
4.0 LEADERSHIP AND GOVERNANCE

4.1 Leadership

4.1.1 The Current Situation

The Director of QHSS has a dual reporting arrangement with one set of responsibilities and accountabilities to the Executive Director, QHPSS (formerly State Manager, Pathology and Scientific Services) in QH, with the second to the governance arrangements established for EnTox which is part of the University sector. Having dual reporting arrangements is not uncommon in the health sector, particularly where research, teaching and a university presence form part of knowledge development and partnerships for the future.

However, it is apparent that this has not been a beneficial arrangement for QHSS in recent years as the current Director has devoted a significant majority of his time to EnTox. This has resulted in a shortfall in leading the current and future agenda for QHSS.

The Executive Director, QHPSS recognised these concerns some time ago and appointed another QHPSS staff member to act in the position of General Manager, QHSS. It was intended that the General Manager would fill the leadership and management gaps left by the Director while he continued to devote the majority of his time to EnTox. In addition, the General Manager was required to develop and implement a number of change management initiatives, particularly at a time when the take up and use of forensic sciences and technologies in the criminal justice system were 'exploding'.

The presence of both the General Manager's and Director's positions has blurred accountabilities and responsibilities, particularly where their roles overlapped. Staff across QHSS indicated they did not have an understanding of the differences between these positions which has caused further organisational confusion, ambiguity and distancing of management away from staff.

The Executive Director, QHPSS made arrangements for the joint appointment of the Director to be discontinued in June 2005, although this was extended to September 2005 due to the Taskforce's review.

QHSS has undergone a significant degree of change in recent years, with the introduction of new technology, changed organisational arrangements, and marked changes in customer demand. However, many QHSS staff have indicated that they felt they had not been adequately involved in change management processes. Change management within QHSS will be an important feature of future reforms.

The Taskforce believes that significant changes need to be made to the leadership and management approaches at QHSS to provide for a consolidated strategic focus into the future.

4.1.2 Organisational Culture

Culture and leadership capabilities usually are the factors that determine the effectiveness of the organisation's outputs. Culture is determined by the beliefs, behaviours, knowledge and information shared by the organisation. As a consequence, senior officers have a responsibility to ensure that the organisational environment stimulates the following:

- Teamwork;
- Flexibility to approaches and opinions;
- Openness to innovation and creativity;
- Ability to capitalise on opportunities;
- Tolerance of mistakes and management of risks;

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- Adaptability to changing circumstances;
 - Encouragement of diverse views; and
 - Effective knowledge management.

Feedback from a wide range of staff and management during the course of this review indicate that there is a marked scope for improvement in the above areas.

4.2 Governance

The Taskforce notes that successful organisations in both the public and private sectors have well established and mature corporate governance arrangements in place to provide vision, oversight, direction and co-ordination over the services provided by the business. Key elements that underpin these arrangements include but are not limited to the following:

- Strategic planning;
- Allocation and prioritisation of resources (ie human, physical and financial);
- Implementation of the strategic plan;
- Monitoring and reporting on the implementation of the strategic plan;
- Examination of the performance of the organisation in relation to the strategic plan; and
- Evaluation of the outcomes achieved against the strategic plan which also informs the next strategic planning cycle.

Successful organisations also establish various governance committees to oversight these issues to ensure strategic directions and priorities are incorporated into the mainstream activities of the organisation, to obtain organisational ownership and provide for regular management reporting and performance evaluation.

QHSS did not have well developed or mature corporate governance arrangements in place at the time of the Taskforce's review. Management of strategic issues has not flowed through to lower levels at the Kessels Road campus to the extent necessary to govern a complex and sophisticated entity such as QHSS.

Other governance arrangements arranged locally at QHSS are patchy and inconsistently developed and applied across the Kessels Road campus. Examples of this relate to but are not limited to performance management, business planning, financial management, risk management, quality, capital works and asset management.

