decision-making and responses during the COVID-19 pandemic and recovery phase. The Board is confident that WACHS' continued focus on the changing dynamic of COVID-19 and the ongoing review in relation to preparedness and response to the pandemic puts WACHS in a good position for the recovery phase.

WACHS is in an enhanced state of preparedness in order to be able to respond to any emergent events whilst also ensuring normal service delivery is minimally impacted. WACHS' Emergency Operations structure provides a clear and consistent mechanism for the organisation to manage the ongoing response to the pandemic and ensure business continuity. Additionally, this structure ensures WACHS remains agile and fully prepared to manage any subsequent outbreaks, lockdowns, vessel outbreaks, increase in service demands, as well as delivering the vaccination program across regional and remote locations in partnership with ACCHOs, Commonwealth supported general practitioners and the System Manager. There continues to be ongoing planning in consideration of business as usual activities within a COVID environment.

WACHS works closely with the System Manager to manage ongoing challenges, particularly significant operational impacts, that occur as a result of the pandemic. WACHS continues to work within the WA Health Planning Framework (including WA Health governance structures), and ensures that localised planning integrates with system-wide planning with strong and clear links to escalation points, particularly for system-level working or decisions.

The COVID-19 pandemic has highlighted several issues unique to the WACHS environment, geography and needs of country patients and communities. We have been active in developing prompt solutions to logistical, transport, critical supplies (such as PPE) and other challenges to ensure country patient needs are identified and responded to, and considered in local and state wide plans. WACHS will continue to work in conjunction with local state government agencies, such as WA Police, Department of Fire and Emergency Services and Department of Communities to manage the response and recovery of the pandemic at both a regional and state level.

The Board will continue to monitor and support WACHS to ensure the highest level of critical oversight of responding to potential COVID-19 transmission in our communities and to maximise opportunities for innovation to deliver services.

Safety and Quality

It has been widely acknowledged in recent months that the WA Health system is operating under immense pressure and heavy media and public scrutiny. The issues experienced by WACHS are not unique to WACHS, and reflects a system wide

challenge that requires a whole of government action plan and response in order to safeguard patient safety and staff wellbeing.

The Board remains focused on improving the safety and quality of our services in country WA amidst the staff fatigue as a result of the COVID-19 pandemic, workforce pressures and the extraordinary patient demand circumstances.

There is strong and consistent safety and quality oversight at both a Board and Executive level, with recent steps taken to further expand and develop safety and quality discussions at Board meetings, with an increase in the frequency of Board Safety and Quality Committee meetings and focused sessions on key areas. We have invested further in safety and quality oversight, establishing the position of Executive Director Clinical Excellence and resourcing of dedicated regional safety and quality management staff across the State.

The Board has reaffirmed the organisational focus is on improving all aspects of safety and quality performance, addressing workforce challenges, and ensuring a sharp focus is on our key safety and quality risks.

WACHS is committed to performance reporting transparency and will continue to collaborate with DoH on establishing an informative reporting framework which allows a fair and accurate assessment of health service performance and improvements based on the best available evidence.

The Board is pleased to advise the Minister that in early 2021 WACHS underwent voluntary assessment against the Australian Council on Health Care Standards National Corporate Accreditation Program which covered three broad areas: clinical governance processes, consumer participation, and the robustness of the systems and monitoring we have in place to ensure a 'feedback loop' of evaluation and improvement. The Board is proud that WACHS achieved accreditation against the national corporate standards, noting this is a significant result with WACHS being the first health organisation (and the only WA health service) in Australia to be assessed under the National Safety and Quality Health Service (NSQHS) Standards 2nd edition Corporate program. WACHS last achieved this accreditation in 2017.

The Board also remains committed to continue subjecting its health services to external review against the 2nd edition of the NSQHS Standards and Aged Care Quality Standards.

