

CHAPTER I

OVERVIEW



ABOUT NSW HEALTH

PURPOSE

The purpose of NSW Health is to plan the provision of comprehensive, balanced and coordinated health services to promote, protect, develop, maintain and improve the health and wellbeing of the people of New South Wales. (Source: *Health Administration Act 1982* No 135, Section 5.)

VALUES

Our CORE values encourage collaboration, openness and respect in the workplace to create a sense of empowerment for people to use their knowledge, skills and experience to provide the best possible care to patients, their families and carers.

Collaboration

We are committed to working collaboratively with each other to achieve the best possible outcomes for our patients, who are at the centre of everything we do. In working collaboratively we acknowledge that every person working in the health system plays a valuable role that contributes to achieving the best possible outcomes.

Openness

A commitment to openness in our communications builds confidence and greater cooperation. We are committed to encouraging our patients and all people who work in the health system to provide feedback that will help us provide better services.

Respect

We have respect for the abilities, knowledge, skills and achievements of all people who work in the health system. We are also committed to providing health services that acknowledge and respect the feelings, wishes and rights of our patients and their carers.

Empowerment

In providing quality health care services we aim to ensure our patients are able to make well informed and confident decisions about their care and treatment.

OVERVIEW

NSW Health is the largest health care system in Australia, and one of the largest in the world. Each year, NSW Health cares for millions of people and oversees investment worth billions of dollars in patient care, building, equipment, technology and research. NSW Health employs around 114,597 staff (full-time equivalent 2016-17).

NSW is home to one third of the Australian population and NSW Health has worked at state and local levels to address any systemic gaps and improve health outcomes.

The NSW Health Patient Safety First initiative is an ongoing program to maximise safety for patients, carers and staff in the health system. It is based on constant assessment of what patients tell us about their care, and other detailed oversight of performance. The message is clear: patient safety is a priority for everyone in the health system, every day.

NSW Health is also delivering a more integrated health system. Through the adoption of new approaches to care delivery, services are connected across many different providers and focused on individual patient needs as well as cost effectiveness.

STRATEGIC PRIORITIES

There are a number of NSW Premier's Priorities and State Priorities to grow the economy, deliver infrastructure, protect the vulnerable and improve health, education and public services across NSW. Reporting on these priorities allows the Government to measure and deliver projects that create a stronger, healthier and safer NSW.

Within health, priorities have been developed to improve results for patients and the community. The *NSW State Health Plan* provides an overarching framework to guide NSW Health to meet these priorities, as well as its statutory functions. The Plan ensures the system delivers the right care, in the right place, at the right time.

Our work to continue building a 21st century health system that is sustainable, purposeful and most importantly delivers the best care for the people of NSW is contained in eight directions and strategies for NSW Health. These directions and strategies also present the framework for change, shaping what we need to achieve in our hospitals, for our workforce, in research and innovation, e-health and infrastructure.

The directions and strategies focus on:

- keeping people healthy
- providing world-class clinical care
- delivering truly integrated care
- supporting and developing our workforce
- supporting and harnessing research and innovation
- enabling e-health and health information
- designing and building future-focused infrastructure
- building financial sustainability and robust governance.

Section 2 of this annual report outlines key achievements for 2016-17 against each of the strategic priorities.

CHALLENGES

Australia has a system of health care that is recognised as being one of the most effective in the world. The NSW public health system is a critical part of this achievement. However, like other health systems globally, NSW Health must position itself to manage future challenges. These include demand for services arising from technological advances, an ageing population using services more frequently, and the shift in disease burden from acute care treated on an episodic basis to chronic and complex conditions that require more dynamic management.

HEALTH PORTFOLIO MINISTERS

The Hon. Brad Hazzard became the Minister for Health on 30 January 2017. Minister Hazzard is the co-ordinating Minister for the Health Cluster and is the Minister for Medical Research, a role he also assumed from 30 January 2017.

The Hon. Tanya Davies became the Minister for Mental Health, Minister for Women and Minister for Ageing on 30 January 2017. The Health portfolio supports Minister Davies in her role as Minister for Mental Health whilst Family and Community Services supports her in her role as Minister for Women and Minister for Ageing.