The peak governance committees at QHSS are the Executive Management Committee and the Management Committee. An examination of minutes and agendas confirm there is overlap in the agendas and membership of these committees, as well as consistent non-attendance by certain members. Discussion and attention given to reports provided to these committees is superficial and no evidence could be provided to highlight that decisions were transparent and evidence-based. At present there is no strategic plan or business plan for QHSS to guide decision making, resource allocations or priority setting.

Various staff forums have been convened by senior management with the aim of providing general information to staff. Unfortunately, these forums have not achieved the outcomes desired.

Accordingly, improved governance arrangements at QHSS need to be established as a priority to ensure QHSS can become a strategy focused organisation commensurate with customer needs and requirements, and contemporary public administration. QHSS will need to develop and implement a corporate governance framework including executive committee structures which should as a minimum address the following:

- Strategic and business planning;
- Human resource management and workforce;
- Financial management;

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- Risk management;
 - Quality management;
 - Research;
 - Capital works and asset management; and
 - Performance management.

A communication strategy will also need to be developed and implemented to ensure staff at QHSS are aware of and receive ongoing information stemming from the introduction of the new corporate governance framework and executive committee structure.

4.3 Future Governance Model

4.3.1 Introduction

The Taskforce has examined in detail various options and models of service delivery, both national and international, for the provision of forensic and scientific services in the Queensland Government. These are briefly described in Section 17.

Outlined below is the preferred model and the broad governance systems that would be essential in establishing a new future for Forensic and Scientific Services in Queensland.

In the first instance there are a number of key drivers that influence the future of Forensic and Scientific Services in Queensland. In some instances these drivers are unique to Queensland due to history, the current circumstances and what is proposed into the future. These drivers or influences are in the main but not limited to the following:

- There is no one ideal model for the delivery of forensic and public health sciences;
- Best practice organisations in this area such as ESR in New Zealand and FSS in the UK are independent statutory entities that provide forensic and other related scientific services to government on a fee-for-service basis;
- It is unique to have forensic pathology, forensic chemistry, forensic toxicology and forensic biology in the one organisation co-located with public health sciences on the one campus, which provides benefits to clients and other government agencies;
- The Kessels Road campus is a valuable asset with great potential for expansion and growth into the future;
- On-site relationships which already exist with QPS and the university sector present a sound basis for further expansion and development of these relationships in the future;
- Additional organisations such as the Department of Primary Industries and Fisheries (DPI&F) and CSIRO are scheduled to move on site in the future as a result of the Knowledge-Based Research and Business Initiative (Boggo Road Redevelopment) (KBRB) bringing other food and animal sciences onto the campus with enhanced links to research and the university sector;
- A Queensland Tissue Bank serving the public and private health sectors is planned for development on the land adjacent to the current Kessels Road campus;
- The establishment of the above entities and the relevant sciences has the potential to create a significant science precinct for the Queensland Government, consistent with the Smart State Agenda. Shared infrastructure, economies of scale and the synergies that will flow from the cross fertilisation of skills and intellectual capital across the Kessels Road campus will open up a vast array of opportunities for the future; and
- There are no scientific or organisational reasons why QHSS needs to remain as a unit of QHPSS. The major focus of QHPSS has been on the hospital environment. Given the diversity of business at QHSS, and the different client base, there are insufficient synergies to justify maintaining a reporting relationship with QHPSS.

In determining the appropriate organisational model for the future, the Taskforce recognises that forensic and scientific services are, and need to remain, core business for government. However, the Taskforce notes that the forensic sciences function of QHSS has no organisational alignment with QH (whose Mission is 'promoting a healthier Queensland').

Some stakeholders suggested that forensic sciences should be 'independent' of QPS or DJAG, due to a perceived potential conflict of interest. However, the Taskforce notes that high quality forensic services are already provided by QPS without concern. In Victoria, all forensic services are provided by the Police Service, and the Coroner under the Justice portfolio. The members of the judiciary consulted by the Taskforce indicated that organisational location was not a significant issue, with the expertise and integrity of the individual scientific witness being the key issue. The Taskforce endorses these comments.

