NSW Health

Sustainable Futures Innovation Fund

Application Guidelines

February 2026

Call for Applications

NSW Ministry of Health invites local health districts (LHDs), specialty health networks (SHNs), pillars and support organisations to apply for innovation funding under the Sustainable Futures Innovation Fund (the Fund). These guidelines outline the application process, selection criteria and reporting requirements.

Program Outline

NSW Health understands the important role innovation must play in supporting NSW Health to transition towards a high-quality, low-carbon and climate resilient health system. We have seen a high standard of projects in previous rounds of the Fund across energy, assets, healthcare delivery and procurement, many of which are hosted on the Innovation Exchange, managed by the Agency for Clinical Innovation.

After extensive consultation with > 2,200 contributions, the NSW Health's first Net Zero Roadmap 2025-2030 was released on 29 May 2025. The Roadmap provides a strategic blueprint for our health system to work towards the NSW Government's net zero targets: 50% emissions reduction by 2030, 70% reduction by 2035, and net zero by 2050. In the fourth round of the Fund, for **Streams 1 and 2**: each challenge will support action under the priority areas outlined in the Roadmap: healthcare, land and buildings, energy and water, supply chain, travel and transport, food services. In FY2026-27, a **new Stream 3** is for climate adaptation/resilience projects.

Funding details

Host Organisations are invited to apply to three funding streams:

- **Stream 1:** Seed funding (up to $25,000) will be provided to "kick-start" a proof-of-concept net zero (decarbonisation) project at the local level. The Host Organisation may submit a maximum of four applications under this stream.
- **Stream 2:** A larger funding amount ($25,000-$50,000) will be provided to support innovative net zero (decarbonisation) projects with developed business cases demonstrating cost and carbon savings and improved patient outcomes. Each Host Organisation may submit a maximum of one application under this stream, and applications with match funding or ongoing funding will be scored more highly in the evaluation process.
- **Stream 3:** Seed funding (up to $25,000) will be provided to support climate adaptation/resilience projects at the local level. The Host Organisation may submit a maximum of four applications under this stream.

The Host Organisation must spend all funds and deliver the project by 30th June 2027.

Funding conditions and exclusions

Innovation funding may be used for costs associated with the initiative and/or project and implementation activities. The project should be delivered in-house, rather than by contingent workers or external organisations. Should the initiative or project cease for any reason or reporting requirements are not met, the remaining funds must be returned to the NSW Ministry of Health.

Challenge areas

Streams 1 and 2

1. Healthcare (decarbonising clinical care)

Providing high-quality healthcare to our patients is at the heart of NSW Health. We are continuing to focus on ways to reduce emissions from clinical care. Our nurses, doctors, and allied health professionals all play a crucial role in developing high-quality, low-carbon models of care to support our transition to net zero. The evidence - and increasingly our own experience in NSW Health - demonstrates that healthcare-led interventions can improve health outcomes and patient experience while reducing the healthcare sector's carbon footprint (waste or carbon emissions).

Health professionals have a unique opportunity as content experts and trusted professionals to design, deliver, scale and promote sustainable interventions that simultaneously reduce our carbon footprint and deliver economic/financial benefits while increasing time for patient care. Many current projects focus on identifying and minimising low-value or harmful care, such as removing Desflurane from the NSW Medicines Formulary. Further work is needed to assess and implement opportunities that reduce demand for emissions-intensive, hospital-based care and decarbonise high-value care.
Innovations are needed to:

- Drive uptake of services that reduce the onset and burden of disease, improve air quality, enable and support active travel and promote healthy diets and lifestyles, simultaneously reduce our greenhouse gas emissions
- Support value-based healthcare that reduces the harms, risks and costs (financial and environmental) of low-value care (unnecessary investigations, procedures and medicines). This includes tackling unwarranted variation, reducing overdiagnosis, overtreatment, unnecessary imaging and pathology testing by promoting a value-based healthcare approach
- Deliver effective, evidence-based care in low-carbon ways and decarbonising known emissions hotspots

2. Land and buildings

Embodied carbon in buildings makes up 16 percent of Australia's built environment emissions in 2019 (NABERS, 2024). Without action, upfront emissions (including construction and product stage emissions) from infrastructure are projected to account for the majority of infrastructure emissions. Further work is needed to lower carbon emissions across the health asset base. Innovations are needed to:

- Deliver places that create supportive environments for staff and visitors, enhance clinical service delivery and patient wellbeing and provide public green space supporting connectivity
- Building design that supports a reduction in operational energy and waste; as well as reducing the upfront carbon within the building materials
- Support carbon data collection, analysis and reporting systems to ensure carbon considerations inform building design and engineering decisions at the outset of projects

3. Energy and water

Healthcare relies on energy-intensive equipment, such as medical imaging, information and communications technology (ICT), and heating, ventilation, air conditioning, and cooling (HVAC). Carbon footprinting of NSW Health hospitals and Local Health Districts suggests that more than 30% of NSW Health's total carbon footprint comes from electricity consumption. Both globally and

nationally, we have seen an increase in the uptake of innovations that improve energy efficiency and reduce emissions, including renewable energy sources and battery energy storage systems.

These assets are often manufactured with NSW Government priority recycled materials, including plastics, materials derived from clean energy waste (e.g.: solar panels), and electronic equipment. Where possible, these assets must not be disposed of in landfills at the end of their lifespan - particularly in Greater Sydney, where landfill capacity is projected to run out by 2030.
To reduce emissions from energy consumption and improve the circularity of these assets, innovations are needed to:

- Reduce unnecessary natural resource consumption (energy and water) through smart technologies or more efficient equipment
- Improve the circularity of assets and medical equipment at the end of life
- Optimise the use of equipment and assets

4. Supply chain (reducing emissions from medical equipment and pharmaceuticals)

Around 70 percent of the health system's footprint is from Scope 3 emissions, including but not limited to the production, transport, and disposal of health-related goods such as medicines and pharmaceutical goods. In recent years, NSW Health sites have begun implementing programs to reduce emissions and waste from medical products. This includes removing unnecessary equipment from pre-packaged surgical trays and trialling recycling programs for pharmaceutical blister packs.
While evidence is emerging on the life cycle emissions of different healthcare products, this needs to be embedded in decision-making processes. This will ensure that the total cost of healthcare products (including the carbon price set by the NSW Treasury) is always reflected in purchasing decisions. Innovations are needed to:

- Estimate and/or compare the life cycle assessment emissions of medical products and consumables to inform procurement decision-making
- Ensure sites only purchase and store products that are needed so they don't go to waste (e.g., Just In Time systems, stock exchanges for consumables that are soon to expire)
- Reduce waste from known low-carbon clinical interventions (e.g., Total Intravenous Anaesthesia)

5. Travel and transport

Research shows that exposure to traffic pollution is associated not just with heart and lung disease, but also with increased risk of strokes, neurodegenerative diseases, diabetes, some cancers and, in pregnant women, increased risk of low birth weight and premature babies (Net Zero Roadmap, 2025).
We understand that fleet, staff, patient and visitor travel are significant contributors to our carbon footprint. Accelerating fleet electrification and sustainable travel strategies will reduce our emissions, improve air quality and deliver associated public health benefits. Innovations are needed to:

- Encourage and promote staff, patients and visitors to shift towards active and public transport options
- Expand innovative travel and transport pilots, including electric bike fleets and drones, which support hospital and community service delivery
- Deliver care closer to home, and change modes of delivery of medicines and medical supplies

6. Food services

Food waste is a significant contributor to the health system's footprint. By focusing on more sustainable production, transport and disposal of food, and including more nutritious low-carbon

foods, we can significantly reduce food-related emissions; emissions related to agriculture, transport, storage and waste. Innovations are needed to:

- Expand innovative technologies that support order-to- appetite food service models that improve patient experience, menu choice, variety and reduce food waste
- Increase staff, patient and visitor awareness of the connection between food and environmental impact and champion healthy foods and eating habits
- Eliminate organic waste from landfill; reducing greenhouse gases and other pollution impacts of wasted food

7. Climate adaptation/resilience (Stream 3)

TPG25-10 the Framework for Financial and Annual Reporting and TPG24-33 Reporting framework for climate-related financial disclosures require public disclosure of material risks from climate change for NSW Government entities. To meet the requirements all Health entities undertook enterprise level assessments of the physical risks of climate change in early 2024.