Mental Health priorities

The Board shares the Government's vision to reform and balance the mental health and alcohol and other drug sector services in Western Australia. Providing high quality care and treatment for people experiencing mental health problems, including alcohol and substance use disorders, is core business for WACHS, and the WACHS *Mental Health and Wellbeing Strategy 2019-24* delivers a strengthened approach to the integration of mental health care within all of our regional health services.

The WACHS Chief Executive is a member of the Mental Health Executive Committee, as well as a member of the Ministerial Taskforce into Public Mental Health Services for Infants, Children and Adolescents aged 0-18 years in WA. WACHS is fully committed to delivery on improving mental health service performance and the announced priorities for reform in the mental health sector.

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.

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.

Workforce Safety, Wellbeing and Engagement

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.

The focus on the WACHS Strategic Plan 2019-24 *'Enabling our Staff'* priority continues to emphasise staff support, a safe and secure workplace and a culture that embodies the WACHS Values. A strong, skilled, values driven workforce sustained over time will continue to enable the WACHS Vision and Strategic Plan elements to be delivered.

The establishment of the People, Capability and Culture function within WACHS has resulted in an increased focus on workforce issues, including mechanisms to monitor staff safety, wellbeing, and engagement.

WACHS staff make an essential contribution to the health of communities across country WA. WACHS will continue to enhance organisational culture and staff engagement through analysis of the "Your Voice in Health" survey results and implementation of action plans.

WACHS is committed to providing safe work environments for staff and is developing initiatives to reduce violence and aggression in the workplace. Additionally, WACHS has dedicated resources to the development of health and wellbeing programs, including the Psychological First Aid and Post-Support Critical Incident Programs.

The Board remains active and directly in touch with regional locations by hosting Board meetings and staff engagement sessions at regional centres across the state throughout the year. Board Members regularly engage in meaningful dialogue with employees to allow for a shared understanding of Board directions and employee experiences.

The Board are immensely proud of WACHS staff and have seen first-hand the remarkable commitment and resilience to continuing to support country communities in these very difficult and exceptional circumstances. This is despite significant fatigue and personal fear, and often being the face of WA Health in the communities in which they live and work. The Board's strong focus remains on safeguarding staff wellbeing to ensure they are supported in providing high quality patient care to our country patients.

Commitment to Permanent Employment

The Board has maintained oversight of the implementation and finalisation of the Commissioner's Instruction 23 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 has dedicated additional resources for the review process and is ensuring that employees will not be disadvantaged as these processes are undertaken.

WACHS will continue to maximise opportunities of permanent employment and minimise the use of temporary arrangements such as contracts for service. As you are aware, through the COVID-19 pandemic, WACHS has experienced exacerbation of our workforce needs and this has further highlighted our reliance on interstate and international clinical staff.

There remains significant challenges in maintaining service continuity and WACHS continues to progress strategic options aimed at achieving workforce sustainability. Systems are also in place to manage these workforce shortages and to seek solutions.

Sustainable Health Review

The Board remains committed to the Sustainable Health Review (SHR) implementation and WACHS is fully engaged with the System Manager and partners on the state wide approach to this program, including Chief Executive co-leadership of a number of recommendations.

The WACHS Strategic Plan 2019-24 and WACHS Operational Plan 2019-21 are aligned with the recommendations from the SHR's final report, with a focus on delivering person-centred care, strengthening partnerships, achieving clinical excellence and continued investment in emerging technologies that support increased access to services in the regions and support the workforce.

WACHS is progressing key SHR recommendation initiatives including: formalising the linkages between regions and metropolitan health service providers; operation of the 24/7 Command Centre; increased provision of clinical service delivery through virtual technologies; and developing technologies that provide real-time situational awareness of Aboriginal Health performance data and trends.

Continuing strong progress on these activities in light of the current activity and COVID pressures will remain a challenge going forward.

Research and Innovation

The Board and WACHS continues to place a strong emphasis on research and innovation as integral elements of a strong and robust health system that provides clinically appropriate care and contributes to better health outcomes. The Board remains committed to health research and innovation as a learning organisation responsible for the governance of research conducted in all hospitals, health facilities and with communities in country WA.