NSW HEALTH DIRECTIONS AND STRATEGIES 2016-17

1 Keep people healthy

- 1.1 Drive preventative and population health programs with a focus on tackling childhood obesity
- 1.2 Improve Aboriginal health outcomes
- 1.3 Collaborate to support vulnerable youth to protect children at risk and reduce homelessness
- 1.4 Develop a whole of health system drug and alcohol response
- 1.5 Drive whole of health system initiatives to reduce domestic violence and perpetrator re-offences

2 Provide world-class clinical care

- 2.1 Deliver better value care through safe, quality, efficient and evidence-based care
- 2.2 Improve service levels in hospitals by cutting waiting times for emergency and planned surgery
- 2.3 Improve patient and carer satisfaction with key health services and build strong engagement
- 2.4 Implement new business investment models to deliver evidence-based social impact
- 2.5 Implement strategic commissioning for relevant clinical services

3 Deliver truly integrated care

- 3.1 Embed emerging models of integrated care and care in the community
- 3.2 Implement the 'Living Well' plan to deliver mental health reform across the system
- 3.3 Promote choice through the introduction of End of Life care programs
- 3.4 Protect the vulnerable through transition to the National Disability Insurance Scheme

4 Develop and support our workforce

- 4.1 Develop the capabilities of our workforce to be agile and value focused
- 4.2 Recruit, support and performance manage our workforce
- 4.3 Build and empower clinician leadership to deliver better value care
- 4.4 Build engagement of our people and strengthen alignment to our culture
- 4.5 Drive public sector diversity by increasing women and Aboriginal people in senior leadership roles

5 Support and harness research and innovation

- 5.1 Build globally relevant research capability through research hubs and medical technology precincts
- 5.2 Develop a bio-banking strategy to support research
- 5.3 Progress medicinal cannabis trials

6 Enable e-health and health information

- 6.1 Build digital services in health through implementation of the e-health strategy
- 6.2 Embed the analytics framework to improve decision-making in health care
- 6.3 Deliver business information and community technology services to the organisation

7 Design and build future-focused infrastructure

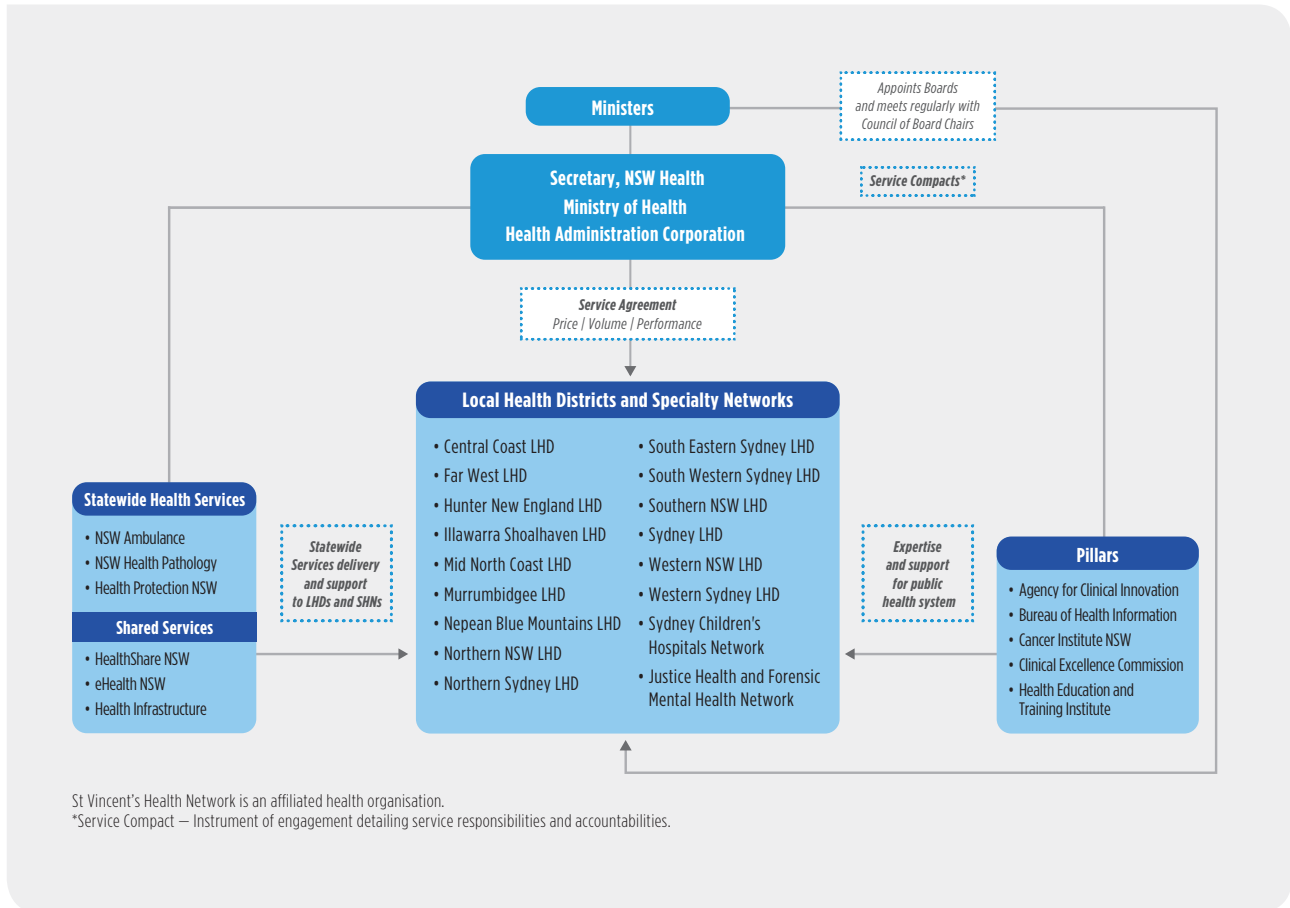
- 7.1 Deliver the committed infrastructure projects to meet the growing population needs
- 7.2 Implement strategic commissioning for infrastructure
- 7.3 Proactively drive contestable commercial opportunities and efficient asset utilisation

