Government of Western Australia
Department of Health

FACT SHEET
Risk Rating of Private Health Facilites

Purpose

The purpose of this document is to articulate the method that is used by Licensing and Accreditation Regulatory Unit (LARU) to determine the risk profile of licensed private health facilities. Determining the risk rating of private health facilities increases transparency and ensures consistency and a proportionate and appropriate level of oversight and intervention by the Licensing and Accreditation Regulatory Unit (LARU)

Non-compliant Items

At a licensing inspection a standard or sub-standard (criteria) is deemed to either be compliant or non-compliant (NC). A NC is given as a result of compliance falling below the lowest or mandatory level of provision considered safe for a given function.

A NC may also be deemed to be high risk. A high-risk NC (HRNC) is distinguished from a NC because it has a heightened level of risk and/or repeated nature.

Note: Prior to 2026 the terminology used for non-compliant items was mandatory item and non-compliance. Now, you are compliant or not compliant, whilst also recognising that a non-compliance may have a higher degree of risk.

Risk Categories

Risk is classified by LARU using 11 specific risk categories which are aligned with the *Private Hospitals and Health Services Act 1927* (the Act). *Seven of the 11* categories are aligned with the LARU *Licensing Standards for the Arrangements for Management, Staffing and Equipment* for each type of private health facility. The categories measured against the LARU Standards are:

1. Governance
2. Workforce
3. Clinical risk
4. Clinical care – procedural (where applicable)
5. Clinical care – non-procedural (where applicable)
6. Non-clinical services
7. Facility & equipment

In addition, there are four categories that contribute to a facility's risk profile that are not assessed using the LARU Standards. These are:

1. Accreditation outcome (where applicable)
2. Compliance with AS:5369 (where applicable)
3. Turnover of personnel in key roles
4. Building works that may be impacting on the operation of the facility

Risk Assessment

LARU use a number of steps in assessing and determining the level of risk assigned to each licensed private health facility:
Following a full licensing inspection, the number of high risk non-compliant and non-compliant items are counted and assigned to each category. This data is entered into a dedicated spreadsheet. The spreadsheet automatically calculates the score from the inspection.

Scores are assigned to the four categories that are not assessed at licensing inspection using the LARU Standards. These scores are based on a set of criteria that corelates to a score. These are entered into the spreadsheet.

A weighting of 2 times is applied to:

1. high risk non-compliant items - due to the increased risk of this non-compliance or if this is a repeated non-compliance from previous Licensing Inspection(s). This will be calculated automatically within the spreadsheet.
2. the Governance category, as it is the foundation category and contributes to a greater extent to the overall safe running of a facility. This will be calculated automatically within the spreadsheet.

All category scores when added together give you your risk rating score. This score is associated with a risk level – low, medium, high and extreme.

Use of the Risk Rating Score

The LARU uses the risk rating score:

1. as one of the considerations in the license renewal process.
2. to determine the appropriate regulatory response and controls required to manage or mitigate risk (for example, the type of inspection and how often inspections are carried out) and ensure appropriate oversight, intervention and reporting.
3. as an aid in articulating to the licence holder how they have performed against the criteria and whether this has improved since the last licensing inspection. To make this transparent, following licensing inspection, the LH receives a one-page summary of their risk rating level for the current and previous full licensing inspections.

Review

This Fact Sheet will be reviewed as required to determine effectiveness, relevance and currency. At a minimum it will be reviewed within 12 months after first issue and at least every three years thereafter.

Version	Effective from	Effective to	Amendment(s)
1.0	25/02/2026	25/02/2027	Original version

Approval

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