WACHS' research and ethics governance function has an independently chaired WA Health led Human Research Ethics Committee which assess and authorises all research initiatives and ensures they meet the guidelines of the National Health and Medical Research Council.

Additionally, the Board drove the development of the WACHS *Research and Innovation Strategy 2019-24*, which has now been implemented within WACHS and has helped us secure over \$10 million in research investment and to partner with significant stakeholders. The strategy continues to help ensure WACHS remains collaborative and proactive in determining the research undertaken to address priority health issues for country people and evaluating the impact of service developments.

The Board remains committed to support WACHS to access state research investment in order to ensure a sufficient core corporate capacity to host and grow our research platform that is both sustainable and world-leading.

WACHS fosters a culture of advanced learning and innovation, and the Board continues to support the organisation to achieve its vision as the global leader in country health research. The Board looks forward to building the organisation to be an excellent teaching, training and research support for our workforce, seeing our workforce build further capacity, take advantage of opportunities and develop further innovative country health care delivery initiatives to support the future of healthcare teaching, training and research for rural communities. The \$200 million investment into Bunbury Hospital will allow WACHS to establish Bunbury as a Teaching, Training and Research hub for the South West and potentially for WACHS, and there has never been a better time for WACHS to make a significant impact on the health of our country residents, now and for the next generations.

Election Commitments

WACHS has made a strong commitment to the delivery of election commitments relevant to the Health Service and country communities. Many of these have been implemented or for those which are longer term commitments, are continuing to be progressed. Planning has commenced for progress of election commitments arising from the 2021 election, and will include development of business cases to support funding allocation where required.

WACHS also continues to collaborate with DoH for those commitments led by them which improve and impact the health of country communities.

During the current financial year, WACHS has made significant progress on the 2017 election commitments, including the progress of recommendations for the Country Ambulance strategy, the successful establishment and commissioning of an MRI machine and suite at Kalgoorlie Health Campus, the expansion of the Country Health Connection Meet and Greet service, the redevelopment of Geraldton Health Campus, Collie Hospital, and the \$200m redevelopment of Bunbury Health Campus.

Key WACHS Workstreams

The Board confirms that planning and delivery of the key facilities referenced in your letter are being prioritised, noting that several projects, with the exception of Collie and Newman, will require additional funding to complete the projects given the significant escalation in capital costs following COVID-19.

Hospital Performance Targets

The Board and WACHS have a continued focus on meeting Hospital Performance Targets for Safety and Quality, Western Australian Elective Surgery Target (WEST) and WA Emergency Access Target (WEAT), recognising the impact the COVID-19 pandemic has had over the last eighteen months and the ongoing significant demand on our health system.

WACHS' WEST targets are tracking quite well, but surgical capacity challenges, particularly around nursing staffing and theatre availability, remain in Geraldton, Kalgoorlie and Bunbury in particular.

WACHS' WEAT performance is increasingly challenged, whilst averaging 85% overall for 2020-21, it is trending downwards as ED and general demand has escalated. This has been exacerbated by key staffing challenges which have been compounded by restrictions on state borders, staff aversion or inability to travel (both nationally and internationally) due to the pandemic.

Care Opinion

The Board remains committed to patient and community engagement and building and maintaining a strong, positive and person-centred culture. The Board places significant importance on ensuring consumer voices are heard and they are empowered to partner and collaborate with us about decisions about their care and health service planning.

WACHS has a strong and proud history of engaging with consumers across all levels. Actively involving patients, their families and carers in the planning and delivery of their care, and ensuring our services are respectful of and responsive to their needs and values is at the core of the patient-centred care WACHS strives to achieve for all country patients.

As well as involving consumers in the design of new and improved services, including infrastructure redevelopments, WACHS continues to ensure there are new and improved ways for consumers and carers to have input into and collaborate on service delivery and infrastructure improvements. We continue to engage our consumers

through several platforms, including social media, more formal mechanisms such as District Health Advisory Councils, community engagement forums, or through our complaints mechanisms, Care Opinion and the MySay HealthCare Survey platforms.