8 Build financial sustainability and robust governance

- 8.1 Refine our purchasing models including Activity Based Funding to drive better value care
- 8.2 Deliver strong budgets
- 8.3 Deliver effective regulatory, governance and business support
- 8.4 Drive reforms to deliver better value care and efficiencies

NSW HEALTH ORGANISATIONAL STRUCTURE

NSW Health comprises both the NSW Ministry of Health (a public service department under the *Government Sector Employment Act 2013*) and various NSW Health organisations which make up the NSW public health system.



NSW Health currently comprises:

- NSW Ministry of Health
- Local health districts
- Justice Health & Forensic Mental Health Network
- The Sydney Children's Hospitals Network
- Health Protection NSW
- NSW Ambulance
- NSW Health Pathology
- Cancer Institute NSW
- Clinical Excellence Commission
- Health Education and Training Institute
- Agency for Clinical Innovation
- Bureau of Health Information
- HealthShare NSW
- eHealth NSW
- Health Infrastructure.

NSW MINISTRY OF HEALTH

The NSW Ministry of Health is a Department established under the *Government Sector Employment Act 2013*, section 22 and Schedule one, to support relevant ministers to perform their executive and statutory functions.

ROLE AND FUNCTION OF NSW HEALTH ORGANISATIONS

The role and function of NSW Health organisations are principally set out in two Acts, the *Health Administration Act 1982* and the *Health Services Act 1997*. This is complemented by a corporate governance framework which distributes authority and accountability through the public health system.

HEALTH ADMINISTRATION CORPORATION

Under the *Health Administration Act 1982*, the Secretary is given corporate status as the Health Administration Corporation for the purpose of exercising certain statutory functions. The Health Administration Corporation is used as the statutory vehicle to provide ambulance services and support services to the health system.

A number of entities have been established under the Health Administration Corporation to provide these functions including:

Health Infrastructure

Health Infrastructure is responsible for the delivery of NSW Health's major works hospital building program, under the auspices of a board appointed by the Secretary.

Health Protection NSW

Reporting to the Chief Health Officer, Health Protection NSW is responsible for surveillance and public health responses in NSW, including monitoring the incidence of notifiable infectious diseases and taking appropriate action to control the spread of diseases. It also provides public health advice and response to environmental issues affecting human health.

HealthShare NSW

HealthShare NSW provides a range of shared services to NSW public health organisations under the auspices of a board appointed by the Health Secretary, including financial, human resources, procurement, linen, food services, disability equipment services managed by EnableNSW, and non-emergency patient transport services.

eHealth NSW

eHealth NSW is responsible for providing direction and leadership in technology led improvements in patient care across NSW Health in consultation with local health districts and specialty networks.

NSW Ambulance

NSW Ambulance is responsible for providing responsive, high quality clinical care in emergency situations, including pre-hospital care, rescue and retrieval.

