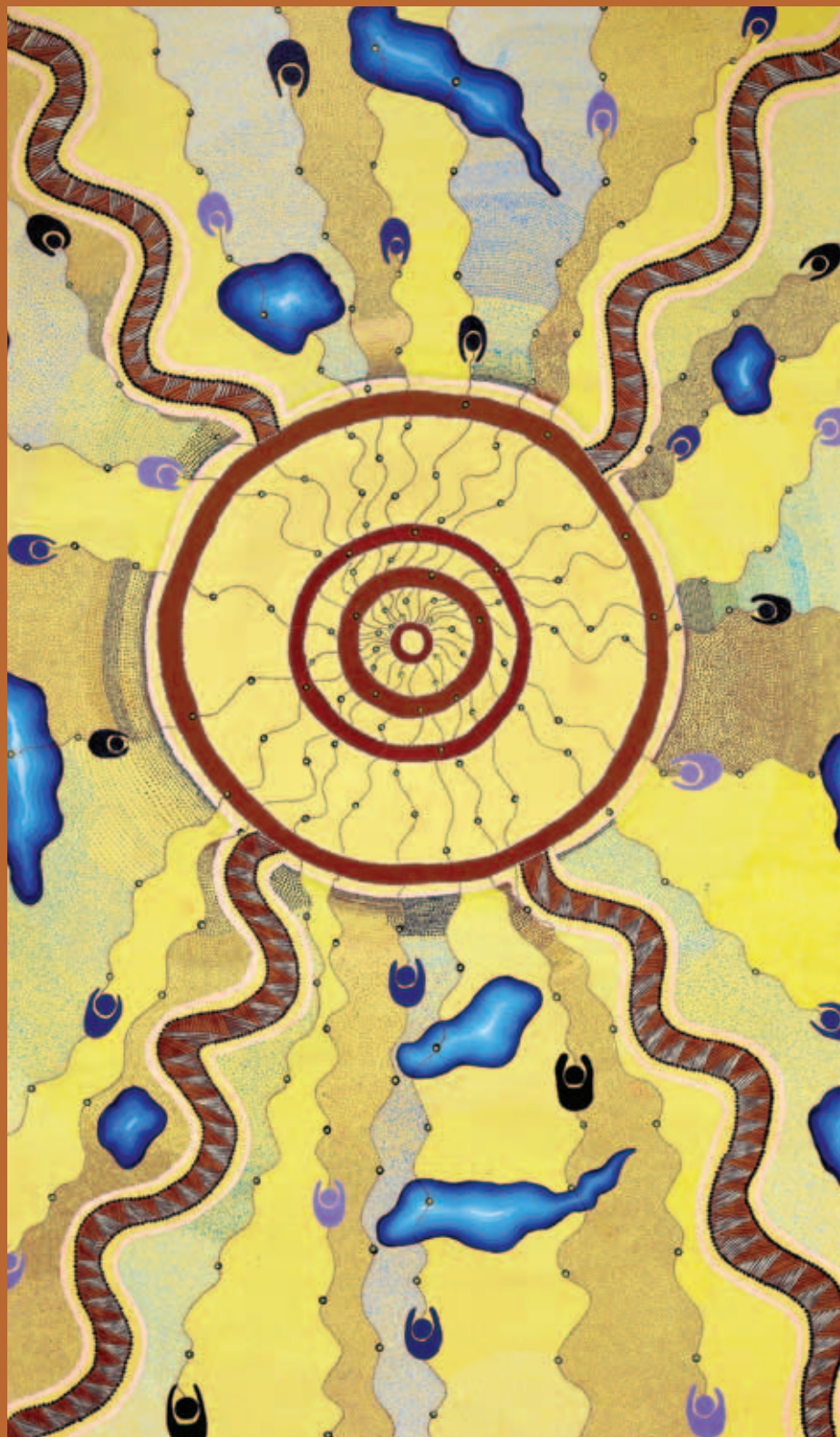


2005/06



Annual Report
NSW Department of Health



Front cover artwork: *Journey of Healing* by Kylie Cassidy

The *Journey of Healing* mural, depicting Rights, Respect and Reconciliation, represents NSW Health's commitment to Reconciliation.