The imminent release of our Consumer and Community Engagement Strategy will also support WACHS to continue to improve and expand upon patient experience, consumer and community engagement processes and mechanisms to ensure country people have opportunities to be involved in the planning and delivery of healthcare, and ensuring our services are respectful of and responsive to the needs and values of those we serve. The Strategy will guide a number of key cultural change processes to meaningfully embed and maintain a person-centred approach to health care.

Additionally, the Board has strengthened our consumer and stakeholder engagement mechanism processes, particularly through various regional engagement opportunities across the state. The Board regularly meets with key stakeholders, holds community forums and ensures open and transparent communication by way of our Communiqués being publicly available to our country patients, stakeholders and partners. The Board also continues to explore options to further enhance consumer and stakeholder engagement, through the development of more targeted engagement opportunities, particularly with key themes and opportunities to incorporate mechanisms to close the feedback loop. This, in turn, will further support the Board in gaining insight to the Board's safety and quality and workforce priority agendas.

The Board continues to regularly and actively review the results of patient feedback and is encouraged by the consistently high use of the Care Opinion application by patients and consumers, allowing for constructive feedback and input into improving our country health services. The Board is pleased to note that country patients in WACHS facilities remain the most prolific users of Care Opinion in Australia resulting from our targeted engagement and promotion of the use of Care Opinion across all sites.

Financial Performance

The Board acknowledges that it remains a challenge for WACHS to operate within expected budget settings, and there is a real cash risk that continues to be impacted by activity levels above target, costs associated with COVID-19 preparedness and containment operations, and the Government's recent changes to creditor payment terms.

WACHS continues to work with DoH and Treasury through the ERC Cost Driver Review to address our financial risks and resolve non-ABF structural recurrent funding and ABF equity issues as a priority.

WACHS currently has an ongoing structural budget deficit of around \$20 million, with significant liabilities existing within minor works (for example, staff accommodation standards and amenities), information management and technology, pharmacy, service standards and medical equipment replacement due to a sustained lack of investment within these programs.

Additionally, pricing allocations for WACHS still does not account for WACHS delivering approximately \$30 million of Health Support Services (HSS) type services to our regional sites that all other HSPs receive free of charge through HSS.

WACHS has an established financial and governance framework that tracks and monitors all spending, including COVID-19 related decisions and actual expenditure as it is incurred.

The COVID-19 environment continues to be extremely challenging across all levels, including financial performance, and the Board recognises the impact this has had on WACHS' activity and cost profile. The Board is assured that WACHS manages additional COVID-19 costs within existing Budget settings.

The Board welcomes the support of the System Manager to continue working with WACHS to address concerns and emerging issues about the financial impact of the pandemic and our other operating expenditure concerns.

Recovery

The Board remains committed to ensuring WACHS implements and delivers on the health system wide recovery plan (based upon the recommendations of the Sustainable Health Review), and tracks progress against this plan.

WACHS continues to manage the COVID-19 recovery project consistent with the project plan, including the Lion's Outback Vision Northwest Eye Hub, WACHS Renal Hostels and Bunbury Regional Hospital Redevelopment.

WA Health System Governance

The Board understands and accepts its obligation to you as the responsible Minister to comply with relevant policy frameworks issued by the System Manager, in order to discharge our functions as the relevant accountable authority for WACHS. The Board commits to continue to comply with mandatory policy frameworks as outlined in the Health Service Provider Boards – Governance Policy, and as prescribed by the *Health Services Act 2016 (WA)*.

The Board has engaged in an assessment of its governance responsibilities, skills balance and relationships with management. The Board also has engaged in, and will continue to do so, in professional development to ensure it is growing in its leadership and governance.

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 last resort services.

In closing, the Board reiterates its commitment to working with the Minister, DoH 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.

We look forward to continuing collaboration with yourself, DoH 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 country WA.

Yours sincerely

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

DR NEALE FONG
BOARD CHAIR

13 July 2021