NSW Health Pathology

NSW Health Pathology is responsible for providing high quality pathology services to the NSW health system through five clinical and scientific networks.

LOCAL HEALTH DISTRICTS

Local health districts are established as distinct corporate entities under the *Health Services Act 1997*. They provide health services in a wide range of settings, from primary care posts in the remote outback to metropolitan tertiary health centres. Eight districts cover the greater Sydney metropolitan region, and seven cover rural and regional NSW.

STATUTORY HEALTH CORPORATIONS

Under the *Health Services Act 1997*, there are three types of statutory health corporations subject to control and direction of the Secretary and Minister for Health:

1. Specialty health networks
2. Board governed organisations
3. Chief executive governed organisations.

During the reporting period, the following statutory health corporations provided statewide or specialist health and health support services:

Specialty health networks

There are two specialty health networks: The Sydney Children's Hospitals Network (Randwick and Westmead) and the Justice Health and Forensic Mental Health Network.

Agency for Clinical Innovation

The Agency for Clinical Innovation is a board-governed statutory health corporation responsible for engaging clinicians and designing and implementing best practice models of care by working with doctors, nurses, allied health professionals, health managers and consumers.

Bureau of Health Information

The Bureau of Health Information is a board-governed statutory health corporation responsible for providing independent reports to government, the community and health care professionals on the performance of the NSW public health system.

Cancer Institute NSW

The Cancer Institute NSW is a board-governed organisation established under the *Cancer Institute (NSW) Act 2003*, and is deemed to be a statutory health corporation. The Institute is responsible for improving the prevention and management of cancer and improving the quality of life for people with cancer and their carers.

Clinical Excellence Commission

The Clinical Excellence Commission is a board-governed statutory health corporation and is responsible for building capacity and capability to improve quality and safety within our health services.

Health Education and Training Institute

The Health Education and Training Institute is a chief executive-governed statutory health corporation and is responsible for coordinating education and training for NSW Health.

AFFILIATED HEALTH ORGANISATIONS

At 30 June 2017, there were 15 affiliated health organisations in NSW managed by religious and/or charitable groups as part of the NSW public health system. These organisations are an important part of the public health system, providing a wide range of hospital and other health services.

