



NORTHERN TERRITORY GOVERNMENT MEDIA RELEASE

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JANE AAGAARD MLA Minister for Health and Community Services

AGENCY RESTRUCTURE ANNOUNCED

The Department of Health and Community Services will undergo the most extensive restructuring in its history to provide a greater focus on the delivery of health and community services to Territorians.

Health and Community Services Minister Jane Aagaard made the announcement as she released the independent review of the agency.

The review found severe problems with the agency's structure and its management systems, and highlighted the failure of the model used to deliver services.

It found previous governments have presided over repeated budget blowouts, little accountability and historic under-funding over the past 10 years.

"The report is a warts and all, comprehensive and independent investigation into all aspects of the agency," Mrs Aagaard said. "It shows that while we have wonderful, hard-working and professional staff, there are significant problems that must be addressed if we are to provide Territorians with the best possible health and community services.

"The Bansemer Report has found an agency that is top heavy, unnecessarily complex, inefficient and in some cases unaccountable.

"The failure to address systemic problems has seen money being directed away from the delivery of community services and contributed to regular budget blowouts over the past decade.

"The combination of a lack of focus on emerging costs, historic underfunding and cost shifting by the Commonwealth have placed extra pressure on Territory health services and it will take a long-term strategy to fix the problem.

"We need to modernise what is an outdated and inefficient structure where the focus is returned to delivering better health services for Territorians.

"The health system has been sick for a long time. The Bansemer Report is a prescription for better health. It will be a long road to recovery but today is the starting point."

Mrs Aagaard said her first priority was to make sure the Department was financially sustainable with tight budget management, a simpler structure and managers who are accountable for results.

She said she had instructed her Chief Executive Officer to immediately implement sustainable financial and structural reforms to get the agency back on track.

These will include:

- The abolition of the Funder/Purchaser/Provider service delivery model and associated resources redirected into health and community programs.
- A simpler executive and administrative structure.
- A single acute care network of hospitals
- The introduction of stringent cost management to achieve financial stability.
- The appointment of a new Chief Finance Officer.
- The creation of strategic consumer Advisory Councils for Health, Family and Children, and Disability Services to better involve the community in the agency's operations and delivery of services.

These initiatives will be put in place over the next three months and will form a new financial and resource management structure that will enable the Government to deliver on a five-year plan for health and community services to be released in May 2003.

At the same time there will be no job losses or forced redundancies as a result of the review.

Mrs Aagaard said the Territory Government will inject an additional \$15 million into the current budget of the Department of Health and Community Services to address an anticipated shortfall and ensure that core services continue to be available to all Territorians.

She said this meant the Government had injected an extra \$70 million into the agency's budget over the past 18 months, highlighting the serious funding problems and the dramatic increase in costs being experienced in the sector across Australia.

The shortfall in the 2002/03 Budget would also be addressed by short-term savings measures of \$5 million.

These are:

- Stringent cost and audit controls, including bed and staff vacancy management across the agency.
- Delaying the opening of the new development at the Royal Darwin Hospital from April 2003 until July 2003.
- Deferring the establishment of a separate stand alone Radiation Oncology service in the NT on the advice of the review's authors who advised of serious clinical concerns in relation to the establishment of a service in Darwin. Cabinet has asked for further advice on alternatives.

Mrs Aagaard said Territorians deserved the best health and community care but the review's findings made it clear this did not always happen. Previous reviews of the same agency had raised similar problems.

“But there was a persistent failure by previous CLP Governments and Health Ministers to adequately implement their findings,” she said. “This resulted in budgets continuing to blow out and the agency’s problems just getting worse.

“I am determined that this time, crucial reforms will be not only be implemented but be sustainable.”

Mrs Aagaard praised the Department’s staff for their dedication and commitment and involvement in the Review process.

“They have been listened to.”

The Bansemer Report can be found at <http://www.health.nt.gov.au/>

The report’s author Alan Bansemer can be contacted for comment on 08 95252505 between 1.30pm and 2.30pm