Special Commission of Inquiry into Healthcare Funding

Statement of Scott McLachlan

Name:	Scott McLachlan
Professional address:	1 Reserve Road, St Leonards NSW 2065
Occupation:	Acting Deputy Secretary, Health System Strategy and Patient Experience, NSW Ministry of Health

1. I have provided a statement to the Special Commission of Inquiry into Healthcare Funding (**the Inquiry**) dated 9 April 2024 **(MOH.9999.0762.0001**), in my capacity as Chief Executive of Central Coast Local Health District (**LHD**). This, my second statement, accurately sets out the evidence that I would be prepared, if necessary, to give to the Inquiry as a witness. The statement is true to the best of my knowledge and belief.

A. INTRODUCTION

2. I am the Acting Deputy Secretary, Health System Strategy and Patient Experience, NSW Ministry of Health (**MOH**). I have held this role since September 2024. Before acting in this role, I held the position of Chief Executive of Central Cost LHD since 2021, and Chief Executive of Western NSW LHD between 2013 to 2021. An updated copy of my curriculum vitae is exhibited to this statement (**MOH.0010.0736.0001**).

3. In my role, I lead the Health System Strategy and Patient Experience Division, which is responsible for strategic health policy development and interjurisdictional negotiations including national health reform, systemwide planning of health services. The Division also provides statewide guidance on elevating patient experience.

4. This statement intends to address MOH's role in clinical service and capital planning.

B. STRENGTHENING SERVICE AND CAPITAL PLANNING

5. The 2011 NSW Health reform implemented a devolved structure of governance, enhancing local decision making, primarily through the establishment of LHDs, Specialty Health Networks (**SHN**s) and Boards. As a result, general service planning responsibility devolved to LHDs.

6. Part of the Strategic Reform and Planning Branch's (**SRPB**'s) function is to lead and support the process of service and capital planning across NSW Health. Currently, the SRPB provides central review of service plans underpinning major capital investment decisions and provides oversight and management of supra-LHD services. A description

of the work performed by the SRPB is set out at paragraphs [35] to [52] of the statement of Ms Deborah Willcox dated 9 April 2024 (**MOH.9999.0981.0001**).

7. The SRPB has identified the need for MOH to provide greater coordination of clinical service planning and clearer guidance on the clinical service planning functions of LHD and SHN local planning teams.

8. This stronger centralised co-ordination and guidance needs to be implemented in tandem with an uplift of state-wide clinical service, workforce and financial planning capability, to better support LHD and SHN planning staff. The uplift in clinical service planning capability will be progressed by SRPB. The uplift in workforce and financial planning will be progressed by other branches of the MOH, but in co-ordination with SRPB to deliver an improved integrated planning function.

9. Integration of each planning function is required to support the efficient delivery of outcomes and enable more accurate forecasting.

10. Initial discussions with executives and planning teams across LHDs and SHNs about how to strengthen clinical services planning have taken place. Further work needs to be undertaken to understand the service planning capability across the system and strike an efficient balance between central and local resourcing. This will include consideration of clinical service planning functions that are best developed centrally to support efficient system wide clinical service planning, such as planning analytics and horizon scanning. There is, however, an acknowledgement of the need to invest in this work to support NSW Health's *Future Health Strategy*.

11. As a result of those discussions, there is a focus on embedding population level planning in a consistent and co-ordinated way across the NSW Health system, including through integration with other health and health related services. It is intended that this will occur by MOH having an increased role in:

    a. co-ordination of networked and supra-LHD services,

    b. identification and oversight of new technologies and services

    c. focus on investment prioritisation principles

    d. early identification of sustainable, evidence-based models of care

e. providing planning tools, guidelines, data analytics and insights, centralised horizon scanning, technology assessment and evaluation to support the health system.

Co-ordination of networked services

12. Although there is central coordination of certain services such as supra-LHD services, there is opportunity to draw on MOH's statewide visibility of system pressures and potential changes in future service delivery to better inform local clinical service planning processes. Consultations highlighted the importance of understanding current and planned investment or disinvestment across the state when making strategic decisions. However, this is not something that local planning teams have ready access to. Stakeholders see a benefit from a consistent statewide approach to guiding what services should be where and at what levels, to support efficient networking and equity of access.

System oversight of LHD/SHN service plans

13. Timely delivery of service plans can be demanding particularly when pressed by external influences such as government commitments. The provision of adequate time and support are pertinent to the delivery of robust service plans that inform capital investments or development of service models to enhance efficiency. MOH has general oversight to request and prioritise the review of service plans underpinning funded capital projects but will take a greater role in providing direction to LHDs and SHNs to develop service plans and models that enhance service efficiency, effectiveness and sustainability.

14. Statewide coordination of specialised and emerging services is needed to prevent duplication and ensure statewide outcomes, such as equity of service access, are key considerations as new services develop. In taking on a greater planning role, MOH could give further guidance on the expectations and benchmarks for strategically important, future focused service models (e.g. virtual hospitals). Stronger central oversight will ensure consistent investment in enabling infrastructure and a common understanding of workforce needs.

Prioritisation and sustainability

15. While consultation has recognised the value of the Statewide Investment and Prioritisation Framework and 20-year Health Infrastructure Strategy (**20-year HIS**)

principles, more work needs to be done to embed these strategic directions into practice. Reinforcing existing investment principles and strategies can be used to shift the balance between investment in traditional hospital settings and out of hospital care.

16. Model of care selection is a key driver of the investment outcome from a service plan, for example in defining future workforce and infrastructure needs, as well as net zero impact. Current processes lack a clear system for determining the appropriateness, affordability or sustainability of new and existing models of care across different settings. There is opportunity for the MOH to set standards for and collaborate earlier in the identification, development and testing of affordable and sustainable models of care. This process must be evidence-based with MOH able to provide unbiased assessment of locally developed models.

Statewide planning framework

17. The initial consultation and identification of areas for improvement will be used to develop a statewide clinical service planning framework. The framework will clarify the role of the MOH in clinical service planning and guide the prioritisation of statewide service planning work. It will incorporate existing statewide planning elements such as the New Health Technologies and Specialised Services framework, and the Guide to Service Plans Informing LHD/SHN Capital Planning and build on them. This will also inform the focus of clinical service planning capability development. The framework will support achievement of the *Future Health* vision by providing a more structured process to develop and communicate system level guidance on what types and components of care will be delivered differently in the future.

Funding

18. Consultation processes have identified universal support for the MOH to engage earlier in local clinical service planning with LHDs and SHNs, and beyond the current focus of service planning to inform capital investment. Development of the framework to support this is underway, which will inform what additional resourcing will be needed to implement this. Existing functions such as planning analytics, horizon scanning, technology assessment, strategy, change management and evaluation will require a substantial expansion of roles and appropriate resourcing to enable this to be delivered.

C. MODIFIED STRUCTURE OF HEALTH INFRASTRUCTURE AND CAPITAL PLANNING WITHIN MOH

19. A new Division, titled Infrastructure and Asset Management is being established by MOH. The new Division will bring together functions currently managed by the SRPB and Health Infrastructure to create a streamlined approach to capital planning, infrastructure delivery and strategic asset management across NSW. A new dual role of Deputy Secretary, Infrastructure and Asset Management and Chief Executive, Health Infrastructure has been created to govern this Division and lead Health Infrastructure. The Service and Capital Planning Unit, currently within the SRPB, will move to the new Division.

Scott McLachlan

Witness: Avelina Ferreira.

9/12/24

Date

9/12/2024

Date