In recognition of Reconciliation, and to commemorate the Journey of Healing Day in 2004, the NSW Department of Health commissioned the mural around the theme of Rights, Respect and Reconciliation. *Journey of Healing* was unveiled at the NSW Department of Health's Journey of Healing Day, 26 May 2005. The mural hangs in the foyer of the NSW Department of Health, 73 Miller Street, North Sydney.

The NSW Department of Health Director-General, Elders from Aboriginal communities, senior executives, Department staff and community members, were invited to contribute to the mural, each adding their unique style to the landscape. The painting then went on its own journey to a number of places where community members, Aboriginal Health Workers, families and friends added their dots. Overall, more than 300 people were involved in painting the mural.

In the artist's own words:

The different colours represent the colours of the living landscape, moving from darker to lighter tones. Many styles can be seen in the painted dots, as diverse as the many people who contributed to the work. Instead of using specific colours to show any one group, the central figures are painted in purple to represent all peoples.

Dotted lines lead to the centre of the work. Each line shows a journey on the way to reconciliation, a journey of discovery for each individual person. The larger dots on the lines represent discovering something new. Each of us can be open-minded and learn something new at every stage of our journey.

To reach the centre, you need reconciliation within yourself first. Then you can travel the journey with everyone else.

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This report can be downloaded from the
NSW Health website www.health.nsw.gov.au

SHPN (MC) 060150
ISBN 0 7347 3997 4

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November 2006

Letter to the Minister

The Hon John Hatzistergos MLC
Minister for Health
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Minister

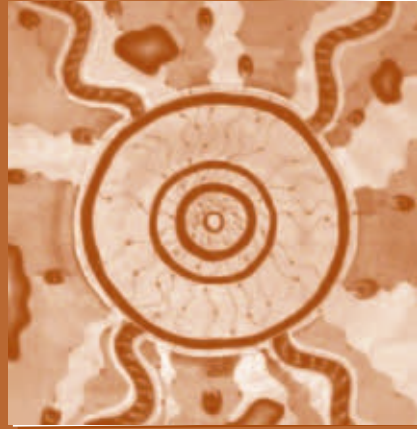
In compliance with the terms of the *Annual Reports (Departments) Act 1985*, the Annual Reports (Departments) Regulation 2005 and the *Public Finance and Audit Act 1983*, I submit the Annual Report and Financial Statements of the NSW Department of Health for the financial year ended 30 June 2006 for presentation to Parliament.

Copies are being sent to the Auditor General, Members of Parliament, Treasury, and other key government departments.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Robyn Kruk', with a stylized flourish at the end.

Robyn Kruk
Director General



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Director General's year in review 2005/06

The year in review was one of significant challenge and change for the NSW public health system. As I reported last year, NSW Health embarked on a program to change the way health care is provided in this State. Our aim is to address the major challenges facing our health system, such as an ageing population, rising consumer expectations and the impact of new technologies. As you will find in this report, we continue to make progress in preparing for the impact of these and other pressures which are affecting the delivery of health services not just in Australia, but around the world.

As I look back over the year I would first like to acknowledge the human face of health care in NSW and the dedication of our health workers. In April this year all eyes in Australia and around the world were on the small mining town of Beaconsfield in Tasmania. The rescue operation that successfully brought the two surviving miners above ground were aided by NSW's very own Special Casualty Access Team (SCAT) from the Ambulance Service NSW and other NSW Health clinical staff. SCAT members spent eight days there, working with other rescuers to help the trapped miners with survival skills for their prolonged entrapment and beyond.

Whether it is an interstate rescue operation like that in Beaconsfield, overseas medical assistance to places like the earthquake affected region in Java, or the very important day to day care of people in a myriad of places like our hospitals, community health centres and other health services, I continue to be inspired by the depth of compassion, dedication and commitment of the people who make our health system as good as it is.