Assessments identified a range of complex and challenging risks for entities and the communities they serve. The next step involves building creative, innovative solutions to reduce the risks and improve resilience. Innovations are needed to:

- Reduce exposure to climate hazards, vulnerability to being harmed by extreme weather events and improve adaptive capacity for Health entities, the NSW Health system and the communities we serve
- Support resilience for priority populations who are disproportionately exposed and vulnerable to the health impacts of extreme weather events, with the least capacity to adapt and manage the risks they face
- Specifically support climate resilience for Aboriginal and Torres Strait Islander communities, including aligning with all commitments and reform priorities within the NSW Health Aboriginal Health Plan, with a particular focus on Strategic Priority 4.3
- Build resilience within Health entities by increasing redundancy/backup for times of crisis, fostering diversity and flexibility in the services we provide, enabling self-sufficiency, improving strength and robustness, and using collaboration to tackle climate risks that require joint action
- Build skills and capacity to understand and manage climate risks across all staff
- Build understanding of the costs of climate events to Health entities including for asset damage, service disruption, increased service demand and staff impacts

Eligibility Criteria

1) A NSW Health staff member must lead the application. Individuals or groups may apply.
2) The initiative or project must be hosted by and conducted within a NSW Health LHD, SHN, pillar or support organisation.
3) The Chief Executive of the Host Organisation must endorse the Application submission and certify that the initiative or project will be supported.
4) To ensure a fair distribution across NSW Health, each Host Organisation can submit a maximum of **nine** applications as follows:
    a. **Four** applications under Funding Stream 1
    b. **One** application under Funding Stream 2
    c. **Four** applications under Funding Stream 3
5) The Host Organisation agrees to evaluate the initiative's effectiveness and share information with the Ministry of Health for publication, which may include a high-level overview of the project uploaded the Innovation Exchange website.

The Chief Executive of the Host Organisation must endorse all applications. Applicants must consult with the Sustainability Manager/Officer/Lead and Chief Executive of the Host Organisation well before drafting an Expression of Interest.

Innovations excluded from this Fund

Innovations or initiatives that are business as usual (for example, LED energy efficiency projects) are out of scope, and funding should be sought through regular channels. Please see the Selection Criteria for more information.

Joint applications

If an innovation or initiative is being conducted in multiple sites, the lead host and partner organisation/s should be identified. The lead host organisation should be the LHD, SHN, pillar or support organisation driving the innovation project. Partner organisations enable the project.

Program Objectives

The objectives of the Fund are to resource projects that:

1) Support NSW Health's progress in achieving the NSW Government's net zero emissions targets and climate risk requirements.
2) Reduce health inequalities, enhance equity of access, and ensure that all innovations/initiatives do not perpetuate existing inequities.
3) Improve patient care and contribute to a positive human experience.

Selection Criteria

Stream 1 and 2 applications will be assessed against the following criteria:

Criteria	Evidence examples
Reduce carbon emissions and/or waste (/5)	Reduced carbon dioxide equivalent (CO_2e) and/or will divert waste from landfill through one of the 10 Rs (refuse, rethink, reduce, reuse, repair, refurbish, remanufacture, repurpose, recycle or recover).
Improve patient outcomes (/5)	Reduced readmissions, reduced length of stay, improved safety of care, more timely service delivery, and/or efficient use of medical technologies.
Elevate the human experience (/5)	Patient or staff surveys demonstrate improvements in care delivery, job satisfaction, reduced unnecessary travel or appointments, and/or patient involvement in their care.
Cost-effectiveness (/5)	Predicted cost savings and/or the relative costs of the benefits (e.g.: reduced length of stay or improvements in patient morbidity/ mortality) are significant. For Funding Stream 2, match funding or ongoing funding has been secured.
Has a clear approach to monitoring and evaluation of outcomes (/5)	Straightforward study design, detailed plan to capture and measure data from the outset of the project where feasible and identified risks and/or benefits.
Is innovative and scalable (Y/N for Stream 1) (/5 for Stream 2)	This project has yet to be undertaken at another site in NSW Health, or it has been completed at a metropolitan site but not a rural/ regional site (and vice versa).