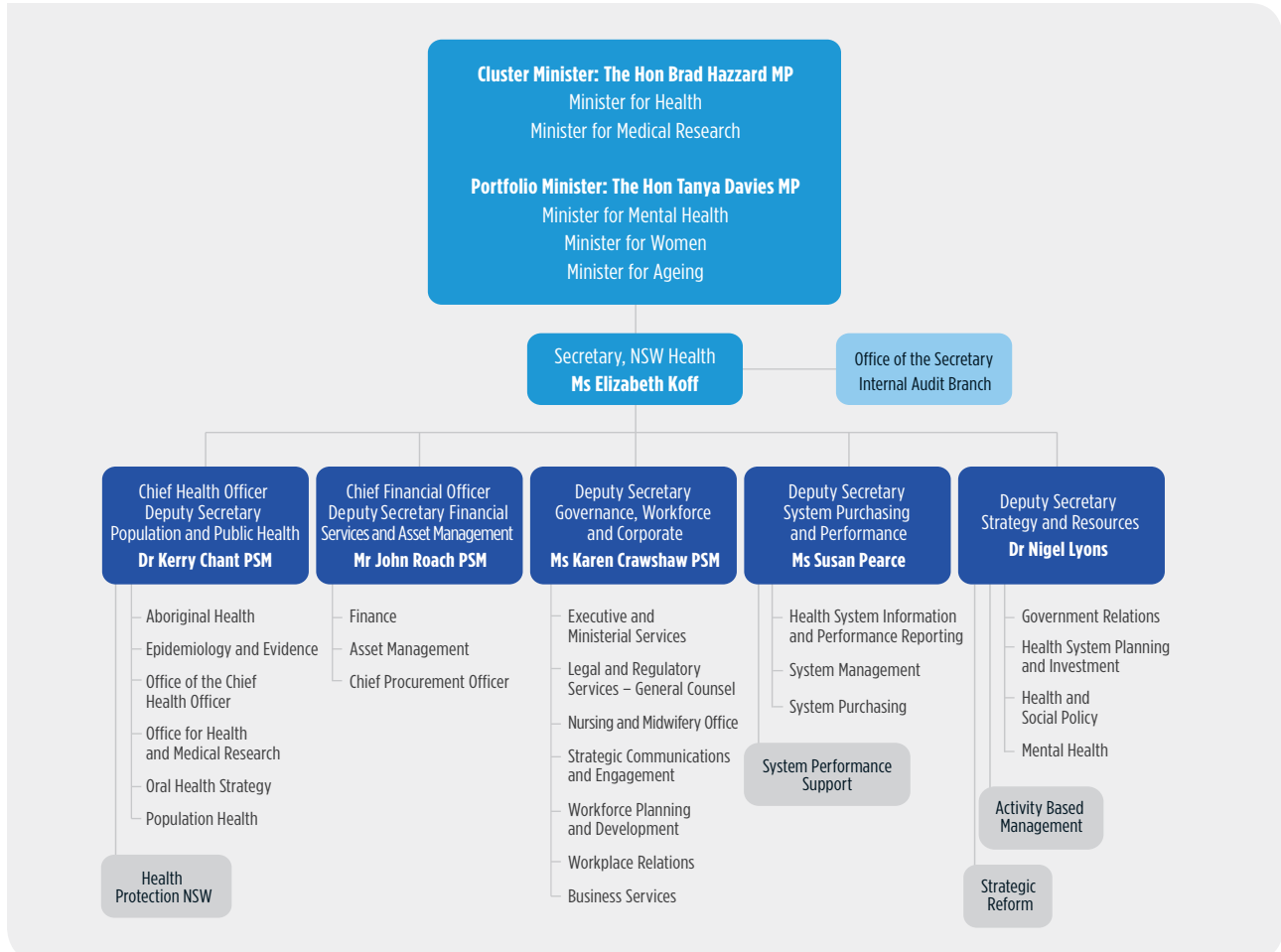
ST VINCENT'S HEALTH NETWORK

Section 62B of the *Health Services Act 1997* enables an affiliated health organisation to be declared a Network for the purposes of national health funding. St Vincent's Hospital, the Sacred Heart Health Service at Darlinghurst and St Joseph's Hospital at Auburn have been declared a NSW Health Network.

NSW MINISTRY OF HEALTH

The Ministry of Health supports the Secretary, the NSW Minister for Health, who is the Health Cluster Minister and the Minister for Medical Research, and the Minister for Mental Health, and the Minister for Mental Health to perform their executive government and statutory functions. This includes promoting, protecting, developing, maintaining and improving the health and wellbeing of the people of NSW, while considering the needs of the State and the finances and resources available.

The NSW Ministry of Health also has the role of system manager for the NSW public health system.



NSW HEALTH EXECUTIVE TEAM

Chief Executives of local health districts, specialty networks, statutory health corporations and the Health Administration Corporation form the NSW Health executive team. The roles and responsibilities of chief executives are set out in the *Health Services Act*.

Local health districts

Chief Executives of local health districts and specialty networks are employed in the Health Executive Service (part of the NSW Health Service) by the Secretary under Section 116 of the *Health Services Act* on behalf of the NSW Government.

The role of the Chief Executive is set out in section 24 of the *Health Services Act*. The Chief Executive manages and controls the affairs of the local health district. The Chief Executive can commit the district contractually and legally and is the employer delegate for all staff working in the organisation. Chief Executives are, in the exercise of their functions, accountable to their board.

Statutory health corporations

Under Section 51 of the *Health Services Act*, the Chief Executive manages the affairs of a board-governed statutory health corporation, and is, in the exercise of his or her functions, subject to the direction and control of the organisation's board. As with local health districts and specialty networks, the chief executive is also the employer delegate for staff working at the organisation.

Senior Executive Forum

The NSW Health Senior Executive Forum brings together chief executives from across the health system to consider health issues of system-wide interest, including the NSW Health budget, development and implementation of health policy and monitoring of health system performance.

NSW MINISTRY OF HEALTH EXECUTIVE TEAM

SECRETARY

Ms Elizabeth Koff Secretary, NSW Health

BSc, Dip Nut&Diet (USyd), MPH(Monash), GAICD

Elizabeth has held a number of senior executive planning and operational roles within the NSW health system, most recently Chief Executive of The Sydney Children's Hospitals Network (2010-2015).

In February 2015, Elizabeth commenced in the role of Deputy Secretary, Strategy and Resources at the NSW Ministry of Health.

In May 2016, Elizabeth was appointed Secretary, NSW Health.