In our efforts to ensure that the people of NSW continue to have access to high quality, affordable health care, we never lose sight of the individual patient who is the central focus of our care and commitment.

One of the biggest challenges facing the NSW public health system is to keep pace with the continuing increase in demand for health services. The skilled

professionals in our health system work hard to meet this demand. At the same time they are making a real difference to peoples' health. NSW residents are now living longer, healthier lives than ever before, with falling infant mortality and declining numbers of deaths due to cancer and heart disease.

A new approach to mental health

One of the most important initiatives during the year was the launch, in June 2006, of a five year plan to transform the State's mental health services. Mental health has been identified as an important priority for the State Government and the NSW health system. The plan, titled *A New Direction in Mental Health*, is a new approach to providing services for people with mental illness which places greater focus on community based mental health services. A strong, better connected network of community mental health services is essential to delivering the care needed by people with mental illness and to their families.

The incidence of mental illness is rising across Australia and can affect any of us at any age, with devastating impact on our lives, as well as those of our families and friends. The new approach to mental health services in NSW will provide greater continuity of care and a more seamless delivery of services. It is aimed at improving all aspects of mental health services, including those relating to emergency care, community based assessment, older people with mental health needs and drug and alcohol misuse. The \$939 million program will commence with \$149 million in additional funding in 2006/07.

NSW has also placed the need for a new approach to mental health care on the national agenda. In 2006 the NSW Government initiated a national action plan on mental health at the Council of Australian Governments. The initiative is designed to strengthen Commonwealth, State and non-government programs to provide a better-coordinated system of care for people with mental illness.

A separate chapter on mental health initiatives is presented in the performance section of this Report to detail our commitment to improving mental health services across NSW.

Greater focus on prevention

One of the changes to the way health care is provided in NSW is a greater focus on improving health and preventing illness. We will continue to treat illness effectively, but if we are to reduce the impact of chronic disease in our community we must place greater emphasis on disease prevention and promoting healthy lifestyles and wellness.

Identifying and reducing health risk factors, such as smoking, obesity, poor nutrition and lack of physical activity, is a key step in this process. Overweight and obesity is a chronic medical condition associated with a broad range of debilitating and life threatening conditions. Large increases in obesity rates among Australians have the potential to erode many recent health gains. Recent studies estimate that 67 per cent of Australian men and 52 per cent of Australian women aged 25 years and over are overweight or obese. Rates of obesity in children are also rising dramatically.

In May 2006 the NSW Premier released the findings of the most comprehensive survey into the physical activity and eating habits of children and young people ever conducted in Australia. The *NSW Schools Physical Activity and Nutrition Survey (SPANS)* was conducted by the NSW Centre for Overweight and Obesity. It involved 93 government and non-government schools and almost 5,500 students aged between five and 16 years.

Despite the initiatives in schools over the past decade to increase levels of physical activity among students, the survey found that almost 25 per cent of children in NSW are overweight or obese, with the rate as high as 33 per cent in boys and girls aged nine to 12 years.

In an initiative aimed at supporting physical activity and improving nutrition for children NSW Health developed the *Healthy Kids* website, in partnership with the NSW Departments of Education and Training and Sport and Recreation and the Heart Foundation. This is a resource with information and ideas for parents and teachers on how to promote physical activity in children and tips for nutritious meals.

Aboriginal health

Aboriginal people have higher levels of health risk, poorer health, and a shorter life expectancy than non-Aboriginal people. NSW Health is working in partnership with other service providers and government agencies to reduce this 'health' gap.

Measures to improve the health of Aboriginal people include the *Aboriginal Vascular Health Program*, which is being implemented at 31 locations across NSW to improve prevention and management of vascular disease in Aboriginal people. This program has led, in turn, to the development of the *NSW Aboriginal Chronic Conditions Area Health Service Standards*. These have been developed to set evidence-based standards of practice for Area Health Services to improve accessibility and appropriateness of health services and programs for the prevention and management of chronic conditions in Aboriginal people. The standards have been broadened to include cardiovascular disease, diabetes, kidney disease and chronic respiratory disease.