Improve climate resilience (Y/N)	Prepare patients, staff and NSW Health teams for climate impacts and/or provide education and training on climate resilience.
Improve health inequalities (Y/N)	Addresses one or more of the social determinants of health.

Stream 3 applications will be assessed against the following criteria:

Criteria	Evidence examples
Improve climate resilience (/5)	Prepare patients, staff and NSW Health teams for climate impacts and/or provide education and training on climate resilience.
Improve patient outcomes (/5)	Reduced readmissions, reduced length of stay, improved safety of care, more timely service delivery, and/or efficient use of medical technologies.
Elevate the human experience (/5)	Patient or staff surveys demonstrate improvements in care delivery, job satisfaction, reduced unnecessary travel or appointments, and/or patient involvement in their care.
Improve health inequalities (/5)	Addresses one or more of the social determinants of health.
Cost-effectiveness (/5)	Predicted cost savings and/or the relative costs of the benefits (e.g.: reduced length of stay or improvements in patient morbidity/ mortality) are significant. For Funding Stream 2, match funding or ongoing funding has been secured.
Reduce carbon emissions and/or waste (Y/N)	Reduced carbon dioxide equivalent (CO_2e) and/or will divert waste from landfill through one of the 10 Rs (refuse, rethink, reduce, reuse, repair, refurbish, remanufacture, repurpose, recycle or recover).
Has a clear approach to monitoring and evaluation of outcomes (Y/N)	Straightforward study design, detailed plan to capture and measure data from the outset of the project where feasible and identified risks and/or benefits.
Is innovative and scalable (Y/N)	This project has yet to be undertaken at another site in NSW Health, or it has been completed at a metropolitan site but not a rural/ regional site (and vice versa).

All criteria are equally weighted; however, any projects that are not innovative or without a plan for monitoring and evaluation are automatically ineligible.

The application should justify how the project under investigation is a key priority for the Host Organisation. The proposed project should also be able to provide evidence of effectiveness and/or be translated into policy and practice. The application should be succinct and written in plain English.

Timelines

The timeline for the Fund is below. Dates are subject to change.

Dates	Stage
w/c 16 Feb	Applications open
7 April 2026	Submission deadline
April 2026	Application review period by Evaluation Panel
May 2026	Application outcomes confirmed, feedback provided, and successful applications announced
June 2026	Funding to be included in Service Agreements 2026-27 FY

All applications must be discussed with your local sustainability lead before being approved by your Chief Executive. Applications must be submitted by **COB 7 April 2026**, to the Climate Risk and Net Zero (CRNZ) Unit at the NSW Ministry of Health at: MOH-NetZero@health.nsw.gov.au.

Queries regarding the Fund should be directed through the CRNZ Unit. The Unit contacts are:

- Erynn Johnson, A/Principal Policy Officer, CRNZ
- Timothy Chan, Program Officer, CRNZ

Review Process

Applications will be reviewed against the selection criteria by the Review Panel, which comprises experts from all challenge areas and includes representatives from the Agency for Clinical Innovation, Health Infrastructure, HealthShare NSW, NSW Health Pathology, eHealth, the Ministry of Health Population and Public Health Division, Infrastructure and Asset Management Division, and the Climate Risk & Net Zero Unit. The panel may contact applicants to clarify or confirm information in the application.

Applicants must meet all eligibility criteria. All applicants and their host organisations will be informed as to whether they have been awarded funding. The Review Panel decision is final and may not be appealed. General feedback on applications will be made available upon request.

The NSW Ministry of Health will contact the Host Organisation (LHD, SHN, pillar or support organisation or Ministry branch) for each successful applicant to establish budget supplementation between the Host Organisation and NSW Ministry of Health.

Upon announcement of successful applicants, the Host Organisation's Chief Executive is expected to review and certify the budget allocation (via Service Agreements) and support fund dissemination to the administering department.

Reporting Requirements

Fund recipients must submit a report on their interim innovation/initiative outcomes by end of 2026 and final innovation/initiative outcomes by June 2027. Fund recipients may be required to present to the NSW Health Environmental Sustainability Steering Committee, NSW Health Sustainability Network, other Ministry and/or state-wide agency forums at the end of their project.


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