Overview

The Secretary has overall responsibility for the management and oversight of the NSW health system, with primary powers and responsibilities under the *Health Administration Act 1982* and the *Health Services Act 1997*.

In support of these system responsibilities, the Secretary convenes key leadership and management forums. These include the NSW Health Senior Executive Forum which brings together chief executives from across the health system for the purposes of strategy and performance management.

POPULATION AND PUBLIC HEALTH

Dr Kerry Chant PSM Chief Health Officer and Deputy Secretary Population and Public Health NSW Ministry of Health

MBBS, FAFPHM, MHA, MPH

Kerry is a public health physician. Prior to her appointment as Chief Health Officer and Deputy Secretary of Population and Public Health, Kerry was Director of Health Protection and Deputy Chief Health Officer. Kerry has extensive public health experience having held a range of senior positions in NSW public health units since 1991. Kerry has a particular interest in blood borne virus infections, communicable diseases prevention and control and Aboriginal health. Kerry was first appointed to the role of Chief Health Officer on 1 February 2009.

Division overview

The Population and Public Health Division leads the strategic direction, planning, monitoring and performance of population health services across the State. Strategic areas of focus include alcohol and other drugs, tobacco control, overweight and obesity, HIV, sexually transmitted infections and viral hepatitis,

end of life care, organ donation and data analytics that drive actionable insights. The Division works in partnership with Aboriginal organisations and communities, and other parts of NSW Health to ensure the health system meets the needs of Aboriginal people, a priority population for NSW Health.

The Chief Health Officer works closely with the Office for Health and Medical Research on the State's strategic priorities for health and medical research. Health Protection NSW reports to the Chief Health Officer and coordinates activities to prevent and control threats to health from communicable diseases and the environment. The Division responds to the public health aspects of major incidents and disasters in NSW and supports population health services to create social and physical environments that promote health. The Division transforms data into information, provides statewide record linkage, monitors the health of the population to identify trends, evaluates the impact of health services and improves health through reducing health inequity.

FINANCIAL SERVICES AND ASSET MANAGEMENT

Mr John Roach PSM
Chief Financial Officer and Deputy Secretary
Financial Services and Asset Management
NSW Ministry of Health

B.Bus (Acc), FCPA

John has more than 40 years' experience within the NSW Public Service. Throughout his career his interest has been in improving financial management at an operational and executive level. He is also focused on developing commercially focused approaches to delivering corporate services and public infrastructure.

Roles in Health over the last 17 years have included: Chief Financial Officer and Deputy Secretary, Financial Services and Asset Management, NSW Health; Chief Financial Officer, NSW Health; Chief Executive, Health Support Services; Director, Financial & Corporate Services, South Eastern Sydney Illawarra Area Health Service; Director, Finance, NSW Health.

John was appointed as Chief Financial Officer NSW Health in 2009 at a time of major change.

In 2017, he took on additional responsibilities for overseeing strategic procurement reforms, major commercial contract services and providing strategic system asset, property and facility management for NSW Health.

John is responsible for negotiating the annual recurrent funding and the monthly monitoring and cash management of NSW Health's 2017-18 \$21 billion expense budget, its \$9.6 billion own source revenue budget and a \$1.7 billion capital works program.

Division overview

The Financial Services and Asset Management Division has the lead role in managing and monitoring the financial performance of the NSW public health system.

The Division is responsible for monitoring recurrent and capital expenditure against the annual budget allocation and reporting on NSW Health's financial performance to the Ministry of Health executive and to the government. The branch is also responsible for preparing NSW Health's consolidated annual financial statements in accordance with statutory requirements and timeframes. It supports sustainable resource allocation within the NSW public health system to support the delivery of patient care, and assists health decision makers to make the right financial decision at the right time.

The key functions of the division include financial accounting, financial performance and reporting, funds management and reporting, insurance and risk management, revenue and financial services and Treasury reporting.

GOVERNANCE, WORKFORCE AND CORPORATE

Ms Karen Crawshaw PSM
Deputy Secretary
Governance, Workforce and Corporate
NSW Ministry of Health

BA (USyd), LLB (UNSW), GAICD

Karen holds degrees in Arts and Law. She was admitted to the NSW Supreme Court in 1979 and subsequently to the High Court. Karen holds an unrestricted practising certificate from the Law Society of NSW.

Karen has held legal positions in the State Crown Solicitor's Office and the Premier's Department.