Other initiatives to improve health outcomes for Aboriginal people include the *Aboriginal Maternal and Infant Health Strategy* and the *Aboriginal Maternal and Child Health program*, which have been developed to improve the health of Aboriginal women during pregnancy and to provide specific services for Aboriginal mothers and for children aged up to four years. Another key initiative is the *Aboriginal Family Health Strategy*, which is adapted to the specific needs of local communities to reduce the occurrence of family violence, sexual assault and child abuse in Aboriginal communities.

The NSW Collaborative Centre for Aboriginal Health Promotion adopts a strategic approach for Aboriginal health promotion by fostering leadership and coordination in key areas of capacity building, better practice, workforce development, partnerships and information systems for Aboriginal health promotion at the NSW state level. The Centre works with NSW communities to prevent the social, psychological and physical harms associated with alcohol and other drug use.

Keeping pace with demand

Measures to enable the NSW health system to respond effectively to increasing demand for services have been one of our key priorities in 2005/06. Our focus has been on making sure that health services are available when needed, are effective and coordinated to meet the individual needs of each patient.

We invested in clinical redesign and performance improvement in 2005/06 and this helped to lift performance in a number of key service areas. Emergency department attendances for the year, for example, increased by 9.5 per cent. Admissions to hospital from emergency departments increased by 7.8 per cent, and the number of booked surgical admissions to NSW Health facilities increased by 1.9 per cent. There was also a 2.9 per cent increase in the number of ambulance responses to emergencies during the year watched by an improvement in ambulance response times.

The number of general hospital beds and bed equivalents, including cots and bassinets, in NSW public hospitals increased by 755 to 22,563 at June 2006. This total for general hospital beds and bed equivalents includes the 800 beds announced on 1 May 2005, a number of which were included in the June 2005 total for general hospital beds and bed equivalents.

To help meet increasing and ongoing demand pressures, it was announced in the 2006/07 Budget that funding to open the equivalent of 426 beds would be available in our public hospitals. These beds will expand capacity for elective surgery and other hospital admissions and make it easier for people to access treatment in busy emergency departments.

One of the strategies designed to provide greater ease of access to emergency departments is a program to co-locate after-hours GP clinics in hospitals across the State. This initiative will help to ease the pressure on Emergency Departments and deliver faster care for patients. The *Clinical Services Redesign Program* is one of NSW Health's important reform programs aimed to improve patient access and quality of care in priority areas such as surgery, mental health, cardiology and emergency departments.

Planning Better Health

In July 2004 the then Minister for Health announced the *Planning Better Health Program* which involved a range of administrative reforms. Among these was the abolition of Area Health Boards and the creation of eight Area Health Services managed by Chief Executives reporting to the Director General.

We continued to progress the Planning Better Health Reforms to deliver an estimated \$100 million in administrative savings, which is being directed progressively into frontline health services.

The year in review was the first full financial year of the implementation of these initiatives, which commenced on 1 January 2005.

Incident Management Program

In May 2006 NSW Health released the *Incident Management Policy* as a key component in the incident management process. The policy is part of a statewide *Incident Management Program* that has been adopted to improve the quality of care in our health system and reduce harm to patients. Reporting adverse events is a particular focus of the program and all Area Health Services are now regularly and consistently receiving reports through the *Incident Information Management System*.

The *Incident Management Program* is providing NSW Health with information about system mistakes and failures and is assisting in determining how an incident occurred, why it happened and the underlying causes. Being open with patients and their families when something has gone wrong is an important part of the investigation and learning process.

NSW Health Workforce Summit

In November 2005 the NSW Minister for Health convened a NSW Ministerial Advisory Meeting to respond to the Productivity Commission's study of Australia's health workforce. The Ministerial Advisory Meeting was established to help develop strategies to address the shortage of health professionals, which represents one of the biggest challenges facing the health system. The other key workforce issue is the poor geographic distribution of health professionals. Rural and remote locations have 25 per cent of the population, but only 15 per cent of the GPs. This means that people in country NSW do not have the same level of access to health care as people living in the city.