4.3.2 Phase I

In view of the above, the Taskforce proposes that QHSS should progress through a phased approach to establish an entity to be known as the Queensland Institute of Forensic and Scientific Services (the Institute) led by a Chief Executive Officer (CEO). Phase I would involve the organisational excision of QHSS from QHPSS to create the Institute as a separate entity within QH. Based on the current organisational arrangements in QH (which are subject to change resulting from the Forster Review), it is proposed that the Institute should report directly to a Senior Executive as determined by the Director-General of Queensland Health.

To assist with the transition to an Institute model the Senior Executive Director, Resource Management (SED-RM) and the CEO of the Institute will facilitate the excision of the human, physical and financial resources from QHPSS to create the Institute. The excision will also need to address those resources that are located within the Office of the Executive Director, QHPSS. The consequence of the excision of resources will also have an impact on the role, function and level of positions located within the Office of the Executive Director, QHPSS. QH will need to review these roles and positions in light of the changes. The Taskforce is of the view that the Audit and Operational Review Unit (AORU) is well positioned to undertake this activity.

Also during this phase, the reforms proposed within this report need to be implemented to effectively position the Institute on a sound organisational footing that is strategy focused and where business is driven by customer needs and requirements. It is proposed that the management of the Institute examine the establishment of fee-for-service arrangements with customers to underpin the business priorities of the Institute. Government customers could hold budgets separate to the Institute and some services could be purchased on a commercial footing that is agreed by all parties. The level, depth and complexity associated with these commercial arrangements will be contingent on the arrangements agreed between the Institute and its customers and government policy directions at the time.

The Taskforce recognises that there could be implications for the criminal justice system in introducing fee-for-service arrangements which may need to be worked through. Care needs to be taken to ensure that decisions about whether to collect or test a sample are not made on the basis of budget allocation. This concern has been expressed by a range of stakeholders, including QPS, DJAG, DPP and Legal Aid Queensland (LAQ).

In Phase I the unsworn laboratory scientists from the Analytical Services Unit in the Forensic Services Branch of QPS would transfer to the Institute. This would involve five staff and associated resources, including some high cost scientific instruments, transferring once accommodation was made available at the Kessels Road campus. These scientists use similar analytical methods and technology to that of the Physical Evidence Team in Forensic Chemistry, QHSS. This amalgamation would provide benefits for resource utilisation, research and professional development.

Also during this phase a review would be undertaken to determine the most appropriate organisational arrangements and portfolio placement to best position the Institute to achieve the priorities for the Smart State Agenda. This could also encompass an examination of whether all or part of the Forensic Services Branch (sworn and unsworn staff) in QPS should physically move to co-locate on the Kessels Road campus.

It is proposed that all of the above Phase I initiatives would need to be resolved within a 3 year timeframe.

4.3.3 Phase II

Subject to the outcomes of the review referred to in Section 4.3.2, the Institute would then progress to Phase II which could see it excised from QH to a broader scientific agenda within the Queensland Government. This could, for example, involve the Institute reporting to an alternative agency of Government that may have a series of Science Institutes. Without pre-empting the outcomes of the review, significant economies of scale, rationalisation of infrastructure and gathering of the scientific community together into related Institutes could also focus on planning, priority setting and investment in science and research for the Queensland Government.

The review would determine whether it was more appropriate for the Institute to be a unit of public administration under the auspices of a department or whether a statutory body model was more appropriate. This decision should be taken in the context of the strategic directions for science across government and not just in isolation for forensic and scientific services.

It is anticipated that Phase II would take two further years to complete after Phase I.

4.3.4 Future Governance Council

To ensure overarching governance of the Institute it is proposed that a Council be established in Phase I. The role of the Council could be to provide advice and guidance to the Institute Management Team, ensure inter-agency issues are addressed and provide oversight of the implementation of the approved recommendations of the Ministerial Taskforce Review. It is not proposed that the Council will play a management role in the Institute.