Karen undertook the role of Director Legal and General Counsel for NSW Health from 1990 to 2007, with her role expanded to include employee relations in 2004.

She was first appointed Deputy Director General (now Deputy Secretary) in October 2007.

Karen Crawshaw retired on 30 June 2017. The role is now Deputy Secretary, People, Culture and Governance.

Division overview

The Deputy Secretary, Governance, Workforce and Corporate provides executive leadership and strategic direction to a diverse portfolio of corporate services, professional advisory and enabling services to support the achievement of NSW Health's strategic objectives, meeting the needs of health service management and delivery in NSW.

The Deputy Secretary is responsible for leading the development, integration and review of capability-based talent management strategies and a values-based cultural framework across NSW Health.

The Division drives the implementation of governance frameworks across the Health cluster including structures, decision making processes and control systems. It leads a diverse range of critical and integrated functions and services including nursing and midwifery; legal and legislative, procurement and business policy. The Division is also responsible for communication and media, and supporting Ministerial, Parliamentary and Cabinet processes, which enable effective and efficient administration of the Ministry of Health.

SYSTEM PURCHASING AND PERFORMANCE

Ms Susan Pearce
Deputy Secretary
System Purchasing and Performance
NSW Ministry of Health

B App Sci (Nursing)

Susan started her career as a nurse. She has extensive experience in senior leadership roles at a hospital, district, pillar and Ministry level including as Chief Nursing and Midwifery Officer from 2012- 2015.

Susan has been fundamental in delivering transformational change within NSW Health and continues to build on the critical partnerships between all elements of our health system to ensure strong performance and accountability.

Susan was first appointed Deputy Secretary on 20 November 2015.

Division overview

The System Purchasing and Performance Division leads the monitoring and management of overall health system performance and coordinates the purchasing arrangements with NSW public health services. It is a critical interface with local health districts, specialty health networks, the pillars and other health organisations to understand and support the delivery of high quality and safe care for the people of NSW.

The Division's functions are divided between the teams:

- Health System Information and Performance Reporting
- System Purchasing
- System Performance Support
- System Management

The Division is leading the development of the Safety and Quality Framework in partnership with districts, networks and pillar organisations. The Framework will further assist NSW Health in driving safety and quality and enhance monitoring and reporting of safety and quality indicators.

The health system information and performance reporting function enables the Ministry to be an effective health service purchaser and system manager through high-quality data, analysis and performance reporting; and to ensure that NSW Health meets its reporting obligations and maintains high standards of public accountability.

The Division directs the activity purchasing process, and leads the development of annual Service Agreements to align public health service delivery with NSW Health priorities. It is responsible for the performance and purchasing frameworks that sustain the governance of public health organisations and support organisations.

The Division supports performance improvement strategies and statewide initiatives to improve service delivery. In particular, the Division has oversight of the management of surgery waiting lists, specialist outpatient services, Hospital in the Home and emergency access service delivery.

STRATEGY AND RESOURCES

Dr Nigel Lyons
Deputy Secretary
Strategy and Resources
NSW Ministry of Health

B.Med (Hons) MHA

Dr Nigel Lyons has more than 30 years' experience in the NSW Health system as a clinician, manager and executive.

In October 2016, Dr Lyons became Deputy Secretary, Strategy and Resources at the NSW Ministry of Health. He is responsible for strategic health policy development, inter-jurisdictional negotiations and funding strategies, system-wide planning of health services including mental health, and setting the direction for child and family health policy.

He has also held other executive roles in NSW Health including Chief Executive, NSW Agency for Clinical Innovation and Chief Executive, Hunter New England Area Health Service.

Division overview

The Strategy and Resources Division:

- works with national and state governments to develop accurate classifications and improve pricing and funding mechanisms for the sustainability of health funding in NSW
- reviews planning and procurement of capital infrastructure to deliver more contemporary investment strategies across NSW Health
- supports the NSW Health response to aged care and disability reforms and works with the Commonwealth, local health districts and other key providers to influence and respond to reforms in the aged care and disability sectors
- implements mental health reforms, including collaboration with the Department of Premier and Cabinet to implement the response to the Mental Health Commission's Strategic Plan across the whole of NSW Government and the NSW public health system.

In line with managing government relations, the Division also supports the Australian Health Ministers' Advisory Council, the NSW Health Ministers' Advisory Committee and the NSW response to matters before the COAG Health Council.