



**AUSTRALIAN MEDICAL ASSOCIATION  
(SOUTH AUSTRALIA) INC.**

ABN 91 028 693 268

29 September 2021

Ms Fran Thorn  
Consultant  
c/- Review of South Australia's *Health Care Act (2008)*

E: [franthorn@gmail.com](mailto:franthorn@gmail.com)

Dear Ms Thorn

**Re: AMA(SA) submission to the *Health Care Act 2008* Review**

On behalf of AMA(SA) Council and members, thank you for the opportunity to provide input into the review of the *Health Care Act 2008*. In particular, we welcome this as an avenue through which we can comment on the establishment of Local Health Networks in 2019 as the foundation of the South Australian health system's governance and accountability framework. As discussed during our virtual meeting of 23 September 2021, this submission reflects Council's views when we considered this issue in early August 2021, and we appreciate the opportunity extended in the meeting to consult further with members about your specific questions in coming weeks.

In 2019, AMA(SA) noted our concern that the decentralised model and 'devolving decision making' that was created by the Health Care Governance Amendment Bill 2019 would not lead to benefits for South Australians across the state. We stressed that many health matters have impacts beyond, and any preventative measures or solutions require evaluation beyond, the local level. We also noted our frustration that the legislation did not require leadership of the LHNs as CEOs or Board chairs. Two years later, we reiterate that concern, as we have witnessed decisions that appear to have been made solely on economic grounds – and even then, on the budgets of the LHNs rather than the economy of the region or the state.

AMA(SA) understands that investing accountability at the local level does allow decisions to be made according to local needs and circumstances, rather than within a 'one size fits all' approach that can come from a centralised or 'hub' framework. However, it may be that Boards and LHN staff have a different vision of what 'delivering real progress' should look like in their region to the vision of SA Health or the South Australian Government. We ask that the review examine closely how accountability and decision-making are perceived by individual LHNs that may wish to address local health issues in ways that may not align with the SA Health targets. While goals such as, for example, 'improved value' and 'greater service responsiveness and innovation' are admirable, if Boards are not granted sufficient independence and resources, preoccupation with meeting external performance targets will strangle a Board's capacity to meet these and other goals.

In addition, when SA Health sets system-wide targets that LHNs must meet at the local level, there can be too much emphasis on reaching these externally established targets, rather than enabling doctors and their colleagues to make clinical decisions that ensure their patients receive the best possible care. AMA(SA) suggests that this cannot achieve 'increased clinician and community engagement in service delivery at the local level within LHNs, as the reform

objectives indicate. Rather, it seems the LHN model is heading towards a 'tick the box' type of budget-driven care that may not achieve the best health results. Boards should be in a position to listen to clinicians at the coalface, other staff and consumers and use this information to inform LHN-specific strategy and decision making.

At the same time, a solely budget-driven framework and associated targets, about which clinicians say they have limited capacity to adapt to local needs, will have devastating impacts on the capacity of doctors and colleagues in local hospitals to teach and train the next generation of health professionals, contribute to research, and help develop and maintain a safe and supportive workplace.

AMA(SA) Council also asks that the review examine the subtleties of interaction between the six regional LHNs that were established under the new model, not only regarding governance and accountability, but also in terms of how they compete for resources in relation to the implementation of programs and services, requests for new infrastructure and equipment, and other factors. We also ask how the success (or otherwise) of any program is measured and evaluated between and across LHNs of such different size and population cohorts.

As an example of how this decentralised system is not working for the benefit of South Australians, we point to the protracted negotiations over rural doctors' in-hospital working conditions. We have been told that approval of these conditions has required the agreement of all LHN CEOs, a cumbersome system that introduces the real possibility that they cannot come to an agreement. AMA(SA) suggests this shows that the LHNs will act as 'siloes', according to their individual needs and advantage, rather than work together as linked entities under instruction from you or the Chief Executive of SA Health. We recommend that the Act be amended so that if the LHNs are to be retained, there must be some provision to allow SA Health to manage aspects of the health system that may or will affect the entire state – in fact, to retain accountability for improved outcomes at the local and state level.

I look forward to receiving any questions about which our members can provide feedback, and which we will forward to members as soon as possible to assist in meeting your deadline. Please contact me if other input is sought from AMA(SA), or if we can help in other ways, by contacting AMA(SA) Executive Assistant Mrs Claudia Baccanello on 8361 0109 or at [claudia@amasa.org.au](mailto:claudia@amasa.org.au).

Yours sincerely



**Dr Michelle Atchison**  
President, AMA(SA)