NSW Health Climate Change Adaptation Project

NSW Health has been funded by the NSW Greenhouse Office to undertake a four year project to examine the impacts of climate change on human health. The aim of the project is to develop an *Adaptive Health Strategy* that better prepares the health system to reduce the burden that climate change will place on peoples health in NSW. The project commenced in 2005/06 and is part of a wider research program undertaken by NSW into greenhouse effects and adaptation strategies.

Summit on multi resistant organisms

The control and prevention of multi resistant infections is an issue facing all modern health systems. NSW Health has established an expert advisory group of leading microbiologists and infection control experts to prepare recommendations on how to improve the prevention

and management of multi resistant organisms in hospitals to protect patients and minimise the spread of infection. The group has been responsible for developing a detailed policy on multi resistant organism control and prevention and providing information for patients and relatives about multi resistant organisms.

In October 2005, a Multi Resistant Organism Summit was held in Sydney to gain consensus on the recommendations proposed by the expert advisory group. The summit was attended by leading experts on antibiotic resistant organisms, health consumers and health care professionals. It focused on the detection and containment of bacteria resistant to antibiotics that can cause serious disease among vulnerable patients in health care settings.

NSW is a national leader in the field of infection control and is the only state in Australia with such a comprehensive, mandatory system of monitoring health care associated infections.

Employment arrangements

An important development in 2006 saw the position of Director General of Health become the employer of all public health system staff, including staff of Area Health Services, statutory health corporations, and the Ambulance Service. This decision of the Government effectively insulated NSW public health system employees from recent federal industrial relations changes.

Future directions and challenges

The major system-wide planning project commissioned to develop long-range future directions for the NSW health system was nearing its conclusion in late June 2006.

In the final stage of consultations, 29 public forums were held around NSW involving over 1,300 people, and 31 consultation sessions were conducted with state-level groups involving over 600 participants. In addition, more than 1,500 individuals and groups forwarded a completed questionnaire or made a submission in response to a consultation document which was widely distributed and also available on-line from the NSW Health website.

All of the input received from members of the community and health staff was analysed and used to help finalise the *Future Directions for Health in NSW – Towards 2025*. These *Future Directions* are in turn being used as the framework for a *State Health Plan* to guide the development of the NSW health system towards 2010 and beyond.

The *State Health Plan* will draw on input from the NSW Health Care Advisory Council, the peak community and clinical advisory body providing guidance to the Government on issues in the health care system, and from the Health Priority Taskforces, which provide advice on policy directions and service improvements in high priority areas of health care.

The shortage of health professionals represents one of the biggest challenges facing the NSW health system and I continue to commit NSW Health to confront this challenge with proactive strategies to train, recruit and retain health professionals to deliver health services in our excellent public health system.

As our health system grows to meet the demands of the NSW population, NSW Health has made a commitment to improving conditions for and increasing the numbers of clinical staff in the State's public hospitals.

Most notable has been the achievements in nursing and midwifery, where the number of nurses working in the public hospital system was 40,456 as at the end of June 2006. This represents an increase of 6,452 additional nurses since January 2002. In the same period, the number of medical staff increased from 5,705 to 6,826.

The greatest asset in our public health system is the team of people, both paid and voluntary, who work to deliver health services to the people of NSW.

The NSW public health system is always well-represented in the list of winners for the NSW Premier's Public Sector Awards and they, together with the NSW Health Awards and Aboriginal Health Awards, are testimony to the hard work and dedication of our staff and their commitment to the communities they serve.

I thank everyone in NSW Health for their contribution over the past year. I also thank those organisations – community, non-government and government – that have worked in partnership with NSW Health to meet the health needs of the people of NSW.

I also thank the Minister for Health, the Hon John Hatzistergos MLC, for his support of NSW Health and its staff.



Robyn Kruk
Director General