

Request for Costing an Election Commitment

Name of proposal:	Health Board
Person requesting costing:	Guy Bromley on behalf of Shane Rattenbury
Date of request:	11 October 2024
Summary of proposal:	<p>The ACT public healthcare system currently manages and operates a tertiary specialist hospital, a newly acquired hospital, a forensic mental health facility, a rehabilitation facility, a public palliative care facility (Clare Holland House) and five walk-in centres. Other jurisdictions such as NSW, QLD, SA and Tasmania have independent boards overseeing their district health networks. It is common for health systems with such variety and complexity of services, like we have in the ACT, to be led and overseen by an independent statutory board. Those boards have a role in scrutinising performance, holding health providers to account and ensuring that their health systems are meeting the agreed strategic direction. We have seen this work in the ACT during the Dhulwa review and the establishment of an independent oversight board to oversee the implementation of the review recommendations</p> <p>The ACT Greens believe that accountability, transparency and expertise are vital in a high performing health system to ensure the best outcomes for people.</p> <p>To achieve better health outcomes and greater transparency of our healthcare system, the ACT Greens will:</p> <ul style="list-style-type: none"> • invest around \$1m (\$850K per annum plus an initial \$150K for recruitment and upskilling) in creating a statutory independent board to provide leadership to the ACT healthcare system, ensuring that public healthcare providers and commissioners are held accountable for their overall performance and that health services are meeting their strategic goals.
Issue the proposal will address:	The ACT public healthcare system currently manages and operates a tertiary specialist hospital, a newly acquired northside hospital, a forensic mental health facility, a rehabilitation facility, a public palliative care facility (Clare Holland House)

	<p>and five walk-in centres. Other jurisdictions such as NSW, QLD, SA and Tasmania have independent boards overseeing their district health networks. It is common for health systems with such variety and complexity of services, like we have in the ACT, to be led and overseen by an independent statutory board. Those boards have a role in scrutinising performance, holding health providers to account and ensuring that their health systems are meeting the agreed strategic direction. We have seen this work in the ACT during the Dhulwa review and the establishment of an independent oversight board to oversee the implementation of the review recommendations.</p> <p>The ACT Greens believe that accountability, transparency and expertise are vital in a high performing health system to ensure the best outcomes for people.</p> <p>To achieve better health outcomes and greater transparency of our healthcare system, the ACT Greens will:</p> <ul style="list-style-type: none"> invest around \$1m (\$850K per annum plus an initial \$150K for recruitment and upskilling) in creating a statutory independent board to provide leadership to the ACT healthcare system, ensuring that public healthcare providers and commissioners are held accountable for their overall performance and that health services are meeting their strategic goals.
<p>Proposal's public announcement details (media release or policy statement published on a party website)¹:</p>	<p>2024 Initiative - A Health System You Trust (greens.org.au)</p>

What are the key assumptions that have been made in the proposal?

Note: The costing will be developed on the basis of information and assumptions provided in the costing request. The professional judgment of the Under Treasurer will determine whether these

¹ As per Part 2, section 5 of the *Election Commitments Costing Act 2012*

assumptions are adopted in the costing of the proposal.

The CEO of Canberra Health Services and the Director General of the Health Directorate, and other relevant members of the Senior Executive Service would be members of the board. Their salaries are already covered from existing resources.

Based on the Remuneration Tribunal Determinations for Ministerial Advisory Councils, we have assumed that:

- The Chair would be paid \$615 / day;
- The Deputy Chair would be paid \$570 / day;
- Members would be paid \$530 / day for their services.

We anticipate that each member would spend an average of 50 days per year working on behalf of the board. This means annual payment would be \$30,650 for the Chair; \$28,560 for the Deputy Chair and \$26,500 for members.

With a Chair and Deputy Chair and up to eight members, we anticipate an annual cost of \$271,210 for all board payments.

We would also provide for an independent secretariat, which we will cost on the basis of 1 FTE SOGC. This is \$85,727 from 1 Jan – 30 Jun 2025, \$177,532 in 2025/26, \$182,508 in 2026/7, \$187,468 in 2027/8.

We have allowed \$150,000 for the search, recruitment and selection of the Board.

The remaining Budget would be spent on renting office space, Travel and Subsistence including for board members to make visits to other health systems to learn from and make improvements, and provide for the ability to hire relevant external expertise.