It is proposed that in the first phase, the hosting agency will be QH whose Director-General (or delegate) will be the Chair of the Council. In addition to the CEO of the Institute forming part of the Council, the Directors-General or Commissioner (or delegates) from the following agencies would be members of the Council:

- Queensland Health (Chair);
- Queensland Police Service;
- Department of Justice and Attorney-General;
- Department of the Premier and Cabinet (DPC); and
- Queensland Treasury.

The CEO of the Institute would also be a Council member.

4.3.5 Challenges for the Future

If the Institute is to progress as a fully functioning organisation capable of taking its place in the scientific community and function as a business, the following needs to occur:

- Resolve the negative cultural issues;
- “Draw a line in the sand” regarding the tensions between management and staff;
- Implement appropriate change management processes;
- Drive the business from a customers’ perspective;
- Introduce flexible organisational arrangements; and
- Ensure the Institute is guided by an agreed set of principles, i.e.:
 - Work collaboratively with customers and clients to achieve desired outcomes;
 - Mutual respect and trust – no surprises;
 - Work together to identify problems and find solutions;
 - Openly share all relevant information;

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- Encourage innovation;
 - Have bias for action;
 - Assume responsibility for performance and development; and
 - Commit time, resources and energy to make the Institute succeed.

Recommendation 1:

It is recommended that the Director-General, Queensland Health:

- (i) *Excises Queensland Health Scientific Services from Queensland Health Pathology and Scientific Services to create an Institute within Queensland Health to be known as the Queensland Institute of Forensic and Scientific Services **immediately**;*
- (ii) *Appoints a full time Chief Executive Officer for the Institute reporting to a Senior Executive as determined by the Director-General of Queensland Health **immediately**;*
- (iii) *Ensures appropriate resources from the Office of the Executive Director, Queensland Health Pathology and Scientific Services are transferred to the Institute by **31 January 2006**;*
- (iv) *Instructs the Audit and Operational Review Unit to commence an organisational review of the Office of the Executive Director, Queensland Health Pathology and Scientific Services to ensure the Office's remaining organisational arrangements are appropriate and functional as a consequence of (iii) by **31 January 2006**;*
- (v) *Establishes a Council of the Institute with the following members (or delegates) by **31 October 2005**;*
 - *Director-General, Queensland Health, Chair;*
 - *Commissioner, Queensland Police Service;*
 - *Director-General, Department of Justice and Attorney-General;*
 - *Director-General, Department of the Premier and Cabinet;*
 - *Under-Treasurer, Queensland Treasury; and*
 - *Chief Executive Officer of the Institute.*
- (vi) *Establishes the role of the Council by **31 October 2005** to:*
 - *Provide advice and guidance to the Institute Management Team;*
 - *Ensure inter-agency issues are addressed; and*
 - *Oversee the implementation of the Ministerial Taskforce's recommendations.*
- (vii) *In consultation with the Commissioner, Queensland Police Service, transfers the Physical Evidence Unit, Forensic Services Branch, Queensland Police Service, the incumbent staff and associated resources to the Institute by **31 July 2006**.*

Recommendation 2:

It is recommended that the Chief Executive Officer of the Institute develops and implements:

- (i) *A corporate governance framework including executive committee structures that addresses as a minimum the following by **30 April 2006**;*
 - *Strategic and business planning;*
 - *Human resource management and workforce;*
 - *Financial management;*
 - *Risk management;*
 - *Quality management;*

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- *Research;*
 - *Capital works and asset management; and*
 - *Performance management.*
- (ii) *A communication strategy to ensure that all staff at the Institute are aware of and receive ongoing information concerning the new corporate governance framework and Executive Committee structure by **30 April 2006.***

Recommendation 3:

*It is recommended that the Director-General, Department of the Premier and Cabinet commissions a review to determine the most appropriate organisational arrangements and portfolio placement for the Institute having regard to the Government's strategic directions for scientific activities under the Smart State Agenda by **31 January 2007.***