The Budget will be capped each year based on \$1,000,000 in Y1, and \$850,000 in subsequent years. The impact of this is that funds outside of salaries and board payments will be slightly less.

NB: We would however look to take Public Service Advice on the best model for implementation, and note the following which may help the ACTPS in implementing this proposal:

When looking at other independent or statutory boards in the ACT, there is no consistent approach to remuneration. The CIT Governing Board chair and members, which has a similar role to that proposed for the health system board, currently receives \$64,410pa (chair) and \$675 per diem (member). The members of the Government Procurement board receives \$28,965pa, whilst the chair receives \$37,110pa. Finally, members of the Gambling and Racing commission board receive \$28,235 whilst the chair receives \$58,205.

In terms of oversight of the ACT Health system network, currently the ACT Health System council members currently receive \$800 per diem, and the chair receives \$1,200 per diem.

Additional information located here:

https://www.remunerationtribunal.act.gov.au/_data/assets/pdf_file/0007/2336245/Determination-18-of-2023-PTPOH.pdf

Alternative models:

- Approx costings for Tasmanian Health board:
 - Chair = \$25,190-\$35,564 PA
 - Member = \$16,301 – \$22,226 PA
- Approx costings for SA Health District Boards:

- Chair = \$46,435
- Member = \$30,957
 - It's worth noting that each district has a different remuneration package and vary in member sizes.

What are the estimated revenue and operating costs each year (if available) and what are the capital requirements for this proposal and estimated costs each year (if available)?

	2024-25	2025-26	2026-27	2027-28	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue^(a)					
Expenses^(a)	-1,000	-850	-850	-850	-2,555
Capital^(a)					
Depreciation^(a)					
Offset - Expenses^(a)					
Offset - Capital^(a)					
Full-time equivalent employees	1	1	1	1	

(a) A negative number indicates a decrease in revenue or an increase in expenses, depreciation or capital outflows. A positive number indicates an increase in revenue or decrease in expenses, depreciation or capital inflows. The expenses row is not to include depreciation costs.

Has any specific information or data been utilised in generating the proposal? Please provide links or attach information/data sources referenced.

Average Salary Costing Template attached.

Where relevant, is funding for the proposal to be demand driven or a capped amount?

The proposal is a capped amount.

Will third parties, for instance the Commonwealth or other State/Territories, have a role in funding or delivering the proposal? Does the proposal provide additional funding to, or redirect, any existing Commonwealth/State or Territory funding arrangements?

No.

Will funding/the cost require indexation?

No it will not, though salaries will and this is included in the calculation above.

Who will administer the proposal?
In order to maintain the independence of the Board, Policy and Cabinet will establish the Board on behalf of the Health Directorate.
How will the proposal be administered?
Through an independent secretariat, remunerated to the equivalent of 1 SOGC level, though likely to be outwith the public service.
Is the proposal part of a broader package? If so, please identify the other elements of the package.
No.
Has an allowance been made for expenses necessary to support the implementation of this proposal?
<ul style="list-style-type: none"> – If no, will the government agency be expected to absorb expenses associated with this proposal? – If yes, please specify the key assumptions.
Yes – \$150,000 has been costed to allow for the search, recruitment and selection of a new board.
Will the proposal generate savings or offsets? If so, please quantify any savings or offsets.
Yes – but these will be dynamic because they will create a more outcomes driven and preventative health system. For the purposes of this costings process however, there are no offsets calculated.
Has the proposal been previously costed by an external (third) party? If so, will a copy of this material, including any assumptions, be made available to Treasury?
No.
What are the community impacts associated with the proposal? Who and how many people will be affected?
Any ACT resident who accesses the public health system will be impacted by this proposal indirectly.
Are there any transitional considerations associated with implementation of the proposal? If so, how will they be managed?
Yes. This will alter the overall governance of the ACT Health System. The enabling legislation for the independent statutory board will be developed through consultation with a wide range of stakeholders.
What is the intended implementation date of the proposal?
Work on this should start as soon as possible, with Board meetings anticipated to be underway by July 2025.

When is the proposal expected to be fully operational? Please provide details such as the start and end dates, the level of commitment during each period etc.

1 July 2025, funded across the forward Estimates.

Will the proposal cease, and if so, when?

N/A.

Is there any additional information relevant to this proposal?

N/A.